

INTERNATIONAL GOVERNANCE INSTITUTE

**PUBLIC SERVICE
INTEGRITY TRAINING
PROGRAM**

**A SOURCEBOOK FOR
FOCAL INTEGRITY TEAMS**

IGI 2007

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INTRODUCTION

The International Governance Institute recognizes the importance of an efficient public sector as a major factor in enhancing the economic growth and prosperity of a nation, and to meet the challenges of improving the well-being of its people. To this end, IGI has designed this training tool, in addition to other sets of measures aimed at creating a transparent and accountable public service in partnership with the respective governments.

The Public Service Integrity Training Program (PSITP) has been developed to highlight the salient issues that need to be addressed in creating a public service with zero tolerance for corruption. It is an essential guide for each government department or agency in the identification of opportunities that give rise to corruption. Furthermore, it suggests how to seal these loopholes and transform the culture, attitudes and behaviour of public servants.

Government ministries, departments, parastatals and local authorities have a paramount obligation to play in making the programme's initiatives effective. They will be expected to identify loopholes in the organisations' operations and procedures to detect and deflect opportunities for corruption. In addition, they will be expected to sensitize their members of staff on the importance and means of corruption prevention.

The Programme will be implemented through several components, which are set out in this Sourcebook. The Sourcebook gives guidelines for the implementation of each component, which all taken together should lead to restoration of integrity and good governance in the public service.

For these efforts to be successful throughout the organisation, plans should be made to ensure that all members of staff are aware of, trained in and identify with the corruption prevention plans put in place.

The sourcebook familiarises the user with the causes and consequences of corruption. It also helps to create positive attitudes and the intellectual and moral capacity to serve as an effective change agent. The Sourcebook will further guide the organisation on how to carry out corruption risk assessment, to develop or refine and implement codes of conduct; review and improve the organisational culture and ethical behaviour; disseminate anti-corruption and integrity messages; develop and implement corruption prevention plans; incorporate best practices in financial and human resource management; and monitor and evaluate their projects.

Module One defines corruption, highlights its causes and the effects of corrupt practices on society. The module further identifies the benefits of preventing corruption and corruption prevention efforts.

Module Two discusses areas prone to corruption in the workplace and defines the means to assess and manage risks for corruption.

Module Three defines measures for promoting integrity and ethical behaviour at the workplace through the use of a corruption prevention plan.

Under Module Four, the meaning of organizational culture and behaviour is defined. It further defines ethics and integrity and how an organizational culture evolves and how it can be managed to enable staff to create positive culture and behaviour.

Module Five provides strategies for developing and adopting institutional and departmental codes of conduct for guiding public servants to deal with ethical problems. The codes of conduct complement other professional codes of ethics or broader codes of ethics or rules and regulations such as the civil service code of regulations and or the Public Service Code of conduct in promulgation.

Module Six explores avenues and opportunities for corruption in various personnel management areas and provide strategies for sealing the loopholes in order to prevent corruption.

Module Seven identifies areas that provide opportunities for corruption practices in financial management and how to promote integrity in financial management.

Module Eight discusses methods for promoting integrity and preventing corruption by improving project planning, management, monitoring and evaluation. The module demonstrates that inadequate planning and lack of accountability lead to ineffective and inefficient use of project resources. Failure to deliver expected results leads to perceptions of unfairness and raises suspicions of corrupt practices.

I, on behalf of the IGI members express my gratitude to the support given by staff from the World Bank Kenya, Kenya Institute of Administration, Kenya Anti-Corruption Commission and Directorate of Personnel Management in the development of this training manual. Your advice, provision of material and guidance through the process is highly appreciated. I am sure this important tool will go along way in transforming the work ethic of public servants in many parts of the world, which will in turn yield great benefits to the suffering poor.

Thank you so much!

Sakwa Buliba

IGI Secretary, Nairobi 2007

Module One

The Concept Of Corruption

1.1. Introduction

Welcome to the first module of this Sourcebook. In this Module we are going to define the term "corruption". We will then try to point out what causes corruption and the effects of corrupt practices on society. Finally we will highlight the benefits of preventing corruption and outline some indicators of successful corruption prevention efforts.

1.2. General Objective

The general objective of this Module is to sensitise the participant/user on the concept of corruption and the importance of its prevention.

1.3. Specific Objectives

By the end of the Module, the participant should be able to:

- (a) define the term "corruption",
- (b) state the causes of corruption,
- (c) explain the effects of corruption,
- (d) identify and describe the benefits of preventing corruption, and
- (e) state the indicators of successful corruption prevention.

1.4. What Is Corruption?

There is no universal definition of corruption. This is because it manifests itself in different ways and forms in different environments and contexts. Accordingly, the definition of corruption is influenced by the background, opinion and experiences of the individual examining the phenomenon. The following are a few examples of definitions of corruption obtained from different sources:

Abuse of socially accepted norms.

Evil, immoral or wicked behaviour.

Unlawful acquisition of property at the expense of the public.

Misuse of office or authority for the benefit of an individual or a group through coercion, undue influence, misrepresentation, falsification, dishonesty or any other improper acts or means in breach of laws, regulations and the rules in force.

General Olusegun Obasanjo, President of Nigeria, defines corruption as:

"the misuse of public office for private profit or advantage, acts of commission and omission in your employment resulting in loss or disadvantage to your employer and private gain to you or any other person associated with you" (Obasanjo, 1994).

The World Bank defines corruption as:

" the abuse of power, most often for personal gain or for the benefit of a group to which one owes allegiance. It can be motivated by greed, by the desire to retain or increase one's power or, perversely enough, by the belief in a

supposed greater good ... While the term 'corruption' is most often applied to abuse of public power by politicians or civil servants, it describes a pattern of behaviour that can be found in every sphere of life" (Stapenhurst and Sedigh, 1999).

For operational purposes, corruption is defined as:

" The abuse of authority for personal advantage or for the advantage of another person or groupand includes; bribery, theft, embezzlement , fraud and evasion of payment of Government revenue and taxes"

1.5. Causes of Corruption

There are many factors that may cause corruption. We shall identify and discuss only a few major ones:

1.5.1. Political Patronage, Influence and Favouritism

Under this category, we can include:

- (a) appointments to public offices made on political consideration rather than merit;
- (b) practice of tribalism and nepotism; and
- (c) political interference with the management of public service and institutions, and allocation of resources.

1.5.2. Weak Civil Society and Social Empowerment

Some examples of this are:

- (a) passive public- citizens who do not complain about corruption and corrupt practices; and
- (b) lack of independent civil associations (e.g. Taxpayers' Associations) to fight corruption.

1.5.3. Lack of Professional Integrity

There may be lack of professional integrity amongst the professionals themselves or in relation to the public they serve, for example:

- (a) failure to adhere to professional ethics and standards; and
- (b) lack of professional integrity among peers.

1.5.4. Lack of Transparency and Accountability

This includes lack of transparency and accountability in:

- (a) public investments decisions;
- (b) public procurement and disposal of public property;
- (c) personnel management; and
- (d) financial management systems and reporting.

All these factors, in turn, result in monopoly of decision making.

1.5.5. Inefficient Public Sector

Some factors contributing to inefficient public services include:

- (a) poor remuneration in general, which tends to tempt employees to engage in corrupt practices;
- (b) outdated technology, which creates loopholes for corruption;
- (c) conflicts of interest due to engagement in private business by public servants;
- (d) lack of codes of conduct for the public service;
- (e) complex and complicated government structures and procedures; and
- (f) inversion of the roles of master/servant between the public and the public servants so that the public servant becomes the master instead of the servant.

1.5.6. Failure to fully implement proposals and recommendations of watchdog institutions such as:

- (a) Controller and Auditor-Generals,
- (b) Parliamentary Investigative Committees,
- (c) Public Accounts Committees, and
- (d) Efficiency Monitoring Agencies.

1.6. Effects of Corruption

Corruption affects both the nation and the individual. Let us first note how corruption affects us at the national level.

1.6.1. National level

At the national level corruption may lead to serious economic problems, erosion of the law and lowering of professional standards.

1.6.1.1. *Poor Economic Performance* Corruption at the economic level will manifest itself in:

- i) slowing down the growth of the economy, leading to unemployment and an increase in poverty
- ii) unplanned, misdirected expenditure on projects, resulting in huge losses;
- iii) currency fluctuation and increased inflation and interest rates;
- iv) increased taxation burdens on Kenyans;
- v) increased prices for goods and services.

1.6.1.2. *Disregard for Standards and the Pillars of Integrity*

This will lead to:

lack of respect for the rule of law, and
sub-standard work, services and products.

1.6.1.3. Loss or Withdrawal of International Aid Rampant corruption practices in a recipient country may negatively influence decisions taken by donor countries which will result in:

- i. international development partners and donors becoming unwilling to maintain aid programmes, and
- ii. stalled projects.

1.6.1.4. Looting of Public Resources

Looting of public resources will affect all services and will lead to:

- i. huge losses through fraud, theft and embezzlement,
- ii. reduced resources available for public services resulting in:
collapsed infrastructure, poor sanitation and housing, lack of quality education, and lack of quality healthcare.

1.6.2. Individual Level

At the individual level, corruption will boil down to:

- (a) loss of confidence in the ability of the public service to provide adequate services;
- (b) increased insecurity in the community;
- (c) low purchasing power;
- (d) having to pay higher or exorbitant prices for goods and services;
- (e) general moral decay in the society due to the erosion of values and standards;
- (f) receiving sub-standard services and products; and
- (g) engagement in illegal activities such as giving bribes to get licences, or for telephone or electricity connection.

.7. Benefits of Preventing Corruption

Some benefits of corruption prevention are:

1.7.1. Economic growth

If corruption is eradicated, there will be:

- (a) a conducive environment for business and job-creation, and
- (b) improved economic performance.

1.7.2. Increase in domestic and foreign investment

The immediate benefit of increased investment is:

- (a) reduction of poverty, mainly through creation of employment opportunities, and
- (b) improved business performance.

1.7.3. Improved social behaviour/moral standards

This will be the result of strict adherence to laws, rules and codes that ensure civil conduct.

1.7.4. Development assistance partners regaining confidence

This will lead to increased aid which will boost the economy of the country.

1.7.5. Effective, responsive, responsible, fair and efficient public service

This will raise the morale of the general public.

1.8. Indicators of Successful Corruption Prevention Efforts

The following are indicators that corruption prevention efforts have been successful.

1.8.1. Improved private sector activities in:

- (a) manufacturing,
- (b) commerce/trade,
- (c) construction, and
- (d) agriculture.

1.8.2. Improved infrastructure leading to:

- (a) better roads, railways, waterways, airways, and
- (b) more efficient communication network.

1.8.3. Efficiency in the delivery of public services, for example in:

- (a) licensing and regulatory services,
- (b) healthcare,
- (c) education, and
- (d) all extension services.

1.8.4. Efficient and effective administration of justice.

1.8.5. Respect for the rule of law.

1.8.6. Better personal and public safety and security.

1.8.7. Reduced public complaints.

1.8.8. Reduced number of corruption cases for investigation and prosecution.

1.8.9. Stable, predictable economic policies and patterns (e.g. reliable

inflation rates, interest rate forecasts and trends).

1.9. Summary

There is no comprehensive definition of corruption. However, it is important to recognise that corruption can be found in all spheres of life and that all forms of corruption are evil and harmful.

There are various factors, which have created loopholes, avenues and opportunities for corruption. Its effects are always negative.

Prevention has beneficial results, which can be identified. Urgent attention and priority need to be given to prevention efforts if these benefits are to be realised.

Module Two

Corruption Risk Assessment and Management

2.1. Introduction

Corruption risk assessment and management is an essential part of an organisation's corruption management plan.

2.2. General Objective

The general objective of this Module is to enable the participant to identify areas prone to corruption in the workplace, and to assess and manage risks.

2.3. Specific Objectives

By the end of the Module, the participant will be able to:

- (a) explain what corruption risk assessment and management entails;
- (b) explain the importance of risk assessment and risk management at the workplace;
- (c) identify organisational systems, procedures, and operations that are most vulnerable to corruption;
- (d) outline and discuss guidelines for corruption risk assessment in the organisational systems, procedures and operations; and
- (e) outline and discuss guidelines for corruption risk management.

2.4. Role of Risk Assessment and Risk Management

Risk assessment and risk management play a very important role in the corruption prevention plan. They involve:

- (a) identifying what may go wrong in an organization when corruption occurs;
- (b) identifying the areas of the organization that are most vulnerable to corruption; and
- (c) putting together procedures and systems to seal any loopholes that may allow corruption to take place.

2.4.1. Risk assessment

Risk assessment is important in an organization because it will assist the management to identify:

- (a) the areas where corruption might occur in the organisation,
- (b) the degree of likelihood of it happening,
- (c) the likely consequences of corruption if it occurs in the organization.
These may include:
 - i. financial risks, ii. public embarrassment, and iii. waste of time and resources in dealing with corrupt conduct.

2.4.2. Risk Management

Risk management involves coming up with policies and procedures to seal off the corruption loopholes in order to prevent or eliminate corruption.

2.5. Potential Risk Areas

The following are examples of potential risk areas in many organisations/departments.

2.5.1. Personnel

Often, personnel present the highest risk factor of an organisation.

2.5.1.1. *Selection, Recruitment, Promotion and Career Development*

Some organisations do not have proper laid down procedures, rules and regulations on the selection, recruitment, promotion and career development of their staff. Where they exist, they are at times ignored deliberately. This may result in:

- i. wrong selection of personnel,
- ii. choices made because of favouritism,
- iii. nepotism,
- iv. tribalism,
- v. discrimination against deserving staff,
- vi. political patronage influencing choice of staff to be recruited or promoted,
- vii. wrong attitude towards work (by those wrongly recruited or promoted),
- viii. over-employment,
- ix. inefficiency at all levels,
- x. haphazard promotion in disregard of acceptable criteria, and
- xi. unsatisfactory career development for deserving staff.

2.5.1.2. *Training and Reward System*

If consideration for training is not based on any laid down procedures this may result in:

ineffective training programmes,
favouritism in selection of candidates for training, and
rewarding undeserving cases.

2.5.1.3. *Discipline and Disciplinary Action* This is a high risk area and prone to corruption. For example, disciplinary action meted out selectively leaves workers in doubt as to its effectiveness and usefulness.

2.5.1.4. *Irregular payments*

Irregular payments may occur as a result of:

- i. poorly maintained records,
- ii. lack of supervisory checks in the payroll,
- iii. flawed systems, and
- iv. overpayment of salaries and allowances.

2.5.2. Information System

Today, most organizations have computerized their systems and operations. For that reason there is need to devise ways and means of restricting un-authorized access to classified information in order to prevent:

- (a) unauthorized access to stored information,
- (b) deletion of sensitive materials, and
- (c) un-authorized use of the information system (this could further remove the risk of unauthorized users introducing elements that may destroy the system, for example with a computer virus).

2.5.3. Registry

The registry holds very important records of any organization. As such, it is an area prone to corruption. There is need to protect registries against:

- (a) unauthorized access,
- (b) theft of files,
- (c) deliberate misplacement of files,
- (d) destruction of files by such things as fire and water,
- (e) unlawful destruction of classified information, and
- (f) tampering with records.

2.5.4. Supplies and Procurement

This is a high risk area and prone to corruption. Therefore, in every organization there should be clear and adequate procedures to ensure transparent and impartial handling of:

- (a) tenders and tender documents,
- (b) contracts and contract processes,
- (c) acquisition and disposal of assets, and
- (d) hire of public resources for private use.

In addition to the above, there should be guidelines on how to handle gifts and benefits. The organisation should declare to suppliers and clients that gifts are prohibited. The staff should adhere to the organisation's rules and regulations which prohibit receiving gifts and other benefits.

2.5.5. Licensing Procedures

The following are potentially high risk areas for corruption activities in an organization or department. This is because of the provisions allowing the use of discretion. Discretion often leads to corruption and abuse of office especially in areas such as:

- (a) registration of motor vehicles,

- (b) registration of societies and companies,
- (c) issuance of passports,
- (d) registration of persons,
- (e) registration of births and deaths,
- (f) issuance of land title deeds,
- (g) issuance of trade licenses, and
- (h) issuance of firearm certificates.

In order to minimize risks in any one of the above areas, the organisation requires an effective code of conduct or policy to guide its employees.

2.5.6. Financial Systems

Financial risk areas and operations in any organization may include:

- (a) payment for goods and services,
- (b) imprest allocation,
- (c) petty cash,
- (d) travelling and accommodation,
- (e) transfer allowances,
- (f) subsistence allowances,
- (g) cash donations, sponsorship and harambee contributions, and (h) direct theft from the cash office or revenue received.

The organisation should, therefore, put in place clear measures of handling each of the above issues to minimize the risks. Where possible, all payments should be by cheque.

2.5.7. Sponsorship by Private Sector

Private sector sponsorship to the public sector is a way of buying goodwill and forms part of the private sector's marketing strategy. Sponsorship is likely to be abused and may lead to corruption. It is important for organisations to have sponsorship policies and procedures, which make sure that honesty and integrity are built into the decision-making process. The sponsorship policies should clearly spell out:

- (a) the aims and objectives of sponsorship,
- (b) ethical issues to be considered before sponsorship is accepted,
- (c) monitoring and reporting procedures,
- (d) accountability mechanisms, and
- (e) evaluation methodology.

2.5.8. Use of Equipment and Resources

Organisations should develop guidelines on the use of public equipment for private use in the following corruption risk areas:

- (a) office stationery & equipment
- (b) motor vehicles,
- (c) telephones, and
- (d) private hire of organisational resources and personnel.

In acknowledging that the above are high corruption risk areas that are easily exploited, organisations must put in place effective policies to seal corruption loopholes/ opportunities and to handle any malpractices.

2.5.9. Unwritten/Ambiguous Policy and Authority

Organisational performance and effectiveness have been adversely affected by the application of unwritten/ambiguous policies and authority such as:

- (a) Orders from "above",
- (b) Verbal instructions not based on organizational policy,
- (c) Political interference in appointments, promotions, transfers, punishments, awards, dismissal of members of staff,
- (d) "National outlook regional balance" requirement,
- (e) Engagement of public servants in private business, and
- (f) Lack of role model(s).

Organisations should have a clear written policy to address all the areas above and any others that relate to work. The policy should be known by all staff, irrespective of position.

2.6. Guidelines For Corruption Risk Assessment

There are several major elements or steps you need to follow while undertaking a corruption risk assessment, which we shall discuss now.

2.6.1. Identifying the Major Functional Areas

Classify the main business areas of the organisation such as:

- (a) Registry,
- (b) Typing pool,
- (c) Telephone exchange,
- (d) Computer room,
- (e) Supplies,
- (f) Accounts,
- (g) Cash office, and
- (h) Transport and maintenance office.

The corruption risks will differ depending on the functions performed in any particular area of the organization.

2.6.2. Identifying risks for each functional area and assessing the extent of the risks

Having identified the functional areas of your organization, your next step will be to look at each one of them and note what possible risks they may carry.

The aim here is to generate a list of all possible risks in the organisation and clearly document what each one involves. The staff should understand exposure and risk factors relevant to the systems, functions and operations in their area of work. Compare what other organisations with similar functions have done successfully and use the findings as examples to help develop your own list. Alternatively, conduct a physical security survey and attempt to answer the following questions:

- (a) What could go wrong?
- (b) Why could it go wrong?
- (c) What consequences could there be if it went wrong?
- (d) What areas of the organization may be vulnerable?

2.6.3. Identifying responses to risk areas

There are three (3) broad strategies of dealing with risks and their consequences:

- (a) *Risk prevention and detection:* Try to eliminate sources and avenues of corruption, and
- (b) *Impact mitigation:* Aim at minimizing consequences of the risk.
- (c) *Risk acceptance.* Accept the risk, either because it cannot be avoided or the costs of doing so would not be worthwhile.

2.6.4. Selecting the best response

Consider the relative effectiveness and costs of different options for managing specific risk areas.

.7. Guidelines for Corruption Risk Management

In formulating guidelines, the following steps need to be observed:

2.7.1. Developing risk action schedules

Develop risk action schedules for each area of risk. In the schedule specify:

- (a) who is responsible for implementing and monitoring the changes or improvement,
- (b) the time frame to be followed, and
- (c) what managers should do to ensure that the plan is feasible.

2.7.2. Documenting a risk management plan

The risk management plan should be clearly documented and should include the following:

- (a) the risk management process,
- (b) methods to be used in conducting the risk assessment,
- (c) strategies to be used to reduce and control risk and how these strategies will be implemented,
- (d) time frames,
- (e) reporting requirements,
- (f) training programmes to be provided to staff, and
- (g) how the organization plans to implement its anti-corruption programmes.

2.7.3. Implementing the risk management plan

In order for the plan to be workable:

- (a) all staff should be involved in the risk management process,
- (b) the plan should be clearly explained to the staff, contractors and suppliers,
- (c) an internal reporting system should be put in place, and
- (d) a database for storage of corruption reports and statistics should be provided.

2.7.4. Reviewing and Evaluating

The risk management plan and its implementation have to be regularly reviewed to reflect any changes. Monitor the effectiveness of your risk management strategies.

State clearly who is responsible for monitoring the plan and how often the review will be carried out.

2.8. Checklist For Risk Assessment And Management

The following checklist will help you to determine the progress you have made in conducting corruption risk assessment and management, and highlight areas that need attention:

- n is there up-to-date information about the risks of corruption in each area of your organisation?
- n Have the risks in each area been assessed and ranked?
- n Have you evaluated existing system control(s)?
- n Have you considered the relative effectiveness and cost of different options for managing specific risk areas?
- n Have you developed risk action schedules to manage priority risks?

- n Is there a clearly documented risk management plan?
- n Does the plan include details of how the risk assessment was done and the strategies to be used to reduce and control corruption risks in the organisation?

Has the risk management plan been presented to and endorsed by senior management?

Has your organisation established a database to store corruption reports and statistics?

Are resources available to implement fully the risk management plan?

Is the effectiveness of the risk management strategies regularly monitored?

Are risk assessment strategies reviewed every 3 to 5 years?

Do members of the public have quick and easy access to information that they are entitled to?

Is access to confidential information strictly limited?

Has the organization developed and implemented policies and procedures for protecting confidential information?

Do the staff understand and follow correct procedure for using passwords?

Do your computer systems provide full audit trails?

Are all staff aware of the need for ethical conduct in the handling of personal and confidential information?

Module Three

Development of a Corruption Prevention Plan

3.1. Introduction

So far, we have noted that corruption is a scourge which has eaten into the fabric of our society. Just as is the case with any other disease, prevention is always better and cheaper than cure.

To stop further spread of corruption, we should put in place preventive measures to minimise and to eventually eliminate it.

3.2. General Objective

The general objective of this Module is to sensitise participants and to promote integrity and ethical behaviour in their departments through a corruption prevention plan.

3.3. Specific Objectives

By the end of the Module, the participants should be able to:

- (a) define the term "corruption prevention plan",
- (b) discuss the importance of a corruption prevention plan,
- (c) explain the factors to be considered in the development and implementation of a corruption prevention plan,
- (d) outline guidelines and strategies for corruption prevention plan development, and
- (e) outline the points to consider when reviewing and evaluating corruption prevention.

3.4. Definition of a Corruption Prevention Plan

We can define a corruption prevention plan as efforts and resources directed towards sealing loopholes that induce corruption. This also includes devising strategies to change organisational features that allow corruption to occur, and remain unnoticed or unreported.

The plan focuses on existing roles, responsibilities and policies, and sets priorities for any necessary improvements and changes.

3.5. Importance of Corruption Prevention

It is important that each organisation and government department develops their own corruption prevention plan. This plan will ensure that persistent and consistent corruption prevention initiatives are maintained in the organisation. This will, in turn result in:

- (a) better provision of services,
- (b) better infrastructure,
- (c) improved health and education services,
- (d) improved security,
- (e) increased employment, better remuneration,
- (f) reduced poverty,

- (g) improved profitability in agriculture, industry,
- (h) reduced taxation, better revenue collection,
- (i) overall economic improvement, and
- (j) higher standards of living.

3.6. Factors to Be Considered in the Development and Implementation of a Corruption Prevention Plan

Factors to be considered when developing and implementing a corruption prevention plan include the following:

- (a) role of management
- (b) role of staff
- (c) resources required
- (d) networking.

We shall now discuss each one of these factors in some detail.

3.6.1. Role of Management

The management should be aware of the importance of the corruption prevention plan and the need to commit resources and efforts in order to develop and sustain it. Managers with particular responsibilities for the development and implementation of a corruption prevention plan need to know:

- (a) what their specific responsibilities are, and
- (b) the time frame for implementing the responsibilities.

3.6.2. Role of Staff

Staff involvement when developing the plan is important because:

- (a) members of staff are in a better position to identify where corruption opportunities exist and how they can be minimized
- (b) they can own the plan and make sure that the document is realistic and effective.
- (c) the corruption prevention plan is more likely to work effectively if staff:

- i. have been part of the formulation process, ii. can see the benefits of the plan for
- iii. can clearly tell that management is serious about preventing corruption.

3.6.3. Resources

The allocation of sufficient resources is essential to the success of a corruption prevention plan. The management should make time, provide the necessary support for all corruption prevention initiatives, make good use of their influence in the organization and be able to encourage the rest of the staff to fulfil their responsibilities.

To be able to develop and implement a cost-effective plan:

- (a) there must be total commitment from the top, and
- (b) sufficient resources must be allocated.

3.6.4. Networking

There should be networking in areas or units within the organisation and also with other organisations for the purpose of:

- (a) sharing expertise,
- (b) discussing issues, and
- (c) pooling ideas.

3.7. Guidelines For Developing a Corruption Prevention Plan

The guidelines should be tailored to the organisation's own internal and external environments and the level, nature and forms of corruption risks it may be exposed to. They must be needs-based, cost-effective and integrated into the wider comprehensive policy of the organisation.

The guidelines should include:

- (a) improving systems, controls, practices and procedures so that corruption loopholes are sealed,
- (b) changing the attitudes and behaviour of staff, for example, through strict adherence to the Code(s) of Conduct,
- (c) incorporating a corruption prevention focus in the existing cultures, policies and procedures,
- (d) increasing accountability of staff,
- (e) encouraging and promoting more effective administration,
- (f) tightening security arrangements/measures in various operational areas or procedures, and
- (g) setting a timetable for developing and implementing corruption prevention strategies.

3.8. Strategies for Developing a Corruption Prevention Plan

The following strategies are necessary in the development of a corruption prevention plan.

3.8.1. Comprehensive and integrated policy

Develop and distribute a comprehensive and integrated policy on corruption prevention.

The policy should:

- (a) outline the organisation's position on corruption,
- (b) set aims and objectives,
- (c) draw together existing policies and procedures that relate to corruption

- prevention, and
- (d) outline where further work needs to be done to minimise corruption risks.

3.8.2. Responsibilities

Clearly define who is responsible for preventing and detecting corruption in your organisation and for implementing different aspects of the corruption prevention plan.

The internal audit or fraud prevention units of the organisation have a significant role to play in corruption prevention, but this does not reduce in any way the responsibilities of other managers and staff. The roles of the management, the corruption prevention committee and the Anti-Corruption Programme Coordinator are outlined below.

3.8.2.1. Management

The management should acknowledge that corruption does exist and may occur within their areas of responsibility. They should also appreciate the benefits of corruption prevention strategies and ensure their implementation as a way of improving organisational performance.

The responsibilities of management should include:

- i. corruption prevention and detection,
- ii. setting ethical standards and providing staff with guidance and support, and
- iii. setting up a corruption prevention committee made up of key personnel from different areas of the organisation.

3.8.2.2. Corruption Prevention Committee The Accounting/Authorized Officer/Chief Executive will head the Committee. Membership and composition will be as follows:

Chairman - Accounting /Authorized
Officer/Chief Executive Members - Heads of
Departments Secretary - Integrity Assurance Officer

The Committee may have the following responsibilities among others:

- i. setting priorities in the prevention of corruption;
- ii. ensuring all corruption prevention initiatives are integrated within the organisation;
- iii. receiving and reviewing reports on corruption prevention initiatives and recommending appropriate action,
- iv. co-ordinating corruption prevention strategies;
- v. considering and approving internal training on the Public Service Integrity Programme for staff within the organisation so that they are able to

- vi. fulfil their corruption prevention responsibilities; and ensuring that all decisions and policies on corruption prevention are communicated effectively to all levels of staff.

3.8.2.3. Integrity Assurance Officer An officer in the organisation shall be selected trained and assigned duties of offering technical expertise to the organisation on implementing corruption prevention activities. This officer should be well informed on current issues on corruption prevention. The officer will have the responsibility of assisting the Chief Executive and the Corruption Prevention Committee to:

- i. carry out corruption risk assessment and initiate action in response to corruption risk assessments,
- ii. establish a timetable for implementing corruption prevention strategies and monitoring progress, and
- iii. coordinate and facilitate the implementation of corruption prevention programmes.

3.8.3. Corruption Risks

Review all functions and operations and assess the nature and level of corruption risks in each area. In order to prepare a proper corruption prevention plan, a review of all functions and operations should be carried out to assess the nature and level of corruption risks.

3.8.4. Staff Awareness Programme

Develop an awareness raising programme, focusing on the staff understanding of and commitment to corruption prevention. When formulating the programme, the following should be considered:

- (a) staff should know the standard of behaviour expected of them, the consequences if they do not comply with the standards, their responsibilities to report corrupt conduct and the procedure for doing this; and
- (b) staff at all levels need to play a part in continually trying to improve the practices, procedures and systems of the organisation and in promoting an ethical culture at the workplace.

3.8.5. Customer Awareness Programme

Promote awareness among customers, clients, collaborating institutions, and partners on corruption prevention. The community should be made aware:

- (a) that corruption within the organisation is not acceptable,
- (b) that complaints made will be dealt with appropriately,
- (c) of the services or goods it offers, at what time and place, costs, conditions,

- and
- (d) of the achievements realized as a result of corruption prevention.

3.8.6. Reporting Systems

Develop effective internal and external reporting systems. Once set up, these systems will ensure articulation of the reporting procedures and guarantee protection.

3.8.7. Policies and Procedures for Suspected Corruption

Develop expertise and appropriate policies and procedures for handling and investigating suspected corruption. The purpose of these policies and procedures is to:

- (a) detect, investigate and handle suspected corruption competently,
- (b) establish a secure database to store corruption reports and statistics, and
- (c) identify patterns which could indicate systems weaknesses.

3.8.8. Linking the Corruption Prevention Plan

Formalise and document a corruption prevention plan and explicitly link it to other organisational plans. The plan should include details such as:

- (a) the organisation's policy on corruption prevention,
- (b) the methods used to assess the risks of corruption within the organisation,
- (c) the corruption prevention strategies to be used to reduce and control the identified risks,
- (d) the responsibilities that various members of staff have in the implementation of these strategies,
- (e) the policies that need to be developed or amended,
- (f) time frames and resources needed,
- (g) reporting requirements,
- (h) training and awareness raising programmes to be provided for staff, and (a) monitoring and evaluation strategies.

The corruption prevention plan must be supported and endorsed by the management as it belongs to them.

3.9. Review of the Corruption Prevention Plan

Policies and procedures of the corruption prevention plan should be regularly reviewed and updated to ensure that they:

- (a) are clear,
- (b) include adequate accountability mechanisms, and
- (c) are sufficiently corruption resistant.

3.10. Checklist For Corruption Prevention Plans

The following is a checklist that will help you assess the current situation in your organisation and assist you in successful development and/or implementation of corruption prevention plans.

- n Does your organisation have a comprehensive and integrated policy on corruption prevention?
- n Does the policy clearly define the level at which each staff member is responsible for corruption prevention?
- n Have you involved executive, operational managers and staff in the development of the corruption prevention plan?
- n Has a range of appropriate corruption prevention strategies been developed and implemented in response to identified needs?
- n Has the organisation implemented a corruption awareness and culture change programme?
- n Have you assessed the effectiveness and impact of this programme?

- n Does the organisation have a corruption prevention plan which has been approved and supported by senior management?
- n Do you have clear procedures for reporting corrupt conduct to external authorities?
- n Are there procedures for handling the initial investigation of suspected corruption?
- n Do the organisation's policies and standards on discipline complement and support the corruption prevention plan?
- n Does the organisation have a secure database for corruption reports?
- n Do you include information about corruption prevention in the organisation's reports?
- n Are all corruption prevention strategies regularly reviewed, evaluated and any necessary improvements or amendments made?

MODULE FOUR

Organizational Culture and Ethical Behaviour

4.1. Introduction

This Module looks at the meaning of organisational culture and behaviour, the meaning of ethics and integrity, how an organisational culture evolves and how it can be managed.

4.2. General Objective

The general objective of this Module is to enable staff to create positive organisational culture and behaviour.

4.3. Specific Objectives

By the end of this Module the participant will be able to:

- (a) define the terms:
 - i. organizational culture, and
 - ii. ethics,
- (b) describe how organisational culture evolves,
- (c) list down factors that affect organisational culture,
- (d) explain the effects of organisational culture and behaviour on performance,
- (e) point out what constitutes ethical behaviour in an organisation, and
- (f) list down the guidelines in managing organisational culture and behaviour.

4.4. Definition of Operational Terms

In this Module we are going to discuss the terms "organisational culture" and "ethical behaviour". We need to be able to interpret these terms in a similar way to avoid misunderstanding. Therefore/we shall begin by defining these terms.

4.4.1. Organisational Culture

An organisational culture can be described as a set of understandings, values, beliefs, assumptions, attitudes or meanings shared by a group of people, to produce behavioural norms in that organisation.

4.4.2. Ethics

Ethics can be said to be a set of standards of what is right or wrong against which we base our decisions. In the work place, there are certain behaviours, which could be termed ethical or unethical.

The ethical culture of an organisation, that is, its shared understandings, values, beliefs, assumptions, attitudes and meanings, operate in a variety of levels, and are used by individuals or groups to make decisions, to justify these decisions, and to evaluate outcomes.

4.5. How an Organisational Culture Evolves

The process of creating, shaping, and embedding a culture is simultaneously a teaching and a learning process.

The founders of an organisation, or the top-level managers typically form a core group that shares a common vision. They then become the prime movers in creating the organisation's culture. As new members join the organisation, they pick up the attitudes and practices that have been already established, that is, they follow the saying, "When in Rome, do as the Romans do".

Thus, an organisation's culture is the direct or indirect result of actions taken by the founders or top-level managers. It may be positive or negative in character. Some of the negative organisational practices that exist in the public service and which have developed into a recognisable culture are:

- (a) using of public offices for personal gain,
- (b) lack of commitment to work,
- (c) giving and receiving bribes,
- (d) lateness and unauthorized absenteeism,
- (e) nepotism and tribalism,
- (f) appointments based on other considerations, rather than merit,
- (g) disregard or downplaying of formal structures, rules, and regulations, (h) emergence of powerful informal "know - who" and "Godfather" networks, and (i) myths of losing one's job if one does not succumb to requests which violate rules and regulations.

4.6. How to Identify Organisational Culture

The following are some guidelines which can be used to identify an organisation's culture:

- (a) examine the organisation's vision, mission and core values,
- (b) review all organisation's documents such as annual reports, newsletters and policy papers,
- (c) look at interview records and correspondences,
- (d) hold discussions with a range of staff to give them opportunities to raise and discuss irregularities,
- (e) use written questionnaires to find out about general attitudes towards corruption, and
- (f) observe and note how staff feel, think, and act about various organisational issues such as promotion, procurement and so on.

4.7. Factors Affecting an Organisation's Culture

We need to institute best practices in our work place in order to positively influence the culture of our organisations. Some of the factors that should be addressed in order to enhance a positive organisational culture are:

- (a) the nature of work performed by the individual in the organisations working conditions,
- (b) remuneration packages,

- (c) job satisfaction/dissatisfaction,
- (d) individual personality,
- (e) peer influence,
- (f) leadership styles,
- (g) management practices,
- (h) communication,
- (i) policy on ethical standards,
- (j) mission statements, objectives, and
- (k) organisational structures.

4.8. How Organisational Culture and Behaviour Affect Performance

The ethical standards of an organisation's culture have an impact on staff in various ways, for example in: job satisfaction, commitment, stress and turnover.

The nature of the organisational culture may also help or obstruct the implementation of policies and procedures. This is because the culture of the organisation:

- (a) influences employees' behaviour through enforcing already existing patterns, whether positive or negative;
- (b) influences the employees' behaviour through the standards that have been set, whether high or low;
- (c) influences organisational strategies, integration of technologies, intergroup conflicts, communication, and socialisation;
- (d) influences the degree of analysis and understanding of organisational dynamics;
- (e) determines how organisations solve their problems of internal integration; and
- (f) determines how organisations solve their problems of external adaptation.

The combination of all these factors will have either positive or negative influence on the overall performance of the employees.

4.9. Managing Organisational Culture and Behaviour

Once an organisational culture begins to develop, a number of practices help to solidify the acceptance of core values and maintenance of the culture.

These practices can be described in terms of socialisation steps as follows:

- (a) *selection at entry* - careful selection of new employees into the organisation;
- (b) *placement on the job* - careful deployment of staff to ensure new personnel acquire the right values and behaviour;
- (c) *measuring and rewarding performance* - appraisal of staff should be tied to performance;

- (d) *adherence to important values* - employees should adhere to and identify with core values of the organisation;
- (e) reinforcing traditions that promote the values of the organisation; and
- (f) *recognition and promotion* - recognition of individuals who do well in their jobs and promoting them.

4.10. Positively Influencing Organisational Culture and Behaviour

Where there is need to change or influence organisational culture and behaviour, the following guidelines may be considered:

- (a) assess the current culture,
- (b) provide a clear picture of what you want to "prune", and what you want to "grow", that is, the new culture,
- (c) capture, build and maintain a loyal core group of adherents to the new culture, that is, those with a shared mindset on aspects of the current culture that must change and those who hold similar perceptions about the new culture,
- (d) recruit personnel with values and attitudes that would enhance the new culture,
- (e) make changes from the top down - obtain a commitment of key top managers,
- (f) include all employees in the culture change process,
- (g) remove those things that remind personnel of the previous negative culture,

- (h) expect to have some problems - encourage those people who would rather leave than change with the new culture to move out,
- (i) quickly defuse resistance to the new culture,
- (j) visibly reward the pioneers who embrace the new culture,
- (k) remain firm and persistent, and
- (l) allow expressions of nostalgia and grief for the past; then create excitement about the new culture - that is, zero tolerance for corruption.

4.11. What Constitutes Ethical Behaviour in an Organisation

The following are examples of ethical behaviour when organisational culture has been changed positively.

- (a) honesty, for example, when making financial claims
- (b) punctuality and commitment to work
- (c) readiness to declare conflict of interest
- (d) readiness to strictly follow laid down procedures
- (e) moral uprightness - no indulgence in immoral behaviour
- (f) selflessness
- (g) objectivity
- (h) accountability
- (i) willingness to declare assets

- (j) adherence to Codes of Conduct
- (k) transparency/openness
- (l) refusal to participate in any form of corruption
- (m) readiness to report instances of corruption
- (n) Respect for authority and individuals.

4.12. Checklist for Analysing and Managing Organisational Culture and Behaviour

The following can be used as a checklist when determining the organisational culture and behaviour in your department, and coming up with intervention measures.

- a Can you describe the culture of your department?
- a Does your department have identifiable values and attitudes?
- a Are there different subcultures in the department with different ideas about ethical behaviour?
- n Does the culture of the department support the corruption prevention goals you are trying to achieve?
- a Have you reviewed all existing policies which may have an impact on ethical behaviour?
- n Does your department have a Code of Ethical Conduct?
- n Have you documented your objectives for a culture change in your organisation?
- n Have you thought how these objectives apply to various groups within the department?
- a Do you have any methods of getting your key messages across to your staff, other stakeholders and customers/clients?

Have you developed any training sessions or held any groups discussions on organisational culture and ethical behaviour?

Have you evaluated how effective your strategies have been in developing and promoting an ethical culture?

MODULE FIVE

Code of Conduct - Development and Implementation

5.1. Introduction

Public servants are expected to perform their duties efficiently, effectively, fairly and with integrity. Unfortunately, there is a lot of evidence of unethical behaviour in the public service which has led to a public outcry in many places in the world. It is, therefore, necessary to develop and adopt institutional and departmental Codes of Conduct to guide public servants in dealing with ethical problems. This will ultimately prevent corruption or minimize it.

An institutional and departmental Code of Conduct should complement other professional codes of ethics, or broader Codes of ethics or rules and regulations such as the Civil Service Code of Regulations.

5.2. General Objective

The general objective of this Module is to train the participants on how to develop and implement a Code of Conduct for their organisation.

5.3. Specific Objectives

By the end of this Module the participants will be able to:

- (a) define the term Code of Conduct,
- (b) explain the functions of a Code of Conduct,
- (c) outline the guidelines for developing a Code,
- (d) come up with steps on how to implement a Code of Conduct,
- (e) outline methods for promoting the Code, and
- (f) state the need for a regular review of the Code.

5.4. Definition of a Code of Conduct

A Code of Conduct is a set of rules and guidelines that govern the behaviour of members of staff in an organisation.

It is a framework within which members of staff bind themselves in regard to their work conduct and behaviour.

While a Code of Regulations spells out the procedure, rules and guidelines on how employees should carry out their duties and responsibilities, their rights, limitations and remedies, a Code of Conduct deals with the behaviour of an individual.

5.5. Functions of a Code of Conduct

The functions of a Code of Conduct include:

- (a) providing a common understanding of the organisation's expectations in regard to ethical conduct,
- (b) setting guidelines on expected behaviour,
- (c) reinforcing standards of expected behaviour,
- (d) creating awareness on shared values and principles that should govern attitude and behaviour, and
- (e) guiding members of staff on how to handle conflicts of interest.

5.6. Guidelines for Developing a Code of Conduct

The following are the steps in developing a Code of Conduct:

5.6.1. Identifying ethical problems

The first step in the development of a Code of Conduct is to identify all ethical problems within the organisation. These may include:

- (a) misuse of public property,
- (b) conflict of interest,
- (c) nepotism in recruiting, training and promoting staff,
- (d) soliciting and accepting bribes,
- (e) receiving gifts,
- (f) making false claims,
- (g) lack of professionalism,
- (h) failure to observe laid down procedures and regulations in procurement and disposal of public goods and assets, (i) misappropriation of public funds, and (j) leaking confidential information.

5.6.2. Determining sources of information

Some of these sources are:

- (a) members of staff within the organisation through formal and informal discussions with each other;
- (b) clients and members of the public through questionnaires and informal discussions;
- (c) Codes of Conduct from other organisations for

- comparison purposes; and
- (d) relevant literature in documents such as statutes and regulations already in existence.

5.6.3. Using Appropriate Language and Style

When writing the Code of Conduct, ensure that:

- (a) the language is simple, understandable and positive. In particular, negative statements such as "Discrimination will not be tolerated" should be avoided. Instead, we should encourage statements such as "Honesty will be supported".
- (b) the language brings out the feeling of togetherness, of being one in a team, for example, in the use of "we", "us" and "our" as shown in the statement "Our Code of Conduct applies equally to all of us in the organisation".

5.7. Implementation of a Code of Conduct

Having developed a Code of Conduct, an organisation requires a procedure for implementing the Code. This will include:

- (a) sensitisation of staff through internal circulars, meetings and posters. This is important because it creates awareness;
- (b) familiarizing senior managers with the Code of Conduct to enable them deal with ethical problems and discuss these with staff;
- (c) making senior managers aware of the range of sanctions applicable in case of violation of the Code. This will enable them enforce the Code; and
- (d) all members of staff signing a statement indicating that they have read and understood the contents of the Code and undertake to follow it.

5.8. Methods of Promoting the Code of Conduct

Some possible promotion strategies are:

- (a) constant reference to the Code of Conduct by all staff to ensure the Code is kept alive and it continuously contributes to the ethical culture of the organisation;
- (b) senior managers advocating the values of the Code

- and guiding the lower cadre by example. For example, punctuality would be taken seriously by the junior staff if the senior managers practise it themselves;
- (c) attaching a copy of the Code of Conduct to the Letters of Appointment to new employees;
 - (d) introducing topics on the Code of Conduct during induction courses for new employees.
-
- (e) informing clients and customers on the ethical standards of the organisation by putting up posters and notices in conspicuous places;
 - (f) availing the Code of Conduct to contractors and asking them to conduct business with staff of the organization in accordance with it;
 - (g) sensitising customers, clients and contractors through posters and notices on how and where to make complaints when need arises;
 - (h) referring to the Code of Conduct in staff newsletters and circulars; and
 - (i) having the Code of Conduct in both English and Kiswahili.

5.9. Reviewing and Updating the Code of Conduct

There is need to regularly review the Code of Conduct to ensure it:

- (a) remains relevant to the needs of the organisation,
- (b) is well understood by all staff,
- (c) is practised by all staff,
- (d) has enduring influence on the ethical culture of the organisation, and
- (e) has achieved the desired effect within the organisation.

The review should be undertaken by all members of staff.

5.10. Checklist on the Code of Conduct

The following is a checklist that will help you assess the current situation in the development and implementation of a Code of Conduct in your organisation.

- n Does your organisation have a Code of Conduct?

- n Were all members of staff in your organisation involved in developing your organisation's Code of Conduct?
- n Does your Code of Conduct contradict other official statutes of the Civil Service?
- n Does your Code of Conduct include relevant topics to meet the particular needs of your organisation?
- n Does your Code give various examples and guidance for dealing with ethical
- n Is the Code written in clear, simple and understandable language?
- n Is your Code written in a personalized and positive style?
- a Are the contents of your Code clearly communicated to all staff and stakeholders on a regular basis?
- a Are senior managers actively involved in promoting the Code and leading by example with regard to ethical conduct?
- a Is your Code actively reinforced throughout the organization?
- n is your Code regularly reviewed as need arises?

Has the Code affected the ethical culture of your organisation?

MODULE SIX

Personnel Management

6.1. Introduction

Personnel management is the optimum utilization of human resources in order to attain organisational goals and objectives.

The complex nature of personnel functions, coupled with the general lack of checks and balances, have created avenues and opportunities for corruption in the public sector. This has impacted negatively on staff morale and productivity. In this Module, the avenues and opportunities for corruption in the various personnel management areas have been discussed and suggestions given on ways and means of sealing these loopholes in order to prevent corruption.

6.2. General Objective

The general objective of this Module is to create awareness and increase responsiveness in addressing areas in personnel management prone to corruption.

6.3. Specific Objectives

By the end of the Module the participants will be able to identify factors and procedures that promote integrity in the following personnel management areas:

- (a) human resource planning,
- (b) recruitment and selection,
- (c) staff development,
- (d) performance management,
- (e) compensation,
- (f) staff motivation, and
- (g) discretion and waivers.

6.4. Human Resource Planning

Human resource planning is a forecast of quantity and quality of human resources required by an organisation for a specified time. Lack of proper manpower planning has given rise to over-employment and bloating of the civil service. To correct this situation, we need to ensure that the process of manpower planning in the organisation strictly takes into account the following.

6.4.1. Needs Analysis

Needs analysis should be carried out to determine the *quality* and *quantity* of the required skills and talents. Available expertise and consultants should be utilised.

6.4.2. Employment Guidelines

Employment guidelines should be developed, which should have the following characteristics:

- (a) the guidelines should be clear on the quality and quantity of personnel needed,
- (b) the different types of skills required by the organisation from time to time should be specified and clearly explained, and
- (c) short-term, intermediate and long-term plans should be put in place in order to safeguard against *ad hoc* unwarranted employment.

6.4.3. Succession

To ensure smooth succession, the following procedures must be strictly adhered to:

- (a) monitor staff due for retirement to ensure that people do not go beyond the retirement age,
- (b) appoint officers to understudy serving officers who are about to retire to ensure smooth succession,
- (c) pay attention to high turnover areas to avoid creating vacuums that attract corrupt practices, and
- (d) all vacancies should be filled or frozen.

6.5. Recruitment and Selection

Recruitment and selection is comparable to a procurement process and must demonstrate

processes that are fair and open. Any indication of bias constitutes corrupt conduct. The following are suggestions of what should happen in various selection procedures.

6.5.1. Job Specification and Description

Ensure that:

- (a) the job description is objective, specific and focused. It should not be tailor-made to suit selfish interests, and
- (b) in the schemes of service, standards should be unbiased and consistent.

6.5.2. Drafting and Placement of Advertisements

When drafting an advertisement, ensure that:

- (a) interested parties do not take part in the exercise to ensure fairness,
- (b) the advertisement conforms strictly to the job description and specification as stated in the relevant scheme of service, and
- (c) an effort has been made to attract the widest potential field of applicants to allow for competition and impartiality.

6.5.3. Short listing

When the applications have been received, ensure that:

- (a) the short listing criteria has been pre-determined and is as transparent as possible,
- (b) the short listing panel consists of people of integrity who hold relevant qualifications in that field, and
- (c) panellists with vested interests declare those interests and disqualify themselves.

6.5.4. Interviewing and Selection

To ensure impartial interviews:

- (a) develop consistent and systematic procedures, and
- (b) involve panellists who did the short-listing in the interviewing process to ensure that only the short-listed candidates attend.

The interviewing and selection process must be conducted objectively.

6.5.5. Placement and Deployment

Ensure that each of the following is done:

- (a) placement should ensure that the right person is placed on the right job. Improper placement leads to low morale, hence creating grounds for corruption,

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- (b) transfers should not be used to promote selfish interest, but for improving organisational performance,
- (c) placement should not be used as a punishment as this creates mistrust and disillusionment, and
- (d) transfers should be managed by a committee consisting of officers of high integrity.

6.6. Staff Development

Training is an important tool for the development of skills, knowledge and attitudes. However, the process of allocation of training and development opportunities in the public service is often arbitrary and prone to abuse.

6.6.1. Training Needs Assessment

Before embarking on a training programme you need to:

- (a) undertake proper needs assessment

- to ensure that existing performance gaps are addressed, and
- (b) there should be a training projection to guide the exercise.

6.6.2. Induction and Orientation

Induction and orientation are very important in ensuring that the new members of staff understand the organisational culture. For this purpose you need to:

- (a) develop a comprehensive plan for inducting the newly recruited employees and orientating the serving officers, and
- (b) remember that best practices are acquired through effective induction and orientation.

6.6.3. Training

Training should be:

- (a) conducted in the most open and accountable manner to avoid any misuse and bias,
- (b) undertaken in an economical and cost effective way for example local training versus overseas training, and
- (c) geared to the realization of organisational goals and objectives.

Training, whether local or overseas, should not be a monopoly of a select few e.g. where all overseas seminars, workshops and meetings are attended by only a few people.

6.6.4. Attachment and Exposure

Here you need to observe the following:

- (a) exposure should be used to help the trainee acquire best practices and to influence his/her attitudinal change, and

- (b) precaution must be taken not to expose employees to undesirable influences.

6.7. Performance Management

Performance should have direct bearing on promotion, pay benefits, training and discipline. In most cases, performance monitoring in the public service tends to be arbitrary, thereby creating opportunities for corruption. The following are suggestions on means of preventing corruption in job evaluation, standards and targets as well as in discipline.

6.7.1. Job Evaluation and Appraisal

Ensure that:

- (a) the instruments for evaluation are free from subjectivity and encourage participatory approach, and
- (b) targets are known to both the appraisee and appraiser before an evaluation is carried out.

6.7.2. Standards and Targets

For performance management to be effective:

- (a) the organisation must have prescribed standards to govern performance and behaviour and promote best practices, and
- (b) specific targets should be set for each level in the service, to avoid overlaps and underemployment.

6.7.3. Discipline

In order to promote discipline, you need to remember that:

- (a) discipline is a tool for correction and rehabilitation and should not be used arbitrarily, and
- (b) there should be a disciplinary machinery which is not cumbersome and which does not allow for

manipulation and abuse.

6.8. Compensation

It is important that institutions take cognisance of duties and responsibilities in each area and compensate performance impartially.

Here are some suggestions of how this can be done in the following key areas.

6.8.1. Job Analysis

Before creating a job vacancy, remember that:

- (a) all job creations must be preceded by thorough job analysis to ensure parity at all levels within the organisation/department, and
- (b) job description should avoid overlaps to weed out idlers and fix accountability thus eliminating opportunities for corruption.

6.8.2. Salary Structures and Salary Administration

In this respect, you need to ensure that:

- (a) the salary structures are designed so as to address performance compensation. However, the current arrangement does not address this problem and has resulted in stagnation in some job groups causing dissatisfaction and disaffection in the service,
- (b) there are stringent measures in salary and payroll administration in order to eliminate the incidence of "ghost workers", and
- (c) all dormant personal numbers are deleted to avoid misuse.

6.8.3. Pensions and Retirement

Ensure that:

- (a) pension processing is prompt. This will eliminate delays and discourage corruption,
- (b) there are ways of detecting "ghost" pensioners, and
- (c) retirees are accorded due respect and recognition for the service they rendered to the nation during their working period. This should motivate the serving officers and minimize temptations for corruption.

6.8.4. Other Benefits

In addition to their monthly salary, public servants should receive some compensation for housing and medical expenses incurred.

6.8.4.1. Housing

For the housing and estates department you need to:

- i. articulate the importance of merit and openness in the allocation of government institutional housing to safeguard against corrupt practices
- ii. ensure that disposal of government

institutional houses is transparent and priority given to the officers already occupying the property.

6.8.4.2. *Medical*

Outpatient medical allowance should be adequate to weed out bogus claims e.g. faking admissions to qualify for *ex-gratia* payments.

6.9. Staff Motivation

Best practices are sustained in an environment where the workforce is highly motivated. The following are suggestions of how staff can be motivated.

6.9.1. Reward System

An effective reward system recognises and compensates best practices and performance. Rewards should be fair to avoid suspicion and mistrust.

6.9.2. Welfare

Personnel Management must give priority to the welfare of the employees. Failure to do this provides a justification for corruption in the public service.

Consideration for welfare benefits should be for all cadres. This will keep the staff motivated and less prone to corruption.

6.10. Discretion and Waivers

Application of discretionary power has encouraged partiality and created opportunities for corrupt practices in the public service. The following are examples of abuse of discretion and waivers.

6.10.1. Schemes of Service

In the scheme of service waivers should be defined objectively to avoid discrimination and suppression in employment and promotion.

6.10.2. Retention in the Service

There is no specific criteria governing retention in the service beyond the mandatory retirement age. As a result, arbitrary and unethical decisions are made in disregard of best

practices.

Arbitrary discretion in retention denies the upcoming officers the opportunity to rightfully succeed, thereby creating a crisis in the service.

6.10.3 Appointment on Contract and Consultancy Basis

Contract and consultancy appointments should be open and transparent to avoid malpractices.

6.10.4 Leave

Corruption prone types of leave in the public service include the following:

- (a) unpaid leave,
- (b) annual leave commutation for cash, and
- (c) study leave.

There is no proper criteria to determine, for example, when annual leave commutation is applicable, which leaves the officers at the mercy of the boss and creates fertile grounds for corruption to take place.

6.10.4. Allowances

Allowances in the public service include the following:

- (a) special duty allowance, and
- (b) acting allowance

The above allowances have been used to block and frustrate substantive appointments, thereby creating

opportunities for selfish gains, for example continuation of acting allowances instead of filling the posts.

Acting appointments have been used to give undue advantage to undeserving cases giving rise to supersession. For example, there are cases where two promotions have been given to one person within one year.

6.11. Checklist for Personnel Management

The following checklist will help you assess the current situation at your work place, and come up with intervention measures.

6.11.1. Human Resource Planning

- n Is there a human resource plan in your organisation and is it functional?
- n Is needs analysis carried out before employment?
- n Are the employment guidelines adhered to? a Is there a succession management plan?
- a Is there an effective mechanism to monitor retirement?

6.11.2. Recruitment and Selection

- n Are job specifications and descriptions in your organisation focused and specific?
- n Are there areas where there are no job specifications and descriptions?
- n Are there cases where advertisements have been drafted by interested parties?
- n Is there an integrity-based criteria for the selection of panellists?
- n Is there a short listing criteria, and is it free from bias?
- n Are there cases where transfers have been used punitively?
- D Are interviews conducted objectively?

- n Are the right people in the right job?

6.11.3. **Staff Development**

- n Is there a training needs assessment report before training takes place?
- D Is there a needs based criteria for selection of officers for training?
- n Is there an effective induction plan in the organization?
- n Is there favouritism in the selection for training?
- n Is training carried out in a cost effective way?

Does the organization have an attachment plan and has this plan assisted in the promotion of best practices?

Performance Management

- n Has personnel audit been undertaken on continuous basis to check on malpractices and ensure capacity building?
- a Are the instruments for job evaluation objectively focused?
- n Does the organisation have standards and targets set for each level?
- n Are there personnel audit mechanisms in the organisation?
- n Is the disciplinary machinery free from abuse and manipulation?
- n Is discipline used as a tool for rehabilitation or punishment?

Compensation

- n Does the job description ensure that there are no overlaps?
- n Is job analysis conducted before vacancy creation?
- D Are there internal checks and balances to detect ghost workers?
- n Are salary structures performance based?
- a Does the pay compensation relate to performance?
- n Are there adequate checks and balances for salary administration?
- n Has retirement benefit processing period been minimized?
- a Has the organisation addressed malpractices in the administration of pensions?
- n Is the criteria for allocation of houses and other benefits impartial?

Staff Motivation

- n Does the reward system recognize performance?
- D Does the reward system favour one group in the organization?
- n Is staff welfare a major priority in the department/ organisation?

6.11.7. **Discretion and Waivers**

- D Has the application of waivers had negative effects on the schemes of service?
- a Is the criteria for retention in the service specific?
- n Is the discretion of leave administered fairly in your department/ organisation?
- n Have special and acting allowances been used to block and frustrate deserving promotion?

Module Seven

Financial and Materials Management

7.1. Introduction

In all organisations, the finance department is perhaps one of the departments that are at high risk for corruption. The risks may stem from loopholes in the organizational structure or the department. The loopholes may leave the door open to corrupt handling of cash, inappropriate travel payments or paying for goods and services that are non-existent or at inflated rates.

In this Module we will identify areas that provide opportunities for corrupt practices. Furthermore, we will make some suggestions on how we can promote integrity in financial management.

7.2. General Objective

The general objective of this Module is to enable the user identify areas of financial management vulnerable to corrupt practices and loss of funds and initiate corrective measures to promote integrity and thus assist the organisation to obtain maximum value for money.

7.3. Specific Objectives

By the end of the Module, the Integrity Assurance Officer should be able to:

- (a) describe an effective system for cash handling procedures;
- (b) identify abuse in the travel payment system;
- (c) identify weaknesses in the organisation's procurement systems;
- (d) identify areas of weakness in stores management;
- (e) discuss areas of weakness in the disposal of assets in the organization; and
- (f) demonstrate an understanding of the role of the Internal Audit in preventing corruption practices.

7.4. Cash Handling

Many public sector organisations collect cash either as direct revenue for services rendered or as a result of the user-pays principle such as cost-sharing in hospitals. Cash takings provide both the temptation and the opportunity to carry out a fraud or outright cash theft.

The following key areas are the weak points in the cash handling process. The officers in charge of these areas should be aware of possible malpractices and be on the look out for them.

7.4.1. Receipting

The particular problems in this area include:

- (a) failure to maintain an accountable receipt books register,
- (b) lack of clearly identified collection points with a list of charges for services and/or goods provided,
- (c) cashiers not properly identifiable,
- (d) partly used receipt books not surrendered,
- (e) failure of financial officers to keep track of daily collection, and
- (f) failure to limit the amount of money permissible for collection.

7.4.2. Depositing

When depositing cash, it is possible that one or several of the following may occur:

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- (a) underbanking of cash revenue,
- (b) lack of proper security for cash in transit,
- (c) unreconciled cash records,
- (d) keeping joint financial records by more than one cashier, and
- (e) varied procedures for receipting, servicing and transferring cash.

7.4.3. Payments

The following may provide opportunities for malpractice when making payments:

- (a) making cash payments from revenue collected,
- (b) un-authorized lending,
- (c) non-reporting of cash losses,
- (d) failure to keep cash float for payments,

- (e) lack of limits for cash payments, and
- (f) un-authorized payments.

7.4.4. Human Resource Management

Areas of human resource management that may provide loopholes are:

- (a) non-separation of duties,
- (b) non-rotation of duties,
- (c) refusal/reluctance by cashiers to take leave,
- (d) lack of supervision, and
- (e) lack of training.

7.4.5. Rules and procedures in cash office

Non-compliance with the rules and procedures in the cash office such as non-availability of relevant instruction documents to staff.

7.5. Travel Payments

Expenditure on travelling and accommodation is a significant expenditure item in the public sector budget. The control of this expenditure is often difficult because of the large number of individual transactions involved. The potential losses through fraud and misuse are high. Opportunities for corruption and abuse of a travel payment system can arise at any stage in the process - before, during or after travel.

The opportunities of corruption usually come about due to lack of:

- (a) a clearly documented policy on travel payment,
- (b) communication of policies on travel payment,
- (c) a common system of entitlements and benefits,
- (d) written approvals of travel plans,
- (e) adherence to budgetary limits,
- (f) clearly defined guidelines on who is responsible for approving travel,
- (g) observance to key approval questions such as:
 - i. Is there a work plan?
 - ii. Who should travel?
 - iii. Is the stay duration necessary?
 - iv. How much will the trip cost?

- (h) authority/application to travel document,
- (i) after travel reports/products verification.

Other abuses of travel payments procedures include:

- (j) un-approved variation to original travel authority,
- (k) issuance of travel imprest before approval,
- (l) spending of imprest before actual travel,

- (m) false accounting by using fake receipts, and (n) lack of regular verification and evaluation by Internal Audit.

7.6. Procurement of Goods and Services

Procurement of goods and services involves public money being spent and it is important that value for money is maximized. While price is important, other non-price factors such as quality, quantity, reliability, delivery time, on-going service and support are also equally important. The ideal set of circumstances may be compromised if areas of weaknesses in planning and supervision, specifications, marketing, tender proposals assessment and monitoring and evaluation are not addressed. The specific details are outlined below.

7.6.1. Planning and supervision

Specific weaknesses in this area may include:

- (a) absence of an approved work-plan and/or budget,
- (b) absence of detailed requisition from users,
- (c) adherence to set limits for tendering,
- (d) tender assessment committees without relevant skills,
- (e) conflicts of interest,
- (f) poor specification of goods and services,
- (g) departure from established procurement procedures, (h) assessment of bids by non-users or single person, and (i) lack of sufficient preparation for tender board meetings.

7.6.2. Specifications

Problems in this category include:

- (a) under or over-specification,
- (b) acceptance of non-conforming tenders,
- (c) selective access to pre-determined assessment criteria, and
- (d) failure to communicate any changes to all bidders.

7.6.3. Market Testing

Possible problems in this area are:

- (a) Failure to use relevant market testing techniques in the form of:
 - i. expressions of interest,
 - ii. quotations, and
 - iii. bids.
- (b) non-availability of up-to-date Treasury circulars,
- (c) advertisements that do not match the value, importance and nature of the contract,
- (d) lack of confidentiality in the handling of tender bids, and
- (e) partiality in providing basic tender bid information to potential suppliers.

7.6.4. Assessment of Tender Proposals

This area is prone to abuse due to:

- (a) acceptance of late bids which offer undue advantage to some bidders,
- (b) non-provision of samples by bidder,
- (c) failure to record final selection list,
- (d) failure to advise unsuccessful tenderers on the outcome of the assessment process in good time, and
- (e) influence through acceptance of gifts and benefits.

7.6.5. Monitoring and evaluation

Loopholes here are due to:

- (a) lack of an early reporting system, and
- (b) non-existence of performance indicators.
- (c) Lack of enforcement mechanism for malpractices

7.7. Stores Management

An effective and efficient stores management system is a crucial aspect of an organization's operations. Value can be added by minimizing losses in all the procedures of the stores function. The proper management of this function as part of the overall financial management in the public sector will provide a vital link with the other areas discussed in this Module.

7.7.1. Stock Policy

The areas of weakness are:

- (a) absence of a clear policy on stores management,
- (b) failure to communicate the policy to staff if it is available, and
- (c) failure for policy to satisfactorily cover the following:
 - . items to be stocked,
 - ii. stock levels,
 - Hi. re-order/economic order levels, and
 - iv. inventory control system used.

7.7.2. Stock Records

Possible weak areas in stock records could be:

- (a) lack of proper records of items in stock such as
 - i. reference and description of each item, ii. quantity and location in the store, iii. expiry date (if any) of each item, iv. date and quantity of each transaction, and v. current stock balance of all items.
- (b) failure to hold the stock records securely, and
- (c) unrestricted access to the computer system used in stores management (where applicable).

7.7.3. Control and supervision

It is important to be aware of the following possible problems:

- (a) lack of separation of the following duties:
 - i. issue of goods,
 - ii. receipt of goods,
 - iii. updating of the stores inventory record,
 - and iv. updating of accounting records,
- (b) poor description of duties,
- (c) absence of handing/taking over notes, and
- (d) failure to rotate staff.

7.7.4. Receipt of stores

Problems may arise due to:

- (a) lack of separation between the physical receipt section and the issue of stores section, and
- (b) failure to properly document and account for the goods receipt notes.

7.7.5. Issue of stores

Loopholes could be created by:

- (a) failure to document and account for delivery notes, and
- (b) improper authorization of issues.

7.7.6. Stock checks

Here problems may arise due to:

- (a) lack of regular supplies stock check, and
- (b) failure to explain stock discrepancies.

7.7.7. Disposal of stores

Opportunities for corruption may arise due to:

- (a) failure to clearly define items that need to be discarded,
- (b) the presence of redundant and obsolete items for long periods, and

- (c) lack of policy for disposing of items.

7.8. Disposal and Sale of Assets

Public sector organisations every so often have surplus of new or used assets, which need to be disposed of. The disposal systems and procedures may be prone to abuse if the processes of doing so are not undertaken on time, or if they are ignored completely.

7.8.1. Timeliness

The areas of weakness may have to do with:

- (a) untimely or late disposal of assets, and
- (b) lack of objectivity in the determination of disposal criteria.

7.8.2. Conflict of Interest

This is when committee members/staff do not declare their vested interest.

7.8.3. Valuation

Poor valuation methods may provide opportunities for corruption.

7.8.4. Processes

The following are possible weaknesses need to be looked into:

- (a) lack of institution of competitive bidding,
- (b) lack of appropriate advertisement,
- (c) selective information to potential bidders,
- (d) failure to communicate the organisation's disposal of assets policies to staff, and
- (e) out-dated disposal policies and procedures.

7.9. Internal Audit

The Internal Audit function is charged with the duty of advising management on the proper operations of the internal control systems. As the eyes of the management, the unit has a role in ensuring that loopholes in systems are not only reported but corrected and areas of

weaknesses eliminated. Similarly, the unit has the responsibility of ensuring that the organisation has regular reviews of out-dated procedures that create opportunities for fraud and corruption.

Some questions that can be of great assistance in examination of key areas and systems are as follows:

- (a) Has the Internal Audit verified cash book balances, bank reconciliation and adherence to set limits for cash payments?
- (b) Has the Internal Audit conducted ad-hoc examination of travel payments, to establish observance of the laid down travel procedures?
- (c) Is the Internal Audit carrying out regular checks on procurement of goods and services to ensure compliance with the set out rules and regulations?
- (d) Is the Internal Audit Unit verifying the assets to be disposed of and the criteria used in determining what, how and when to dispose of assets, and to ascertain when the maximum value is obtained from the disposed assets?
- (e) Is the Internal Audit Unit carrying out regular reviews of all the above procedures and advising management on areas of weaknesses?
- (f) Is the Internal Audit Unit reviewing policies with a view to updating them?

7.10. Checklist for Financial and Materials Management

Assess financial and materials management in your organisation using the following checklist. This checklist will also assist you to come up with recommendations for improvement.

7.10.1. Cash Handling

- n Is there an up-to-date register of all cash collection points in the organisation with a member of staff responsible for maintaining it?
- a Do the staff who handle cash have the

appropriate financial training or experience?

- n Is there proper separation of duties?
- n Are there clearly documented procedures for receipting, securing and banking all cash collected?
- n is all cash collected in the organisation processed through a centralized unit such as a cashier's office? If not, is there adequate control for safety, when collecting and storing cash?
- n Are there suitable secure storage facilities at all cash collection points and at the central cashier's office?

- n Are there safe procedures, and secure containers for transporting cash?
- a Are the cash payments subject to the limits approved by the management?
- n Has the cash payment been duly authorized by designated officers?
- a Are there any instances of un-authorized lending by the cashier?
- n Is there a limit to the amount of revenue that is received in cash?

7.10.2. **Travel Payment**

- n Does the organization have a clearly documented travel policy?
- n Do the staff understand and comply with the policy?
- n Are all travel procedures up-to-date and easily accessible to staff?
- D Is there a common method for calculating travel

entitlements, which applies to everyone in the organization?

- n Are there procedures to ensure that all travel is approved in advance?
- D Do staff know that they must receive written approval for their journey?
- a Are the responsibilities of staff that approve travel clearly defined and documented?
- a is there a document used as a master record for all travel arrangements and payments?
- a Is the document clear and designed well enough to provide sufficient information? Are key approval questions addressed?
- a Are imprests paid only after journeys are approved and refunded if the same are varied or cancelled?
- a Are details of the journeys verified before payments are approved?
- D Do Internal Auditors regularly evaluate the performance of the travel payment system?

10.3. Procurement of Goods and Services

- n Are government/organisational procurement procedures up-to-date and available to the relevant staff?
- a Do the procurement staff regularly test the market to obtain value for money?
- a Does the organisation have a project or an action plan befnrp m •*.•---

there an official requisition for purchases?

- a Does the plan include assessment criteria, expected outcomes and a monitoring and evaluation provision?
- n Are all stages of the purchasing process documented?
- n Do the staff know that they must disclose all potential and existing conflicts of interest?
- n How are benefits and gifts to officers declared and consequently dealt with in the organization?
- n Do the selection panels include independent members?
- n Do potential suppliers have equal access to relevant project information including specification and assessment criteria?
- n Are all bids and responses received, recorded as per regulations in force and treated confidentially?
- a Are unsuccessful bidders promptly advised of the outcome of the selection process?
- n Is the performance of contractors regularly monitored against pre-determined performance criteria?
- n Are products and services evaluated and reports submitted to senior management?
- a Are there systems in place to ensure that products or consultants who perform poorly are blacklisted?

7.10.4. **Stores Management**

- n Does your organisation have an established stock policy?

- a Is the stock policy clearly communicated to staff?
- n Is there complete and proper record of items in stock?
- n Are stock records held securely?
- o Is access to the stores computer restricted and properly controlled?
- n is there adequate separation of duties?
- n Are the duties of the officers clearly defined?
- a Are there established procedures of handing/taking over of stores?
- D Are there adequate physical safeguards in goods receipt procedure?
 - n Is each goods receipt note properly documented and accounted for?
- n Are delivery notes properly documented and accounted for?
- n Are issues properly authorized?
- n Are there both regular and surprise stock checks?
- n Are there policy and control procedures to cater for stock discrepancies?
- a Has the organization clearly defined the items to be disposed of ?
- n Are members of staff regularly rotated?
- n Does the organization regularly review the physical security of stores?

7.10.5. **Disposal and Sale of Assets**

- n Is there a well-documented policy and procedure for deciding **when** and **how** to dispose of surplus assets and are all staff aware of the same?

- n Is there a procedure of valuing the surplus assets at the beginning of the disposal process?

- a Are competitive disposal methods used in the organization?

- n Is the disposal criteria effectively communicated to all potential bidders?

- n Are conflicts of interest amongst staff and tenderers involved in the disposal process effectively disclosed?

- n Are the disposal methods fair and equitable and do they give the public the opportunity to bid whenever appropriate?

- n Are there periodic reviews and reporting to senior management on the organisation's disposal policies?

- n is there a designated officer responsible for disposal of assets?

- n Are there monthly returns prepared and submitted on assets to be disposed of and on additional assets for disposal?

MODULE EIGHT

Project Planning and Management

8.1. Introduction

The success of any project depends on how adequately its planning, management, monitoring and evaluation are carried out. Inadequate planning and lack of accountability lead to ineffective and inefficient use of project resources. This results in failure to achieve targeted project results. Failure to deliver expected results leads to perceptions of unfairness and raises suspicions of corrupt practices.

8.2. General Objective

The general objective of this Module is to promote integrity and prevent corruption by improving project planning, management, monitoring and evaluation.

8.3. Specific Objectives

By the end of the Module, the participant should be able to:

- (a) define the relevant operational terms,
- (b) detect loopholes, opportunities and weaknesses likely to facilitate corruption within a project cycle, and
- (c) explain various ways of eliminating corruption in a project cycle.

8.4. Definition of Operational Terms

In this Module, we are going to use the following operational terms:

- (a) Project,
- (b) Project cycle,
- (c) Planning,
- (d) Management,
- (e) Monitoring, and

Evaluation.

We feel it is necessary for us to define these terms and limit their meaning so that we have the same understanding of the terminology used.

8.4.1. Project

A project is a non-routine activity that requires the use of resources to achieve given objectives within a specified period.

8.4.2. Project cycle

The project cycle starts with the project identification and lasts through the feasibility study, project proposal and appraisal, implementation, monitoring and evaluation.

8.4.3. Planning

This involves identification of resources needed for the project, specification of time frame(s) and designing mechanisms and procedures for monitoring and evaluation.

8.4.4. Management

Management includes the organisation and control of resources and implementation of planned project activities. This is necessary so as to ascertain that project goals are accomplished.

8.4.5. Monitoring

Monitoring involves continuous assessment of progress on project activities and outcome/output as compared against performance indicators.

8.4.6. Evaluation

Evaluation is a systematic, objective analysis of a project's performance, efficiency and impact in relation to its objectives.

8.5. Planning a Project

Poor planning, inadequate financial control and some issues related to human resources may open loopholes, opportunities and weaknesses that promote corruption. The following areas are prone to corruption.

8.5.1. Project Identification and Prioritisation

Project identification is the process of selecting a project based on the needs of the beneficiaries. Prioritisation is ranking of projects according to the felt needs of beneficiaries.

The following are some of the loopholes that facilitate corruption in project identification and prioritisation:

- (a) inconsistency of project objectives with the organisation's goals,
- (b) funding projects that are not need-based,
- (c) omitting to carry out feasibility studies, resulting in project failure,
- (d) falsified prioritisation of projects,
- (e) manipulation by interested groups and individuals such as politicians, planners, administrators,
- (f) personal interest and lobbying at the point of resource control, and
- (g) lack of transparency, resulting in undisclosed co-financing, i.e. several organisations funding the same project.

In order to minimize the loopholes for corruption as specified, it is important to ensure that:

- project identification relates to the felt needs
- project is consistent with the organisation's goals
- all phases of the project cycle are adequately planned and implemented.

8.5.2. Project Scheduling

Project scheduling is the specification of the time required to complete key project activities.

The following are some of the areas that could open opportunities and loopholes for corruption in project scheduling.

8.5.2.1. *Project staff recruitment*

Problems in this area include:

- i. nepotism, and
- ii. idle capacity due to non-adherence to

recruitment schedule.

8.5.2.2 Procurement of goods and services The following are examples of forms of abuse in the procurement process:

- i. manipulation of specifications during the tendering, ii. unfair competition due to leakage of information on tendering, iii. manipulation of project documents during site meetings,
- iv. procurement of inferior quality goods and services, and v. non-fulfilment of specified project standards.

8.5.2.3. Monitoring and evaluation Omission of planning for monitoring and evaluation leads to corruption through falsified reports. The following can help in minimizing or eliminating the loopholes cited above:

- i. personnel recruitment should be done by a committee comprising stakeholders but not just one individual, ii. stakeholders should be involved in the procurement process and in the inspection of project plans and documents and iii. there should be participatory approach to monitoring and evaluation i.e. involvement of all stakeholders.

8.5.3. Costing and Project Budget

Costing is the pricing of project resources and activities. Project budget is the summary of the costs of the project during planning, implementation and evaluation. Examples of corrupt practices in costing and project budget include:

- (a) overpricing of inputs,
- (b) inflated allowances to project personnel, and
- (c) falsified budgeting through inclusion of unnecessary items.

To deal with the corrupt practices cited above, it should be ascertained that:

- there is competitive bidding, remuneration is based on current labour laws, and
- the budget is counter-checked by stakeholders.

8.6. Project Management

The aspects of project management prone to corruption include human resources, financial performance and implementation of project activities.

8.6.1. Human Resources

The following are some loopholes related to human resources:

- (a) recruitment of unqualified personnel,
- (b) nepotism,
- (c) remuneration which is not commensurate with performance,
- (d) abuse of training opportunities, for example, nominating unqualified personnel for training or training which is not related to project activities,
- (e) salaries paid to non-existent project personnel,
- (f) interference in recruitment of project personnel e.g. by politicians and administrators, and
- (g) inadequate supervision of project personnel leading to loss of productive project time.

8.6.2. Project assets and financial resources

The following are some of the loopholes:

- (a) fraudulent use of resources,
- (b) payment for goods and services which have not been supplied to the project,
- (c) use of project vehicles for purposes not related to the project,
- (d) procurement of unnecessarily expensive materials as a result of bribery,
- (e) cash payment for false or inflated travelling and accommodation claims,
- (f) use of project equipment, stationery, telephone, computers and other assets for personal purposes without authority based on the laid down procedures,
- (g) uncontrolled entertainment, and
- (h) escalated costs due to deliberate delays.

8.6.3. Implementation of project activities

The following are the loopholes:

- (a) materials may be diverted to activities which are not related to the project,
- (b) diversion of labour to activities which are not related to the project, and
- (c) falsification of records of inputs, e.g. delivery of low quality materials resulting in poor outputs or project results.

To minimize wastage and loss through mismanagement of project resources, and to enhance effectiveness and efficiency of the project, it is necessary to ensure that:

a committee consisting of all project stakeholders is established. The committee oversees all matters relating to recruitment, training, promotions and terms and conditions of service for project personnel, competitive tendering is undertaken in accordance with appropriate procedures as set out in *Module 7 on Financial and Materials Management* there is regular audit of project personnel, equipment and stores.

monitoring and evaluation of project activities is undertaken in accordance with the planned implementation schedules.

8.6.4. Management Information System (MIS)

A Management Information System is a process whereby information is collected, processed, stored and communicated to users. The following are practices that may facilitate corruption under MIS:

leakage of project information, • hiding project documents and soliciting bribes, and destruction of information.

To eliminate these practices, the following measures should be undertaken:

- (a) have a clear classification of information (secret, confidential, open),
- (b) identify and communicate to project personnel the information which is available to the public,
- (c) restrict entry to areas with confidential information,
- (d) improve security of computerized systems, and
- (e) ensure computer audit trail is in place.

8.6.5. Monitoring and Evaluation

Information obtained through project monitoring and evaluation facilitates decision making to enhance project efficiency and effectiveness.

8.6.5.1. *Purpose of Project Monitoring and Evaluation*

Project monitoring and evaluation helps in:

- i. drawing lessons from experience in order to adjust the intervention strategy of the existing project,
- ii. adjusting other on-going projects,
- iii. improving the design of future projects,
- iv. critically re-examining, in the light of subsequent developments, the project

- v. rationale stated in the preparation and appraisal document,
- vi. determining the adequacy of the project to overcome the identified constraints,
- vii. comparing the actual outcome with project targets and identifying the reasons for shortfalls or over-achievements,
- viii. assessing the efficiency of project implementation procedures and the quality of managerial performance,
- ix. determining the economic efficiency of the project, and
- x. presenting the lessons learned and the recommendations that follow from them.

8.6.5.2. *Focus of Project Monitoring and Evaluation*

While monitoring focuses on implementation activities, evaluation assesses all stages of the project cycle. Monitoring and evaluation of the project should focus on:

- (i) the responses of the project beneficiaries to the input, services, or other forms of benefits provided by the project,
- (ii) whether the project has consequences which were not intended or anticipated in its design, and
- (iii) whether the intervention model on which the project is based is still valid in a changing environment.

8.6.5.3. *Advantages of conducting project monitoring and evaluation*

If properly carried out, monitoring and evaluation will:

- (i) provide a systematic feedback on project management and thus facilitate the integration of the evaluation process into the management system itself,
- (ii) provide information on the project's strength,

- (iii) assess commitment and capability of the sponsoring agencies, and (iv) provide information on the preparation and appraisal reports and the resources spent on them.

8.6.5.4. *Disadvantages of monitoring and evaluation*

Monitoring and evaluation could be used as a tool of facilitating corruption in the following ways:

- (i) evaluation is done single-handedly by the project management, (ii) evaluation is not undertaken systematically, that is, there is lack of measurable or quantifiable criteria, (iii) if it is not done in accordance with planned schedule, and (iv) if inappropriate methods and/or evaluation tools are applied.

The above shortcomings can be addressed through appropriate intervention by ensuring that:

- participatory monitoring and evaluation is carried out,
- the organisation has developed and utilized monitoring and evaluation methods and tools, and
- all stakeholders are included in the participatory team to undertake monitoring and evaluation of projects.

8.7. Checklist For Project Planning And Management

The following checklists should help you to assess the current situation and come up with recommendations:

8.7.1. Planning

- n Are project objectives clear?
- n Do project objectives relate to clearly identified needs?

- n Is there a plan for a feasibility study before the project is implemented?
 - n Are project outputs adequately identified and specified?
 - a Are delivery dates for project inputs specified?
 - a Is there an existing monitoring and evaluation system for the project?
 - n Are time frames for monitoring and evaluation specified?
 - n Are there guidelines to manage variation and time extension relating to the project?
 - n is there an independent committee to manage the project?
 - n Does the committee incorporate all project stakeholders?
-
- n Are beneficiaries and users of the project results identified?

8.7.2. Project Management/ Implementation

- n Have all project personnel been recruited as planned?
- n Does your organisation have written financial regulations and procedures for tendering, procurement, storage of materials and discharge of related services? (*Refer to Module 7*).
- a Were the project inputs procured on schedule?
- a Has a committee of stakeholders for overseeing project management been established?
- n Are records of the committee meetings available?
- a Were the project inputs supplied to the project user points as planned?

- n Does your organization have a Code of Conduct applicable to project
- a Does your organisation have an effective management information system?

Monitoring and Evaluation

- n Does the project have objectives, which clearly state its purpose and desired outcomes?
- n Is there a written project document?
- D Does your organisation monitor progress of project expenditure, especially before making further commitments?
- a Have you developed performance indicators and evaluation procedures to review projects and assess their final outcomes?
- a Is there a programme to review the project and ensure that it is still relevant and meets its objectives?
- a Are all evaluations and their outcomes documented and used to assist with necessary project adjustments?
- a Does the project have any consequences which were not intended or anticipated in its design?
- a What were the responses of the project beneficiaries to the inputs, services, or other forms of benefits provided by the project?