

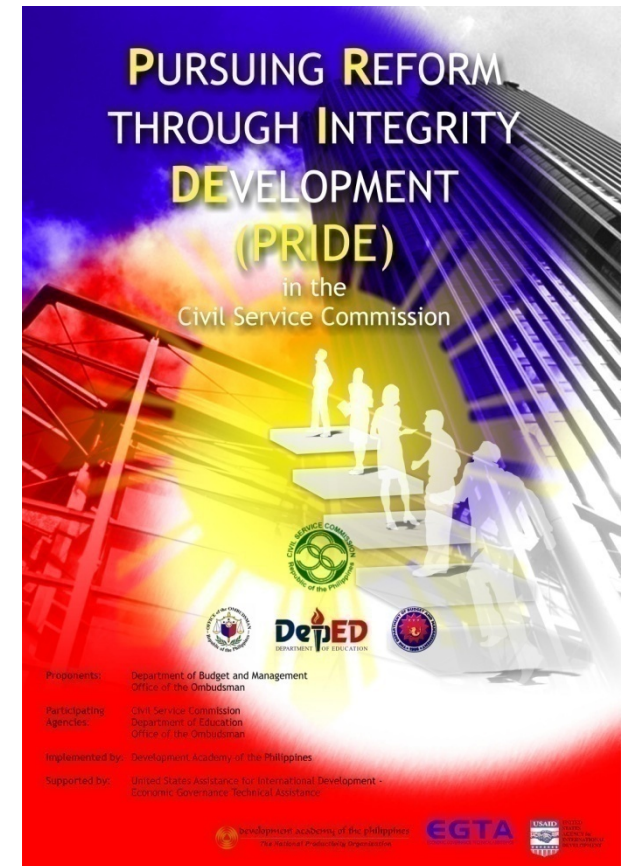
# Understanding the Integrity Development Review (IDR) Project, Prospects and Challenges

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# What is IDR?

**I**ntegrity **D**evelopment  
**R**eview is a preventive  
measure against corruption.  
It entails a systematic  
assessment of the agency's  
corruption resistance  
mechanisms and its  
vulnerabilities to corruption.  
It is the Ombudsman's  
response to its legal  
mandate on corruption  
prevention.



# How can IDR help?

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IDR aims to assist the management and leadership of government agencies to:

- Determine the level of integrity development within the agency
- Identify the agency's vulnerability to corruption
- Assess the adequacy of agency's safeguards to forestall corruption
- Prepare a more focused Corruption Prevention and Integrity Enhancement Plan
- Establish benchmarks by which agency performance and results of anti-corruption programs can be monitored

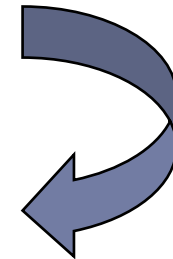
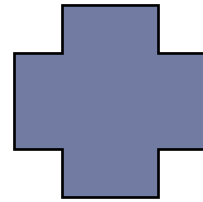


# Concept of Integrity Review

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CRR of ICAC NSW/HK

CVA of US-OMB/DAP

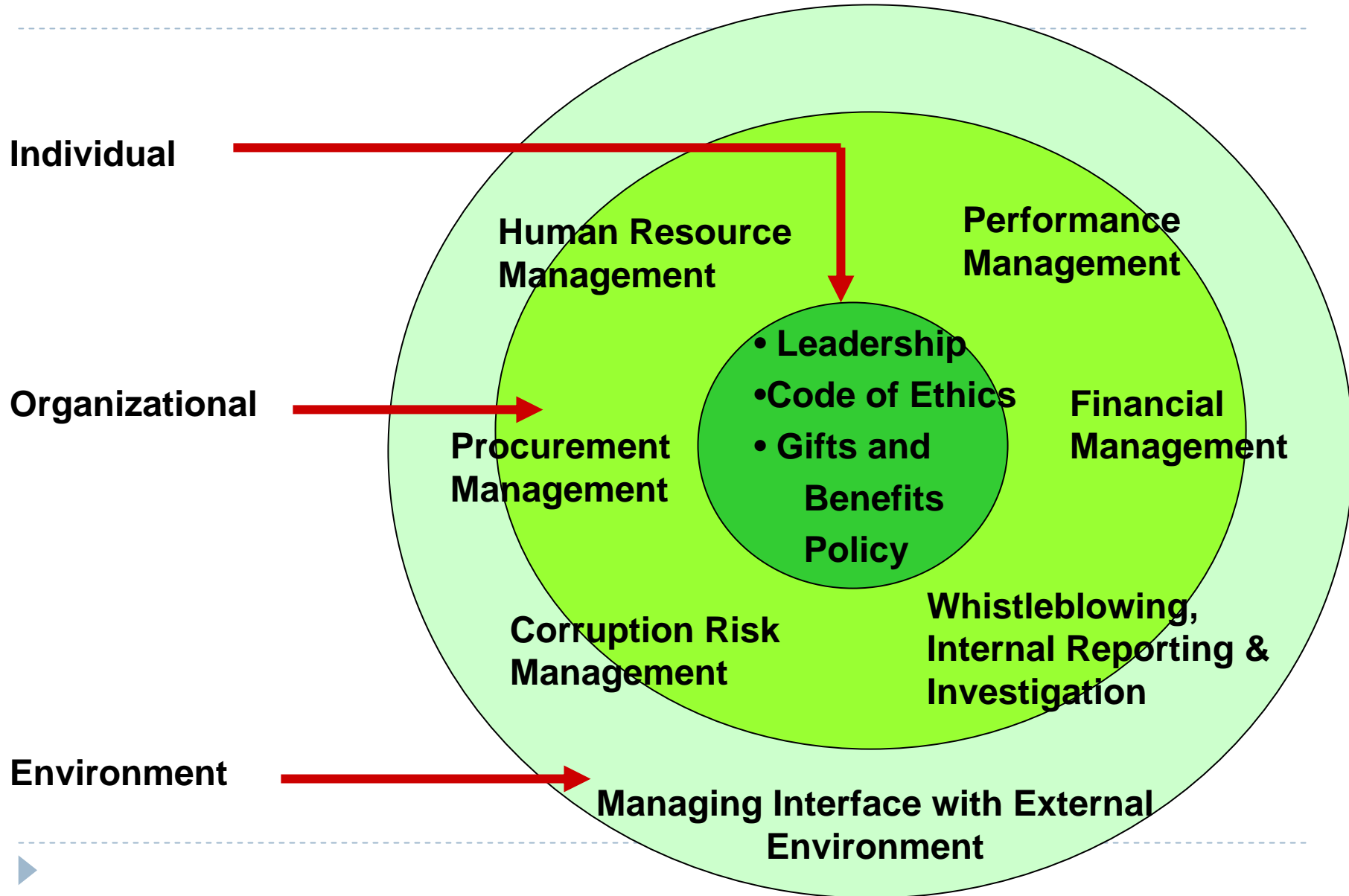


**Integrity  
Development  
Review**

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# Integrity Development Framework



# Corruption Vulnerability Assessment

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- Examines high risk functions, programs and activities
- Assesses probability that corruption could occur
- Assesses adequacy of existing controls and if controls are operating
- Identifies measures to address residual risks



# Summary of Tools used in IDR

Tools/Methodologies	Objective
<p>Tool 1: Corruption Resistance Review (CRR)</p> <ul style="list-style-type: none"><li>• Integrity Development Assessment</li><li>• Indicators Research</li><li>• Survey of Employees</li></ul>	<ul style="list-style-type: none"><li>✓ Self-assess systems integrity</li><li>✓ Validate self-assessment ratings prepared by agency through a review of relevant policies and procedures</li><li>✓ Assess deployment of integrity building measures and generate feedback from employees</li></ul>
<p>Tool 2: Corruption Vulnerability Assessment</p> <ul style="list-style-type: none"><li>• Process Mapping</li><li>• Risk Assessment</li><li>• Evaluation of controls and safeguard</li></ul>	<p>Understand agency procedures</p> <ul style="list-style-type: none"><li>✓ Identify factors that can induce deceit, malfeasance, or abuse of power or position for private gain.</li><li>✓ Assess the adequacy of means in addressing risks</li></ul>
<p>Action Plan</p>	<ul style="list-style-type: none"><li>✓ Provide timetable/resources for implementation of prioritized reform measures; monitoring tool guide</li></ul>

# CAN THE IDR BE SUSTAINED BEYOND THE PROJECT LIFE?

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- ▶ Yes. The IDR participating agencies are required to constitute their respective Integrity Development Committees (IDCs) tasked to monitor the implementation progress of the IDR recommendations.
- ▶ IDCs shall have a tripartite composition:
  - ▶ From the Agency: Career Undersecretary/Asst. Secretary or Deputy Commissioner/Asst. Commissioner or Director level and Head of the Internal Audit Office/Unit;
  - ▶ From the Ombudsman: Resident Ombudsman and staff;
  - ▶ From Civil Society/NGO group: Major external stakeholder/CSO/NGO partner of the Agency

# Integrity Scorecard

Dimension	BIR	BOC	DPWH	PNP	LTO	AFP-PN	BUCOR	BFP	DAR	DENR	DOH	NIAGA	LRA	LRTA	DBM-PS	PVAO
Leadership	2	2	2	2	2	2	1	2	1	2	3	1	1	2	2	1
Code Conduct	3	1	1	3	1	2	1	1	1	1	1	1	1	1	1	1
Gift Pol.	1	1	0	0	0	0	0	0	0	0	0	0	0	0	1	0
HR	3	2	2	2	1	3	2	0	3	1	3	2	1	2	1	1
Perf. M	3	2	2	3	1	3	0	0	2	1	3	2	1	3	1	1
Proc M	3	1	1	0	1	3	0	1	1	1	3	1	1	1	3	3
Fin M	3	2	2	2	2	2	1	1	2	1	2	1	0	3	3	0
Wblogging	1	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0
Corrupt Risk M	1	1	2	0	0	0	0	0	1	1	2	0	0	1	0	0
Ex. En vi Interfa	3	1	2	3	1	1	1	0	1	2	3	2	2	1	1	2
total	<b><u>23</u></b>	<b>13</b>	<b>14</b>	<b>15</b>	<b>9</b>	<b>16</b>	<b>6</b>	<b>5</b>	<b>12</b>	<b>10</b>	<b><u>20</u></b>	<b>10</b>	<b>7</b>	<b>14</b>	<b>14</b>	<b>9</b>

# IDR Project: 16 public sector agencies covered

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- ▶ **Criteria for coverage:**

1. revenue generating
2. High-procuring
3. Big infrastructure projects

- ▶ **1<sup>st</sup> cycle (5) 2006: BIR, BOC, DPWH, LTO, PNP**

- ▶ **Best Performer: BIR**

- ▶ **2<sup>nd</sup> cycle (11) 2007: AFP-PN, BuCOR, BFP, DAR, DENR, DOH, NIA, LRA, LRTA, PS, and PVAO**

- ▶ **Best Performer: DOH**

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# IDR General Findings:

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- ▶ Weakest links across participating agencies in corruption resistance mechanisms:
  1. Gifts Policy
  2. Whistle-blowing and internal reporting policies
  3. Corruption risk management
- ▶ Generally, agencies met minimum requirements for recruitment, promotion, procurement, performance, financial managements, managing interface with clients e.g. RA 6713, Merit Selection Plan, RA 9184, NGAS, creation of internal audit, posting of procedures, etc.
- ▶ General rating mode of 1 in most participating agencies (except DOH and BIR with a mode of 3) reflects adherence to the barest minimum standards set by law

# IDR Specific Findings:

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- ▶ Human resource management weakest at Bureau of Fire Protection (BFP)
- ▶ Performance management weakest at Bureau of Corrections (BuCOR) & BFP
- ▶ Procurement management weakest at the Philippine National Police (PNP) and BuCOR
- ▶ Financial management weakest at the Land Registration Authority (LRA) & the Philippine Veterans Affairs Office (PVAO)
- ▶ Interface with external environment weakest at BFP
- ▶ BFP least resistant to corruption followed by BuCOR (rating mode: 0)



# Summary recommendations for policy consideration

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- ▶ Leadership: need for more internal champions among senior leaders and managers
- ▶ Code of Conduct and Gifts Policy: formulation of function-specific code; common policy regarding gifts that is standard to all government agencies
- ▶ Human Resource Management: proactive analysis of SALN; full documentation of deviations from hiring procedures; post employment policy issuance
- ▶ Financial Management: immediate liquidation of cash advances; action on COA findings; full audit trails
- ▶ Whistle-blowing/internal reporting: strengthen internal affairs bodies; investigative capability enhancement

# Summary recommendations for policy consideration

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- ▶ **Corruption Risk Management:** Creation of independent internal audit units especially in revenue generating agencies; Expand risk-based audit to non-financial areas
- ▶ **Interface with External Environment:** formulation and posting of “Service Charters” to prevent red tape/corruption



## **DOES THE OFFICE OF THE OMBUDSMAN HAVE THE POWER / AUTHORITY TO ENFORCE THE IDR RECOMMENDATIONS?**

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- ▶ Yes. Par. (2) Section 15 of RA 6770 in relation to par. 2, Section 13 of the 1987 Constitution provides as one of the Ombudsman's powers, functions and duties – “To direct, upon complaint or at its own instance, any public official or employee of the Government, or any subdivision, agency, or instrumentality thereof, as well as of any government-owned or controlled corporation with original charter, to perform and expedite any act or duty required by law, or to stop, prevent and correct any abuse or impropriety in the performance of duties.”
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# Highlights of Reforms Implemented After IDR

Agency	Post-IDR Reforms
1. Bureau of Customs (BOC)	<ul style="list-style-type: none"><li>✓21 criminal cases with DOJ favorably resolved; 138 smugglers ,involving Php518.9 Million</li><li>✓Operationalization of Interim Internal Control Office; personnel and inventory audit of all offices, ports and subports</li><li>✓Accreditation of 3 firms for Phase I of the Value Added Service Provider Project (lodgement of consumption and warehousing entries</li><li>✓Completed LAN and WAN of all provincial ports</li><li>✓Piloting of e-payment/bank to bank (customs duties)</li><li>✓Sharing data among ASEAN through a single</li></ul>
2. Philippine Veterans Affairs Office (PVAO)	<ul style="list-style-type: none"><li>✓Reduction in processing time: Burial assistance from 90 days to 10 days; old age pensions from 90 days to 60 days</li><li>✓Created Internal Audit Office</li></ul>



# Highlights of Reforms Implemented After IDR

Agency	Post-IDR Reforms
3. Land Transportation Office	<ul style="list-style-type: none"><li>✓ Customized code of conduct</li><li>✓ Integrity check in recruitment and promotion</li><li>✓ Completed internal audit procedure manual; creation of regional internal audit service</li><li>✓ ISO 9001 certification; automation of 250 field offices; interconnection with BIR, BOC, Insurance Commission and MMDA</li></ul>
4. Department of Environment and Natural Resources (DENR)	<ul style="list-style-type: none"><li>✓ Designation of regular CENRO employee with dedicated computer to encode forest stock management system</li></ul>
5. Department of Public Works and Highways (DPWH)	<ul style="list-style-type: none"><li>✓ Streamlined processing of contractors and consultants' billings; list of accounts payables posted at DPWH website</li><li>✓ On-line complaints desk at DPWH website</li></ul>
6. Philippine National Police (PNP)	<ul style="list-style-type: none"><li>✓ Creation of Honesty Teams/"Anti-Kotong"</li><li>✓ Creation of a unit to analyze SALN</li></ul>



# Highlights of Reforms Implemented After IDR

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Agency	Post-IDR Reforms
6. Philippine National Police (PNP)	<ul style="list-style-type: none"><li>✓ Rotation/limitation of tour of key PNP Personnel assigned in revenue-generating units, comptrollership, finance service.</li><li>✓ Enhanced website and Text 2920 to record all the reports, complaints, and the feedback received from the community and thru the Police Community Relations Group</li></ul>



# IDR Prospects:

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- ▶ Institutionalization of corruption prevention reform measures in the bureaucracy
- ▶ Participatory governance: citizen/CSO participation in the reform agenda through the IDC
- ▶ Built-in ally and partner of internal audit units/offices through agency-based IDCs
- ▶ OMB's Power/corruption prevention mandate; Incentives/awards system
- ▶ OMB's additional corruption prevention officers
- ▶ In-roads to other branches of Government: The Philippine Supreme Court embraces IDR



# Challenges:

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- ▶ Expanding IDR exercise to local government units (LGUs), strategic government agencies (e.g. Department of Labor, DOTC) government financial institutions (e.g. GSIS, SSS) and government-owned and/or controlled corporations (GOCCs); attached agencies of PAs
  - ▶ Agency ownership issues; uncooperative agencies
  - ▶ Funding requirements for implementation of IDR recommendations
  - ▶ Monitoring and Evaluation Tools
  - ▶ Financial and technical assistance for capacity building of IDCs, especially in expanding the CVA exercise
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Thank you for your kind attention

