Foreword

Over the past decade the Federal Government of Brazil has undertaken a series of reforms of its public sector. Enhancing public governance is a key element in the country's political reform agenda. They aim at making government more cost-effective, improving accountability and preventing corruption.

This Public Integrity Review of Brazil assesses the implementation and coherence of instruments, processes and structures to safeguard integrity within Brazil's federal public administration. It is based on four sets of policy principles developed by the OECD: the Principles for Managing Ethics in the Public Service, Guidelines for Managing Conflict of Interest in the Public Service, Principles for Enhancing Integrity in Public Procurement and Principles for Transparency and Integrity in Lobbying.

The review recognizes the important progress made so far and points at ways in which the Federal Government of Brazil could further reinforce its integrity and anti-corruption reforms by: *i)* integrating operational risk management as a core element of management responsibility, *ii)* ensuring adequate capability within public organisations to safeguard public resources; *iii)* enhancing efforts to assess the impact of integrity institutions and measures; and *iv)* increasing co-ordination at the policy and implementation levels in order to better develop a collective commitment.

This report also underlines the importance of a comprehensive approach that examines issues of integrity across different parts of the public administration. Three case studies – on Brazil's federal tax administration, Family Grant and National STD/AIDS Programmes – demonstrate that there are significant differences in the implementation of integrity measures within individual public organisations. In parallel with formulating government-wide initiatives, central integrity authorities should focus on providing more practical "how to" guidance and tools to provide capability in individual public organisations. Moreover, these central authorities have a critical role in monitoring implementation.

The significance of this report is global. This is the first public sector integrity peer review of a G20 country. It is part of the OECD contribution to implementing the G20 Anti-Corruption Action Plan agreed at the Seoul Summit in November 2010. It is also complementary to other activities in support of international and regional conventions against corruption. Last but not least, Brazil's willingness to be reviewed by its peers on an important systemic issue highlights its growing role and profile in international debates and decision making processes.

The report embodies the ongoing engagement between the OECD and Brazil in the field of public governance. It follows three previous reviews of Brazil on Public Budgeting (2003), Regulatory Reform (2008) and Human Resource Management in Government (2010). As an active participant in the OECD Public Governance Committee, Brazil plays a key role in building stronger frameworks for good governance. All these efforts contribute to our common goal of better policies for better lives.

Angel Gurría

ACKNOWLEDGEMENTS

Table of contents

Main findings and proposals for action

Introduction

The federal government of Brazil has undertaken continuous reform over the past decade to enhance integrity and prevent corruption within its public administration. These reforms have focused on: *i)* increasing transparency and direct citizen oversight over public service delivery; *ii)* introducing a risk-based approach to internal control within public organisations; and *iii)* promoting high standards of conduct among federal public officials. These reforms have been shaped by earlier efforts to improve control over public expenditures and to modernise the public administration in the 1980s and 1990s respectively – as well as in response to a number of corruption cases that have captured public concern. The creation of the Office of the Comptroller General of the Union (*Controladoria-Geral da União*) and Public Ethics Commission (*Comissão de Ética Pública*) have been a core element of the federal government's strategy to enhance integrity and prevent corruption. Attention has also been directed at developing a co-ordinated approach as part of efforts to create a culture of integrity and prevent corruption. This has been demonstrated by the creation of national systems for administrative discipline, ethics management and organisational ombudsman (citizens' relations) function in 2007, 2008 and 2009 respectively. The fight against corruption within the federal public administration has also been incorporated, since 2007, into the National Strategy to Combat Money Laundering (*Estratégia Nacional de Combate à Corrupção e à Lavagem de Dinheiro*).

As with many OECD member countries that have made substantial efforts to develop institutions and mechanisms for enhancing integrity and preventing corruption in the public service, there is a growing demand in Brazil for evidence of impact. Assessing the impact requires more than information from perception indicators or a description of the legal framework, although these are often used and quoted as evidence. Such measures give little attention to the implementation and coherence of instruments, processes and structures. Nor do these measures provide evidence of whether government actions are responsive to the operational risks faced by individual public organisations and individual public officials.

The federal government of Brazil's agenda to enhance integrity and prevent corruption is particularly critical in order to address a number of challenges facing the country's public administration, including:

- **Managing risks associated with innovation in public service delivery.** Risks are inherent in many innovations in service delivery and, as with any actions undertaken by the government, require careful operational risk management. As in OECD member countries, the federal government of Brazil is formulating new and reshaping old policy instruments to support economic activity, spur a new and strengthened framework for well functioning markets. Risks can also arise from not taking opportunities to innovate.

- **Achieving value for money and minimising waste in government operations.** The 2009 OECD Economic Survey of Brazil noted that, despite considerable

progress in many areas, there remains substantial scope for improving the cost effectiveness of government operations. Outcome indicators are not always commensurate with Brazil's high level of government-financed spending suggesting that service delivery is inefficient rather than under-funded, particularly in the case of education and health (OECD, 2009a).

- **Meeting expectations of citizens and reinforcing trust in public organisations.** Citizens expect public officials to serve the public interest with fairness and to manage public resources properly on a daily basis. Fair and reliable public services inspire trust and create a favourable environment for businesses, thus contributing to well-functioning markets and economic growth (OECD, 2000; OECD, 2005a). Better-educated and less deferential citizens are judging their governments both on their democratic performance and their policy performance (OECD, 2009b).

In light of these challenges and opportunities, the federal government of Brazil requested the OECD to undertake a Public Governance Review to: *i)* examine the functioning of structures, practices and procedures that have been established to enhance integrity and prevent corruption; and *ii)* identify areas where future attention could centre drawing upon recent experiences and good practice from OECD member countries. Brazil's willingness to step forward as the first country to undertake a Public Governance Review was widely appreciated and is a clear sign of leadership recognised by the OECD Public Governance Committee.

The review is supported by analysis of four main areas of focus: *i)* promoting transparency and citizen engagement; *ii)* implementing risk-based systems of internal control; *iii)* embedding high standards of conduct; and *iv)* enhancing integrity in public procurement. This was complemented by three case studies to highlight issues of integrity management at the level of individual public functions, organisations and programmes: *i)* the federal tax administration; *ii)* the Family Grant (a conditional cash transfer) Programme; and *iii)* the National STD/AIDS Programme. With national elections scheduled in Brazil during October 2010, the review was conducted during the first 9 months of 2010 to shape the policy agenda for the incoming administration. The findings of this report are also timely as Brazil's federal government prepares for the 2014 FIFA World Cup and 2016 Olympic Games. Both of these mega-sporting events involve significant amounts both of public and private resources and will focus the world's attention on Brazil.

While this report analyses the effort within the federal public administration (the machinery of the executive branch), efforts to create a culture of integrity and prevent corruption are also influenced by the legislature and judiciary. In this regard, it is prudent to note that a number of constraints exist within these branches of government and impact upon Brazil's efforts to create a clean public administration. For example, the ability of the National Congress to support accountability within the federal executive is undermined by weak scrutiny, despite adequate time for review, of management reports and external audit reports prepared by all federal public organisations and the Federal Court of Accounts respectively. Brazil's judiciary also faces a number of challenges, despite improvement in recent years following a comprehensive reform implemented in 2004. The judiciary is bureaucratic, slow and expensive, reflected in an enormous backlog of cases and in extremely lengthy judicial procedures. These constraints are duly acknowledged but are beyond the scope of this report.

Progress made by the federal government of Brazil during the past decade provides a sound basis for advancing integrity management in the coming years. Moving forward, the federal government of Brazil could reinforce reforms to enhance integrity and prevent corruption by focusing on the following four core messages:

- **Integrate risk management** as a core element of management responsibility in order to promote integrity and prevent misconduct, waste and corruption.

- **Ensure adequate capability** within institutions supporting integrity in order that they function in accordance with their respective intended objectives.

- **Enhance efforts to assess** the implementation and impact of integrity institutions and measures for continuous policy learning and adjustment.

- **Increase co-ordination** at policy and implementation levels in order to develop a collective commitment for enhancing integrity and preventing misconduct.

Translating these messages into concrete policy and management actions, the second part provides detailed proposals for action across the review's four areas of focus:

- **Promoting transparency and citizen engagement** with reference to freedom of information, proactive transparency and creating a basis for direct social control.

- **Implementing risk-based internal control** in order to mitigate operational risks and provide reasonable assurance of integrity within public organisations.

- **Embedding high standards of conduct** to guide the behaviour of federal public officials in line with the purpose of the organisations in which they work.

- **Enhancing integrity in public procurement**, as a strategic instrument for governments to deliver public services, while preventing waste and misconduct.

Main Findings

Integrate operational risk management as a core responsibility of management in order to promote integrity and prevent misconduct and waste

All public organisations face operational risks: both from internal factors (*e.g.* attributed to excessive discretion in decision-making processes, complex and decentralised service delivery arrangements, etc.) as well as external factors (*e.g.* new legislation and standards, changing citizens' expectations, etc.). Operational risk management means having in place a systematic process and adequate capability (*e.g.* knowledge, resources, etc.) to identify, (re-)evaluate and mitigate operational risks in a cost-effective manner – elimination of operational risk is generally not a practical goal. Managing operational risk supports effective public service delivery, improved managerial accountability, and trust in public organisations. It also supports better resource allocation and compliance outcomes. If not appropriately managed, these risks can affect the effectiveness and efficiency of public service delivery and public trust in government. Decision makers and public managers must understand, recognise, and be rewarded for using operational risk management in their day-to-day activities. In order to be effective, however, operational risk management needs to be integrated into other management systems and feed directly into decision making and performance evaluation. This includes in the formulation of new or amendments to existing policies and programmes, and the creation of new and reorganisation of existing functions and responsibilities.

Brazil has during the last five years begun to introduce operational risk management within the federal public administration. Operational risk management methodologies were developed by the Office of the Comptroller General of the Union and piloted in a small number of federal public organisations during 2006. Progress is more advanced within a number of organisations of the indirect public administration. For example, Brazil's public commercial banks have introduced operational risk management influenced strongly by international obligations of the Basel Committee on Banking Supervision. Some of these organisations of the indirect public administration have been recognised internationally for their good practices in operational risk management. However, in the majority of cases, operational risk management remains largely at a conceptual stage. Although the experience of and lessons learnt by organisations of the indirect public administration is differentiated by their commercial operations, it can provide valuable input to the creation of a risk management policy and its application in other public organisations. To date, however, there has been limited exchange between organisations of the direct and indirect public administration on operational risk management.

Effective integration of operational risk management in Brazil's federal public organisations will require strong leadership by decision makers and public managers. Leadership is essential to overcome a natural resistance to accept operational risk management as an appropriate allocation of limited resources and concerns over the

political consequences of explicitly recognising and weighting operational risk (Bounds, 2010). Resources are necessary not only to identify risks in a systematic and proactive manner but also to develop the necessary knowledge management systems to support the identification and evaluation of risks and the efficacy of mitigating risk actions. Experience from OECD member countries, as well as organisations of Brazil's indirect federal public administration with experience in risk management, suggest that it can take between three and five years to establish the foundations for a positive risk management culture. Even then, resourcing operational risk management can be difficult to sustain as, if done well, it is an activity that will generally not be visible for all to see – and because unsuccessful attempts to mitigate risk will attract the most attention. Failure to sustain operational risk management is, thus, in itself a major risk for public organisations.

Two additional challenges exist facing the introduction of risk management within Brazil's federal public administration. First, and because of the centralisation of internal control for the federal public administration within the Office of the Comptroller General of the Union, management in some federal public organisations does not take an active role in creating and maintaining a sound system of internal control. Experience from OECD member countries in implementing risk management necessitates ultimate accountability of management for internal control. Second, internal control is framed as a separate series of reform from general management reforms. As such, in some cases they work in parallel but separate from one another. This is created in part by the separate policy and institutional responsibilities between the Office of the Comptroller General of the Union with the Federal Ministry of Planning, Budget and Management, respectively. In both cases, the introduction of risk management and strengthening of internal control should be conducted in concert with management reforms more generally, in order to position management as responsible for maintaining a sound system of internal control.

Ensure adequate capability within institutions supporting integrity in order that they function in accordance with their respective intended objectives

The performance of the institutions supporting integrity, and their ability to meet the expectations of citizens and the strategic objectives of the administration, depends heavily on adequate capability. Capability is broadly defined as the totality of the strengths and resources available within the machinery of government. It refers to the organisational and technical systems as well as individual competencies that create and implement policies. There are no universal rules about what level of capacity is necessary to deliver a certain level of functioning of institutions and measures. Nor is improving capability a goal in itself; it is a means to achieving better integrity outcomes. It requires public organisations to develop and assess strategies and policies to sustain improvements in capability over time, learning by doing and learning through collaboration with other integrity actors and stakeholders.

Brazil has established a large number of integrity units within the federal public administration. For example, the numbers of organisational ombudsman units have increased from 40 to 157 between 2002 and 2010 and by the end of 2010 all federal ministries were expected to have their own ombudsman unit. There are over 200 ethics committees and 30 inspectorate units investigating ethical breaches and administrative misconduct. These are in addition to the central integrity actors such as the Office of the Comptroller General of the Union, the Public Ethics Commission, the Department of Federal Police, and the Office of the Federal Public Prosecutor. Whereas the central

integrity actors set integrity policies and standards, public organisations are responsible for effectively implementing them.

In many cases, the creation of these integrity units within federal public organisations has been driven by the need to fulfil statutory requirements. While creating structures provides visible support for reforms, it does not necessarily mean that they are well integrated into the functioning of a public organisation as a whole. Nor does it mean that they always granted adequate capability to fulfill their functions. Assessment activities undertaken by the federal government, however, evaluate whether public organisations have indeed established the minimal requirements to fulfil the statutory requirements rather than evidence of the adequate functioning of integrity units or even perceived and actual effectiveness of their activities.

Ensuring adequate capability within integrity institutions will require sustained efforts to build capacity, to provide adequate tools, facilitate lesson learning and develop institutional knowledge. To date, a number of actions have been taken by central integrity actors to achieve this. For example, central integrity actors provide training for officials working on guiding, monitoring, and enforcing integrity measures, standardising administrative procedures for implementing and creating national networks for exchanging experiences. As part of these activities, central integrity actors may focus on identifying and communicating good practices to guide the activities of these respective integrity actors. Moreover, clear attention should be given to ensure that public officials posted within ethics committees, inspectorate generals and organisation ombudsman are not considered as career dead-ends but rather as developing competencies for their career development. There are several examples of innovations in this regard that serve to preserve the integrity of officials working in these positions and encourage the brightest to apply by giving priority in the official's next posting as an incentive and reward for officials working in these positions.

Enhance efforts to assess the implementation and impact of institutions and measures supporting integrity for continuous policy learning and adjustment

Good governance requires thorough assessment, and measures promoting integrity and preventing misconduct and waste are no exception (OECD, 2005b). It is critical that the federal public administration and individual public organisations move away from a general and static description of what integrity institutions are. In its place, attention needs to orientate towards data and benchmarks that capture factual knowledge on the functioning and impact of these institutions and systems. Over time, this data can be used to track trends and enable policy makers and public officials to judge the effects of actions taken and to clearly identify steps that need to be taken in order to move forward. This requires public officials to assemble valid, reliable data and to assess and benchmark their performance with that of comparable public organisations. Integrity does not, however, automatically result from amassing more data or even from improving the frequency and quality of its analysis. Effective assessment requires careful attention to consider what dimensions of processes, outputs and outcomes to measure. It also necessitates clear and timely analysis from the public administration to decision makers to inform discussions and clarify options and potential consequences (OECD, 2009c).

The federal government of Brazil has already begun collecting and analysing standardised data related to input, processes, and outputs associated with select aspects of integrity management. For example, information on administrative disciplinary investigations and reports from citizens are well documented and analysed in many public

organisations. This is, in part, led by efforts by Inspectorate General of Administrative Discipline and Ombudsman General of the Union, both within the Office of the Comptroller General of the Union. Annual surveys by the Public Ethics Commission also focus on monitoring issues of ethics management within public organisations. Together these constitute a good foundation for analysis and additional dimensions may be included in the data collection over time. In other cases, data is altogether lacking or simply not collated and analysed. For example, while procurement review and remedies are considered as slow and often misused by suppliers, there has been little collection of data to understand the heart of the problem as a basis for supporting training activities for procurement officials or changes in procurement rules and procedures.

An additional challenge facing the assessment of integrity management in Brazil is the fragmentation of assessment activities. Various units within the same public organisations collect information regarding the functioning of specific integrity management. For example, ethics committees have information on ethics investigations, the inspectorates have information on administrative investigations, the ombudsman on reports from the public, etc. These activities are, however, not typically co-ordinated and results assessed together with one another.

Moving forward, federal public organisations may focus attention on: *i)* incorporating existing results of individual assessments of integrity instruments into a broader framework to support accountability; and *ii)* refining and broadening existing integrity data and indicators to better capture the functioning and impact of integrity institutions and systems. The Office of the Comptroller General of the Union (and within it the Inspectorate General of Administrative Discipline, Ombudsman General of the Union and Secretariat of Corruption Prevention and Strategic Information) and the Public Ethics Commission are well positioned to lead efforts to build an assessment framework. This could subsequently be used to facilitate measured benchmarking of the implementation and impact of integrity instruments across the federal administration. Achieving this will also require greater co-ordination within public organisations to design a coherent integrity evaluation framework that provides credible and relevant data for policy makers and managers.

Increase co-ordination at policy and implementation levels in order to develop a collective commitment for enhancing integrity and preventing corruption

Collective commitment is necessary for the effective implementation, or operationalisation, of the government's goals. Achieving collective commitment does not necessarily mean consensus on a common approach, as the public organisations face different operational risks and have a different tolerance to risk because of their visibility and political significance. Decision makers and public managers therefore need to understand why they are being asked to work a certain way and the consequences if they are unable to do so (OECD, 2010a). Collective commitment can be strengthened through knowledge sharing, both within and across public organisations. Effective knowledge sharing can highlight innovations and good practices in relation to integrity management while, at the same time, demonstrating the importance of organisational-specific factors. There is no single one size fits all solution for all public organisations. Strong leadership from central authorities, and exemplary role set by political and administrative leaders, encourage public managers to commit and implement integrity-related reforms.

Central authorities play a critical role in supporting dialogue and exchange between public managers. Brazil has established central authorities in charge of different aspects

of public management. For example, the Office of the Comptroller General of the Union is responsible for risk management, internal audit and transparency policies. The Public Ethics Commission is responsible for embedding high standards of conduct among public officials. The Federal Ministry of Planning, Budget and Management (*Ministério do Planejamento, Orçamento e Gestão*) is responsible for public management reforms in the areas of charters of service, public procurement, human resource management, as well as administrative back-office functions. The Federal Ministry of Finance (*Ministério da Fazenda*) is responsible for accounting standards and integrating financial and non-financial performance information. These activities are complementary to one another, and in some cases overlapping, in relation to efforts to enhance integrity within the federal public administration.

Brazil has also created many structures to facilitate co-ordination and communication within the particular organisation functions within federal public administration. For example, co-ordination and communication occurs through annual meetings of inspectorate generals, ethics committees and organisational ombudsman. Such meetings facilitate ongoing exchange and learning for officials working in these functions. In other cases these structures exist only on paper, for example the Commission for Co-ordination of Internal Control (*Comissão de Coordenação de Controle Interno*). Dialogue need not be across the entire federal public administration. Experience from OECD member countries suggests that sector-specific dialogue can be more effective at addressing the specificities of particular public functions. For example, some countries have identified commonalities between organisations and management cultures with enforcement powers, such as the tax administration, customs administration, border control, the police and security forces.

Moving forward, Brazil's central authorities may like to focus attention on co-ordination between central authorities of the federal public administration and across functional areas within individual public organisations. However, it is important that real collaboration happen rather than serve as a forum to collate and raise awareness of ongoing initiatives within the federal public administration. Collaboration need not only arise as a trickle-down effect from the national level. Individual public organisations can take the initiative to improve co-ordination and communication between their ethics committees, inspectorate generals, internal audit and organisational ombudsman.

Proposals for action

This review is supported by analysis of four main areas of focus:

- promoting transparency and citizen engagement;

- implementing a risk-based approach to internal control;

- embedding high standards of conduct; and

- enhancing integrity in public procurement.

This part presents the proposals for action for the federal government moving forward.

Promoting transparency and citizen engagement

Promoting transparency and citizen engagement is considered essential for enhancing the accountability and external oversight of public organisations (see, *e.g.* OECD, 2001; 2003; 2005a; 2009b). In addition, the role of transparency and citizen engagement in fighting corruption is also recognised in international conventions against corruption.[1] Transparency provides citizens with the information they need to oversee and evaluate government decision making and public policies. Increasingly, OECD member countries are adopting proactive transparency measures to ensure that citizens get immediate access to public information and avoid the cost of engaging in administrative procedures to access the information. Citizen engagement can also create a shared responsibility for service delivery and a shared role for enhancing integrity. Together, transparency and citizen engagement can facilitate: *i)* better policy outcomes at lower costs; *ii)* higher compliance with decisions reached; and *iii)* equity in access to policy making and service delivery. It can also help to improve policy performance and fiscal legitimacy by helping governments to: *i)* better understand and respond to citizens' evolving needs; *ii)* leverage knowledge and resources from beyond the public administration; and *iii)* develop innovative solutions to policy problems and their implementation.

Transparency, while a necessary condition, is not sufficient to guarantee effective citizen engagement. Governments must invest in lowering barriers to engage the "willing but unable" and make engagement attractive to the "able but unwilling". Risks are also inherent in increasing transparency and citizen engagement; like any actions undertaken by the government, careful risk management is required. Possible risks include delays in public decision making, capture of processes by special interests, consultation fatigue and conflicts among participants. These risks can inadvertently undermine public governance and trust in government.

To date, promoting transparency and citizen engagement within Brazil has been achieved in the absence of comprehensive freedom of information legislation. Brazil is only now moving closer to a comprehensive freedom of information law with a bill under discussion within the National Congress. This bill was presented to the National Congress

by the President of the Republic in 2009, replacing earlier proposals that were tabled in early 2000. The Office of the Comptroller General of the Union is also engaging the United Nations Educational, Scientific and Cultural Organisation to support the eventual implementation of a freedom of information law, though information about this partnership was unavailable. In order to support the eventual implementation of a freedom of information law, the federal government of Brazil could consider the following proposals for action:

- Ensure the inclusion of an adequate transition period within the freedom of information bill. The government may consider, for example, phasing in the implementation of a freedom of information law by the level and size of government. This would allow time for local governments to establish the necessary capacity and to learn lessons from the central and other local governments. Such a phased implementation already exists for other transparency policies, for example, obligations for local governments to provide information electronically on budget execution (see Complementary Law no. 131/2009 amending Complementary Law no. 101/2000, "the Fiscal Responsibility Law"). This law, for example, gives 3 deadlines for the phased implementation of requirements for increased budget transparency: 1 year for states, the Federal District and municipalities with over 100 000 inhabitants; 2 years for municipalities with 50 000-100 000 inhabitants; and 4 years for municipalities with less than 50 000 inhabitants.

- Ensure adequate resources are allocated to prepare guidance materials for federal public organisations to consider when formulating their own policies and operating procedures with regard to freedom of information. Guidance material may address *i)* protocols and procedures for informing citizens of their rights; *ii)* the application of fees for citizens requesting information; and *iii)* the collection of data to review the implementation of freedom of information requirements. The Office of the Comptroller General of the Union has already started preparing a project together with the United Nations Educational, Scientific and Cultural Organisation focusing on preparing the federal public administration for the implementation of a law. These activities will happen over 2011 and 2012.

- Include records and archives management into internal audit activities as a means of preparing for an eventual freedom of information law. This may be done through the programme (performance) audits of organisations of the direct public administration by the Secretariat of Federal Internal Control. Brazil's centralisation of internal audit within the direct federal public administration could ensure the effective implementation of such a policy. The Secretariat of Federal Internal Control could also require this to be included in the Annual Plan of Internal Audit Activities of the audit units within organisations of the indirect federal public administration. The Secretariat of Federal Internal Control sets guidelines and approves the Annual Plan of Internal Audit Activities of the audit units within organisations of the indirect federal public administration.

Despite the absence of a freedom of information law, much progress has been achieved during the last decade – particularly in relation to transparency in public expenditure – through the implementation of Complementary Law no. 101/2000. This has been supported by the use of new technologies to provide free real time access to information through the Transparency Portal and transparency pages. In order to

strengthen citizens' utilisation of information proactively made available, the federal government of Brazil could consider the following proposals for action by the Office of the Comptroller General of the Union:

- Support citizens to conduct additional analysis of government data through the Transparency Portal and other portals of the federal public administration. In the immediate period, the Transparency Portal and transparency pages may be changed to allow direct comparisons of expenditure data across years and to permit downloading of expenditure and revenue data, as is already the case for select data (*e.g.* government administrative agreements). In the medium term, attention could focus on developing more sophisticated online analytic tools. Experience has shown that online analytic tools can be more effective to facilitate participation and oversight than allowing citizens to download masses of data. Finally, non-financial performance data could be incorporated into the Transparency Portal. Such data already exists through the websites of some federal public organisations (*e.g.* social development, health) but it is also a focus of attention by the Secretariat of the National Treasury.

- Periodically survey citizens on their use of the Transparency Portal and transparency pages of the federal public administration. Electronic surveys could be sent directly to subscribers of the Transparency Portal direct mailing system (more than 30 000 users as of July 2010). This would allow assessment of existing users but not necessarily those that do not use the portal. Surveys directed at subscribers of the portal's direct mailing system could be complemented by partnering with other organisations that conduct annual household surveys of the use of e-government services or information and communications technologies more generally. Working in partnership has the potential of reducing the cost of surveys and also capturing the views of others that do not currently use, or are not necessarily aware of, the Transparency Portal.

- Augment the content of the transparency pages of federal public organisations to include other types of information. At present transparency pages include information on: *i)* budget execution; *ii)* procurement; *iii)* administrative contracts; *iv)* administrative and transfer agreements; and *v)* travel and per diem. This may be expanded to include, among other items: *i)* relevant laws and regulations; *ii)* Charter of Citizens' Services; *iii)* annual management reports; and *iv)* external audit reports. In addition, and in line with recommendations on Enhancing Integrity in Public Procurement, procurement and contract information may be accompanied with annual procurement plans and information on contract amendments above a particular threshold (defined as a share of the original price). This would support citizens to have a one stop repository of key information relating to accountability of individual public organisations.

- In the medium to long term, assess the possibility of streamlining and standardising the websites of federal public organisations to publish the information contained within the transparency pages on the main website. At present, the transparency pages are stand-alone websites separate from their respective federal public organisations. This creates parallel websites decidicated to public service delivery and accountability.

Since August 2009, all federal public organisations are obliged to provide clear information on their services, establish service standards and evaluate user satisfaction of their services through the creation of a Charter of Citizens' Services. In order to

strengthen the effectiveness of these charters, the federal government of Brazil could consider the following proposals for action by the Federal Ministry of Planning, Budget and Management and the Office of the Comptroller General of the Union:

- Expand the content of charters to include a commitment to maintain professional excellence and high standards of conduct, the rights and obligations of citizens, information on channels available for complaints, compliments and feedback. This information is typically not included in the charters published to date but could help to create a more holistic understanding of the interaction between public officials and citizens.

- Encourage all federal public organisations to conduct a consultation process with different stakeholders when (re-)formulating and updating their charters. This can provide support in ensuring that: *i)* stakeholders are aware of their rights and obligations; *ii)* the charter is understood and considered relevant to their respective needs; and *iii)* the charter has been appropriately applied. In doing so, all necessary actions should also be taken to ensure the timely completion of a consultation process and amendment and/or revisions to the charter.

- Develop a good practice guide to help public officials implement charters and to highlight the experiences and lessons learned of other public organisations. A guide may include such topics as approaches to increasing awareness of charters among citizens and to assessing the implementation of service charters, etc. Good practices need not only originate from federal public organisations but also state and municipal public organisations, in Brazil or overseas. A large number of OECD member countries have developed charters and created their own good practice guides.

- Conduct periodic audits of the implementation of charters as part of responsibilities for ensuring compliance with the obligations of Federal Decree no. 6 932/2009 (establishing the obligation for federal public organisations to create charter). Audits may address the strategic commitment to implementing the service standards included within the charter and internal monitoring and reporting of performance against commitments in the charter.

In addition to the actions of the Federal Ministry of Planning, Budget and Management and the Office of the Comptroller General of the Union, the success of Charters of Citizens' Services requires effective implementation. In this regard, the federal government of Brazil could consider the following proposals for action by all individual public organisations:

- Develop protocols and procedures to inform citizens of information contained within the charter as a normal part of service delivery activities. To maintain a consistent and co-ordinated approach, consider that protocols and procedures relating to the charter also be incorporated into other communication and awareness-raising activities conducted by federal public organisations.

- Develop a systematic approach to internally monitor, evaluate and communicate the results of the implementation of charters, including publishing both quantitative and qualitative measures as part of annual management reports. To maintain a consistent and co-ordinated approach, consider aligning the evaluation of the charter's implementation with other evaluation activities.

- Place responsibility for the implementation of the charter in organisational ombudsman units (where they exist). These responsibilities may include, among others: *i)* evaluating the benefits of consultation with citizens and, where appropriate, engaging citizens and service users in the formulation of a charter; *ii)* ensuring information on the service standards and the charter is effectively communicated to citizens at the point of service delivery, among others; *iii)* raising awareness of, and providing advice to, officials in all organisational units on how to apply the charter in their daily activities; and *iv)* monitoring conformity with service standards outlined in the charter and, where necessary, bringing it to the attention of management where improvements are needed.

There has been an expansion of the ombudsman function throughout the federal public administration since 2002, to provide a point of contact for citizens requesting information and expressing opinions and feedback about the conduct of service delivery. The number of ombudsman units increased from 40 to 154 between 2002 and 2010. The federal government intended that by end 2010 all federal ministries would have an ombudsman unit. In order to strengthen the effectiveness of the ombudsman function, the federal government of Brazil could consider the following proposals for action by the Office of the Ombudsman General of the Union:

- Develop common reporting procedures to facilitate aggregation of data to the Ombudsman General of the Union, in order to assess the functioning of ombudsman units within the federal public administration. Such information may include: *i)* the number of reports received; *ii)* the types of reports received; *iii)* breakdown by regional offices and/or programmes; *iv)* average time for handling responses; and *v)* types of responses provided. At present, data does not allow for a complete understanding of the effectiveness of the ombudsman function.

- Develop generic software for ombudsman units to collect, monitor and evaluate the handling of information requests and other interactions with citizens. This use of this software by the ombudsman units may be mandatory for those that may otherwise not have adequate capacity to develop their own such system. It could also establish minimum requirements for other federal public organisations with their own existing ombudsman case/data management systems. At present, case management data for the ombudsman units varies across the federal public administration and does not always capture dimensions that can help to assess the functioning of case management. Standardised software would allow the generation of more standardised ombudsman data and reporting among federal public organisations.

- Facilitate dialogue and exchange between the Office of the Ombudsman General of the Union and the Office of the Federal Public Prosecutor. The Office of the Federal Public Prosecutor's public-interest litigation function brings it closer to a classical ombudsman in OECD member countries. Dialogue and exchange may include such activities as: *i)* case management training for officials working in the ombudsman function; *ii)* standardisation of data and benchmarks relating to reports and citizens; *iii)* joint annual reporting of interactions with citizens; and *iv)* joint communication activities to inform citizens of their rights and the channels available to voice their concerns.

In addition to the actions of the Office of the Ombudsman General of the Union, the federal government of Brazil could consider the following proposals for action by all individual public organisations:

- Enhance the content of ombudsman reports to include more detailed information to issues by service area, organisational unit, response time, and response type (*e.g.* released in full, denied in part, denied, no records, time extension, etc.). At present, case management data for the ombudsman units varies across the federal public administration and does not always capture dimensions that can help to assess the functioning of case management. Improved reporting would help Congress and citizens to better evaluate the functioning of organisations' ombudsman units.

- Include, in each avenue available to register complaints and suspected misconduct by public officials, an explicit statement that assures citizens of the confidentiality of information they provide and that they will not be discriminated against as a result of any complaint. At present there is no such explicit statement. The absence of such a statement may deter citizens from contacting ombudsman units within the federal public administration. In addition, it is critical that the content of any such explicit statement be incorporated into training activities and other guidelines for ombudsman officials. Raising an understanding among ombudsman officials is necessary for the effective implementation of any communicated commitment to confidentiality and unbiased treatment.

Citizen engagement in the accountability and control of federal government policies and programmes has been mainstreamed through councils and conferences within different policy sectors and at all levels of government. These forums provide a channel for citizens to directly participate in public policies. Councils focus on the design, implementation and monitoring of public policies. Conferences evaluate public policies and establish guidelines for improvement. In order to strengthen the alignment of citizen engagement with efforts to promote integrity, the federal government of Brazil could consider the following proposals for the Office of the Comptroller General of the Union together with the Office of the President of the Republic (Secretariat for Corruption Prevention and Strategic Information):

- Develop a framework for enhancing participation in policy making at the federal government level. This framework could identify both good management practices and policy interfaces across federal services, as well as create opportunities for cross-sectoral dialogue, for example by sharing lessons learnt across government.

Efforts have begun to create a sound legal framework for lobbying with an emphasis on openness and transparency with clear and enforceable standards. A bill is under discussion in the National Congress. The Council for Transparency and Combating Corruption is also debating how to address the issue of lobbying. In order to increase integrity and transparency in lobbying, and recognising the current proposals within the National Congress, the federal government of Brazil could consider the following proposals for action:

- Clarify public concerns regarding lobbying in order to understand properly the challenge in developing an appropriate framework for enhancing transparency and integrity in lobbying. Specific attention should focus on the administrative context of Brazil and not simply replicating the institutions and measures adopted

in other countries. In this regard, attention should focus on the realities of a federalist state and presidential political system.

- Provide clear standards of conduct for public officials to guide their interactions with lobbyists and to manage possible conflicts of interest should they leave public office and become a lobbyist. Attention should be directed to ensure complementarity between the bills on lobbying and conflict of interest to ensure that they adequately deal with post-public employment and possible "revolving door" situations, while not deterring highly qualified individuals from entering the public service.

- Clearly define the terms "lobbying" and "lobbyist" in the formulation of an eventual law on lobbying. Attention should focus on: *i)* what actors and activities are covered; and *ii)* providing proper descriptions of exclusions in line with the administrative context of Brazil. Vague and partial definitions of which actors and what activities are covered by the law could endanger the proper functioning of the law.

- Establish clear standards and procedures for collecting and disclosing information on lobbying. Disclosure requirements can generate a lot of information. However, an effective lobbying law should ensure that: *i)* collected information is relevant to the core objectives of ensuring transparency, integrity and efficiency; *ii)* demands for information are realistic in practical and legal terms. Core disclosure requirements should elicit information that: *i)* captures the intent of lobbying activities; *ii)* identifies its beneficiaries; and *iii)* points to those on the receiving end of lobbying. Supplementary disclosure requirements should take into consideration the legitimate information needs of public decision makers as well as facilitate public scrutiny. Moreover, to adequately serve the public interest, disclosures on lobbying activities should be made and updated on a timely basis.

- Put in place mechanisms for effective implementation to secure compliance. To enhance compliance, a coherent spectrum of practices should involve key actors and also carefully balance incentives and sanctions. This includes communication to raise awareness of expected standards, education to support understanding and provide guidance, formal reporting to facilitate monitoring, leadership to set examples, incentives to create a culture of compliance, visible and proportionate sanctions, among others. Securing the objectives of a lobbying law may also require that officials have the authority to provide interpretation, to review filings, to demand clarifications from registrants and to pursue investigations further, if necessary, to the point of notifying the need for criminal enquiries.

- Finally, in order to meet the growing expectations of society for good governance, there should be a formal review mechanism of the functioning of lobbying laws and policies on a regular basis in order to make necessary adjustments in light of experience with implementation.

Implementing a risk-based approach to internal control

Internal control is commonly recognised as the set of means put in place in order to mitigate risks and provide reasonable assurance that public organisations: *i)* deliver quality services in an efficient manner, in accordance with planned outcomes;

ii) safeguard public resources against misconduct and (active and passive) waste; *iii)* maintain, and disclose through timely reporting, reliable financial and management information; and *iv)* comply with applicable legislation and standards of conduct (see INTOSAI, 2004). Reasonable assurance is achieved through management systems and practices that serve to mitigate risk and vulnerabilities (*i.e.* management control) and an independent and objective assessment of their functioning (*i.e.* internal audit). It is also influenced by the standards of conduct adhered to by public officials, a topic discussed in Chapter 4 of this report. Effective internal control, no matter how well conceived and operated, can provide only reasonable –not absolute – assurance to decision makers and public managers about the integrity of their organisation's operations. The role of internal control in preventing corruption in public organisations is also recognised in international conventions against corruption.[2]

Implementing a risk-based approach to internal control purports to ensure that management control is proportionate with potential vulnerabilities of each respective public organisation. It is not simply about regulating internal practices and procedures. It requires having in place a systematic process and adequate capability (*i.e.* knowledge, resources, etc.) to assess and use assessment results to adjust management systems in order to prevent risks from (re-)occurring in a cost-effective manner. It also necessitates an *ex post* assessment of risk-mitigating actions, recognising that earlier diagnosis and mitigating actions may not always have the desired effect. Doing so requires leadership to create a culture that encourages the management of risk as a strategic and continuous action supporting prevention rather than a process of attributing fault to individuals and the inadequacies of systems. Although internal auditors can play a valuable advisory role in internal control, the internal auditor should not be a substitute for a risk-based approach to internal control. Finally, to be effective, management control and internal audit need to be integrated with other organisational systems that feed directly into management frameworks and decision-making processes as a means of strengthening public governance.

Brazil's internal control system of the federal public administration has been continuously modernised since the late 1980s. It began with standardisation and automation of the back-end systems and the establishment of the internal control policy and stewardship role within the Office of the Comptroller General of the Union. It is advancing with the introduction of risk-based control both at the level of the federal public administration and individual public organisations. These developments transform the emphasis from compliance to management. The modernisation of the internal control system supports the government's efforts to enhance integrity and prevent corruption. In order to strengthen the internal control framework, the federal government of Brazil could consider the following proposals for action for the Office of the Comptroller General of the Union:

- Complement the *Internal Control Manual* of the federal public administration with a series of good practice guides. The current manual is particularly formalistic and theoretical in nature rather than operational. These good practice guides may address issues such as risk management, specific control actions, internal audit planning, internal audit resourcing, internal audit performance assessment and quality assurance. Good practices need not only originate from federal public organisations but also state and municipal public organisations as well as private organisations, in Brazil or overseas. In the process of the formulating good practice guides, responsibility should be upon the Office of the Comptroller General to identify good practices from internal audit units within the

indirect federal public administration to complement those of its own audit activities.

- Introduce, in a phased manner, the current risk management methodologies in at least 5 public organisations during 2011/2012 as a basis for continued learning on risk management and to refine earlier risk management methodologies. In this process, the Office of the Comptroller General of the Union should actively take a lead role in the process because of its mandate, resourcing and understanding of internal control. This will help public organisations to better understand their operational risks and serve as input into refining the current operational generic risk management methodologies. Over time, and with increased maturity of the risk management framework in these federal public organisations, the role of the Office of the Comptroller General of the Union can focus on providing an independent assurance of the effectiveness of risk management strategies and the effectiveness of the framework.

- Work together with the Federal Ministry of Planning, Budget and Management and the national schools of administration to integrate risk management into programmes supporting the development of competencies of senior public managers.

In parallel with moves to strengthen the internal control system of the federal public administration, internal audit within federal ministries has been largely centralised within the Secretariat of Federal Internal Control with dedicated internal audit teams allocated to each federal ministry. Agencies, foundations, state-owned and mixed-capital enterprises all have their own internal audit units. The Secretariat of Federal Internal Control has increasingly invested in programme (performance) audit and developing systems to follow-up on audit recommendations. In order to strengthen the efficiency of the internal audit function, the federal government of Brazil could consider the following proposals for action for the Office of the Comptroller General of the Union:

- Include both internal and external audit recommendations and progress made in implementing them in the proposed Monitor-web, a system designed to ensure quality and adequate follow up of internal audit activities. Focusing on internal audit recommendations alone does not allow management to have a holistic picture of independent assessments of their operations. Moreover, as the federal public administration introduces risk management into federal public organisations, attention may also be given to integrating this information into the audit monitoring systems. This would ensure a single dashboard for public managers to monitor and evaluate internal control actions. It would also enable internal auditors to leverage off the same information held by public managers in conducting an objective evaluation of internal control actions.

- Benchmark internal audit activities conducted by dedicated internal audit teams within the Office of the Comptroller General of the Union and the internal audit units of organisations of the indirect public administration to explore differences in costs, quantity, time and quality of internal audit activities and to drive performance improvements.

- In the medium to long term, assess the business case for a shared internal audit service within the direct public administration. Such an assessment would include what criteria should be introduced should a federal public organisation wish to develop its own internal audit function.

In order to strengthen collective commitment and the whole-of-government approach for internal control, the federal government of Brazil could consider the following proposals for action for the Office of the Comptroller General of the Union:

- Explore mechanisms for closer co-ordination in the modernisation of the internal control framework between the Office of the Comptroller General of the Union with the Secretariats of Management, Logistics and Information Technology (Federal Ministry of Planning, Budget and Management) and Secretariat of the National Treasury (Federal Ministry of Finance). These secretariats have policy functions that impact upon the internal control system of the federal public administration. For example, the Secretariats of Management are working together with federal public organisations to re-engineer internal processes to improve service delivery. The Secretariats for Logistics and Information Technology and National Treasury also oversee many of the back-office management systems of the federal public administration.

- Assess the role and composition of the Commission for Co-ordination of Internal Control as a mechanism for exchanging experiences on internal control. This commission has not convened since 2003. The commission could play an advisory role in the development of tools to support risk management in federal public organisations and provide much meaningful input into the generic risk management methodologies developed by the Office of the Comptroller General of the Union. The current composition, however, may benefit from the participation of more internal audit units from organisations of the indirect public administration (currently only one-third) and the involvement of representatives from the national professional internal audit association and the Federal Court of Accounts.

Embedding high standards of conduct

Standards of conduct are recognised as essential for guiding the behaviour of public officials in line with the public purpose of the organisation in which they work. The OECD "Principles for Improving Ethical Conduct in the Public Service" acknowledge the critical role of, and provide guidance to decision makers and public managers on, high standards of conduct for a cleaner public administration (see Annex 4.A1). Recognising the emerging risks at the interface of the public and private sectors, OECD member countries have since adopted "Guidelines for Managing Conflict of Interest in the Public Service" and "Principles for Transparency and Integrity in Lobbying". Standards of conduct are also considered a key component of sound internal control and the fight against corruption. The International Organisation of Supreme Audit Institutions (INTOSAI), for example, revised its "Guidelines for Internal Control Standards for the Public Sector" to include ethics management. The inclusion was justified because of the importance of standards of conduct for the prevention and detection of fraud and corruption. Standards of conduct are also articulated in international conventions against corruption.[3]

Embedding high standards of conduct is supported by: *i)* developing and regularly reviewing practices and procedures influencing standards of conduct; *ii)* promoting government action to maintain high standards of conduct and to address risks; *iii)* incorporating ethical dimensions into management frameworks to ensure that practices are consistent with the public administration's values; and *iv)* assessing the effects of public management reforms on ethical conduct. There is also a growing

demand in OECD member countries for evidence of embedding high standards of conduct, requiring governments to give attention to assessment and verification. This is a difficult task, however, and many challenges exist including: *i)* defining what is measurable; *ii)* ensuring credible and reliable assessment results; and *iii)* integrating assessment results in policy making to make certain they have an effective impact.

Brazil has sought to clarify and maintain the relevance of, and address emerging risks through, standards of conduct for federal public officials. These efforts have resulted in the creation of standards for conflict of interest, gifts, participation in external events, nepotism, etc. A bill regulating conflict of interest (including post-public employment), is currently under discussion by the National Congress. In order to strengthen the legal framework and embed high standards of conduct, the federal government of Brazil could consider the following proposals for action:

- Broaden the scope of coverage of officials under the Code of Conduct for High Public Officials to include level 4 and 5 supervisory and management officials, and their equivalents. A unique and defining feature of supervisory and management officials is that they may be seconded from another public organisation (mainly from the federal administration but also from a state or a municipal administration) or recruited externally from the private and not-for-profit sectors. Bill no. 7 528/2006 regarding conflict of interest already proposes to expand the definition of high public official to include level 5 supervisory and management officials and their equivalents. Broadening the scope of coverage of officials under the Code of Conduct for High Public Officials to include level 4 and 5 supervisory and management officials and their equivalents would expand the coverage of the Code of Conduct for the High Officials in the federal public administration from approximately 450 to 4 450 officials.

- Utilise risk management activities to identify emerging ethical risks facing public officials in decision-making processes to clarify and maintain the relevance of standards of conduct. At present, the generic risk management methodology developed by the Office of the Comptroller General of the Union is framed as a means of strengthening internal controls and preventing corruption rather than ethical dilemmas and possible conflicts of interest. This could involve the participation of members of the ethics committees of individual public organisations in the process of risk identification, assessment and formulation of mitigating actions. This could be explored in the piloting of the risk management methodologies scheduled for 2011/2012.

Since 2006, the Office of the Comptroller General of the Union has been developing programmes to disseminate information on expected standards of conduct and to build capacity for applying them in day-to-day activities. Moreover, the Office of the Comptroller General of the Union has begun to identify good practices, analyse officials' private interest disclosures and audit the existing ethics actions in individual federal public organisations. In order to foster high standards of conduct among federal public officials, the federal government of Brazil could consider the following proposals for action by the Public Ethics Commission and Inspectorate General of Administrative Discipline:

- Develop guidelines on how to effectively conduct a consultation in the preparation of a code as a reference for individual public organisations as they develop their own codes. Consultations can support the development of a code of

conduct, as well as ensure that any code is understood and considered relevant to public officials.

- Where appropriate, apply the code of conduct to service providers, including by inserting relevant provisions of the code into contracts and ensuring that complaints procedures (*e.g.* ombudsman) are well communicated to citizens by service providers.

- Identify and publish information on good practices for guiding public officials in applying high standards of conduct. To date, the Secretariat of Corruption Prevention and Strategic Information within the Office of the Comptroller General of the Union has conducted ad hoc surveys of good practices in relation to standards of conduct in individual public organisations. Such surveys could be used to complement the annual surveys of ethics management in order to disseminate good practices. Good practices need not only originate from federal public organisations but also state and municipal public organisations as well as private organisations, in Brazil and overseas. This may include protocols for public managers to raise issues of standards of conduct in day-to-day work, model training packs for trainers and students, etc.

- Design training activities or modules on standards of conduct to more closely correspond with the risks associated with officials' tasks and level of management (*i.e.* dilemma-type training). This would help to ascertain what public officials consider an appropriate response to situations susceptible to breaches in standards of conduct. At present, training activities for public officials on standards of conduct give little, if any, attention to dilemmas. Where dilemmas are used, they appear to be general to the organisation rather than specific to the function and rank of the public official participating in the training activities.

Brazil does not have a clear framework for assessing the impact of its ethics management or administrative discipline systems (many OECD member countries face the same challenge). Within Brazil's federal public administration qualitative and quantitative data does exist and efforts have been made to standardise them during the last few years. In order to enhance efforts to verify standards of conduct, the federal government of Brazil could consider the following proposals for action by the Public Ethics Commission, the Inspectorate General of Administrative Discipline and the Ombudsman General of the Union:

- Move to standardise the annual ethics management surveys conducted by the Public Ethics Commission to allow monitoring of developments regarding standards of conduct over time. At present, annual ethics management surveys conducted by the Public Ethics Commission have lacked continuity and, as such, do not show trends over time. It may not be necessary to conduct the same survey every year. Alternative surveys may be conducted on a rolling basis. In addition, attention could focus on leveraging new technologies in conducting the surveys through officials' email accounts, for example. This would reduce the cost of conducting the survey and increase the speed with which results can be processed.

- Develop a joint-evaluation framework combining information on efforts to guide and monitor high standards of conduct (defined as ethics management in Brazil) and enforce standards of conduct (defined as administrative discipline in Brazil). Information on ethics management is already collected through annual surveys of ethics management, training on standards of conduct, ethics counselling and

ethics investigations by the Public Ethics Commission and ethics committees of individual public organisations. Information on administrative discipline is already collected by the Inspectorate General of Administrative Discipline. Such a framework could include both quantitative and qualitative data. Partnerships with educational institutions may aid the design of methodologies to evaluate standards of conduct.

- Support public managers to apply the joint-evaluation framework to assess standards of conduct within their own organisations as a basis for improvement, to facilitate benchmarking across federal public organisations in a meaningful way and to complement evaluation activities at a whole-of-government level.

- Communicate the results of annual assessments internally within federal public organisations, across the federal public administration, as well as to citizens. Communicating the results of assessment can positively shape opinion about the role and capability of efforts to embed high standards of conduct.

Enhancing integrity in public procurement

Public procurement is recognised as a strategic instrument for public service delivery – but also an activity vulnerable to misconduct and (active and passive) waste (see, *e.g.* OECD, 2005b; 2007; 2009d).[4] Its prominence as a policy instrument relates to its total value: general government procurement accounts for between 4-14% of gross domestic product (GDP) in OECD member countries. In Brazil, conservative estimates suggest that general government procurement accounts for approximately 8.7% of GDP. Of this 1.6% is attributed to the federal government, 1.5% to state governments, 2.1% to local governments and 3.2% is attributed to state-owned and mixed capital enterprises.[5] Given the substantial financial flows and direct linkage with service delivery, many governments in OECD member countries are taking steps to enhance integrity within their procurement systems. The role of integrity in public procurement as a measure to prevent corruption within the government is recognised in the OECD "Principles for Enhancing Integrity in Public Procurement" (OECD, 2008; 2009a) and international conventions against corruption.[6]

Enhancing integrity in public procurement is not simply about increasing transparency and limiting management discretion in decision-making processes. Measured discretion in procurement decision making is needed to achieve value for money, often defined as the most economically advantageous tender. Rather, enhancing integrity necessitates recognising the risks inherent throughout the entire procurement cycle, developing appropriate management responses to these risks and monitoring their impact of risk mitigating actions. Moreover, it requires transforming procurement into a strategic and capable profession rather than a simple administrative function. Professionalism necessitates developing knowledge and creating tools to support improved procurement management decision making and assessment. Enhancing integrity in public procurement must also be placed within the broader management systems and reform of the public administration.

Brazil has recognised the role of procurement as a strategic instrument of public service delivery and an activity vulnerable to misconduct and waste. The federal public administration has taken steps to support development and has taken steps to establish appropriate systems of procurement, based on transparency, competition and objective criteria in decision making in order to support value for money, prevent waste in the allocation of resources and safeguard integrity. The federal procurement portal

(Comprasnet), the electronic *Official Gazette of the Union*, the Transparency Portal of the Federal Public Administration, the Public Works Portal (Obrasnet) and approximately 400 transparency pages of individual public organisations provide access to information. In order to further enhance transparency in procurement, the federal government of Brazil could consider the following proposals for action by the Federal Ministry of Planning, Budget and Management:

- Transparency could also be introduced in the pre-tender phase of the procurement cycle, for example through the preparation and publication of procurement plans by individual federal public organisations. Such information would help public organisations to leverage its buying power while allowing control and monitoring.

- Publish information on contract amendments above a certain amendment threshold on the federal procurement portal in order to further enhance transparency and direct social control. Such information can deter suppliers from submitting unrealistic prices and encourage more accountable contract management within public organisations.

- Integrate procurement information into one portal as a one-stop shop for suppliers and citizens. As part of this process, attention could focus on understanding the use of the various procurement portals as a basis for evaluating the appropriateness of information and means in which it is made available.

Electronic reverse auctions have been promoted as a means to improve transparency, control and efficiency in procurement. Approximately 85% of off-the-shelf goods and common services are procured using electronic reverse auctions, yielding annual cost savings of approximately 23% for the federal government since FY 2002. Although contributing to a reduction in the number of exemptions to competitive procurement, exemptions and waivers remain high: 23% of contracts and 86% of contract values in FY 2009. In order to better understand the factors contributing to the use of exemptions, the federal government of Brazil could consider the following proposal for action by the Federal Ministry of Planning, Budget and Management and the Office of the Comptroller General of the Union:

- Conduct a review of below competition threshold and emergency procurement as a basis for reviewing procurement guidelines and improving procurement practices. Such a review could also help shed light on whether this stems from a lack of incentives for procurement planning and how planning could generate an additional efficiency dividend.

Automated back-office management systems support internal control activities, including separating procurement duties, embedding multi-level reviews and ensuring documentation of decision-making processes. New audit techniques and risk management are being introduced to create reasonable assurance of integrity in the procurement process. In order to strengthen internal control in procurement, the federal government of Brazil could consider the following proposals for joint action for the Federal Ministry of Planning, Budget and Management and the Office of the Comptroller General of the Union:

- Devolve access to "red flags" identified by crossing procurement data with other government databases in order to place responsibility upon public procurement officials to conduct due diligence before contract award. Care, however, is necessary to ensure that red flags are properly vetted and employed. The flags identify atypical situations but are not a priori evidence of irregularities.

- Take forward plans to introduce risk management in federal public organisations, prioritising public organisations with a large share of public administration's procurement spending and contracts. Introducing risk management in public procurement could serve as a critical entry point for introducing risk management more generally in some federal public organisations.

- Amend the law to reduce discretion with regard to the imposition of administrative procurement sanctions. Procurement legislation does not determine how the different administrative sanctions are to be applied in practice (*e.g.* when will a certain breach of the contract obligations trigger a warning as opposed to a fine) or standardised amounts for administrative fines.

While much has been achieved in terms of promoting transparency throughout the procurement cycle and introducing risk-based internal control, attention needs to focus on developing capability among procurement officials to support public organisations' service delivery and the government's strategic objectives. It will require transforming procurement into a strategic profession rather than a simple administrative function. In order to develop good procurement management practices in public organisations, the federal government of Brazil could consider the following proposals for joint action for the Federal Ministry of Planning, Budget and Management and the Office of the Comptroller General of the Union:

- Develop good practice manuals to enhance professionalism among public procurement officials. Good practices need not only originate from federal public organisations but also state and municipal public organisations as well as private organisations, in Brazil or overseas. Examples of issues that good practices guides may address include procurement planning, supplier engagement, etc.

- Develop procurement performance indicators at the level of individual public organisations to aide public procurement officials and public managers improve procurement performance over time. Indicators should be supported by a clear rationale, definition, methodology and data source. Examples of key performance indicators may include number of appeals, time between bid opening and award, number of contract amendments, price increase, etc.

- Conduct, together with federal public organisations, procurement capability assessments. These assessments can draw upon the results of key performance indicators and help identify good practices as input into operational procurement guidelines. Attention should particularly focus on identifying concrete actions for improvement and periodically monitoring performance against these actions.

- Expand recording of information on procurement appeals and complaints as a first step to conducting a systemic audit of the review and remedies system. Such an audit is necessary to understand how the review and remedies system is used by suppliers and its impact on procurement processes. It is critical that the government better understand the issues facing the procurement review and remedies system to inform possible reforms in this area.

Notes

1.   See 2004 United Nations Convention Against Corruption, Article 10:

   "Taking into account the need to combat corruption, each state party shall, in accordance with the fundamental principles of its domestic law, take such measures as may be necessary to enhance transparency in its public administration, including with regard to its organisation, functioning and decision-making processes, where appropriate. Such measures may include, *inter alia*: *i)* adopting procedures or regulations allowing members of the general public to obtain, where appropriate, information on the organisation, functioning and decision-making processes of its public administration and, with due regard for the protection of privacy and personal data, on decisions and legal acts that concern members of the public; *ii)* simplifying administrative procedures, where appropriate, in order to facilitate public access to the competent decision-making authorities; and *iii)* publishing information, which may include periodic reports on the risks of corruption in its public administration."

   See also 1996 Organisation of American States' Inter-American Convention Against Corruption, Article III:

   "For the purposes set forth in Article II of this Convention [*i)* to promote and strengthen the development by each of the states parties of the mechanisms needed to prevent, detect, punish and eradicate corruption; and *ii)* to promote, facilitate and regulate co-operation among the states parties to ensure the effectiveness of measures and actions to prevent, detect, punish and eradicate corruption in the performance of public functions and acts of corruption specifically related to such performance] the states parties agree to consider the applicability of measures within their own institutional systems to create, maintain and strengthen…Mechanisms to encourage participation by civil society and non-governmental organisations in efforts to prevent corruption."

2.   See United Nations Convention Against Corruption, Article 9.2:

   "Each state party shall, in accordance with the fundamental principles of its legal system, take appropriate measures to promote transparency and accountability in the management of public finances. Such measures shall [include]… *iii)* a system of accounting and auditing standards and related oversight; *iv)* effective and efficient systems of risk management and internal control; and *v)* where appropriate, corrective action in the case of failure to comply with the requirements established in this paragraph."

   See Inter-American Convention Against Corruption, Article 3:

   "[To promote and strengthen the development by each of the states parties of the mechanisms needed to prevent, detect, punish and eradicate corruption; and to promote, facilitate and regulate co-operation among the states parties to ensure the effectiveness of measures and actions to prevent, detect, punish and eradicate corruption in the performance of public functions and acts of corruption specifically

related to such performance] the states parties agree to consider the applicability of measures within their own institutional systems to create, maintain and strengthen: …government revenue collection and control systems that deter corruption".

3. The United Nations Convention Against Corruption draws reference to: *i)* the promotion of integrity, honesty and responsibility among its public officials; *ii)* the application of codes of conduct to articulate the standard of conduct of public officials for the correct, honourable and proper performance of public functions; *iii)* the establishment of measures and systems to facilitate the reporting by public officials of acts of corruption to appropriate authorities; *iv)* measures and systems requiring public officials to make declarations of their private interests that can give rise to a conflict of interest with respect to their functions as public officials; and *v)* disciplinary or other measures against public officials who violate the codes or standards (Article 8). This is in addition to maintaining and strengthening systems for the recruitment, hiring, retention, promotion and retirement of public officials (Article 7).

The Inter-American Convention Against Corruption notes, Article 3:

"[To promote and strengthen the development by each of the states parties of the mechanisms needed to prevent, detect, punish and eradicate corruption; and to promote, facilitate and regulate co-operation among the states parties to ensure the effectiveness of measures and actions to prevent, detect, punish and eradicate corruption in the performance of public functions and acts of corruption specifically related to such performance] the states parties agree to consider the applicability of measures within their own institutional systems to create, maintain and strengthen: …*i)* standards of conduct for the correct, honorable, and proper fulfillment of public functions. These standards shall be intended to prevent conflicts of interest and mandate the proper conservation and use of resources entrusted to government officials in the performance of their functions. These standards shall also establish measures and systems requiring government officials to report to appropriate authorities acts of corruption in the performance of public functions. Such measures should help preserve the public's confidence in the integrity of public servants and government processes; *ii)* mechanisms to enforce these standards of conduct; *iii)* instruction to government personnel to ensure proper understanding of their responsibilities and the ethical rules governing their activities; *iv)* systems for registering the income, assets and liabilities of persons who perform public functions in certain posts as specified by law and, where appropriate, for making such registrations public…*viii)* systems for protecting public servants and private citizens who, in good faith, report acts of corruption, including protection of their identities, in accordance with their constitutions and the basic principles of their domestic legal systems; *ix)* oversight bodies with a view to implementing modern mechanisms for preventing, detecting, punishing and eradicating corrupt acts".

4. Active waste entails direct or indirect benefit for the public decision maker, i.e. reducing waste would reduce the utility of the decision maker. Passive waste, in contrast, does not benefit the decision maker. Passive waste can derive from a variety of sources: the public official does not possess the skills to minimise costs; the public official has no incentive to minimise costs; excessive regulatory burden may make public procurement cumbersome and increase the average price that a public organisation pays.

5. Public procurement is measured as intermediate consumption plus gross fixed capital formation. Gross fixed capital formation is the sum of investments made by government (acquisition of assets) less any fixed assets sold and, thus, may slightly

understate the size of investment-related procurements. It includes defence procurement. Figures differ from Eurostat estimates that include social transfers in kind. Social transfers in kind have been excluded because they represent only funded government expenditure and not public procurement.

6.   See United Nations Convention Against Corruption, Article 9.1:

"Each state party shall, in accordance with the fundamental principles of its legal system, take the necessary steps to establish appropriate systems of procurement, based on transparency, competition and objective criteria in decision making, that are effective, *inter alia*, in preventing corruption. Such systems, which may take into account appropriate threshold values in their application, shall address, *inter alia: i)* the public distribution of information relating to procurement procedures and contracts (e.g. information on invitations to tender and relevant or pertinent information on the award of contracts, allowing suppliers sufficient time to prepare and submit their tenders); *ii)* the establishment, in advance, of conditions for participation (e.g. selection and award criteria and tendering rules) and their publication; *iii)* the use of objective and pre-determined criteria for public procurement decisions, in order to facilitate the subsequent verification of the correct application of the rules or procedures; *iv)* an effective system of appeal to ensure legal recourse and remedies in the event that the rules or procedures established pursuant to this paragraph are not followed; and *v)* measures to regulate matters regarding officials responsible for procurement (e.g. private interest declaration in particular public procurements, screening procedures and training requirements).

See Inter-American Convention Against Corruption, Article 3:

"For the purposes set forth in Article II of this Convention [i.e. *i)* to promote and strengthen the development by each of the states parties of the mechanisms needed to prevent, detect, punish and eradicate corruption; and *ii)* to promote, facilitate and regulate co-operation among the states parties to ensure the effectiveness of measures and actions to prevent, detect, punish and eradicate corruption in the performance of public functions and acts of corruption specifically related to such performance], the states parties agree to consider the applicability of measures within their own institutional systems to create, maintain and strengthen…*v)* systems of government hiring and procurement of goods and services that assure the openness, equity and efficiency of such systems."

Annex 0.A1

Management and consultation

In September 2009, the federal government of Brazil commissioned a major review of the integrity management systems of the public administration to be undertaken by the OECD. The objectives of this review were to:

- examine the functioning of structures, practices and procedures that have been established to enhance integrity and prevent corruption; and

- identify areas where future attention could centre drawing upon recent experiences and good practice from OECD member countries.

As part of this review, the OECD analysed the operations of Brazil's integrity instruments, systems structured around four core pillars:

- **Promoting transparency and citizen engagement** as key instruments to support open and inclusive policy making and support policy performance. Openness and transparency can help redefine the boundaries between the public and the private spheres and to strengthen integrity. Transparency policies facilitate not only citizens' oversight but also levelling the playing field in the private sector and the formulation of citizen-centred services necessary to support socio-economic development. The OECD has developed Guiding Principles for Open and Inclusive Policy Making. Moreover, in 2010 the OECD, together with the Business and Industry Advisory Committee (BIAC), Trade Union Advisory Committee (TUAC), Civicus and Transparency International issued the "Venice Initiative for Dialogue with Civil Society Organisations".

- **Implementing a risk-based approach to internal control** provides assurance that public organisations deliver quality services in an effective and efficient manner, in accordance with planned outcomes; safeguard public resources against mismanagement and waste; maintain and disclose reliable financial and non-financial management information; and adhere to legislation, management directives and standards of conduct.

- **Embedding high standards of conduct** as critical for guiding the behaviour of public officials in line with the public purposes of the organisation in which they work and the federal public administration more generally. It is a precondition for ensuring reliable public services, impartial treatment of citizens and the efficient use of public resources. OECD member countries recognised that the need to embed high standards of conduct requires well-functioning institutions and systems with the adoption of the "Principles for Improving Ethical Conduct within the Public Service" in 1998, the "Guidelines for Managing Conflict of Interest in the Public Service" in 2003 and the "Principles for Transparency and Integrity in Lobbying" in 2010.

- **Enhancing integrity in public procurement** is a strategic instrument for governments to promote economic growth but also an activity vulnerable to

misconduct and (active and passive) waste. Its prominence as a policy instrument relates to its total value: accounting for between 4-14% of GDP in OECD member countries. In 2008, OECD member countries recognised that the need to improve value for money in procurement needed to be accompanied by good governance measures with the adoption of the "Principles for "Enhancing Integrity in Public Procurement". This was complemented by the "Recommendation on Improving the Environmental Performance of Public Procurement" in 2003, "Principles for Private Sector Participation in Infrastructure" in 2007 and Guidelines for Fighting Bid Rigging in Public Procurement" in 2008.

To assess the state of implementation and the functioning of integrity management in Brazil's federal public administration, the report draws upon the experiences of three different policy areas:

- **The Secretariat of Federal Revenue** is Brazil's principal revenue authority. The secretariat has the authority to levy and administer taxes and customs duties, as well as to administer social security contributions, collectively accounting for 25% of GDP or two-thirds of total government revenue.

- **The Family Grant Programme** is a horizontal social policy (*i.e.* targeting multiple social objectives rather than a specific target) involving conditional cash transfers to 12.6 million households (a quarter of the country's population). It is a core component the government's Zero Hunger (*Fome Zero*) Initiative to eliminate hunger by 2015.

- **The National STD/AIDS Programme** is a vertical social policy (*i.e.* targeting a specific issue independently rather than the "horizontal" strengthening of the sector) providing free condoms and anti-retroviral treatment to all identified patients. It is recognised worldwide as a leading example of an effective policy response to fight the HIV/AIDS pandemic.

The review was conducted by the OECD Directorate for Public Governance and Territorial Development. The review was conducted in the following main stages.

- During the first stage, desk research was conducted to explore the legislative and organisational framework of integrity management within Brazil's federal public administration. This was complemented by a literature review of Brazil's integrity instruments and systems structured around the review's four core pillars. During this stage the OECD liaised with other international organisations that have previously worked on issues of integrity management within Brazil's federal public administration (*e.g.* Inter-American Centre for Tax Administration, Inter-American Development Bank, World Bank, etc.).

- During the second stage, information was collected directly from the federal government of Brazil using questionnaires tailored for the OECD Public Governance Review. Four questionnaires sent to the federal government of Brazil between November 2009 and February 2010. These were completed by the Office of the Comptroller General of the Union, the Secretariat of Federal Revenue, the Federal Ministry of Social Development and the Fight Against Hunger and the Federal Ministry of Health. Clarifications were requested by the OECD Secretariat, where necessary, by email, in March and April 2010.

- During the third stage, field work was conducted in Brazil on 3-14 May 2010. Officials of the OECD Secretariat met with over 100 officials in both Brasília and São Paulo, in addition to representatives of civil society, the private sector, the

media and other international organisations operating in Brazil. This field mission served to consolidate data necessary to complete a series of working papers which constituted the basis for formulating the chapters of this report and for shaping the proposals for action.

- During the fourth stage, a second field mission was arranged on 9-13 August 2010, in which a series of round table discussions were held to launch the dialogue with policy makers. The discussions were attended by nearly two dozen policy makers, including ministers, deputy ministers and secretaries, from the centre of government (*e.g.* the Office of the Comptroller General of the Union; Office of the President of the Republic; Federal Ministry of Planning, Budget and Management; Federal Ministry of Finance), federal line ministries (*e.g.* Federal Ministry of Health, Federal Ministry of Social Development) and Brazil's Supreme Audit Institution (the Federal Court of Accounts).

- During the fifth stage, draft chapters of the report were discussed at a technical level by the OECD Integrity Expert Group on 21-22 October 2010 in Paris. The OECD Integrity Expert Group is composed of technical-level representatives from central government authorities in charge of integrity and corruption policies in the public sector. During this session Brazil was represented by Luiz Augusto Fraga Navarro de Britto Filho (Executive Secretary of the Office of the Comptroller General of the Union), Izabela Moreira Corrêa (Manager, Promoting Ethics, Transparency and Integrity of the Office of the Comptroller General of the Union), Ernane Pinheiro (Member of the Public Ethics Commission).

- During the final stage, the draft report was peer reviewed at the OECD Public Governance Committee meeting on 16 November 2010 in Venice, Italy. The OECD Public Governance Committee is composed of policy-level representatives from central government from the 33 OECD member countries. During this session Brazil was represented by Jorge Hage Sobrinho (Comptroller General of the Union) and Izabela Moreira Corrêa (Manager, Promoting Ethics, Transparency and Integrity of the Office of the Comptroller General of the Union).

Officials from OECD member countries actively participated in the peer review process, including the policy dialogue in Brazil, the Integrity Expert Group meeting and the peer review dialogue at the Public Governance Committee meeting. The OECD is grateful to their governments for allowing these officials to participate in the review. Their participation has substantially contributed to the quality of the review.

Most of the work in preparation of the review was carried out by the Office of the Comptroller General of the Union who has shown tremendous commitment to co-ordinate the process with a wide range of stakeholders. This commitment was also critical for ensuring sufficient data and insight, as well as review and feedback, on the working papers prepared as input into the peer review process and the final report.

Research on the Family Grant Programme was provided by Juan de Laiglesia, Paula Nagler and Alejandro Neut (OECD Development Centre). In addition to the project team, very useful comments were received from Sana Al-Attar; Lisa Arnold; Elodie Beth; Audrey O'Brian; Marco Daglio; Edwin Lau; Natalia Nolan Flecha, Oscar Huerta Melchor; Maria Varinia Michalun; Tatyana Teplova; Virginia Tortella (Directorate for Public Governance and Territorial Development, OECD Secretariat); Mauro Pisa; Annabelle Mourougane (Economics Department, OECD Secretariat); Antonio Capabianco (Directorate for Financial and Enterprise Affairs, OECD

Table A.1.**OECD interviews: legislature**

Members of the National Congress
Representatives of the Parliamentary Front for Combating Corruption
Federal Court of Accounts

Table A.2.**OECD interviews: judiciary**

National Council of Justice
High Court of Justice

Table A.3.**OECD interviews: federal public administration**

Office of the Comptroller General of the Union
Executive Secretariat
Secretariats of Federal Internal Control
Secretariat of Corruption Prevention and Strategic Information
Inspectorate General of Administrative Discipline
Office of the Ombudsman General of the Union
Office of the President of the Republic
Department for Social Interaction
Department for Analysis and Follow-Up of Government Policies
Internal Control Secretariat of the Office of the President of the Republic
Public Ethics Commission
Attorney General of the Union
Federal Ministry of Culture
Federal Ministry of Defence
Federal Ministry of Finance
Secretariat of Federal Revenue
Secretariat of the National Treasury
Financial Intelligence Unit
Federal Ministry of Foreign Affairs
Federal Ministry of Health
Department of Surveillance, Prevention and Control of Sexually Transmitted Diseases and Acquired Immunodeficiency Syndrome
National Department of Internal Audit of the Unified Health System (DENASUS)
Federal Ministry of Justice
Department for Social Interaction

Table A.3. **OECD interviews: federal public administration** (*cont'd*)

Department for Analysis and Follow-Up of Government Policies
Federal Ministry of Labour and Employment
Federal Ministry of Planning, Budget and Management

Secretariat for Logistics and Information Technology
Secretariat for Public Management
Secretariat for Planning and Investment
Federal Ministry of Social Development and the Fight Against Hunger
Secretariat of Citizen Income
Secretariat of Information Management and Evaluation
Asset Management Company (indirect public administration)
Federal Savings Bank (indirect public administration)
National Department for Works Against Droughts (indirect public administration)
National Industrial Training Service (indirect public administration)
National Institute of Social Security (indirect public administration)
National Post Service (indirect public administration)

Table A.4 **OECD interviews: non-governmental actors**

AMARRIBO (Brazilian non-governmental organisation)
Article 19 (International non-governmental organisation)
Contas Aberta (Brazilian non-governmental organisation)
Ethos Institute (Brazilian non-governmental organisation)
Inter-American Development Bank
Inter-American Centre of Tax Administration
Institute of Independent Auditors of Brazil
National Confederation of Industries
United Nations Office of Drugs and Crime
World Bank

Bibliography

Bounds, G. (2010), "Challenges to Designing Regulatory Policy Frameworks to Manage Risks", in OECD, *Risk and Regulatory Policy: Improving the Governance of Risk,* OECD Publishing, Paris, doi: 10.1787/9789264082939-3-en.

INTOSAI (International Organisation of Supreme Audit Institutions) (2004), *Guidelines for Internal Control Standards for the Public Sector*, INTOSAI, Vienna, *http://intosai.connexcc-hosting.net/blueline/upload/1guicspubsece.pdf.*

OAS (Organisation of American States) (1996), "Inter-American Convention Against Corruption", *www.oas.org/juridico/english/treaties/b-58.html*

OECD (Organisation for Economic Co-operation and Development) (2000), *Trust in Government: Ethics Measures in OECD Countries*, OECD Publishing, Paris, doi: 10.1787/9789264187986-en.

OECD (2001), *Citizens as Partners: Information, Consultation and Public Participation in Policy-Making*, OECD Publishing, Paris, doi: 10.1787/9789264195561-en.

OECD (2003), *Promise and Problems of e-Democracy: Challenges of Online Citizen Engagement*, OECD Publishing, Paris, doi: 10.1787/9789264019492-en.

OECD (2005a), "Strengthening Trust in Government: What Role for Government in the 21st Century: Conclusions of a Meeting of the Public Governance Committee at Ministerial Level", OECD, Paris.

OECD (2005b), *Fighting Corruption and Promoting Integrity in Public Procurement*, OECD Publishing, Paris, doi: 10.1787/9789264014008-en.

OECD (2007), *Integrity in Public Procurement: Good Practice from A to Z*, OECD Publishing, Paris, doi: 10.1787/9789264027510-en.

OECD (2008), "Recommendation of the Council on Enhancing Integrity in Public Procurement," C(2008)105, OECD, Paris.

OECD (2009a), *OECD Economic Surveys: Brazil 2009*, OECD Publishing, Paris, doi: 10.1787/eco_surveys-bra-2009-en.

OECD (2009b), *Focus on Citizens: Public Engagement for Better Policy and Services*, OECD Publishing, Paris, doi: 10.1787/9789264048874-en.

OECD (2009c), "Components of Integrity: Data and Benchmarks for Tracking Trends in Government," GOV/PGC/GF(2009)2, OECD, Paris.

OECD (2009d), *OECD Principles for Integrity in Public Procurement*, OECD Publishing, Paris, doi: 10.1787/9789264056527-en.

OECD (2010a), *Public Governance Reviews: Finland: Working Together to Sustain Success*, OECD Publishing, Paris, doi: 10.1787/9789264086081-en.

United Nations Office on Drugs and Crime (2004), *United Nations Convention Against Corruption*, United Nations, New York