



Dear Readers,

We are pleased to announce that following the introduction of the Integrity Newsletter at the 9th Session of the WCO Integrity Sub-Committee (ISC) held from 30 September to 1 October 2010, the initiative was welcomed by the ISC members. This Newsletter will therefore continue to be produced and the WCO Secretariat hopes to be able to publish 3-4 issues a year. This will, of course, depend on Members' contributions and that is why you are strongly encouraged to forward your articles to the WCO Secretariat at the address provided in this Newsletter.

We would remind you that the purpose of this Newsletter is to share Members' best practices in the integrity domain. Articles should be clear, to the point and, focus on only one or two elements of your national integrity strategy.

The WCO Secretariat wishes to encourage you to contact the persons or the units that feature in the contact box next to each article and to report to the Secretariat on any interaction that might have been initiated thanks to this Newsletter. Your feedback is important to us.

This third issue of the Newsletter features the experiences of the Revenue Authorities of Kenya, Uganda and Rwanda as well as HMRC United Kingdom.



KENYA

Integrity Testing



The Integrity Testing Programme is an investigative tool designed to provide the organisation with a robust means to maintain integrity and public confidence. It is related to the investigation of allegations of corruption, malpractice and other unacceptable behaviour by employees of the Kenya Revenue Authority. The programme also extends to include any person associated with any of the above malpractices, in any capacity, regardless of whether or not those persons are employed by the Authority or have any legitimate association with the organisation. It aims to provide an equitable, consistent and proportionate response to such allegations.

The objectives of integrity testing are to:

Determine whether or not a particular officer is likely to engage in corrupt practices;

Increase the actual and perceived risk to corrupt officials that they may be detected, thereby deterring corrupt behaviour and encouraging officials to report instances when they are offered bribes;

Identify officials who are working in areas exposed to corruption as being honest and trustworthy, and therefore likely to be suitable for promotion and assignment to sensitive areas. For this reason it is essential that any regime of integrity testing include random elements and not rest solely on suspicion.

The Integrity Test consists of the creation of an 'artificial' situation replicating the normal day-to-day situations that officers experience, during which the integrity of the officers involved will be tested. The officer will be presented with an opportunity to commit a misdemeanor or partake in corruption without realizing that they are being closely monitored. The idea behind the secretive integrity testing is to establish an 'aura of omnipresence' of the Authority's vigilance so that officers could reasonably believe that any interaction with a member of the public (*including potential corruptors*) could be a test by the Authority.

There are two types of Integrity tests:

- (i) Targeted Integrity Tests – These are conducted against specific officers or a group of officers where information is available that point to problematic behaviour. Targeted Integrity tests will only be deployed as a result of specific intelligence or information;
- (ii) Random Integrity Tests – These are not conducted against specific officers. The random factor is that the Authority does not know exactly which officers will be tested. These tests are conducted at a particular place and any of the officers on duty could undergo the test.



Integrity tests can range from simple one-off engagements to more sophisticated operations that take place over time. The important factors in relation to these types of tests include: to try and capture the officer's response to the test on video or audio tape, and to never allow officers to know that they have been subjected to an integrity test. However, the decision on whether or not to disclose the results of an Integrity Test to the affected member of staff will be at the discretion of the Commissioner-General.

The consequences of failing a test depend on the matters at hand or the incidence outcome and can lead to internal disciplinary steps or training if Regulations were not followed. Criminal acts picked up during integrity tests will be prosecuted in the courts.

Staff must know that Integrity Testing is likely to be performed at regular intervals. The fact that Officers know that the tests are taking place will encourage them to report cases of bribe-givers approaching them, as they will not know which are genuine and which are 'tests'.

An Oversight Committee* has been created to sit as an Integrity Review Board to determine which officers have been found to display a high level of integrity. The Officers who have been so identified shall be given preference in handling high profile work assignments and shall enjoy accelerated career development within KRA.

* The Oversight Committee consists of representatives from the Support Services Department, Investigations and Enforcement Department, Human Resources Department, the KRA Integrity Division and an official from the Kenya Anti-Corruption Commission.

For more information about Integrity Testing, please contact the Integrity Division of the Kenyan Revenue Authority.

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UGANDA



Pre-employment staff screening

In 2005, Uganda Revenue Authority (URA) management stepped up the drive to promote Integrity in the operations of the organisation. The effect of the Integrity promotion drive led to improved performance in revenue yield and improved service delivery. The reputation of the organisation greatly improved and employees themselves were proud to belong to and identify with the organisation.



Promotion of Integrity at URA continuously involves the following: Integrity Awareness and Publicity campaigns; nurturing external client partnership in the integrity drive; Top Management commitment and effective communication. It included developing the Code of Conduct, Automation of processes and developing anti-corruption policies. It also emphasises meritocracy in Human Resource functions, namely, recruitment, training, transfers and promotions. It advocates for appropriate remuneration and staff benefits. There are rewards for ethical and excellent performers

One of the factors that are considered vital in enhancing integrity in URA is to recruit candidates that have integrity. This is facilitated by pre-employment screening of potential employees among other factors. Screening involves :

Gathering information about the candidate:

The starting point is the job application form. The application form is designed to pick information about the potential candidates. This gives an indicator of what kind of person is seeking employment within URA. The information includes personal bio-data, education status, previous work record and income. An amendment has been proposed where the candidate will indicate whether he or she has ever been involved in a criminal activity. It will also require the candidates' professional referees to be immediate supervisors, for those already working elsewhere. It is believed that candidates who are unprofessional and unethical would not indicate their immediate supervisors as their referees.

Information about the candidate may also be acquired through intelligence and whistle blowing mechanism.

Interview level:

During the interview, candidates are tested on integrity issues. For example to demonstrate how they would handle a matter that challenges their integrity. Candidates who demonstrate a previous scenario of how they handled an integrity dilemma would score higher on integrity.

After the Interview:

A verification exercise is conducted to confirm the accuracy of the information provided by the candidates at point of application. This is done for only those that pass the interview but prior to appointment. To this end, there are cases where the candidates were found to have presented false information

Verification with previous employers and referees:

A confidential inquiry is made with the previous employer, (where applicable), asking for a report on integrity and professionalism of the potential candidate(s). In some cases it was established that



the potential candidate had been terminated from previous employment for their involvement in fraudulent activities. Where the candidate's integrity is in doubt, their referees either don't respond or indicate they cannot vouch for the candidate's integrity.

Asset Verification:

Candidates who are recruited are asked to declare their assets and liabilities. The assets are compared with the candidates' previous income if any. Where a mismatch is assessed, the assets are verified. The risk at entry level is that crafty candidates inflate their assets with intention of acquiring assets fraudulently after recruitment but account that they had them prior to employment. Here after, asset verification is conducted based on risk assessment and whistle blowing.

Successfully appointed candidates are sensitised about integrity and issued with the code of conduct and the Human Resource manual both of which encourage and guide staff on integrity matters and prescribe repercussions for fraud, misconduct and non-compliance.

Please contact Moses Kasakya, Compliance and Integrity Enhancement Manager, for more information on this measure.

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RWANDA



Customs Advisory Committee on Integrity – Rwanda Customs Service

A zero tolerance policy on corruption and an Internal Affairs Division that promptly investigates allegations thereof are essential for fostering integrity in any institution. However, it is costly to carry out investigations into corruption and, in most cases, officials alleged to have committed corruption are those with experience and in whom the administration has invested by providing capacity building.



SNAPSHOT OF MEMBERS'
BEST PRACTICES

As a remedy to this problem, the Rwanda Customs Service has introduced a proactive mechanism by establishing a Customs Advisory Committee on Integrity, aimed at ensuring that the staff members themselves play a role in fighting corruption and at promoting self-motivated integrity among staff.

It has also been noted that during investigations by the Internal Affairs Division, the individuals in question are unwilling to explain all the factors leading to a breakdown in integrity, despite the fact that this could offer an insight into the root cause of the problem.

The Customs Advisory Committee on Integrity is made up of representatives from all units of the Customs Service, all grades and all regions, appointed by the staff themselves. It has proved to be effective, since advice is provided in a collaborative manner.

Staff selected to become members of this Committee must demonstrate a high level of integrity, be able to advise other staff, and display honesty, objectivity and diligence in the performance of their duties, so that their colleagues can trust them as a dependable source of advice. In order to prevent a lack of trust amongst staff, Committee members ensure that strict confidentiality of staff information is maintained and they are fully aware of the importance of not disclosing any staff information to third parties who should not be privy to it.

The Committee is responsible for identifying the Customs functions which are most susceptible to corruption and for gathering information on alleged misconduct in order to provide advice to all Customs staff, especially those suspected of not displaying sufficient integrity. Information comes either directly from whistleblowers or from reports produced by agencies considered a reliable information source. The information can be addressed to any member of the Advisory Committee or sent via e-mail integrity@rra.gov.rw.

When interacting with different staff members, the Committee analyses their reactions and advises Customs management and the Internal Affairs Division accordingly.

The Customs Advisory Committee on Integrity also plays an educational role. This is done by organizing meetings with different units and individuals within Customs and with stakeholders, to discuss how to promote integrity and prevent corruption. To this end, the Committee has designed educational materials that help give Customs staff an understanding of acceptable standards of integrity and the impact of corruption.



Annual assets declaration for Customs and Tax officials

Following the adoption of the Rwanda Constitution in 2003, public office holders are required to declare their assets. This is part of a concerted campaign to combat corruption among public servants.

The Rwanda Revenue Authority (RRA) has embraced this effective strategy aimed at fighting corruption and preventing individuals from amassing and concealing illicit gains. All officials, with the exception of messengers, must declare their assets to RRA and provide annual proof of any increase in the said assets.

Assets are taken to mean property acquired by an official during his/her tenure (that might not be commensurate with his/her salary), any other legitimate income and income from legitimately acquired property.

Officials must declare their assets by completing a form which is kept by the Internal Affairs Division. This requirement has proven extremely useful in identifying a large number of staff members having amassed illegal wealth.

In addition to the above, some selected officials, especially those working in high risk areas prone to corruption, must declare their assets to the Ombudsman's Office. A declaration form indicating their actual assets is submitted to the Ombudsman's Office no later than 30 June each year. A newly-recruited RRA officials list is transmitted to the Ombudsman's Office every January.

The RRA deems failure to declare or concealment of wealth to be serious misconduct and officials found guilty of possessing illicit wealth, as stipulated in the RRA Code of Conduct, face strict disciplinary measures.

Even though some officials may register their illegally acquired wealth under relatives' and friends' names, this usually comes to light if there is strong suspicion among the parties concerned and when one of those parties discloses information to the relevant authorities.

This provision acts as a deterrent for most of the officials liable to engage in corrupt behaviour, especially those in high risk services prone to corruption.

For more information about what is featured in this article, please contact Rwanda Customs within the Rwanda Revenue Authority

More information

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UNITED KINGDOM

How Does an Organisation Measure its Vulnerability to Corruption and Internal Fraud?



In 2008 HM Revenue & Customs, using an approach originally developed by the UK Serious & Organised Crime Agency, undertook a Strategic Risk Assessment (SRA) in relation to internal fraud, corruption and criminal misconduct by staff. The primary drivers of this SRA were:

- To give the various diverse sections of HMRC a recognised standard methodology to capture and assess their internal fraud and corruption risks;
- To give HMRC Directorates the ability to consider and identify their own vulnerabilities and risks – Take ownership of these risks and then devise a control/reduction strategy;
- To identify the most serious and widespread corruption/internal fraud risks within HMRC – Feed these risks into HMRC's dedicated internal fraud and counter-corruption unit, HMRC Internal Governance, who would then target these areas and undertake investigation, enforcement or disciplinary action where necessary.

Getting lines of business to evaluate their own corruption and internal fraud risks, and then reduce and mitigate these risks by devising a control strategy, gave the primary responsibility for corruption prevention to the individual HMRC Directorates. HMRC's Internal Governance Unit then used the key risks identified to target specific types of fraud and corruption and undertake enforcement action.

So how were risks and vulnerabilities identified? Each Directorate of HMRC was asked to complete a generic questionnaire covering topics such as details of historic corruption/fraud cases, staff vetting procedures, channels by which employees can report wrongdoing committed by their staff/colleagues, how external complaints are dealt with, data security, conflicts of interest, etc. This was backed up with a set of supplementary questions tailored for specialist work areas – i.e. officers who work in the criminal justice arena, intelligence officers, import/export, Direct Tax, VAT, etc. The information obtained from all the questionnaires was then fed into a dedicated analytical unit who, using risk evaluation best practice from the private sector, evaluated each identified risk, placed these in priority order and established the key risks common to all HMRC Directorates.

Having reflected the results of SRA back to senior managers, HMRC Internal Governance then assisted each Directorate in the formulation of their control strategy. The results of HMRC SRA were also disseminated to the UK Serious and Organised Crime Agency, who then used this information, together with the risk assessment data from 43 British Police Forces, to formulate a National Corruption Vulnerability Assessment for all UK law enforcement agencies.



The key risks identified by the SRA were then used to formulate HMRC Internal Governance's targets and objectives for the coming financial year. It also identified specific risk areas and locations which were then targeted by Internal Governance using data-matching or pro-active intelligence gathering techniques.

Following the success of our initial SRA, this process is now undertaken on an annual basis. With each iteration of the assessment the questionnaires, supplementary questions and control strategies are refined to ensure that all risks are properly managed and that our proactive anti-corruption resources are targeting our Department's most vulnerable work areas.

Contact

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For more information about Risk Mapping, please contact Eamonn O'Neill from HMRC

Did your Customs Administration launch an initiative or embark on a project aimed at improving integrity and you want to share it with the WCO Members ? Please send your contribution to the WCO Integrity Development officers at :

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PILOT PROJECTS

Here is an update of the latest developments in terms of integrity pilot projects.

Cameroon



Following a review of the Integrity Action Plan of the Cameroon Customs Administration, several activities were identified, some of which were conducted in October 2010. One of these consisted in the development of a Human Resource (HR) Database. The mission that was conducted by the WCO and supported by Swiss Customs focused mainly on defining a vision and strategy for moving from weak, paper-based HR management to a comprehensive automated system. Draft system requirements, including a prioritized list of modules, a data model and a user group concept, were produced and will be further detailed by Cameroon Customs itself. The Database should considerably improve the administration's capacity to manage its structure and personnel and should lead to increased transparency, in particular in the field of staff promotions and payments of rewards and bonuses to staff. During the same month, a Management Course was conducted for top and middle managers. Given the positive results obtained with the performance contracts, the project has been extended to two more offices and performance contracts of a different kind will be signed with about 20 importers.

Morocco



Moroccan Customs presented the concept of the Observatory during the 9th Session of the Integrity Sub-Committee (ISC). All the procedures are in place and the Observatory is operational. The challenge now faced is gathering data.

Rwanda



The Commissioner of Customs presented progress by Rwanda Customs in the area of integrity during the 9th Session of the ISC. In October 2010, a WCO mission took place in Rwanda to follow-up on the pilot project identified. The pilot will be two-fold : (1) developing a communication strategy to promote integrity and integrity related measures within and outside Customs; and (2) strengthening partnership with the private sector, possibly through a project similar to the Moroccan Observatory. Communication is on-going between the WCO Secretariat and Rwanda Customs.



PILOT PROJECTS

Serbia



Serbian Customs embarked on an integrity pilot project to develop a Strategic Risk Assessment (SRA) aimed at better identifying the working areas/activities in the administration particularly vulnerable to corruption. From 19-21 October 2010 the WCO and an expert from the United Kingdom worked together with Serbian Customs Internal Affairs Unit during a dynamic workshop focused on sharing experience, finding practical solutions and drafting working material to move ahead with the pilot.

A draft business case for the project, as well as a draft SRA questionnaire and a roadmap stipulating concrete activities, responsible units and deadlines for launching the SRA exercise were developed.

The implementation process was documented by Serbian Customs and the WCO Secretariat and progress will be reported periodically to WCO Members during the ISC sessions.

Lesotho



Following the country's presentations on integrity pilot projects during the ISC, Lesotho's Commissioner of Customs and Excise wrote to the WCO Secretariat to express his interest in conducting a pilot project to appraise his country's conformity with integrity principles.

Lesotho is interested in an integrity pilot project focusing on partnership with the private sector. A WCO mission is planned to take place during the first week of March 2011 to help the Lesotho Revenue Authority (LRA) perform a self-assessment of its integrity situation in order to better define the nature of the pilot project.

Liberia



Following the presentation of the Cameroon experiment during the last ISC, the Director General of the Bureau of Customs and Excise contacted the Secretariat to indicate that her administration was interested in conducting a similar integrity pilot project. A WCO mission will take place in Monrovia, Liberia to conduct an integrity assessment of the areas that need to be examined prior to the launch of the pilot project.

**Please contact the WCO Secretariat
should you wish to embark on an integrity
pilot project**

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PILOT PROJECTS

Ethiopia



Ethiopia has been making a lot of progress in many Customs areas and is now interested in launching an integrity pilot project. A WCO Secretariat mission will go to Ethiopia during the first half of 2011 in order to assist the Administration with this project.

Please contact the WCO Secretariat should you wish to embark on an integrity pilot project

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Mauritius



The WCO sent an expert mission to Mauritius in September 2010 to conduct an integrity self-assessment workshop as a follow-up to a previous meeting. This workshop resulted in a concrete Integrity Action Plan.

Albania



Following an awareness-raising seminar organized by the European Union's Technical Assistance Information Exchange Instrument (TAIEX), the Director General of Albanian Customs asked the WCO to conduct an integrity self-assessment workshop. This mission took place in October 2010 and produced an Integrity Action Plan. During the same month, an Albanian officer participating in the WCO Fellowship Programme chose to look in greater depth at one element of the Integrity Action Plan related to defining a communication strategy to promote integrity.

East African Community (EAC)

The WCO was asked by the East African Community (EAC) to conduct a Regional Integrity Workshop. The participants were funded by USAID Compete and the experts by SIDA. The WCO mission was composed of a WCO expert and a Zambian expert having participated in the 50th WCO Fellowship Programme. The Integrity Development Workshop led to the drafting of a Regional Integrity Action Plan that will be implemented at regional and national level.

GAPIN Project

In December 2010, the WCO organized a CITES/Integrity Workshop in Kenya as part of a 6 months project called GAPIN funded by the Swedish Ministry of Foreign Affairs. The GAPIN project focuses on 15 Customs administrations from Sub-Saharan Africa : Botswana, Burkina Faso, Cameroon, Ethiopia, Egypt, Kenya, Mali, Mozambique, Namibia, Nigeria, Rwanda, South Africa, Tanzania, Uganda, and Zambia. It concentrates on the protection of Great Apes and the role that integrity plays in this context. It is the first time in the WCO's history that integrity and CITES enforcement have joined forces in a single project.

This newsletter is aimed at updating Members about WCO activities and integrity best practices developed by other Members. We look forward to your contribution.

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