



Integrity

Purpose of the Checklist

- To guide and support public procurement practitioners in reviewing, developing and updating their procurement framework, according to the 12 principles of the Recommendation of the Council on Public Procurement.
- To encourage self-assessment and providing a starting-point for implementing the Recommendation.
- To provide more detailed information and guidance for each of the 12 principles as well as actions that can be taken to improve the strategic use of public procurement.

Public Procurement
Principle: **Integrity**

Procurement Stage:
All phases

Audience: **Policy Maker,
Procuring Entity, Private
Sector, Civil Society**

Description

Integrity can be strengthened by following proposed steps below, while also improving other closely-linked principles (please refer to the box below). Suggestions and comments on the content and format of the Checklist can be sent to: public.procurement@oecd.org.

Main linkages between integrity and other principles from the Recommendation

- **Transparency:** The public disclosure of information around public procurement processes contributes to identifying and decreasing cases of mismanagement, fraud and corruption.
- **Access:** Access to procurement opportunities for potential competitors of all sizes, including the limited use of exceptions to competitive tendering (direct awards, accelerated procedures, etc.), increases competition and decreases corruption risks.
- **Balance:** Public procurement can be used to achieve secondary policy objectives, such as the development of small and medium-sized enterprises and standards for responsible business conduct, which have the potential to strengthen integrity fight corruption in the framework of public procurement processes and beyond.
- **Participation:** Participation, including the provision of opportunities for direct involvement of relevant external stakeholders in the procurement system, increases transparency and integrity and reduces the risks of corruption in public procurement processes.
- **Efficiency:** Efficiency, by reducing waste, reduces the vulnerability to corruption since funds are better accounted for and used for the intended purposes.
- **E-procurement:** E-procurement tools facilitate the access to public tenders and improve transparency of public procurement processes as well as accountability of procurement officials, which contributes to mitigate risks of corruption inherent to procurement processes.
- **Capacity:** More capable procurement officers are better able to comply with procedures and ensure that they are applied fairly and effectively to avoid corruption.

- **Risk Management:** Risk management systems contribute to identify and address threats to the proper functioning of the public procurement system, including risks of fraud, misuse of public funds or corruption.
- **Accountability:** Oversight and control mechanisms help to reinforce accountability throughout the procurement process. An effective complaint system contributes to identifying and sanctioning cases of corruption related to public procurement operations. If appropriately used, complaint systems may also reinforce risk management strategies and contribute to build a culture of integrity among procurement officials.
- **Integration:** The visibility of the flow of public funds, from the beginning of the budgeting process throughout the public procurement cycle contributes to the transparency of the public procurement system and can reduce the risk of corruption.

(A) High standards of integrity for all stakeholders in the procurement cycle

Adherents should require high standards of integrity for all stakeholders in the procurement cycle. Standards embodied in integrity frameworks or codes of conduct applicable to public-sector employees (such as managing conflict of interest, disclosure of information or other standards of professional behaviour) could be expanded (e.g. through integrity pacts).

A.1 Adherents should require high standards of integrity and professionalism from public procurement officials, mainstreaming/embodying these values and behaviours into relevant laws, policies and strategies. In order to achieve this end, adherents could consider:

- Developing a specific code of conduct/code of ethics for procurement officials, clearly stating integrity values and principles and their linkages with their role(s) in the procurement cycle and interactions with suppliers/bidders,
- Establishing mechanisms for providing guidance/information on code of conduct/code of ethics and support to managers and procurement officials when potential situations or dilemmas arise,
- Defining the procedures for taking legal action and the modality and degree of sanctioning to be applied to public officials in cases of violating codes of conduct/ethics,
- Developing relevant frameworks (guidelines, etc.) on how public servants could deal with the ethical dilemmas, prejudices and grey areas that are encountered in everyday work,
- Defining sanctions in case of wrongdoing, integrity breaches or mismanagement, including administrative, disciplinary and criminal and publishing performance information on sanctions.

A.2 Adherents should foster a culture of integrity among the procurement workforce to prevent corruption. In order to achieve this end, adherents could consider:

- Selecting and appointing public procurement officials based on integrity and merit,
- Introducing integrity screening processes for senior officials involved in procurement,

- Ensuring a clear commitment from senior officials in the administration to set the example and provide visible support to the fight against corruption,
 - Providing regular integrity training programmes and ensuring management's support for integrity training programmes (by allocating adequate resources for instance),
 - Ensuring mandatory disclosure of interests, assets, hospitality and gifts,
 - Undertaking regular performance appraisal,
 - Developing professional certification requirements,
 - Introducing periodic consultations with procurement officials on integrity policies,
 - Introducing periodic (anonymous) perception surveys of procurement officials and suppliers/bidders to assess extent of awareness and adherence on integrity.
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A.3 Adherents should develop and implement specific policy, rules, and procedures for public procurement officials to identify, prevent and manage conflict of interest. Those policies, rules and procedures could:

- Include clear rules and procedures, including a specific list of situations considered as a conflict of interest,
 - Include information on the people/unit/institution responsible for providing advice and support to staff in case of questions or having witnessed conflict of interest situations and integrity breaches,
 - Include template documents, such as declarations of possible, apparent and real conflict of interests,
 - Require declaration of private interests with a view to monitoring potential illicit enrichment through timely audits and verifications of the information provided (asset declarations),
 - Include other provisions concerning conflict of interest arising from pre- or post-public employment such as cooling off periods, affiliations with political, trade union or professional organisations, etc.
 - Refer to the [OECD Guidelines and country experiences on Managing Conflict of Interest in the Public Service](#)
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A.4 Adherents should develop and implement specific policy, rules and procedures for whistleblower protection in the area of public procurement. Those frameworks could:

- Include clear rules and procedures for officials to follow,
- Define clear and safe reporting channels, including information on how to report wrongdoing, integrity breaches or mismanagement,
- Provide information on the people responsible for providing advice and support staff in case of questions or having witnessed conflict of interest situations, wrongdoing, integrity breaches or mismanagement,
- Describe of the protection provided for reporting officials to facilitate disclosure, including information on the protection of the staff and its career.

(B) Public sector integrity tools tailored to the specific risks of the procurement cycle

Adherents should implement general public sector integrity tools and tailor them to the specific risks of the procurement cycle as necessary (e.g. the heightened risks involved in public-private interaction and fiduciary responsibility in public procurement).

B.1 Adherents should develop and implement risk assessment and management strategies and tools to safeguard integrity in the different stages of the procurement process. Those strategies and tools can include:

- Needs assessments to ensure that the procurement project is needed in the first place (and not improperly influenced),
- Risk maps to identify the positions, activities, and projects which are vulnerable, assessing probability and potential impact of risks of fraud and corruption,
- Red flags, standardized warning signs that stretch over the whole procurement cycle and assist in the detection of wrongdoing,
- Integrity plans (that facilitate the development of mitigation strategies),
- Whistle-blower programmes (that can mitigate risk-management pitfalls).

B.2 Adherents should develop and implement mechanisms to prevent for misconduct in public procurement. Those mechanisms could be the following:

- Mechanisms that ensure the independent responsibility of at least two persons in the decision-making and control process - the four-eye principle (double signatures, cross-checking, separation of duties and authorisation, etc.),
- Systems of multiple-level review and approval of procurement process stages (reviews by independent senior officials independent of the procurement and project officials or by a specific contract review committee process),
- The rotation of officials, involving new responsibilities, as a safeguard for positions that involve long-term commercial connections for instance,
- Electronic systems for avoiding direct contact between officials and potential suppliers and for standardizing processes,
- Adequate security control measures for handling of information (unique user identity codes, well-defined levels of computer access rights and procurement authority, encryption of confidential data),
- Standardization of bidding documents and procurement documentation,
- Strong internal control and risk management mechanisms,
- Direct social controls on government activities through the introduction of social witnesses and social observers (which should ideally be trained in public procurement),
- Other mechanisms such as the two-envelop approach and integrity monitors.

B.3 Adherents should develop and implement mechanisms for the detection and sanctioning of misconduct in public procurement. Those mechanisms could be the following:

- The systematic recording and tracking of key decisions (e.g. through electronic systems),
- Red flags or other systems that provide warnings of irregularities and potential corruption,
- Exchange of information between officials in charge of control and investigation like public procurers, internal controllers, auditors and competition authorities (e.g. specific joint training, expert assistance to gather evidence of corruption and collusion in public procurement, joint investigations, exchange of staff) and/or
- Specific sanctions for misconduct in public procurement,
- Transparency of information to allow for “social control” of procurement activities.

(C) Integrity programmes for the procurement workforce

Adherents should develop integrity training programmes for the procurement workforce, both public and private, to raise awareness about integrity risks, such as corruption, fraud, collusion and discrimination, develop knowledge on ways to counter these risks and foster a culture of integrity to prevent corruption.

C.1 Adherents should develop ongoing and tailored integrity training programmes for the procurement workforce, which need to be continuously improved on the basis of the evaluation by training participants. Those programmes can include information on:

- The specific code of conducts/code of ethics and integrity tools available to the procurement workforce and how to implement them,
- Integrity risks related to public procurement (such as corruption, fraud, collusion and discrimination) and how to mitigate those risks,
- How to identify, report and manage potential conflict between their private interests and public duties that could influence public decision-making,
- How to report wrongdoing, integrity breaches or mismanagement.

C.1 Adherents should strengthen the culture of integrity among the procurement workforce.

- See bullet A2 for more details.

(D) Requirements for internal controls, compliance measures and anti-corruption programmes for suppliers

Adherents should develop requirements for internal controls, compliance measures and anti-corruption programmes for suppliers, including appropriate monitoring. Public procurement contracts should contain "no-corruption" warranties and

measures should be implemented to verify the truthfulness of suppliers' warranties that they have not and will not engage in corruption in connection with the contract. Such programmes should also require appropriate supply-chain transparency to fight corruption in subcontracts, and integrity training requirements for supplier personnel.

D.1 Adherents should take active steps to supervise contractor's performance and integrity. Relevant measures can include:

- The inclusion of provisions on fraud and corruption and other prohibited practices and the consequences of committing such acts in the tender/solicitation and contract documents,
 - Declarations of integrity or no corruption warranties indicating that suppliers have not and will not engage in corruption in connection to the contract,
 - Measures to verify the truthfulness of suppliers' "no-corruption" declarations or warranties,
 - Online publication of declarations and warranties,
 - Integrity pacts (mutual commitment by the government and all tenderers to refrain from and prevent all corrupt acts and submits to sanctions in case of violations),
 - Close monitoring of suppliers in contract management to maintain high standards of integrity and ensure that they are kept accountable for their actions,
 - Appropriate supply-chain transparency to fight corruption in subcontracts,
 - Open dialogues with suppliers to encourage them to develop their own standards and programmes to enhance integrity in their relationship with the public sector.
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D.2 Adherents should develop integrity training requirements for supplier personnel.

- See bullet C1 for more details.
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D.3 Adherents should define the sanctions that are applicable to suppliers in case of wrongdoing, integrity breaches or mismanagement.

- See bullets B1 and B2 of the "Accountability" principle for more details.
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D.4 Adherents should fight bid-rigging in public procurement, by:

- Designing the procurement process to reduce risks of bid-rigging,
- Detecting bid-rigging in public procurement.
- Refer to the [OECD Recommendation](#) and [Guidelines for Fighting Bid-Rigging in Public Procurement](#).