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IT system - a tool for mitigation of conflict of interest and client unconscious and conscious errors

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The main risk of fraud

- **Major risks are internal, because agency staff is most familiar with all procedures and requirements. Consequently, for them are more likely to adopt a decision advantageous for a person**
- **Another main risk is client deliberate fraud, which may be closely related to the first risk**
- **The third risk is the client unintentional errors, which can result into losses**



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The mitigation of conflict of interest

- **Conflict of interest cannot be eliminated entirely. It can be reduced**
- **Risks of conflict of interest can be reduced by responding "post factum" or with the introduction of preventive measures**
- **"Post factum" probably is not the best method, because it is a struggle with the consequences**
- **In order to avoid dealing with the consequences, we have created procedures and IT tools that allow to reduce potential fraud that may cause a conflict of interest**

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To prevent conflict of interest, we use:

- ✓ **Internal website applications where civil servants are entering the data about themselves, their relatives, other jobs where they work and so on;**
- ✓ **Information systems of administration of different support support measures;**
- ✓ **Inhabitants register, to check the data on employee relatives;**
- ✓ **Business registers in order to verify the data on companies and their owners**

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Procedures for evaluating the possible risk factors of conflict of interest and Internal website applications

- Procedures for evaluating the possible risk factors of conflict of interest adopted on 15.04.2013.;
- Procedures for estimating potential risk factors and their evaluation procedures to prevent and avoid the Rural Support Service officials and employees from entering the corruption and conflict of interest;
- Procedures are binding on all staff

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Internal website applications

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Completion and submission of the form

- **This probabilistic risk evaluation form by all employees of RSS must be completed till 04/01/2015.**
- **When form is filled, it is necessary to reconcile with departments manager and direct managers, and submit to Human Resources unit.**

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The explanation of the term "relatives"

1. Darbinieka darba stāža ilgums Dienestā vienā amatā ar būtiski nemainītiem pienākumiem:

līdz 5 gadi
 5 - 6 gadi
 7 - 9 gadi
 10 gadi un vairāk

2. Darbinieka darba stāža ilgums Dienestā vienā amatā ar būtiski nemainītiem pienākumiem:

līdz 5 gadi
 5 - 6 gadi
 7 - 9 gadi
 10 gadi un vairāk


3. Darbinieka radniecība ar tajā pašā vai citā Dienesta struktūrvienībā strādājošu Darbinieku:

radniecība nepastāv
 radniecība pastāv ar vienu Darbinieku, kurš strādā citā Dienesta struktūrvienībā
 radniecība pastāv ar vienu Darbinieku vienas Dienesta struktūrvienības ietvaros
 radniecība pastāv ar diviem vai vairākiem Darbiniekiem, kuri strādā citās Dienesta struktūrvienībās
 radniecība pastāv ar diviem vai vairākiem Darbiniekiem vienas Dienesta struktūrvienības ietvaros

4. Darbinieks ir Dienesta klients:

Darbinieks nav Dienesta klients

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The explanation of the term "relatives"

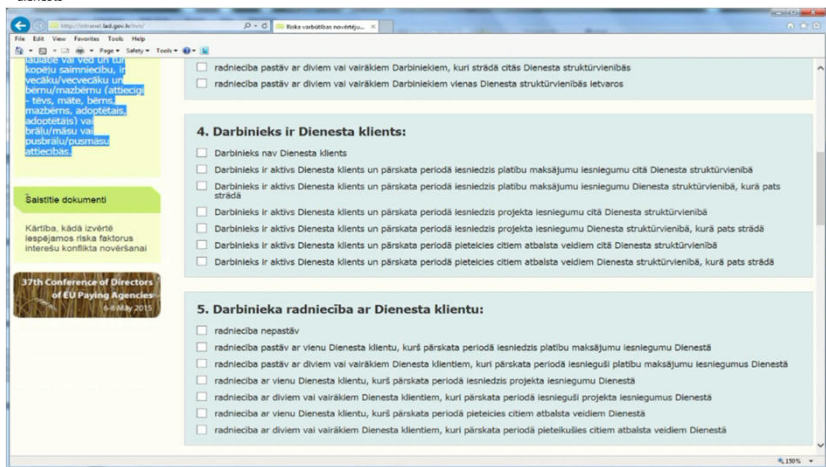
With family relationship we understand cases where employees are spouses or holding a joint household, is the parents / grandparents and children / grandchildren (respectively - father, mother, child, grandchild, adoptee, adopter) or brothers / sister or half-brothers / half-sisters.

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Procedures for evaluating the possible risk factors of conflict of interest



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The results of evaluation

The results of evaluation may result in the following actions to prevent conflict of interest:

- Geographical re-location of premises (office) or changes in team composition;
- change of work duties;
- designate to other position;
- transferring to other department of RSS;
- transferring to other administrative territorial unit of RSS

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Evaluating risk factors are taken into account

5.2. pārcelšana uz citu Dienesta struktūrvienību;
5.3. pārcelšana uz citu Dienesta administratīvās teritorijas struktūrvienību.

6. Izvērtējot Riska faktoros, tiek ņemts vērā:

- 6.1. Darbinieka darba stāža ilgums Dienestā [St₁];
- 6.2. Darbinieka darba stāža ilgums vienā amatā ar būtiski nemainītiem pienākumiem [St₂];
- 6.3. Darbinieka radniecība ar tajā pašā vai citā Dienesta struktūrvienībā strādājošu Darbinieku [Rad];
- 6.4. vai Darbinieks ir Dienesta klients un ir pieteicies uz kādiem atbalsta veidiem [Kl₁];
- 6.5. Darbinieka radniecība ar Dienesta klientu [Kl₂];
- 6.6. Darbinieka radniecība ar Dienesta klientu sadarbības partneriem, izvērtējot šo sadarbības partneru darbības sfēras un to saistīti ar Dienesta administrētajiem atbalsta pasākumiem [Kl₃];
- 6.7. Darbinieka amata savienošana ar amatu citā iestādē/uzņēmumā/organizācijā (t.sk. sabiedriskā organizācijā, biedrībā, nodibinājumā u.c.) vai darbība tajā [AS];
- 6.8. Darbinieka amatam piešķirtais interešu konflikta riska varbūtības koeficientu [S];
- 6.9. Darbinieka neloyalitātes pazīmes, attiecīgi izvērtējot apstākļus, kas saistīti ar citu Darbinieku vai Dienesta klientu un to sadarbības partneru izteiktajām pretenzijām vai citiem faktiem par Darbinieka pārkāpumiem, pildot amata pienākumus [Np].

7. Riska faktoru izvērtēšanu Dienestā veic uz Riska faktoru izvērtēšanas veidlapas (turpmāk –

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Risk factors to be evaluated

- **The employee's length of service in RSS [Sti];**
- **The employee's length of service with the same job or substantially unchanged obligations [St2];**
- **Employee relationship with another employee in the same or another RSS unit [Rad];**
- **Is the employee a RSS client and applying for aid [Kli];**
- **Employee relationships with the clients of RSS [Kl2];**

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Evaluating Risk factors are taken into account:

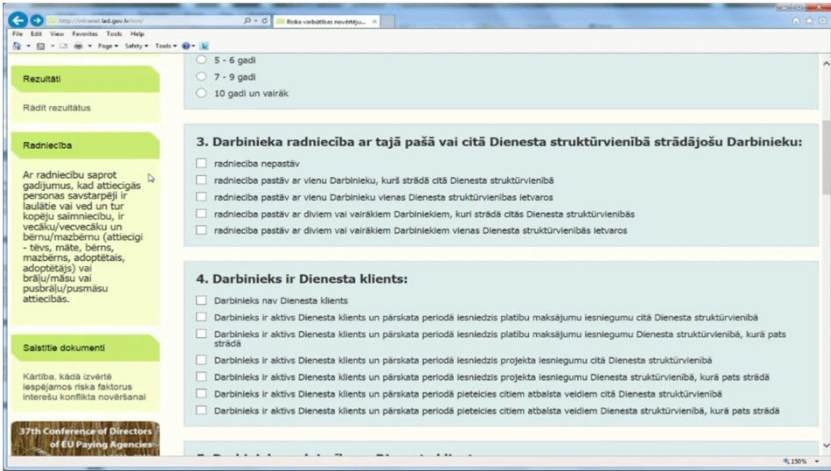
- **Family ties or relationship of the employee with business (collaboration?) partners of the RSS, evaluating the scope of activity of said partners and their connection to support measures administered by the RSS [KI3];**
- **Combining the employee's position with holding a position in other institutions/companies/organizations/societies etc. or activity they're in [As];**
- **Risk quotient assigned to the employee position in regard to the probability of conflict of interest [S];**
- **Employee's disloyalty signs [Np].**

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Completing the form


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The screenshot shows a web browser window with a form titled "3. Darbinieka radnieciba ar tajā pašā vai citā Dienesta struktūrvienībā strādājošu Darbinieku:". The form includes several sections with checkboxes:

- 3. Darbinieka radnieciba ar tajā pašā vai citā Dienesta struktūrvienībā strādājošu Darbinieku:**
 - radnieciba nepastāv
 - radnieciba pastāv ar vienu Darbinieku, kurš strādā citā Dienesta struktūrvienībā
 - radnieciba pastāv ar vienu Darbinieku vienas Dienesta struktūrvienības ietvaros
 - radnieciba pastāv ar diviem vai vairākiem Darbiniekiem, kuri strādā citās Dienesta struktūrvienībās
 - radnieciba pastāv ar diviem vai vairākiem Darbiniekiem vienas Dienesta struktūrvienības ietvaros
- 4. Darbinieks ir Dienesta klients:**
 - Darbinieks nav Dienesta klients
 - Darbinieks ir aktīvs Dienesta klients un pārskata periodā iesniedzis patību maksājumu iesniegumu citā Dienesta struktūrvienībā
 - Darbinieks ir aktīvs Dienesta klients un pārskata periodā iesniedzis patību maksājumu iesniegumu Dienesta struktūrvienībā, kurā pats strādā
 - Darbinieks ir aktīvs Dienesta klients un pārskata periodā iesniedzis projekta iesniegumu citā Dienesta struktūrvienībā
 - Darbinieks ir aktīvs Dienesta klients un pārskata periodā iesniedzis projekta iesniegumu Dienesta struktūrvienībā, kurā pats strādā
 - Darbinieks ir aktīvs Dienesta klients un pārskata periodā pieteicies citiem atbalsta veidiem citā Dienesta struktūrvienībā
 - Darbinieks ir aktīvs Dienesta klients un pārskata periodā pieteicies citiem atbalsta veidiem Dienesta struktūrvienībā, kurā pats strādā

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Classification of the conflict of interest risks

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- **A probabilistic risk assessment (PRA) is calculated by the following formula:**

$$(St_1 + St_2 + Rad + Kli + Kl_2 + Kl_3 + As) \times S \times N_p$$

- **Thank you!**

RVN: 36.00 (Group 2)

Conflict of interest risk probability is assessed as low

Printed form before submitting it to Human Resources unit is necessary to reconcile with departments manager and direct manager.

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Classification of the conflict of interest risks

Group 1: PRA < 30 - the probability of conflict of interest is not actual

Group 2: PRA = 31-60- the probability of conflict of interest is assessed as low

Group 3: PRA = 61-80- the probability of conflict of interest is assessed as rather medium

Group 4: PRA = 81-95- the probability of conflict of interest is assessed as medium

Group 5: PRA = 96 - 120- the probability of conflict of interest is assessed as rather high

Group 5: PRA > 120- the probability of conflict of interest is assessed as high



Data verification

Collected data are verified with:

- ✓ **Information systems of administration of different support support measures;**
- ✓ **Inhabitants register, to check the data on employee relatives;**
- ✓ **Business registers in order to verify the data on companies and their owners**



Decision on the necessary actions to reduce the possibility of a conflict of interest

After verification of the data, a decision is made on the necessary actions to reduce the possibility of a conflict of interest:

- **geographical location (room) changes or changes of the team (crew, commissions, etc.) composition;**
- **change of work duties;**
- **designate to another position;**
- **transferring to another department of RSS;**
- **transferring to other administrative territorial unit of RSS**

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Thank you for your attention!

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