The Integrity Survey
of the State Audit Office of Hungary

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Dissemination of integrity approach by integrity surveys

• SAO's Integrity Project (2009-2012) - additional yearly surveys till 2017

• The Hungarian integrity survey is an adaptation of the Dutch SAINT- extending the survey to the whole Hungarian public sector

• Target group of the survey consisted of all the Hungarian budgetary institutions (6-7 thousand organisations)
Goals of the Survey

• To change administrational culture and officials’ attitude
• To measure the corruption risk level of budgetary organs (benchmarking)
• To develop audit methodologies
• To train the civil servants
• To help governmental bodies
Possibilities of the compilation of an integrity profile

- Self assessment
- Assessment carried out by an external body
- Audit carried out by independent auditors
- All three

**Integrity Project of SAO of Hungary:**

**QUESTIONNAIRE SURVEY**
Building up the Integrity Questionnaire

- The questionnaire should be applicable to different types of institutions

- The questions must be clean-cut. (Guideline)

- The length of the questionnaire can influence the number of respondents. (voluntary-based survey)
The questionnaire has 4 types of question:

1. Dichotomous questions
2. Multiple Choice Questions
3. Multiple Answer Questions
4. Calculated Numeric Questions (Ft (Hungarian currency), percentage, frequency)
Applied survey methods

- Voluntary-based data collecting
- Questionnaire with 155 questions
- Using smart, digital form via Internet
- Automated data processing
- Summing up risk points
- 3 indexes are calculated:
  - Inherent Vulnerability Index (IVI)
  - Enhanced Factors Index (EFI)
  - Existence of Controls Index (EoCI)
- Scale of results: 0-100 percentage points
Integrity approach

Integrity controls

Corruption risks

Inherent risks

Risk enhancing factors

Organisation
Inherent Vulnerability Index (IVI)

- IVI indicates the extent to which a particular organization is exposed to corruption on the basis of its legal status and role.

- There are activities which are more exposed to corruption: legislation, implementation of law, collecting revenues (taxes, customs, duties), providing public services.

- Potential risk factors are issuing permits, distributing allowances and aids, imposing fines.

- In the case of authorities, exercising discretion is a critical area from the point of view of corruption risk.
Enhanced Factors Index (EFI)

- EFI shows legal and institutional features of the particular organization which increases the risks of corruption:
  - Frequent changes in regulatory environment
  - Overregulation
  - Bad legislation

- EFI also represents the effects of the additional activities that are not part of the basic ones:
  - Contracts with external organizations in order to provide basic activities,
  - EU subsidies
  - Public procurement
  - Investment projects
Existence of Controls Index (EoCI)

• EoCI measures the maturity of the existing control system:
  – Quality and condition of internal rules and regulations (internal control system)
  – Presence of anti-corruption systems
  – Institutional policy of publicity
  – Effect of external audits
Visualisation

• Visualisation of results on digital map: (search & compare)

• “Corruption is similar to Columbo’s wife: everybody speaks about her, but nobody can see her.”
Country level participation
Summary

• A clearer picture is outlined about the fields of corruption exposure of public administration organisations.

• A part of budgetary institutions pay more attention to corruption risks and they strengthen their controls.

• The SAO gains useful information for the risk-based selection of audit topics and auditees.

• The Integrity questionnaire will be built into the audit programs (auditing integrity).

• The integrity-based approach has become one of the pillars of the anti-corruption measures of the government.
Thank you for your attention!

Any questions?
contact international@asz.hu