Best Practices in Controlling and/or Supervising Corruption Acts Through Transparency Systems to Promote Social Accountability

Submitted by: Peru
WORKSHOP:
Digital Government, Integrity Policies and Corruption Prevention Mechanisms in APEC Economies

“Best practices in controlling and/or supervising corruption acts through transparency systems to promote social accountability”

Nelson Shack Yalta
Comptroller General of Peru

February 27th 2019, Santiago, Chile
THE ROLE OF SAI PERU

Promoting an efficient and modern management of public resources in benefit of people

Fight against corruption and misuse of public office
- Prevent
- Detect
- Investigate
- Sanction

Enhance the quality of public interventions
- Research
- Meta-evaluations
- Performance audits

The Control System is composed by:
- CGR: Office of the General Comptroller
- OCI: Office of Institutional Oversight
- SOA: Auditing firms
NEW APPROACH TO GOVERNMENT CONTROL
NEW CONTROL MODEL
“REAL-TIME” AUDITS (Concurrent)

In line with APEC Leaders' Growth Strategy 2010 - Five Growth Attributes

- Balanced growth
- Inclusive growth
- Sustainable growth
- Innovative growth
- Secure growth

“Combat corruption and promote transparency. Cooperation in anti-corruption and transparency is critical to improving the overall environment for doing business and promoting good governance that is a prerequisite for growth.”
NEW CONTROL MODEL
“REAL-TIME” AUDITS (Concurrent)

ARTICULATED SEGMENTED INTERVENTIONS

Milestone 1: Comprehensive Reconstruction Plan
Milestone 2: Preparation Works
Milestone 3: Bidding / Selection Process
Milestone 4: Statement of Work - SOW
Milestone 5: Contract Execution
Milestone 6: Settlement

FINISHED WORK OR INTERVENTION

Tools:
- Risk analysis
- Articulation with PMO and Project supervisor
- INFObras – app.
- Randomized quality control of pre-investment
- Building capacities in auditors and managers
- Management Control (Internal Control)
- Organized society (Social Control)
- Whistleblowing system
- Mobile labs

Advantages:
- It anticipates to the act of corruption or misuse of resources.
- Employs multidisciplinary team – Perception of detection increases.
- Expands generation of public value
NEW CONTROL MODEL
“REAL-TIME” AUDITS *(Concurrent)*

APPLICATION TO COMPREHENSIVE REBUILDING PLAN IN PERU (PIRCC, in Spanish)

TOTAL INVESTMENT OF PIRCC
S/. 25,655 ($7,774) MILLIONS
(2017-2020)

RECONSTRUCTION
S/. 18,645 ($5,650) MILLIONS
CONSTRUCTION
S/. 5,446 ($1,650) MILLIONS

HOUSING SOLUTIONS
S/. 1,113 ($337) MILLIONS
STRENGTHENING
S/. 450 ($136) MILLIONS

PIRCC INVESTMENT FOR
RECONSTRUCTION AND
HOUSING SOLUTIONS
S/. 19,759 ($5,988) MILLIONS
(2017-2020)
FOR 12,409 INTERVENTIONS
(CONSTRUCTION WORKS / SERVICES)

PIRCC INVESTMENT FOR
CONSTRUCTION AND
RECONSTRUCTION
S/. 24,091 ($7,300) MILLIONS
(2017-2020)
CONSTRUCTION
S/. 5,446 ($1,650) MILLIONS
RECONSTRUCTION
S/. 18,645 ($5,650) MILLIONS
2017-2019

SAI PERU HAS IDENTIFIED 1,077 FACTS THAT PUT IN RISK SERVICES AND PREVENTION & RECONSTRUCTION WORKS IN AFFECTED AREAS BY “EL NIÑO COSTERO”

516 risks in the bidding process
559 risks in the contract performance

Fact:
- Number of published audits: 440
  Previously informed to project implementers.

Source: SAI Peru website, February 21, 2019
PROMOTING TRANSPARENCY IN AUDITING: PUBLICATION OF AUDIT RESULTS
PROMOTING TRANSPARENCY IN DETECTING CORRUPTION:
Audit of Officials Affidavits of Assets and Income

TOTAL
(January 2018 – January 2019)

64,981 Affidavits received by SAI Peru involving 49,468 public officials

Presentation of affidavits is mandatory. Obligations are established at:
• Constitution of Peru; articles 40 & 41.
• Supreme Decrees Nº 003-2002-PCM & Nº 047-2004-PCM.
• SAI Peru Resolutions Nº 174-2002-CG, Nº 082-2008-CG, Nº 316-2008-CG, and
• Legal Process Nº 02-2002-CG/AC, Nº 004-2008-CG/FIS and Nº 08-2008-CG/FIS.
PROMOTING TRANSPARENCY IN DETECTING CORRUPTION:
Audit of Officials Affidavits of Conflict of Interests

Bill Project N° 1297/2016-CR

Proposes to regulate Affidavits of Conflict of Interests of public officials and civil servants.

It expands the scope of Law N° 30161 that regulates Affidavits of Income and Assets.

Presentation of affidavits is not yet mandatory.

PROMOTING TRANSPARENCY IN DETECTING CORRUPTION:
Interoperability and Artificial Intelligence

GOAL:
“HAVING DIRECT, MASSIVE, PERMANENT, UNRESTRICTIVE, ONLINE AND FREE ACCESS TO DATABASES OF PUBLIC OFFICES, IN ORDER TO DEVELOP REMOTE AUDITS”

Legal Framework
(ACCESS TO DATABASES)

Non-invasive Electronic Methods

Resources
(HUMAN RESOURCES, SOFTWARE, HARDWARE, CONNECTIVITY)

Coordination with sources of information

Reform Law N° 30742,
2  TRANSPARENCY AND ACCOUNTABILITY
PROMOTING TRANSPARENCY AND ACCOUNTABILITY:
FRIENDLY ACCESS TO INFORMATION OF CONSTRUCTION WORKS

- Information on **72,526** construction works reported by officials.
- Articulates databases and provides data on different aspects of works (physical progress, implementation mechanism, amount, name of construction supervisor, etc.).

- Can be used by **public officials** for monitoring; **auditors** for external control and **citizens** and **media** for social control.
PROMOTING TRANSPARENCY AND ACCOUNTABILITY:
CITIZEN CONTROL MONITORS

• Citizen Monitors are volunteers recognized by SAI Peru who exercise social control (social audits) over the implementation of PUBLIC CONSTRUCTION WORKS of amount less than 10 million soles (3.03 million dollars).

• The participation of citizen monitors must be voluntary, altruistic, *ad honorem*, timely and responsible.

**TYPOLOGY OF PUBLIC WORKS VISITED**

- Roads: 4.4%
- Parks: 0.9%
- Riparian Defenses: 0.4%
- Hospitals and Medical Posts: 3.5%
- Infrastructure and Buildings: 9.6%
- Schools: 27.6%
- Tracks and sidewalks: 26.3%
- Water and sanitation: 27.2%

- 280 VISITS EN 228 CONSTRUCTION WORKS
- 140 CITIZEN ALERTS REPORTED BY MONITORS.
- 140 CITIZEN ALERTS REPORTED TO PUBLIC OFFICES.
- 55 ALERTS CORRECTED.
PROMOTING TRANSPARENCY AND ACCOUNTABILITY:
SCHOOL AUDITORS

2010
Signing of agreement between SAI Peru and Ministry of Education – Birth of the Program

2011-2016
Development of training program and school audits

2018
Renewed agreements between MINEDU and SAI towards 2021

2019-2021
Establishing interinstitutional team

SCHOOL AUDITORS PROGRAM

- Pedagogical Materials approved by MINEDU.
- 3,123 teachers trained.
- 5,696 school audits/oversight
- 327,000 school auditors
- 1,249 schools
- 60% of recommendations were implemented.

- New Pedagogical Materials were elaborated.
- 220-hours Classroom Training Program was designed for teachers in Lima and Callao.
- Online Training Program for teachers outside Lima.
- Started development of computer application for school audits.

- Expansion of the sensibilization component of the Program to primary schools.
- Technical assistance for teachers.
- Goal: School audits Program reaches 2 million students in Peru by 2021.
During 2018, there were public hearings in 6 of 24 regions/states, and in 57 of 196 provinces in Peru.
PROMOTING TRANSPARENCY AND ACCOUNTABILITY: WHISTLEBLOWING SYSTEM

Whistleblower:

- Citizen
- Congressmen
- Public official
- Company (Private sector)
- Civil society org.
- Citizen Monitors

![Diagram showing the whistleblowing system]

- **Record of allegations/whistleblower statement**
- **Admission**
- **Evaluation**
- **Follow-up on products designed to attend whistleblowers**

**Citizen satisfaction**

- Evaluation Report
- Derived whistleblowing statements
- "Real time" audits
- Ex-post audit

[Diagram elements include:
- Face-to-face
- Web
- Documentary Procedure
- Telephone]
PROMOTING TRANSPARENCY AND ACCOUNTABILITY:
WHISTLEBLOWING SYSTEM DURING ELECTIONS

Oriented to **promote and channel citizen participation in an effective way**, through the presentation of **citizen electoral alerts** on the use of public assets and resources for political campaigning or electoral propaganda.

- Use of public office, goods and resources for campaigning: 29.4% (77)
- Order civil servants to do campaigning activities during office hours: 22.1% (58)
- Order the use of vehicles, machinery, equipment and other goods of the public office for campaigning purposes: 19.1% (50)
- Use of funds of public office for campaigning purposes: 15.3% (40)
- Others (Such as allowing others to use resources of public office for political propaganda or campaigning; distribute materials of social programmes for electoral purposes): 14.1% (37)

**TOTAL** 100% (262)
Thank you.