Conclusions and recommendations of the National Audit Office

Capacities for anti-corruption work in the central government

The audit focused on the capacities of central government authorities to effectively combat corruption. Corruption refers to the abuse of entrusted power for private gain. In this audit, anti-corruption work is understood as the set of measures aimed at preventing, detecting and addressing corruption. The audit was launched because anti-corruption work promotes the sustainability of public finances and builds trust in public administration and the rule of law. Corruption can have considerable indirect effect on central government finances.

The audit examined the principles and practices that central government agencies use to prevent, identify and detect corruption and respond to suspected corruption cases. The audit also examined whether the national anti-corruption strategy and its action plan have strengthened the capacities to combat corruption. The audit focused on internal anti-corruption work within organisations. The aim was not to investigate the occurrence and handling of actual corruption cases.

The audited entities were central government organisations. Anti-corruption policies and procedures were examined in a general manner through a survey targeted at 48 government agencies, including all ministries. Ten organisations were also subject to an in-depth audit. The Ministry of Justice and the Ministry of Finance were audited primarily in terms of their roles in coordination and development.

Central government organisations often have limited capabilities to combat corruption

In recent years, the capabilities of organisations to protect themselves against corruption have improved to some extent in part of the central government. Five organisations have quite recently adopted an internal anti-corruption strategy or action plan. Several organisations have also strived to increase their employees' awareness of corruption and anti-corruption procedures by means of communication and training.

Although some progress has been made, differences between central government organisations remain as regards their abilities to combat corruption, and their procedures are not comprehensive in all respects. Central government agencies often have limited abilities to identify and detect corruption. The differences between organisations are not fully explained by their sectoral or functional differences.

Corruption risks are an integrated part of the overall risk management only in some agencies

An organisation should identify the corruption risks it faces in order to plan adequate methods for managing them. The audit findings suggest that corruption risk assessment is not particularly well established in the central government and may remain rather limited in the organisation's overall risk management process. Based on the survey conducted during the audit, it appears that only a minority of agencies assesses on a regular basis the corruption risks affecting their activities. Accordingly, in most of the ten organisations subject to the in-depth audit, corruption risks were not an established part of risk management They were addressed in risk analysis processes rather on an ad-hoc basis than as an integrated part of the process.

Thus, many central government organisations cannot demonstrate the adequacy of their anti-corruption methods in relation to their corruption risks. One development area that emerged as regards corruption risk assessment and management was the ability to name risks as corruption risks – in other words, that corruption is referred to as corruption.

There is uncertainty as regards the reporting of suspected corruption cases

Many respondents to the staff survey conducted during the audit estimated they knew where to report suspected cases of corruption in their own organisation. They were also confident that their disclosure would be processed appropriately and would not lead to retaliation. The respondents also believed fairly widely that their organisation intervenes appropriately in suspected cases of corruption.

However, the audit also gave indication of obstacles to reporting, which may in some cases lead to failure to receive information on suspected corruption. The technical reporting channels appeared to be partly unfamiliar to the personnel, and their use appeared to have remained rather limited. In some organisations, there seemed to be a lot of uncertainty overall about the reporting of potential wrongdoings. According to the audit, it would clearly be necessary for the organisations to improve communication and training related to reporting channels and their use.

The common guidelines for central government could be more widely used

An internal reporting channel, guidelines and regulations, as well as training and communication were seen by the audited organisations as key measures for managing corruption risks. Anti-corruption guidelines are typically included both in the organisations' own general guidelines and regulations as well as in the guidelines of the Ministry of Finance, directed at the central government in general. The organisations had different interpretations of what they considered as anti-corruption guidelines.

In December 2022, the Ministry of Finance published guidelines for the central government on how to detect, identify and prevent corruption. Based on the audit, the guidelines could be used more comprehensively in internal control and risk management processes. Employees were usually aware of the guidelines and their content, at least at a general level, but the audit provided little evidence of their active use.

Ethical guidelines reflect an anti-corruption culture

The general operating culture and values lay the foundation for an organisation to effectively prevent, identify and detect corruption and respond to suspected cases of corruption. Ethical guidelines and principles form an important part of the anti-corruption culture even in public administration, and the need for updating them should be assessed regularly. The audit indicated that the majority of central government agencies do not have their own ethical guidelines. According to the staff survey, awareness of the ethical guidelines applied by their organisations varied considerably.

Increasing general corruption awareness by means of communication and training also emerged in the audit as a key development area. Based on the audit, communication and training should be targeted close to everyday work. Perceiving anti-corruption work as a separate issue or focus area still seems to be something relatively new.

The importance of a centralised guiding document is emphasised in decentralised activities such as combating corruption

Anti-corruption work is a decentralised activity not subject to joint performance management. This emphasises the importance of the national anti-corruption strategy as a guiding document. The fact that the national anti-corruption strategy was issued as a government resolution gives it more weight as a guiding document. Strategy defines common objectives and development areas for anti-corruption work.

The preparation of the National Anti-Corruption Strategy and Action Plan 2021–2023 took several years, which reflects the challenges faced by the continuity of coordinated anti-corruption work. The first draft of the strategy was completed already in 2016, but the preparatory work did not proceed to decision-making until in 2021, when the government resolution on the strategy and action plan was issued.

The importance of the national strategy for individual authorities has varied. The steering effect was naturally emphasised among the agencies that were assigned responsibilities in the action plan. The importance was lower if the organisation did not participate in the actions set out in the strategy. The strategy also seems to support the monitoring of international commitments.

Recommendations of the National Audit Office

The audit examined anti-corruption activities in 48 central government organisations, ten of which were subject to an in-depth audit. The central government authorities have different development needs to effectively combat corruption in their own activities. For this reason, it is not feasible to make recommendations directed to individual organisations based on the audit. In general, central government organisations should strengthen the identification of corruption risks as part of their risk management. Awareness of corruption risks faced by an organisation is the basis for effective anti-corruption activities.

The National Audit Office recommends that

1. in their coordination and development roles, the Ministry of Justice and the Ministry of Finance – particularly the Government Financial Controller's Function in the Ministry of Finance – should pay attention to strengthening the assessment and management of corruption risks and to the dissemination of good anti-corruption practices in the central government.