

## Methodology of the SAO's Integrity Survey

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### What and how do we examine?

Focus on the public sector institutions

Concentrate on the organisational integrity

Examine 155 questions

3 indexes are calculated on the basis of 155 questions:

- I. Inherent Vulnerability Index (IVI)
- II. Enhancing Factors Index (EFI) } **Two risk indexes**
- III. Existence of Controls Index (EoCI) } **One control index**

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### Inherent Vulnerability Index (IVI)

The **Inherent Vulnerability Index (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.

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**Enhancing Factors Index (EFI)**

The **Enhancing Factors Index (EFI)** shows legal and institutional features of the particular organization which increase the risks of corruption:

- Frequently 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 procurements
- Investment projects

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**Existence of Controls (EoCI)**

The **Existence of Controls (EoCI)** measures the maturity of the existing control system (soft and hard controls). We examine such factors as:

- Quality and condition of internal rules and regulations,
- Presence of anti-corruption measures and systems,
- Institutional strategy and policy of publicity,
- Internal control system.

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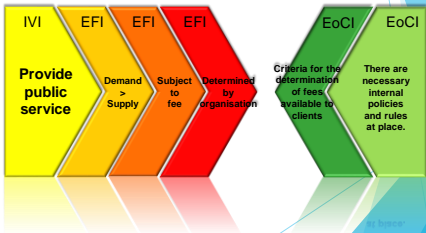
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**Relationship among IVI, EFI and EoCI**




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### Integrity Questionnaire

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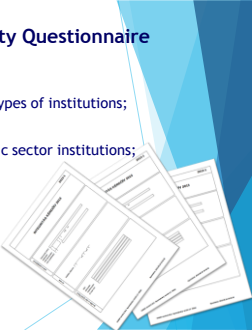
### Completing the Integrity Questionnaire

The survey must

- ▶ use the same questionnaire on different types of institutions;
- ▶ cover the mayor activities of public sector;
- ▶ cover the mayor working processes of public sector institutions;
- ▶ explore the existing controls.

Further criteria:

- ▶ Clear questions (Guide)
- ▶ The length of questionnaire



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### The target group

- Institution types**
- Cultural institutions
- Government bodies
- Healthcare institutions
- Higher education
- Independent government bodies
- Institutions providing social services
- Judiciary
- Law enforcement
- Local governments
- Nurseries, kindergartens
- Other institutions
- Primary schools
- Regional administrative bodies
- Secondary schools
- Scientific research, development
- Sports and recreation

Each target (institution) groups consist of budgetary institutions.

We used the database of the Hungarian State Treasury which includes every active and terminated public institutions and their ID numbers (e.g. PIR number, TEAOR number or tax number) and addresses, phone numbers.

We had to update the target group list based on the database before every survey.

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**General Information**

Group of questions name	IVI	EPI	EoCI
EU Subsidies		X	
Public Procurements		X	X
Authorities	X	X	
Managing public funds and public property	X	X	
Providing public services	X	X	
Other vulnerabilities	X	X	
External regulation	X	X	X
Structure of the organization		X	
Culture and values of the organization		X	
Operation features		X	
Political circumstances		X	
Internal regulation		X	
Human resources		X	
Internal controlling systems and techniques		X	X
Special measures and processes against corruption		X	X
External audit		X	

Does your organisation provide public services?

If you provide public services, is the service fee determined by your organisation?

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**Types of questions**

The questionnaire has 4 types of questions:

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

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**Question types I.**

**Dichotomous questions:**

Does your organisation have a Code of Ethics?

YES or  NO

There are two answers, but only one is correct.

**Multiple Choice questions:**

In what form does your organisation regulate the matter of conflict of interest?

- with an independent conflict of interest policy
- in other policy or policies
- not regulated

There are several answers, but only one is correct.

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Question types II.

Multiple answer questions:

Does your organisation expect any of the following changes in the near future (within one year)? (you may select multiple answers)

- dissolution of the organisation
- material transformation of the organisation's legal status and/or its restructuring
- collective redundancies
- none

There are several answers and more than one can be correct.

Calculated numeric questions:

Number of your organisation's full-time staff at the end of last year:

..... persons

Calculated numeric answers must be numeric, not alphanumeric.

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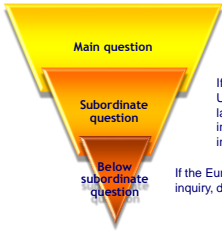
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The Hierarchy of questions



Did your organisation receive any European Union support in the last 3 years?

If your organisation has received European Union support, did the European Commission launch any inquiry against the organisation in the last 3 years?

If the European Commission launched an inquiry, did it condemn you?

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Applied Scoring System

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### Applied Scoring System

Scale is from 0 to 3 point arriving by 0.5 point  
Different index maximums:

Index name	Index maximum value	Number of questions
Inherent Vulnerability Index (IVI)	70 points	30
Enhancing Factors Index (EFI)	148 points	64
Existence of Controls Index (EoCI)	113 points	61

Not applicable answer option means the maximal score of a given question decreases the value of index maximum. **Flexible index maximum**

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### Let's see an example

Did your organisation participate in preparing and conducting any public procurement procedure in the last 3 years?

- Yes → 3 points
- No → 0 point
- Not applicable → 0 point; -3 points reducing the index max (148 points) of EFI

If the given institution answers 'not applicable', its index maximum will decrease by 3 points to 145 points.

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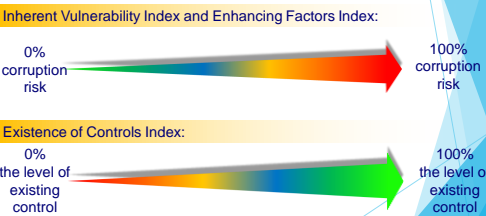
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### The meaning of indexes




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**Thank You for Kind  
Attention!**

For more information visit  
[www.asz.hu](http://www.asz.hu)  
or  
<http://integritas.asz.hu/>

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