

Republic of Latvia
Cabinet
Regulation No. 630
Adopted 17 October 2017

Regulations Regarding the Basic Requirements for an Internal Control System for the Prevention of Corruption and Conflict of Interest in an Institution of a Public Person

*Issued pursuant to
Section 20, Paragraph eight of the law
On Prevention of Conflict of Interest in Activities of Public Officials*

1. This Regulation prescribes the basic requirements for an internal control system for the prevention of corruption and conflict of interest (hereinafter – the risk of corruption) in an institution of a public person (hereinafter – the institution).
2. Judiciary institutions shall apply this Regulation in conformity with the specific nature of the functions and activities laid down in special laws.
3. The head of the institution or his or her authorised person shall ensure the establishment, improvement, and maintenance of an internal control system for the prevention of the risk of corruption (hereinafter – the internal control system).
4. In order to ensure the establishment, improvement, and maintenance of the internal control system, the head of the institution or his or her authorised person may establish an internal control unit or authorise a unit or employee of the institution to perform such activities.
5. The head of the institution or his or her authorised person shall establish such internal control system which:
 - 5.1. is efficient, useful, and economic, oriented towards achievement of the objectives of the institution, efficiently using the available resources;
 - 5.2. ensures timely identification and elimination of the deficiencies of procedures and the violations committed by employees;
 - 5.3. ensures the protection of information (data) against unlawful actions with it, including against its unauthorised disclosure.
6. In order to ensure the operation of the internal control system, the head of the institution or his or her authorised person shall:
 - 6.1. establish the control environment of the institution which shall be oriented towards the prevention of the risks of corruption;
 - 6.2. identify, analyse, and assess the risks of corruption;
 - 6.3. determine, introduce, and implement measures for the prevention of the risk of corruption;
 - 6.4. implement the handling of information and communication regarding the prevention of the risks of corruption;

6.5. ensure that employees are educated on issues of corruption and conflict of interests;

6.6. ensure supervision of the internal control system.

7. In order to ensure the establishment of the control environment of the institution and the identification, analysis, and assessment of the risks of corruption, the head of the institution or his or her authorised person shall:

7.1. evaluate whether the duties of the office, the limits of authorisation of each employee, the decision-making procedures, the responsibility, as well as the procedures for post-check of decisions have been specified in the institution;

7.2. identify the functions or fields of activity, or processes in the institution which are subject to the risk of corruption, and determine the offices that are subject to the risk of corruption;

7.3. identify the risks of corruption by evaluating the possibility (probability) of their materialisation and the impact in the case when the risk materialises (the consequences caused), taking into account the existing control mechanisms;

7.4. approve ethical principles of the institution binding to all employees of the institution.

8. The head of the institution or his or her authorised person:

8.1. after identification, analysis, and assessment of the risks of corruption shall determine measures for the prevention of the risk of corruption;

8.2. not less than once in three years shall review that referred to in Paragraph 7 of this Regulation, evaluate execution of the measures implemented for the prevention of the risk of corruption, their efficiency and usefulness. In order to decide on the necessity for changes in the internal control system, the head of the institution or his or her authorised person shall evaluate whether:

8.2.1. by implementing the relevant measures for the prevention of the risk of corruption, the probability of the risk of corruption has not increased, and the potential risk of corruption has not materialised;

8.2.2. the measures laid down for the prevention of the risk of corruption have been taken usefully, achieving the objective with using as little resources (including financial resources) as possible;

8.3. shall determine the following in the laws and regulations:

8.3.1. the procedures in accordance with which employees must act in case if they want to report on potential violations (including potential corruptive activities), including measures in order to ensure the anonymity and protection of the reporter;

8.3.2. the procedures by which the public officials of the institution shall notify of their being in a conflict of interests, as well as the procedures by which the functions of the public official who is in a situation of a conflict of interests shall be transferred for fulfilment to another public official;

8.3.3. the procedures for issuing permissions for combining offices, including by determining the procedures for reviewing such permissions, evaluating whether the legal and actual circumstances which existed at the time of issuing the permission have changed, and whether the particular combining of offices by a public official still does not cause a conflict of interests, is not in contradiction with the ethical norms binding to the public official, and do not harm the fulfilment of the direct duties of the public official.

9. Capital companies shall, once a year and not later than three months after approval of the annual statement, publish information on the website regarding the measures taken by the capital company in the previous year for the prevention of the risk of corruption.

10. In order to promote the handling of information and communication regarding prevention of the risk of corruption, the head of the institution or his or her authorised person shall ensure that employees are made acquainted with the management documents of the institution, the internal regulatory enactments, and the ethical principles laid down in the relevant institution.

11. In order to educate employees whose office is subject to the risk of corruption in the issues of corruption and conflict of interests, the head of the institution or his or her authorised person shall ensure:

11.1. training for employees who commence work in an institution of a public person, and additional training at least once in three years;

11.2. improvement of knowledge at least once in three years, using any of the training opportunities referred to in Paragraph 12 of this Regulation.

12. Training in the prevention of a conflict of interests and corruption may be conducted:

12.1. by sending employees of the institution to participate in seminars organised by the Latvian School of Public Administration on the issues of preventing a conflict of interests and corruption;

12.2. by organising educational measures in the institution, inviting officials from the Corruption Prevention and Combating Bureau or other experts in the field of prevention of corruption or participating in seminars organised by the Corruption Prevention and Combating Bureau;

12.3. by sending a representative of the institution to participate in the programme for further educators of the Corruption Prevention and Combating Bureau on anti-corruption matters so that after completion of this programme the official could organise training of employees in the relevant institution;

12.4. by ensuring a possibility for employees of acquire such knowledge independently.

13. The head of the institution or his or her authorised person shall ensure the improvement and supervision of the internal control system and eliminate the deficiencies found in the internal control system during the supervision process.

14. The internal regulatory enactments of the ministry or local government which determine the operation and supervision of the internal control system may be used in the introduction of the internal control system established by the institution which is subordinate to the ministry or the institution established by the local government.

15. The internal control system specified in this Regulation shall be established until 31 December 2018.

Prime Minister

Māris Kučinskis

Minister for Justice

Dzintars Rasnačs