

CY - targeted questions- Government

RoL (Virtual) Country Visit, 2023

Written contribution

Anti-Corruption

Question 17 and 25.

What are the most recent developments on the implementation of the National Action plan against Corruption?

- a. Which are the implemented actions, and their results?**
- b. Which are the actions pending implementation?**
- c. Are there any obstacles or delays in the implementation?**
 - i. If so, what are the solution or mitigation actions adopted?**

a. The National Horizontal Action Plan against Corruption continues to be monitored by the Office of Transparency and Prevention of Corruption of the Ministry of Justice and Public order, despite the fact that the Independent Authority against Corruption is now designated as the competent authority to undertake all the necessary initiatives and actions for ensuring the coherence and effectiveness of the actions of the services of the public sector, the wider public sector and the private sector in matters of prevention and combating of acts of corruption, as well as for ensuring, in the best and most efficient manner, the implementation, progress, management and assessment of the National Strategy against Corruption from time to time.

However, the Authority is now in the process of establishing and develop the procedures and the tools in order to be able to undertake the coordination and supervision of the National Action Plan, in the second quarter of 2023.

Coming now to the recent developments, it is worth to say that the personnel staffing the Internal Audit Units of the Ministries and Deputy Ministries has successfully completed a training circle consisting of 12-day seminars. The seminars took place between March and June 2022 and included training on topics such as the control system in the Public Service, risk assessment and management, planning and conducting internal audit. Also, the personnel were provided with the appropriate coaching on risk identification and assessment process.

Moreover, a Manual of Procedures of the Audit Units has been prepared by the Internal Audit Service and forwarded to all the IAU. For the presentation and briefing of the personnel on the Manual, two seminars were held on 25 and 27 of May 2022.

The said Manual describes in detail the procedures that the IAU should follow in the performance of their duties and the procedures that should be applied in relation to the identification, assessment and risk management of the Ministries and Deputy Ministries as well as carrying out checks. It also includes flowcharts and model documents that should be used by IAU, during the exercise of their duties.

The Internal Audit Manual for the Internal Audit Service has also been prepared.

2. As far as education and training for public and wider public sector personnel is concerned, a number of workshops took place during previous months. Specifically,

- advisory workshop for teachers related to awareness raising of anti-corruption, **[9-8 June 2022]**
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- advisory workshop for civil servants, related to "Prevention, Education and awareness-raising, " **[13-14 July 2022]**
- training workshop "Training of Trainers" to combat corruption in civil servants, **[3-5 October 2022]**
- training workshop in which an Officer / Liaison from the Ministries / Services and Departments, who have been appointed for issues related to the implementation of the National Anti-Corruption Strategy, participated. **[6 and 7 October 2022]**

The Curriculums and the training material designed and prepared for the above mentioned workshops will be use for the training of all the personnel.

3. Furthermore, training and educational programs have been included at all levels of education. For the planning and implementation of this action, a Coordinating Committee was established with the aim of planning, designing and implementing specific actions in relation to raising awareness and educating students on corruption issues.

In addition, a Competition on issues related to transparency and the fight against corruption among secondary school students was inaugurated and is expected to be institutionalized. The First Competition was concluded and the award ceremony of the students took place on 20.9.2022.

All the aforementioned actions, including the Competition, continue this academic year as well, whilst they are further enriched with the inclusion of training programs for the supervisory staff and school directors of all hierarchical levels on corruption issues.

4. Anticorruption and anti- bribery standard ISO 37001 (Also Q. 23)

The Incentive Scheme is at the final stage of preparation. The Application Guide is now before the Technical Committee of the Ministry of Finance for approval and once the approval is given the Ministry will proceed with the announcement. This is expected in the 3rd quarter of 2023 and will last until 1st quarter of 2026.

For this year an amount of 0.5 million has been included in the budget of the Ministry.

At this time, the Ministry undergoes all the preparatory actions for the implementation of this Plan such as the establishment of the internal mechanism/structure that are required for the implementation and monitoring of the Plan, contacts with stakeholders (e.g. organized bodies of businesses, banks, consulting and certification services providers in order to identify any further details needed to be adjusted to the terms & provisions of the Plan etc.).

We have to admit that the Ministry lacks experience in the implementation and monitoring of such projects, thus additional preliminary work should be undertaken in order to implement successfully the Plan.

Question 16b. and 19

The 2022 Rule of Law Report contained a recommendation to Cyprus to 'introduce rules on asset disclosure for elected officials to establish regular and comprehensive filing, combined with effective, regular and full verifications'. What are the legislative, organizational or operational actions taken to respond and achieve the implementation of this recommendation?

a. Can you update on the approval of the draft bill on assets declaration of elected persons?

b. Is the draft including the obligation to submit declaration of all types of assets (including immovable property) by members of the Parliament?

c. Are other (non-elected) civil servants bound to declare assets?

With regards to the Recommendation and the concerns expressed in the Report on the accuracy and verification of the declarations and the efficiency of the rules and sanctions provided in the existing legislations, namely, Law number 49(I)/2004 titled "The President, Ministers and Members of Parliament of the Republic of Cyprus (Declaration and Control of Property) Law of 2004" and Law number 50(I)/2004 titled "The Certain Publicly Exposed Persons and Certain Officers of the Republic of Cyprus (Declaration and Control of Property) Law of 2004". It is noted that:

The Parliamentary Committee on Institutions, Merit and the Commissioner for Administration (Ombudsman) of the House of Representatives already discuss a Proposal of Legislation, submitted by Parliamentary Parties, which seems to, address the concerns expressed in the Rule of Law Reports, and, as we are informed, the discussions are at an advanced stage (due to the upcoming Presidential elections in February 2023 the Parliament suspended its work until then, but the examination of the aforementioned bill is expected to resume in the first quarter of 2023).

The said proposal aims at the improvement and modernization of Law number 49(I)/2004 dealing with the submission and verification of the declarations of assets of the President of the Republic, the President of the Parliament, the Ministers, including the Deputy Minister, and the Members of Parliament, including Members of the European Parliament.

According to information received from Parliament the main issues of discussion are the following:

- establishment of an Independent Committee / Body to undertake the responsibility to examine and ensure the compliance with the obligation to submit asset declarations as well as to verify the content of the declaration and impose sanctions.
- establishment of a e-portal for the submission of the declarations. This portal will be interconnected with other relevant governmental databases (eg. Road Transport Department, the Taxation Department) in order to establish a full and effective verification mechanism.
- sanctions for omitting to submit a declaration or for submitting false declarations (the present Law leaves to the discretion of the President of the Republic the decision to impose a sanction over a minister/deputy minister for failure to file or incorrect filing)
- the inclusion of movable assets (above a certain threshold/ value) in the asset declaration.

Taking into account that the discussions for the Proposal of Legislation are at an advanced stage, and that the aforementioned Proposal of Legislation, seem to address the concerns expressed in the recommendation, it was decided to expect the finalization of the provisions of the proposed legislation and its approval by the plenary of the Parliament, in order to proceed with analogous amendments to Law number 50(I)/2004 dealing with other elected officials and civil servants, in order to address the rest of concerns.

The proposal is expected to be adopted before summer vacation.

Question 16 a

Single regulation on conflict of interest for all State Officials

Concerning State Officials, the Law on the Incompatibility in Exercising the Duties of Certain Officials of the Republic and Specific Profession and Other Relevant Activities (Law 7(I)/2008) excludes certain actions, activities, and functions as incompatible with holding certain public offices. Its personae scope covers, inter alia, the President, the members of the Council of Ministers and ministers. The system for preventing conflicts of interest provided under this Law is designed to exclude certain actions, activities, and functions as incompatible with holding certain public offices and is, to a large extent, focused on potential conflicts of interest (incompatibilities), listed in this Law¹.

There is an obligation for its addressees to submit a written declaration, before accepting any office, to the Committee for the Investigation of Incompatibilities on possible incompatibilities.

The newly adopted Law on Transparency in Public Decision-Making and Related Matters (Law 20(I)/2022) defines the notion of conflict of interest as *“any circumstance in which the personal or private interest of an official or member of the civil service or of the wider public sector or employee for the benefit of an official or connected person influences or is likely to influence the impartial and objective manner in which s/he acts or will act in the performance of his/her duties”*.

The Law imposes an obligation on officials to notify the Anti-Corruption Authority, in writing, when such conflicts arise, whilst obliging them to abstain from a decision-making process when they (or the persons connected to them) have a personal interest in the outcome of the decision.

With regards to the proper understanding and effective application of the Law, the Anti-Corruption Authority is at the final stage issuing a Code of Conduct as well as Guides. Accordingly, both the said Code of Conduct and the guidelines are expected to raise awareness on conflict of interest prevention related

¹ The incompatibilities are, as follows:

- (a) the provision to the public sector or to any public entity of legal, auditing, accounting, advisory, including the preparation of studies or any other nature of services;
- (b) the function of a member of a board of directors, a managing director, a general manager or their substitutes of a company, partnership, joint venture or business of the public sector to which any public contract for the provision of goods or the undertaking of a project or the provision of any services has been awarded or will be awarded;
- (c) the submission of a bid or the undertaking of any contract for the provision of works or services to the public sector to any public entity or a governmental or quasi-governmental company by the official himself/herself or by a company, partnership, joint venture or business of which s/he is part either as a simple shareholder or as a member of the board of directors in any capacity, or as their legal advisor;
- (d) the function of a director or a member of the board of directors of a public entity; and
- (e) the function of a member of a board of directors or a manager of a private company or the function of a member of the board of directors or a manager of a quasi-governmental organisation who deals with electronic or print means of communication.

provisions, as well as their understanding of what constitutes a conflict of interest, the risks they create and the ways in which they can be managed.

Question 20.

What are the operations and results stemming from the establishment of the public register on lobbying activities (monitored by the newly established IAAC)?

The Law will be complemented by the Regulations on Transparency in Public Decision-Making Processes and Related Matters of 2023. The purpose of these Regulations are to determine:

- (a) the process of collecting, processing, using, publishing, accessing, retaining and deleting information and personal data, and
- (b) the type of registration, as well as the type of any applications deemed necessary by the Authority to be determined for the purposes of implementing the provisions of the relevant Law.

The said Regulations have been adopted by the Parliament on the 6th of April 2023 and once published in the Official Gazette will enter into effect.

Also templates of all the relevant documents (application forms of individual and legal persons in order to be registered in the Register, half year report, and contact form from officials) are prepared and once the Regulations come into effect the Authority these documents will be posted on the Authority's website

Question 24

Is there any deficiency or development concerning the organization and coordination of institutions and bodies (namely the Attorney-General, the Prosecution Service of the Republic Attorney General's Office, the Police) that are responsible for different levels and actions related to the fight of corruption?

No deficiencies or gaps are identified. As far as the investigation aspect is concerned, an Anti-Corruption Unit as the specialized Task – Force for investigating and prosecuting corruption offences, was established in 2022, under the competence of the Attorney General of the Republic. This Unit, consists of officers of the Legal Service, the Anti – Money Laundering Unit (MOKAS) and police investigators, who, depending on the texture and extent of each case, will cooperate with other specialized police departments, such as the Laboratory of Microtraces, Typing, Graphology, and the accountant auditors of the Financial Crimes Subdirectorate.

In addition, there is the possibility of participation of representatives of other authorities such as the Taxation Department and the Department of Customs and Excise or organizations of the public or wider public sector where this is deemed necessary.

An important development is the establishment of the Anti – Corruption Authority which is designated as the competent authority

- to receive complaints and receive information and personal data which relate to acts of corruption in the public sector, the wider public sector and the private sector;
- to investigate and assess any complaint, information or personal data which come to its attention which relate to acts of corruption in the public sector, the wider public sector and the private sector;
- to investigate on its own motion, within the scope of its mission, any matter related to acts of corruption of any service in the public sector, the wider public sector and the private sector and to submit a report to the competent authority, as appropriate;

In case where a criminal investigation has been initiated, either by the Police or by a criminal investigator, for an act of corruption which falls within the scope of its competences, following notification by the Attorney - General of the Republic, shall not initiate and/or it shall terminate any commenced parallel action:

The Authority may request and receive information in relation to the progress of the above mentioned cases from the Attorney -General of the Republic.

The Authority exercises its powers without prejudice to the powers of the Attorney - General, and cooperates with the Attorney – General for the exchange of information and the receipt of technical assistance for combating corruption.

It should be noted that the Law on the establishment of the Anti-Corruption Authority provides explicitly that the Authority in the exercise of its competences does not request or accept instructions from the government of the Republic or from any body or authority or from any other person.

Question 18

On whistleblowing:

- a. **Could you highlight any measures or good practices that were put in place to support the application of the legislation transposing the**

Whistleblowers directive (e.g. specification of procedures, designation of authorities, training, awareness raising, guidelines etc.)

At the moment, the Ministry's efforts are focused on raising awareness regarding the content of the law and the obligations and rights provided therein. In particular, the following measures are already taken:

-Three Guides (one addressed to the employees, one to the employers and one to the competent authorities) are already prepared by the Ministry of Justice and Public Order, with the cooperation of the Office of the Law Commissioner, and are uploaded on the website of the Ministry of Justice and Public Order, as well as on the website of the Commissioner.

-A list of "competent authorities" is drafted by the Ministry of Justice and Public Order, and is intended to be uploaded on its website. The said list will help (1) the potential whistle-blowers to know where they can address and submit their complaints/ reports (to external reporting channels), and at the same time (2) the "competent authorities" to be aware of their authority to act as such, so that they can take the appropriate measures/procedures in order to receive external reports in accordance with the provisions of the Law. As said, the list is already drafted and sent to the relevant authorities in order to confirm its content, so that it can be finalized. It is expected that the list will be ready to be published during the next month.

-The Ministry intends to organize, through the competent authority, training and educational programs on Whistleblowers legislation, addressed to Officers and Directors of the public and the broader public sector. The Ministry has taken the appropriate steps in order for the said programs to be conducted by the Cyprus Academy of Public Administration, for the purpose of raising awareness on the whistleblower's legislation and its implementation, and also for ensuring whistleblowers protection.

i. Have the 3 guidelines on the whistleblowing procedure been distributed?

Yes, they are uploaded on the website of the Ministry of Justice and Public Order, as well as to the website of the Office of the Law Commissioner. Also, a relevant letter was sent by the Law Commissioner to all public authorities, providing information regarding the publication of the said Guides.

1. To which audience?

The said Guides are available to the general public.

ii. Have the 3 guidelines been published on the website of the Ministry of Justice?

Yes.

iii. Has the competent receiving authority within each Ministry been nominated, and its contact published on the webpage of the ministry?

It is to be clarified and separate the cases where the authority acts as an external reporting channel and where the authority acts as the internal reporting channel. Only in the case when an authority acts as an external reporting channel will publish contact details on its website.

As we can understand from the provisions of the Directive and the relevant law which incorporated it, the obligation to publish contact details on the website relates to the competent authorities who receive external reports. Therefore, given that the Ministry of Justice and Public Order does not act as such, it has not published any contact details on its website. We expect that all other competent authorities, once they confirm their capacity as “competent authority”, according to the list prepared by the Ministry, they will comply with this requirement (and this is something which is also mentioned in the Guide for the competent authorities, which is uploaded on the Ministry’s website, as an obligation that must be followed by them).

As concern the internal procedure in each Ministry, the Ministry of Justice and Public Order has no access. In relation to the Ministry of Justice and Public Order, and the establishment of an internal reporting mechanism, the Permanent Secretary of the Ministry has appointed an Administrative Officer to act as the internal reporting mechanism of the Ministry, and all other officers of the Ministry were informed about this appointment.