

Ukraine Ministry of Revenue and Duties Anti-Corruption Strategy Brief








Following the merger of the Customs and Revenue functions within the Ukraine in December 2012 the Minister responsible, Mr. Klimenko, determined that good governance, particularly around anti-corruption, was to be a central tenet that would enable the Ministry of Revenue and Duties (“MRDU” or the “Ministry”) to meet international standards and to improve the reputation of the Ministry, away from the long held view, internationally and domestically, that corruption was endemic within both Customs and Tax in Ukraine.

The Ministry is working with international anti-corruption experts to design and implement a robust anti-corruption strategy aligned to international standards and targeting high risk areas within the Ministry. Reducing corruption is at the top of the agenda for the Ministry, and the Minister and senior MRDU officials are committed to taking the necessary actions across all departments to successfully and tangibly reduce the level of corruption in the areas of Customs and Tax.

There are seven key pillars by which the strategy is divided

- 1. Leadership and Commitment***
- 2. Regulatory Framework***
- 3. Audit, Investigation and Enforcement***
- 4. Transparency***
- 5. Human Resource Management***
- 6. Strategic Communications***
- 7. Systems***

Following a gap assessment conducted by international anti-corruption experts, the Ministry recognizes its current status under each of these pillars is not favorable, as compared to best practices articulated in international anti-corruption guidelines

<i>Anti-Corruption Architecture Element</i>	Current state as compared to global standards		
	Low	Medium	High
 Leadership and Commitment Tone at the Top, Devotion of Resources, Organizational Structure	●		
 Regulatory Framework Legislation, Treaties, Policies & Procedures, Code of Conduct	●		
 Audit, Investigation, and Enforcement Risk Analysis, Response to Allegations, Monitoring		●	
 Transparency Openness, Predictability, and Stakeholder Engagement	●		
 Human Resource Management Training, Merit-Based Career Development, Compensation, Personnel Rotation	●		
 Strategic Communications Internal Ownership, Messaging of Strategic Objectives Internally and Externally	●		
 Systems Degree of Automation, Availability of Data for Analysis, Degree of Systems Interoperability		●	

Over the next 2 years the Ministry will endeavor to improve its standing within each of these 7 pillars. Priority actions planned in order to strengthen Ministry's existing anti-corruption architecture include the following

1

The creation of a specialized unit within the Ministry whose sole mandate is to fight corruption. This department will be named the "Department of Institutional Integrity", and a seasoned anti-corruption professional will be appointed to lead the department as the Ministry's Chief Integrity Officer.

2

In order to increase integration across the Ministry, taxonomy of categories of corruption schemes will be created to leverage enhanced risk analysis and data collection by the Department of Institutional Integrity.

3

A comprehensive Code of Conduct, aligned to model international Codes of Conduct published by the World Customs Organization and the Council of Europe (COE), will be established and all employees within the Ministry will be required to be familiar with the code and to work to it. The Code of Conduct will be enforced appropriately throughout the Ministry.

4

A key gap in the Ministry anti-corruption architecture is the lack of accountability with respect of anticorruption across departments and employees. One of the central goals of the strategy is to increase accountability within the Ministry to extend across all personnel through improved internal messaging and the tone at the top.

5

In order to improve the quality of data collection, and enhance risk analysis, it is planned to repurpose data collected by departments throughout the Ministry to focus on the detection of corruption. An automated corruption risk system will be adopted and the creation of a risk analysis unit within the Department of Institutional Integrity will improve Ministry's ability to proactively detect corruption. It is planned to increase collaboration between the Department of Institutional Integrity and other departments in order to improve detection and enforcement.

6

Effective, interactive, and standardized anti-corruption trainings will be introduced and mandated across the Ministry. International anti-corruption experts will be engaged to provide training in order to ensure all employees understand the requirements of global anti-corruption standards.

7

An internal whistleblowing hotline will be introduced in 2014.

8

The Ministry is responsible for administering financial declarations for government officials. More resources will be allocated for administering, analyzing and monitoring financial declarations. The monitoring of declarations will be enforced in order to confirm declarations are complete for all personnel, including senior management, in the Ministry at the yearly designated time. The Ministry will aim to publish financial declarations of the Minister, Deputy Ministers, and Heads of Departments on the official Ministry website.

9

We plan to introduce and enforce a conflict of interest policy based on leading practices and global standards will be introduced and enforced. Conflict of interest declarations will be administered annually.

10

In order to increase the Ministry's ability to fight corruption, the Department of Institutional Integrity will ensure increased internal and external communications on the Ministries anti-corruption strategy and goals.

11

As a means to better understand major corruption issues facing the Ministry and anti-corruption best practices, the Ministry will increase its engagement and communication with international anti-corruption stakeholders such as Transparency International, OECD, the World Bank, etc so as to be better informed and to consult on any improvements necessary for the Ministry existing anti-corruption strategy.

12

In seeking to partner with the private sector in the fight against corruption the Ministry will increase the effectiveness of its Public Council and the Investment Council whose members are major companies doing business in Ukraine.

13

The Ministry will engage external, independent companies to administer surveys assessing public sentiment, level of corruption within the Ministry, and effectiveness of anti-corruption initiatives in order to be better informed as to the public perception of the Ministry.

14

As a way to improve the detection of corruption, within the limitations of the law, the Ministry will introduce compliance testing initiatives targeting specific high risk areas.

15

The Ministry plans to leverage the Corruption Taxonomy (described above) to measure and publish tangible and accurate results on the impact of automation or other anti-corruption strategies on the reduction of corruption relevant to the Ministry.

The following maturity curve contains the Ukrainian Ministry of Revenue and Duties priority actions and the anticipated order in which it is planned to implement them

