*Translation from Latvian*

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**Cabinet Regulation No. 630**

Riga, 17 October 2017 (minutes No. 51 33 §)

**Regulation on the Basic Requirements for Internal Control System for the Prevention of Corruption and of Conflict of Interest in the 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. Regulation shall provide the basic requirements for the internal control system for the prevention of the risk of corruption and conflict of interest (hereinafter – corruption risk) in the institution of a public person (hereinafter – the institution).
2. The judicial authorities shall apply these regulations in line with the specific nature of the functions and actions set out by the specific laws.
3. The head of the institution or a person authorized by him or her shall ensure the development, improvement and maintenance of an internal control system for the prevention of the corruption risk (hereinafter – the internal control system).
4. To ensure the development, improvement and maintenance of an internal control system the head of the institution or a person authorized by him or her may create an internal control department or to authorize any department or an employee of the institution to perform these activities.
5. The head of the institution or a person authorized by him or her shall form such an internal control system that:

5.1. is effective, efficient and economical, is intended towards the achievement of the goals of the institution by efficiently using the available resources;

5.2. ensures a timely identification and prevention of procedural gaps and employee violations;

5.3. ensures the protection of information (data) against unlawful actions, including unlawful disclosure.

1. To ensure the work of the internal control system of an internal control system the head of the institution or a person authorized by him or her shall:

6.1. create such a control environment in the institution that is intended towards prevention of corruption risks;

6.2. identify, analyse and assess corruption risks;

6.3. determine, introduce and implement corruption risk prevention measures;

6.4. ensure circulation of information and communication regarding corruption risk prevention;

6.5. ensure the education of employees regarding matters of corruption and conflict of interest;

6.6. ensure the monitoring of the internal control system.

1. To ensure the creation of the institutional control environment and the identification, analysis and assessment of corruption risks, the head of the institution or a person authorized by him or her shall:

7.1. assess whether the institution has established the work duties of each employee, the limits of authorization, decision-making procedure, responsibility and the follow-up procedure for decisions;

7.2. identify the functions or areas of activity, or processes in the institution that is subject to corruption risk and determine the positions exposed to corruption risk;

7.3. identify corruption risks by assessing the possibility (probability) of their occurrence and the impact in the event of the occurrence of the risk (consequences) considering the existing control mechanisms;

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

1. The head of the institution or a person authorized by him or her:

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

8.2. at least once every three years shall review the provisions of Article 7 of this Regulation, assess the implementation of the corruption risk prevention measures, their efficiency and usefulness. To decide on the necessary changes of the internal control system, the head of the institution or a person authorized by him or her shall assess whether:

8.2.1. by implementing the relevant corruption risk prevention measures the probability of the corruption risk has been increased or the potential corruption risk has not occurred;

8.2.2. the set corruption risk prevention measures have been useful and have achieved the set goal using as few resources (including financial resources) as possible;

8.3. shall use the internal regulations to determine:

8.3.1. the procedure according to which an employee may report potential violations (including potential acts of corruption), including measures to ensure the anonymity and protection of the reporting person;

8.3.2. the procedure according to which the public officials of the institution report their position in a situation of a conflict of interest, as well as the procedure according to which the functions of a state official in the institution who have a conflict of interest are transferred to another state official;

8.3.3. procedure for issuing permits for combination of offices, including the procedure for the review of such permits, assessing whether the legal and actual circumstances existing at the moment of the issuing the permit have changed and whether the specific combination of offices of a public official continues not to form a conflict of interest, is not in conflict with the ethics of a public official and does not interfere with the performance of the direct duties of a public official.

1. Capital companies at least one a year and no later than three months after the approval of the annual statement shall publish online the information about the corruption risk prevention measures implemented by the capital company in the previous year.
2. To promote the circulation of information and communication about risk prevention the head of the institution or a person authorized by him or her shall ensure that the employees are familiar with the institution management documents, internal regulations and the code of ethics of the relevant institution.
3. To educate the employees whose office is exposed to the corruption risk regarding the issues of corruption and conflict of interest the head of the institution or a person authorized by him or her shall ensure:

11.1. training of employees who are starting the work in the institution of a public official and additional training at least once every three years;

11.2. further training at least once every three years by one of the training possibilities set out in Article 12 of this Regulation.

1. The training on prevention of conflict of interest and corruption may be prevented by:

12.1. sending the employees of the institution to participate in the seminars organized by the Latvian School of Public Administration on the matters of prevention of conflict of interest and corruption.

12.2. organizing educational events in the institution by inviting the officials of the Corruption Prevention and Combating Bureau or other experts in the area of corruption prevention or by participating in the seminars organized by the Corruption Prevention and Combating Bureau;

12.3. sending a representative of the institution to participate in the Corruption Prevention and Combating Bureau continuous education programme on anti-corruption issues so that after the completion of the programme this official may organize the training of the employees in the relevant institution;

12.4. ensuring the employees the opportunity to learn independently.

1. The head of the institution or a person authorized by him or her shall ensure the improvement and monitoring of the internal control system and shall prevent any gaps in the internal control system identified during the monitoring process.
2. The institutions that are subordinate to a Ministry or institutions established by the local government for the implementation of the internal control system may apply the internal regulations of the relevant Ministry or local government regulating the implementation and monitoring of the internal control system.
3. The internal monitoring system provided in this Regulation shall be established until 31 December 2018.

Prime Minister *Māris Kučinskis*

Minister of Justice *Dzintars Rasnačs*

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