

9 Integrity *Part of day-to-day practice* *in the City of Amsterdam*

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Introduction

The Integrity Bureau (IB) of the City of Amsterdam supports the organisation in attaining, practising and maintaining integrity. The IB promotes the integrity of civil servants and administrators in the performance of their work by providing advice, on request and otherwise, and support for integrity issues. The aim here is that integrity should be regarded as a self-evident part of policy and behaviour, meaning it should have a place in creating frameworks and planning, but should also be visible in the actions of the employees. The City of Amsterdam employs about 13,000 civil servants. Within the municipal organisation, the IB is the expertise centre in the field of integrity. It currently consists of twenty employees, with experts in the field of internal investigation, risk analysis, screening, training and advice. The Reporting Centre and the Central Confidential Integrity Advisor also form part of the IB.

The Integrity Bureau in more detail

History

In the final decade of the last century, a number of developments took place within and outside the City of Amsterdam which ultimately led to the formation of the IB. With her speech in 1992, the former Minister of the Interior Ien Dales placed the importance of government with integrity on the agenda. In 1996, the Parliamentary Committee of Inquiry into Investigative Methods chaired by Van Traa issued its report, which opposed the intermingling of the underworld and normal society. Within the municipal authority, a major fraud in the Parking Authority came to light in 1997. Investigations showed that cash couriers from the Parking Authority embezzled millions. An important finding of the investigation was that fraud was very easy to commit and that there were also no barriers to this in the working process.

In the year 2000, the ‘Correct or corrupt’ report appeared, describing the integrity risks of the City of Amsterdam. The purpose of the report was to increase resilience to violations of integrity. In 2001, partly in response to the above developments, the IB was formed, with the tasks of conducting internal investigations, risk analysis and providing training and advice. In 2015, screening of external parties with which the City of Amsterdam does or wishes to do business was added to these. The City of Amsterdam had been conducting such screening since 1998, but within a different department.

Structure and sections

In outline, the IB consists of four pillars: internal investigations, risk analysis, screening, and training and advice. The Reporting Centre and the Central Confidential Integrity Advisor also hold a place within the IB.

Reporting Centre

The Integrity Violations Reporting Centre is open to civil servants, administrators and councillors of the City of Amsterdam, as well as to private citizens and companies. Suspicions of violations of integrity can be reported here. The reports are recorded and validated. The sub-division of violations used is described below. In order to give an impression of the number of reports, the number of reports in the first half of 2015 is shown in brackets after each type of violation:

- conflicts of interest (1);
- manipulation or abuse of (access to) information (7);
- abuse of powers or position (4);
- incompatible positions/commitments/activities;
- inappropriate conduct: sexual harassment, discrimination, aggression and violence (8);
- criminal offences during working hours, such as theft, fraud or corruption (4x theft/embezzlement, 6x fraud, 4x corruption);
- criminal misconduct outside working hours (2);
- wastage and misuse of municipal property (4).

In total, forty reports were made in the first six months of 2015. In twelve cases, the suspicions were reported to the police and in nine cases, the IB conducted an investigation itself. Conducting an investigation is not opportune with every report, and on nineteen occasions, a report led to recommendations to the relevant organisational unit itself.

Internal investigations

If there are concrete suspicions of a violation of integrity, a director of a municipal service, a city district chief secretary or, (a member of) the municipal executive can order a personal investigation. The IB will then conduct an internal investigation. The investigation falls under the powers of the employer and may include interviews, dossier investigations, digital investigations and observations. The report on the investigation is delivered to the internal client. After taking legal advice, this client may impose measures relating to legal status.

In addition to the findings on individual conduct, an investigation also often provides a picture of the context in which a violation of integrity was able to occur. On the basis of the picture of the context, the IB notifies the management of the learning points and points for attention and makes recommendations, so that the entire organisation can learn from an investigation. In the case of criminal offences, the relevant director can report the incident to the police. The IB then serves as a liaison centre of the municipal authority for the police and the public prosecutions service.

Risk analysis

A risk analysis is a technique in which various methods can be applied to determine which integrity risks lie in a working process and/or organisational unit and the extent to which these are controlled. An integrity risk is the risk that a violation of integrity can occur in day-to-day practice within a particular working process or within a procedure during the work. Integrity risks can arise if insufficient control measures, such as establishing rules and procedures, have been taken. Often, risks cannot be completely eliminated, but they can be controlled as effectively as possible. A risk analysis focuses primarily on the control measures: whether these are adequate, whether they reduce or eliminate the risks and above all, whether the existing control measures work and are complied with.

Screening

In the case of projects and tenders, screening means that an investigation is conducted into the integrity and the financial and economic stability of a party with which the City of Amsterdam wishes to do business, and recommendations are made. The essence of the screening method is that screening is risk-driven. This means that the depth of the screening is determined by:

- the extent to which risks are associated with the agreement;
- the sector in which an agreement is to be contracted;
- the type of counter-party (complexity of the group structure, foreign or Dutch company).

The performance of the screening process starts in the municipal service or city district in the form of a basic test, an initial assessment of the documents provided by the party on the organisational structure and financial accounting. Depending on the results of the basic test, the Screening unit may screen parties with, for instance, a complex corporate structure, complex financial situation or incidents in the past in more depth. If necessary, upscaling to the Coordination Office BIBOB of the City of Amsterdam is possible. The BIBOB Act gives municipal authorities the possibility of conducting investigations into possible criminal activities by a company with the aid of information from the police and the public prosecutions service. An advisory report, including recommendations, is drawn up as a result of the screening process. These recommendations often relate to control measures that can be taken in order to limit or control the integrity risk for the City of Amsterdam as far as possible.

Training and advice

The IB advises the city districts and services on the integrity policy that they pursue and its translation in terms of their specific working practice. Together with the unit, an integrity programme can be developed, aimed at building an organisation with integrity by instituting an effective and efficient learning process and effective and fair enforcement practice. The IB provides advice and support for the formulation of such an integrity programme and its implementation. The implementation includes the supervision of training and education for employees and supervisors in the field of integrity. The objectives here are to help to increase insight into both the concept of integrity and the specific integrity issues of the work and to improve knowledge and skills in dealing with moral dilemmas and the integrity risks in the work.

On the basis of its expertise in the field of integrity, the IB also acts as a sparring partner for civil servants and administrators in relation to integrity issues. Efforts are made here to take the context of the civil servant or administrator into consideration as far as possible and to look at who else bears responsibility for the person concerned. This means that if

possible, in the case of civil servants, the supervisor also takes part in the discussions, in the case of a deputy mayor, the mayor, and in the case of councillors, the chairman of the municipal political party.

Central Confidential Integrity Advisor

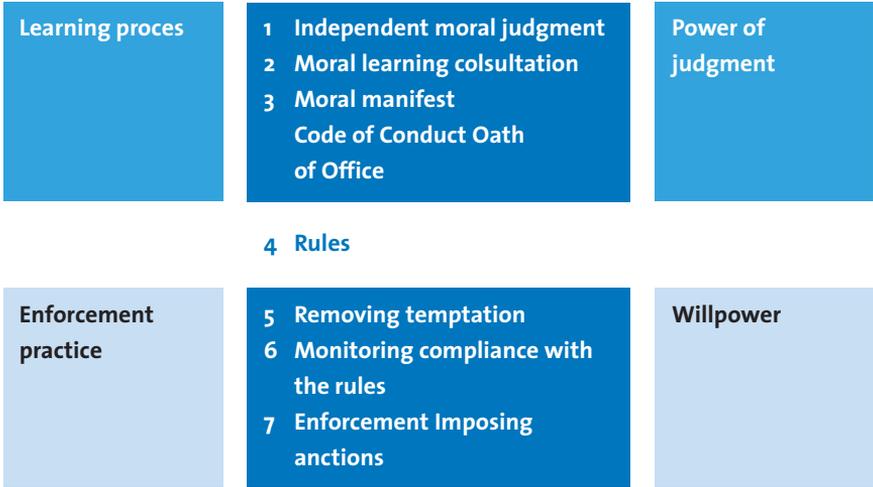
Confidential integrity counsellors act as sounding boards, advisers and referral officers. They are trained to identify integrity issues and to support employees in addressing these themselves. They provide a listening ear and can offer support in the determination of any follow-up steps. The Central Confidential Integrity Advisor coordinates and supervises the confidential work within the City of Amsterdam by providing for recruitment and selection of confidential integrity counsellors, organising training, education and intervision, guidance on difficult casuistry and regular meetings. The Central Confidential Integrity Advisor is also the individual confidential integrity counsellor for people who are unable or unwilling to contact one of the local confidential integrity counsellors.

Key elements of policy

Integrity is not a matter that is the responsibility of the IB, but is the responsibility of all employees, administrators and civil servants of the City of Amsterdam. The IB advises and provides support in this regard, aimed primarily at building an organisation with integrity. It does this on the basis of the vision that learning and enforcement must go hand in hand, expressed in the seven structural elements of an organisation with integrity. Attention to these structural elements means attention to both preventive and repressive activities. The first three elements constitute the moral learning process. The final three elements of the model constitute the enforcement practice. The fourth element, the rules, forms the turning point.

The model is presented on the next page.

The basis: seven structural elements



Learning means that as an organisation, you have the task of organising the discussions on the application of the regulatory framework and integrity issues in a broad sense, at the individual level, at the team level and at the organisational level. This can be achieved through training, intervention and sessions on the oath of office, the code of conduct or other internal regulations, for example, with the ultimate aim that discussions of integrity will become a normal part of day-to-day practice. It means that the organisation has enforcement tasks in which risks are analysed and controlled, steering takes place for compliance with the rules, screening is performed and investigations are conducted if violations of integrity are suspected and, if necessary, sanctions are imposed.

Developing learning practice supports the power of judgment, the way in which employees take their own well-considered decisions. With the development of enforcement practice, the organisation relieves the burden on employees, who can then rely on a framework of regulations and standards in their work. They do then have to implement this as effectively as possible, or must call on their own willpower (the ability to want something and to actually put this into action).

In recent years, the IB has learned that an integrated approach to integrity, in which learning and enforcement go hand in hand, is a condition for

ultimately becoming, being and remaining an organisation with integrity. The integrity investigations have shown that simply removing the rotten apples in the barrel is not enough to realise an organisation with integrity. The personal investigations and any punishment that results from them execute only one structural element and do not increase resilience against future violations of integrity.

Another key finding is that the supervisor's interpretation of his or her tasks and the visible actions that he/she attaches to this are important for the management of integrity. If the quality of the management is not good, an organisation with integrity cannot be built. The conduct of investigations will then achieve no more than the removal of a rotten apple and the training of employees will be a once-only action which will be forgotten again a few days later.

Attention to integrity within the organisation

Working on integrity faces some persistent difficulties, precisely because integrity is a concept that you cannot be opposed to. When asked, everyone always says they regard integrity as very important. But this is no guarantee that they will actually be working to create an organisation with integrity. Certainly in a result-oriented environment, many other matters demand attention, so that integrity is not always high on the agenda. So how can integrity nevertheless be placed on the agenda? Roughly speaking, in two different ways: via perceptions or via the structure.

The formation of perceptions is incident-driven. For integrity incidents, the shock effect applies: the greater the damage, the greater the attention to the incident and its prevention. Naturally, this can serve as a catalyst for working on integrity, but prevention of incidents is, of course, preferable. For that reason, it is important to build a structure which promotes attention to integrity. That is why the City of Amsterdam opted to set up the IB, with staff appointed especially to work on integrity. The positioning of the IB is important here. It stands close to the chief executive within the executive organisation, but with a critical view of the executives and in close connection to the line management.

Regular meetings with the mayor in the Integrity meeting also contribute towards good positioning, in particular in order for an independent voice to be heard. This is important for the IB, in order to be able to conduct

investigations and provide advice from within the organisation and in connection with that organisation, but nevertheless in an independent manner. In order to stimulate that independence, the IB also conducts talks with and works with academics and other players in the field of integrity, with the Amsterdam Audit Office and the municipal Ombudsman.

Another example of how attention can be devoted to integrity in the structure of the organisation is the explicit reporting obligation for directors. Every employee is urged to report any suspicions of integrity violations to the IB. For members of the senior management, that is not enough, for their role of setting an example is reflected in the reporting obligation.

Risk analysis in more detail

On the instructions of directors, the BI has primarily conducted risk analyses of field work processes, such as waste collection, the building and housing inspectorate, enforcement and supervision in public spaces and market management in the past fifteen years. This is because a relatively high number of suspicions of integrity violations are reported to the IB each year for these working processes. As a result, the IB has conducted fewer risk analyses of other parts of the official organisation, where there may be conflicts of interest, fraud and corruption, for example in decision-making processes, contracting, procurement and external employment.

In the Amsterdam integrity risk analyses, the IB considers, together with those who perform the tasks, where their work may be vulnerable from an integrity point of view and whether the existing control measures have an adequately risk-reducing effect. On the basis of its expertise and practical observations, the IB also independently forms an opinion on the vulnerability of the working process. An effect of this approach is that employees become more aware of integrity dilemmas in their work and discussions of this begin more easily. This makes a contribution towards performance of work with integrity. This distinguishes the Amsterdam integrity risk analyses from conventional audits, which determine on the basis of a pre-formulated framework of standards whether the work of an organisational unit is performed in accordance with the current organisational objectives.

A recurring finding in these risk analyses of field work processes is that ‘neglected organisations’ are relatively common here. Employees then perform their work at a physical distance and in isolation from the parent

organisation. In addition, employees are extra vulnerable to integrity risks because supervisors rarely appear on the shop floor and there are no shared or explicit values and standards set for the performance of the tasks. In their contacts with the public, employees must independently assess the application of their discretionary powers, such as whether to take enforcement action or to leave matters with a warning, or whether or not to grant a licence. If a regulatory framework is not working well, employees may act for their own gain or, under pressure, take action that favours members of the public. This carries the risks of conflicts of interest, fraud and corruption. Performing work in isolation without very much supervision from supervisors can also lead to the exclusion of employees and other forms of inappropriate behaviour on the shop floor.

With risk analyses in such situations, the IB has advised clients to remove the vulnerabilities as far as possible, or to control these at an acceptable level. On the one hand, this involves measures that are aimed at the management of integrity by direct supervisors. It is their task to work on strengthening the risk awareness, attitudes, behaviour and skills of the staff, to discuss standards and values and to make dilemmas open to discussion. On the other hand, it involves measures that create barriers to conduct without integrity, such as the introduction of job segregation and job rotation, and improvement of internal control.

A condition for the success of risk analyses is that they must be of high quality: are the facts correct and is the line of reasoning sound? In order to ensure this, the IB always submits the draft risk analysis to an advisory group of subject experts for validation. This can lead to sharpening and supplementation of the risk profile. It also provides input for potential improvement measures. The IB then submits the findings to the client for feedback and the IB and the client review potential improvement measures together. The trick here is to find a good balance between better control of integrity risks and working according to the current business operation principles, such as efficiency, throughput times and customer-friendliness.

Because of their result-oriented focus as managers, clients tend to tip this balance in favour of business operation principles, while the IB, on the basis of its role, focuses precisely on eliminating stimuli for conduct without integrity as far as possible. Insight into these positions is important for the determination of strategy in the after-care process, in which the BI and

the client consider whether the proposed improvement measures are effective. Sometimes, due to resistance or other organisational constraints, improvement measures are not implemented, while the risk analysis shows that the integrity risks are high. It is then the IB's task and mandate to consider a strategy for ways to implement the proposed measures in the organisation after all.

A lesson from many risk analyses is that the organisational culture is an important success or failure factor for the implementation of improvement measures. This conclusion calls for further development of the existing instruments, because organisational culture does not yet have a place within these. In the coming period, the IB will be working to expand the risk analyses with a diagnosis of the organisational culture. This diagnosis will give direction to the change strategy that must be chosen in order to be able to implement the improvement measures effectively in the organisation.

Reflection

In early 2015, the City of Amsterdam carried out a radical reorganisation. The municipal organisation is built on the basis of the view that the citizens and entrepreneurs come first. The leading management principle is formed by the central creation of frameworks and steering, based on the concept of '1 Amsterdam, 1 city, 1 challenge'. This means that more than in the past, the organisation will work on uniformity and consistency in the field of integrity on a top-down basis. This provides an opportunity to create more uniformity in the approach to both enforcement (risk analyses, investigations, sanctions) and learning (programme-based approach, organisation-wide learning from investigations and risk analyses).

To that end, the IB will set up a city-wide integrity management programme for the first time this year. In this integrated programme, enforcement and learning will be developed in outline. The IB will coordinate the setting of priorities in the field of integrity for the coming years with the City Management Team. The input for the programme comes from signals and observations from the different IB disciplines (integrity investigations, risk analysis, screening and training and advice) and the needs and requirements of the City Management Team in the field of integrity management. Current developments in the municipal organisation and society are also taken into account here, such as location and time-

independent work, the use of social media and area-based work. The objective here is that the City of Amsterdam works systematically, throughout the organisation, to increase resilience to violations of its integrity. It is important to note here that integrity is not purely the responsibility of the IB, but of everyone in the organisation, from politicians to civil servants and from policy-makers to implementers.

With an outline central programme, custom work does remain important. Not all working processes and teams can be served through the same approach. Development and realisation of the integrity policy call for continual coordination with the intractable everyday situation in practice.

The centralisation of the organisation is also reflected in the role of creating frameworks for and supervision of integrity that has recently been assigned to the IB. The role of creating frameworks means that the IB provides for uniform frameworks, a uniform method for building an organisation with integrity and a structured approach to current integrity themes. The supervisory role means that the IB can assess whether the frameworks are developed and if they are complied with. A point for attention with regard to the supervisory role is that the IB performs this on the basis of a supporting attitude, with the focus on improving, not on calling to account.

In this new organisation, the IB, after fifteen years, is still full of life. It has acquired a wealth of experience and developed a large network, and is still building on its expertise by reflecting on its own work, by monitoring scientific research and by conducting research of its own. In the coming period, the focus will remain the further development of the integrated work of the IB, in which learning and enforcement will be associated still more closely. Insights from risk analyses, screening and research can be connected and included in the creation of frameworks, advice and training.

One reservation here is that it proves to be difficult to take time within the IB for reflection and further development, as the pressure of incidents remains high and the connection with and activation of the organisation demand a great deal of time and energy. Naturally, this also develops the IB's own expertise, but securing and recording this, and reflecting on it, require more time and attention than they receive at present. For this is

certainly necessary in order to be able to support the City of Amsterdam in the future in becoming, being and remaining an organisation with integrity. Creating scope for reflection and expanding the expertise are therefore important assignments and also major challenges for the IB in the coming years.

One further comment in conclusion. Attention to integrity has grown substantially in recent years, particularly in the media, but this does not always mean that the intrinsic motivation to work on integrity has increased accordingly. Attention within the organisation for the basis for integrity, with the regulatory framework, the code of conduct and manners, therefore remains essential. Integrity must not be solely a game at the strategic level or a subject that is raised once a year in a team session. It demands daily attention and hard work, precisely because integrity affects the heart of the City of Amsterdam and thereby, its *raison d'être*.