



EXECUTIVE SUMMARY

The Integrity Development Review

Integrity Development Review is a process of building and sustaining an agency's ability to prevent corruption from happening. It is about integrating corruption resistance strategies into the various organizational facets of an agency so that factors that contribute to corrupt behavior can be checked and those that discourage corrupt acts or malfeasance are reinforced. The integrity development framework builds on the Corruption Resistance Review (CRR) approach developed by the Independent Commission Against Corruption of New South Wales and the Corruption Vulnerability Assessment (CVA) tool adapted by the Development Academy of the Philippines from the United States Office of Management and Budget.

The CRR helps agencies assess their level of corruption resistance and progressively develop and implement corruption prevention measures to meet certain standards of organizational integrity. It has three (3) sub-components: 1) the Integrity Development Assessment (IDA), a guided self-assessment conducted in the form of a focused group discussion (FGD) with key management officials who determine the level of their agency's efforts at corruption prevention across ten management dimensions: leadership, code of conduct, gifts and benefits policy, human resource management, performance management, procurement management, whistleblowing, corruption risk management, financial management, and interface with external environment; 2) the Indicators Research, where documentary evidences are examined to validate the results of the IDA; and 3) the Survey of Employees, which uses the sealed envelope technique to determine the perception of staff on specific topics under the management dimensions discussed in the IDA.

On the other hand, the CVA determines the susceptibility of agency systems to corruption and examines the adequacy of safeguards to forestall wrongdoings. This demands a detailed review of high-risk activities and/or functions so as to assess the probability that corruption occurs or will occur and not be prevented or detected in a timely manner by the internal controls put in place. The assessment involves process mapping, identification and classification of risks, checking of existing controls, and evaluation of adequacy of safeguards. Data and information may be culled from document review, key informant interviews, and process observation, to the extent possible.

Profile of Subject Agency: The Bureau of Corrections

The Bureau of Corrections (BuCor) is an attached agency of the Department of Justice mandated to undertake the following functions: 1) confine persons convicted by the courts to serve a sentence in national prisons; 2) keep prisoners from committing crimes while in custody; 3) provide humane treatment by supplying the inmates' basic needs and implementing a variety of rehabilitation programs designed to change their pattern of criminal or anti-social behavior; and 4) engage in agro-industrial projects for the purpose of developing prison lands and resources into productive bases or profit centers, developing and employing inmate manpower skills and labor, providing prisoners with a source of income and augmenting the Bureau's yearly appropriations.

BuCor's Central Office is located at the National Bilibid Prison (NBP) in Muntinlupa City, Metro Manila but it has six (6) other operating units located nationwide. Per management's advice, three (3) of these are selected as IDR assessment sites in addition to the NBP; these are the Davao Prison and Penal Farm in Davao del Norte, the Iwahig Prison and Penal Farm in Palawan and the Correctional Institute for Women in Mandaluyong City, also part of Metro Manila.



Corruption Resistance Review: Summary of Results and Recommendations

1. Leadership

Assessment Team Rating: 1, Deployment Score: 100%. Senior leaders of the BuCor underwent a strategic planning in 2003 where they formulated their new vision and came up with an operational and implementation plan for 2004-2008. The Bureau also complies with the Organizational Performance Indicator Framework (OPIF) of the Department of Budget and Management where their performance indicators are shown. Based on this, performance expectations depend on two (2) major final outputs, namely rehabilitation services, and custody and maintenance of prisoners.

Semi-annually, the organization holds a command conference attended by senior leaders from all divisions and prison and penal farms, where the accomplishments for the previous year and plans for the next year are reported and deployed. It is also observed that officers and employees are familiar with the BuCor's Operating Manual. However, some of the employees interviewed are not aware of their agency's mission/vision statement.

Recommendations. Senior leaders of the BuCor committed to proactively discourage staff from engaging in corrupt practices and assume specific responsibilities for corruption prevention and detection. However, they should also come up with agency-specific organizational values. The goal, plans, targets, and performance indicators of the Agency should be aligned with its mission, vision and organizational values.

2. Code of Conduct

Assessment Team Rating: 1, Deployment Score: 100%. The agency complies with the minimum requirements for this dimension. However, they do not yet have a customized code of conduct during the time of assessment. Based on indicators research, not all offices have copies of R.A. 6713 though employees are aware of and guided by it. Most of the employees consider the BuCor Operating Manual, particularly the Code of Orders, as their customized code of conduct.

The BuCor regularly gives rewards to employees who exhibit exemplary performance consistent with RA 6713. The Assessment Team observed that the notices to submit their SALN are posted on bulletin boards that can easily be seen by employees.

Recommendations. The Bureau agreed to establish a customized code of conduct with concrete examples of ethically acceptable/ non-acceptable practices and situations of conflicts of interests relevant to the different types of work carried out by its personnel. In addition, it will come up with a program that will promote the code of conduct internally and externally, giving especial attention to the application of rewards and punishments to give all the staff and their clients the assurance of being treated fairly.

3. Gifts Policy

Assessment Team Rating: 0. The agency has no explicit written policy on receiving gifts and benefits, as well as for donations and offer of bribes. However, even without the policies and guidelines, the employees agree that they should not accept any gift. The BuCor does not have any GAA provisions on Capital Outlay. For this reason, the organization accepts and solicits donations from different associations (government or NGOs) and even from high profile inmates.

Recommendations. A written policy on gift, offer of bribe, institutional and personal donations that are tailored-fit to the Bureau's nature of operations should be issued. Each unit must also have a copy of RA 6713. An orientation seminar on proper filing of SALN and strict monitoring on compliance with submission are also recommended.



4. Human Resource Management

Assessment Team Rating: 2, Deployment Score: 40%. Despite satisfying the requirements to have a rating of 2 in this dimension, the team noted that a good number of employees aired their sentiments when it comes to promotions. According to them, information on vacant positions is not properly disseminated in the penal farms. They lamented that they only learn of a certain vacancy when somebody was already appointed for the position. They also criticized the hiring of PNP retirees who usually get juicy positions in the Bureau.

Recommendations. There should be a reorientation on the process of selection and promotion to all employees. The organization should ensure sharing to all colonies information regarding the number of actual vacancies and anticipated vacancies, as well as the selection criteria. Lateral transfers should only be accommodated based on pure merit.

5. Performance Management

Assessment Team Rating: 0. BuCor employees' individual performance target is not anchored on organizational goals and targets. There appears no complete set of criteria for assessing organizational performance. Except for a few indicators such as number of escapees, number of released inmates, etc., most of the indicators pertain to agro-industrial production especially at the colonies.

The Bureau adopts a three-tiered evaluation system for rating the performance of an individual, i.e., an individual is rated by his supervisor, peer, and clients based on the criteria set forth in the score sheet. It was observed, however, that the client rating for prison guards does not come from their primary clients, i.e., the inmates and their visitors. There is no clear attempt to capture the feedback from these clients for purposes of evaluating the prison guards.

Recommendations. A workshop on the institutional performance management system for crafting performance indicators of the agency should be held. After which, all individual targets should be anchored on the identified performance indicators. The management may also conduct a review of the present system to address gaps, and institute a more effective monitoring system to ensure that performance targets are being met. The HR should also reorient all employees on the different dimensions of the PES.

6. Procurement Management

Assessment Team Rating: 0. There is no annual procurement plan for each site, which is a requirement under R.A. 9184. The team also observed that the members of the BAC do not have a fixed term of one year in their appointments (although admittedly, the same may be renewed).

Recommendations. BuCor should comply with all – not just some – provisions of R.A. 9184, particularly on the preparation of an annual procurement plan. Reorientations on RA 9184 may also be conducted to promote awareness of the law among BuCor personnel. The appointments of the members of the Bids and Awards Committee (BAC) should be limited to one year, subject to renewal by the Director. A written procedure on alternative modes of procurement should also be adopted by the BAC.

7. Financial Management

Assessment Team Rating: 1, Deployment Score: 100%. The team is not persuaded by a research of indicators that the Bureau takes proactive steps to make all employees aware of their obligations not to use its resources for private purposes. The team observed that some officials involved in disbursement of funds or collection of revenues are either not bonded or do not post sufficient fidelity bonds. The team, nevertheless, appreciates the actions made by the management on the recommendations of the COA in their audit observation memoranda.



Recommendations. There is a need for BuCor leadership to take proactive steps to make all employees aware of their obligations not to use government resources for private purposes by prescribing certain rules on the use of specific resources. To be more proactive, there is a necessity to widely disseminate these rules and adopt a monitoring system to ensure compliance. Fidelity bonds posted by all disbursement and collection officers should be increased to align with the amount of funds or property for which they are accountable. The management should also take proactive steps in ensuring that officials and employees comply with financial and accounting processes.

8. Whistleblowing, Internal Reporting and Investigation

Assessment Team Rating: 0. There is no written policy or guideline on internal reporting and investigation of corruption and unethical behavior, although there is an established internal machinery that investigates complaints filed against erring personnel. The Bureau neither has any written guidelines or policy protecting whistleblowers from retaliatory acts.

Recommendations. The BuCor leadership should issue a written guideline or policy that specifies the subjects of a whistleblower report; protects the rights of whistleblowers, their relatives, and other persons giving them support from retaliatory acts; gives incentives and rewards to whistleblowers; outlines the procedure for reporting and investigation of the reports; protects the rights of suspected individuals from malicious reports; and clearly defines the roles and responsibilities of personnel involved in the investigation. It is also recommended that relevant personnel undergo appropriate training in investigating and detecting corruption.

9. Corruption Risk Management

Assessment Team Rating: 0. The Bureau has not identified its high-risk operations and functions. While the team appreciates the plan to set up an internal audit unit within the Bureau, the role of the internal audit must be clarified. The general concept as revealed during the IDA is that the internal audit undertakes the pre-audit of financial transactions while the COA does the post-audit.

Recommendations. The Bureau should identify its high corruption risk operations and functions and make a profile by assessing the likelihood of occurrence and level of significance. Because this is a technical matter, it is recommended that the personnel who will be assigned to the proposed Internal Audit Unit be trained on corruption risk assessment in coordination with the Office of the Ombudsman, which provides similar trainings.

10. Interface with the External Environment

Assessment Team Rating: 1, Deployment Score: 90-95%. While it may be true that the Bureau has an established information system to inform its clients of its services, policies, rules, and procedures, the system is not part of a more comprehensive strategic communication plan but a mere continuation of accepted practices and traditions within the Bureau. Nevertheless, the team concedes that there is a clear attempt to proactively disseminate information through various modes and strategies. Other commendable efforts are the issuance of ID cards to frequent visitors which significantly trimmed down waiting and queuing time, and the outsourcing of inmate meal preparations which reduced the opportunity for all forms of corruption related to this function to take place.

The team, however, is not convinced that all the employees are given training on interaction with clients and on resolving their complaints. If at all, only a handful of those involved in frontline services received such training. However, the conduct of frequent dialogues with the representatives of the inmates serves as a form of client feedback mechanism because it allows the inmates to air their grievances against prison personnel or criticize certain policies and standards that are adverse to them.



Recommendations. The management is urged to provide relevant trainings, particularly to all prison guards, on interaction with the inmates and their visitors and on resolving their complaints. It is also recommended that a client feedback system that dispenses with face-to-face contact be set up and integrated into the performance evaluation system, specifically for rating prison guards and other personnel doing custodial functions. The BuCor may also consider setting service standards, to which its employees should adhere in dealing with their clients.

Corruption Vulnerability Assessment: Summary of Results and Recommendations

Three (3) functional areas deemed as most critical to the achievement of BuCor's major final outputs, as well as to the realization of its mandate, were selected by the assessment team for the CVA, these are: 1) Admission, confinement and treatment of inmates; 2) Human resources management; and 3) Management of agro-industries.

1. Admission, Confinement and Treatment of Inmates

Background. The first CVA area, Admission, Confinement and Treatment of Inmates, presents a good picture of what the BuCor primarily does. It is in this functional area where most of the interface between prison personnel and their main clients, the inmates and their visitors, happen. Thus, it is also here where most of the risks for corruption may occur.

Risks Identified. Political accommodation may influence classification and segregation of inmates. Wide discretion of some prison officials may also lead to preferential treatment. Gift-giving and bribery to members of the custodial staff by inmates and their relatives in exchange for privileges may also occur, especially since there is a lack of an effective rotation scheme among Prison Guards. Due to the wide discretion in the part of certain prison authorities (such as the Director, Superintendent, Overseer, etc.) in recommending, approving, and implementing transfers, inmates and their *padrinos* may resort to political patronage and even bribery to be transferred to a preferred colony. Prison authorities might also delay either intentionally or by procrastination action on inmate requests for movement (either to view deceased relative or seek medical intervention). Inmate's relatives may resort to bribing certain officials to act favorably on the request, even when some conditions are not satisfied, or to act on it with undue haste. It was also observed that some sensitive functions are delegated to inmate orderlies who are not accountable personnel such as the searching of incoming inmates and visitors, albeit under the supervision of a custodial staff.

Controls in Place. The BuCor's Operating Manual provides specific guidelines on admission, classification, transfer and movement of inmates, as well as inmate visitation and communication. Administrative and/or criminal cases can be charged against erring prison officials and staff. Classification and segregation of newly-admitted inmates is undertaken by the RDC Classification Board and not by a single official, dissipating discretion. It is also subject to approval by the Director. On the other hand, requests for transfer of NBP inmates to colonies are evaluated by the NBP Reclassification Board and approved by the Director. The Director and his Superintendents regularly issue memoranda reminding officials and personnel to comply with prison rules and guidelines.

Recommendations. As much as possible, the Prison Superintendent or his duly designated representative should be present during the admission of incoming inmates. Searching and other sensitive functions should not be delegated to inmate orderlies. BuCor should also adopt a policy against acquaintances between prison personnel and inmates, which should be integrated in its customized Code of Conduct. There should also be an effective rotation scheme for the PGs so as to prevent too much familiarity with the inmates. The victim or his relatives must be notified of the request and decision to transfer inmate from one prison facility to another. Also, the BuCor should establish a written policy that processing of requests for movement should be done in the most expedient manner.



2. Human Resource Management

Background. The BuCor's most important resource is its human resources. The achievement of its objectives, as well as the failure to do so, depends largely on the manner its officials and employees perform their individual tasks and responsibilities. With the everyday realities and possibilities that they have to deal with at work, BuCor personnel are expected to be always on guard, as a simple lapse may prove to have catastrophic results. A BuCor employee, especially a member of the custodial force, then, should always be mentally, emotionally, physically and morally sound. Thus, an honest-to-goodness recruitment and promotion system, as well as an effective human resources management is critical to the agency.

Risks Identified. Colony officials may abuse their discretion and give preferential treatment to some applicants by withholding information on vacancies and non-endorsement of other applicants. A conflict of interest may also arise if the applicant is related/acquainted to examining psychologists/medical officer. Director's participation in the panel interview may affect the democracy and independence of the recruitment and selection process. There also seems to be wide discretion in the part of Superintendents and Division Chiefs in nominating candidates for government-, department-, and bureau-wide employee awards. The Director exercises wide discretion in awarding spot promotions.

Controls in Place. Aside from formal means, information regarding vacancies is also passed on by word of mouth/ through the grapevine. The Personnel Office prepares an "abstract" of applicants for use in the panel interview, which promotes transparency by providing a bird's eye view of all applicants' credentials. With regard to the selection of awardees, the CSC provides the PRAISE Committee with appropriate selection criteria. The BuCorEA (the bureau's employees' association/union) is represented in the PRAISE Committee and its deliberations are properly documented. A candidate for spot promotion should meet CSC's minimum qualifications before he/she can assume a higher position.

Recommendations. The Bureau should ensure that notices of job vacancy are posted on the bulletin boards and other conspicuous places within and outside all prison facilities/colonies. BuCor may also consider referring neuropsychological and medical exams to accredited third-party laboratories to prevent conflict of interest. To ensure objectivity of the panel interview, a set of grading criteria/scoring RUBRIC should be adopted. Deliberation of Personnel Selection Board should be governed by an established set of guidelines promoting an objective grading system. A set of guidelines should also be established to govern the grant of commendations and spot promotions for standardization purposes.

3. Management of Agro-industries

Background. Agro-industrial production is one function that is more or less unique to BuCor among national government agencies, even though some state universities and colleges also have similar undertakings. Yet this area is deemed critical to the performance of the Bureau's mandate, especially since the inmates are providing manual labor to the various agro-industrial projects as part of their rehabilitation program. Substantial amount of financial resources, covering both production inputs and income generated, is also involved. Interface with the external environment is also demonstrated from top management (in entering into joint ventures), to Prison Superintendents and other penal farm officials (in the sale of agro-industrial produce), to the staff employee designated as Trust Fund Officer (in managing inmate earnings).

Risks Identified. The Director has wide discretion in entering joint ventures, which may place the government and the inmates at a disadvantage, especially with the lack of parameters in assessing costs and benefits to the Bureau – not only in the financial aspect but in other facets of the contract as well, such as health and security risks that it poses. Small number of prospective buyers/participants in each sale or auction may give rise to familiarization with the BAC or other units responsible for selling Bureau products. Some officials/personnel in



charge of funds and/or proceeds post insufficient bonds or are not bonded at all. In the matter of inmate earnings, there is no proactive effort to inform the inmates of the status of their accounts.

Controls in Place. Legality of joint venture agreements is ascertained by BuCor's Legal Office. The management sets annual and semi-annual production targets for each penal farm to achieve, which can check possible underreporting and pilferage of farm produce by putting a floor on production volume. Sales Unit cannot undertake any sale unless approved by the Prison Superintendent. Payment is not made to the Sales Unit but to a designated Collections Officer, while the release of goods sold is done by the Property Custodian.

Recommendations. The BuCor may consider requiring joint venture proponents to submit third-party expert assessment of economic, security and social impacts of proposed enterprise at their cost. The Bureau may also come up with a Land Use Plan to determine the economic viability of its real properties. Targets for production must be expressed in production yield units and not in monetary terms. A system of incentives/commission for Production Coordinators and Projects In-charge who are able to meet certain production targets/quotas may also be established. The penal farms may also consider exploring new ways of advertising their products to attract more bidders. With regard to their earnings, inmates should be updated of their accounts and withdrawals periodically.

General Recommendations

In consideration to the results of the Integrity Development Review made on the Bureau of Corrections, the assessment team forwards a twelve-point general recommendation, as follows:

1. Review and update the BuCor Operating Manual to address the areas for improvement identified in the CRR and the CVA;
2. In the same line, review and update the Prison Agro-industries Manual. BuCor may also merge the said manual with the Operating Manual;
3. Establish a customized Code of Conduct for custodial personnel;
4. Establish an effective rotation scheme for custodial personnel to avoid acquaintance and collusion with inmates and their visitors/relatives;
5. Inmate orderlies should not be delegated with sensitive functions;
6. Incoming personnel should declare any conflict of interest arising from his/her employment in the Bureau;
7. Invest in I.T. systems that could help improve efficiency and transparency in the organization.
8. Encourage entry into partnership with private companies specializing in agro-industrial undertakings among the prison and penal farms;
9. The Bureau may also consider tying up with other government agencies and corporations, through a Memorandum of Agreement (MOA), in the development and implementation of their agro-industrial projects and/or the marketing of their products;
10. Under Recommendations No. 8 and 9, the training aspect of inmates' rehabilitation should be lodged to the joint venture partner's agriculturists and technicians. Bureau personnel such as prison guards presently designated as Projects In-charge/ Production Coordinators may then be relieved of these duties and be allowed to concentrate on their custodial functions;
11. Come up with a land use plan for all of the territories under the Bureau's jurisdiction. In as much of the land under BuCor's jurisdiction is not yet registered in its name, the management may consider moving towards the titling of these properties to guard against misappropriation;
12. The Bureau's financial and accounting processes should be reviewed and enhanced so as to incorporate the recommendations forwarded in the CRR and the CVA; and finally,
13. BuCor leadership may want to lobby for a new law modernizing the Bureau of Corrections, professionalizing the prison custodial force, protecting the human rights of inmates and promoting their rehabilitation.