Information Provision for the Fourteenth Session of the Working Group on Prevention of Corruption
-Anti-Corruption and Civil Rights Commission (ACRC), Republic of Korea (RoK)-

Information in relation to good practices, lessons learned and challenges in periodically evaluating the efficiency and the effectiveness of anti-corruption measures and policies (resolution 9/6 of the Conference of the State Parties to the United Nations Convention against Corruption)

The ACRC has been implementing the Anti-Corruption Initiative Assessment in the public sector by evaluating and supporting anti-corruption efforts of public institutions (in accordance with Article 12.6 and Article 27-2 of the ACRC act). Also, the ACRC recommends improvement of laws and regulations using institutional improvement and Corruption Risk Assessment.

Since 2002, along with the Anti-Corruption Initiative Assessment, the ACRC has conducted the Integrity Assessment on public institutions to assess public institutions’ integrity level. The Integrity Assessment measures the integrity level of public agencies based on a survey of ordinary citizens who had experience of the agencies’ work and employees of public institutions. While the Anti-corruption Initiative Assessment measures public institutions’ voluntary anti-corruption efforts and performance, such as integrity education and the implementation of anti-corruption measures, the Integrity Assessment measures overall integrity level which reflects effects of their anti-corruption efforts in the perception and experience of corruption.

The ACRC integrated the two assessments that had been conducted for the past 20 years into the Comprehensive Integrity Assessment that has been carried out since 2022. Accordingly, the existing survey on the perception and experience of corruption is reflected as integrity perception, and the assessment of anti-corruption performance and efforts is reflected as integrity effort in the Comprehensive Integrity Assessment.
< Comprehensive Integrity Assessment System (as of 2022) >

<table>
<thead>
<tr>
<th>Integrity Perception (60%)</th>
<th>√ Measuring perception and experience involving complainants and internal members regarding external duties and internal operation of the organization (survey)</th>
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</thead>
<tbody>
<tr>
<td>Integrity effort (40%)</td>
<td>√ Assessing anti-corruption performance and efforts over the year based on the indicators developed in advance (performance evaluation)</td>
</tr>
<tr>
<td>(Deduction) Integrity realities (10%+α)</td>
<td>√ Reflecting the current status of corruption, such as disciplinary measures against corrupt behaviors and the results of audit, prosecution, and trial, as point deduction</td>
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</tbody>
</table>

In the Comprehensive Integrity Assessment, integrity perception assessment is reflected as scores calculated according to the result of an extensive survey through a survey agency involving external complainants and internal members of the organization included in the list of people submitted by the assessed institutions. In 2022, about 220,000 people participated in the survey.

**Integrity effort assessment** is reflected in the Comprehensive Integrity Assessment as scores calculated by confirming the performance through written evaluation and on-site inspection conducted by external and internal expert groups concerning the performance results submitted by public institutions of each level regarding each anti-corruption indicator developed at the beginning of the year.

The result of the assessment is announced as grades by types of institution, and integrity perception and integrity effort by institutions are published as grades as well as the Comprehensive Integrity Assessment.

As of 2022, a total of 569 institutions of 15 types of institutions were subject to the Comprehensive Integrity Assessment.

<number of agencies subject to the 2022 comprehensive integrity assessment>

<table>
<thead>
<tr>
<th>Central Administrative</th>
<th>Local Government</th>
<th>Public Service related agency</th>
<th>Government established university</th>
<th>Public Medical Institution</th>
<th>Metropolitan police agency (trial operation)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>Metropolitan</td>
<td>Municipal</td>
<td>Office of Education</td>
<td>I (State agency)</td>
<td>IV (Local public corporation)</td>
</tr>
<tr>
<td></td>
<td>I</td>
<td>I (city)</td>
<td>II (county)</td>
<td>III (Medium sized quasi-government)</td>
<td>V (Local public corporation)</td>
</tr>
<tr>
<td></td>
<td>II</td>
<td>II (district)</td>
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<tr>
<td>569</td>
<td>25</td>
<td>17</td>
<td>75</td>
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<td>75</td>
<td>36</td>
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</tr>
</tbody>
</table>
The ACRC carries out the Public Institution Comprehensive Integrity Assessment every year pursuant to relevant law. (The Anti-Corruption Act art.12 subpara. 6 and art.27-2)

The Corruption Risk Assessment (CRA) analyzes and assesses corruption-causing factors inherent in laws and regulations. Based on the assessment results, improvement measures are recommended to the authority governing the assessed law, thereby preventing acts of corruption in the first place. The CRA is conducted under Articles 12.12 and 28 of the ACRC Act. CRA is conducted on (a) new and amendment bills by the ACRC to prevent corruption causing factors during the legislation stage; (b) current laws by the ACRC to analyze, review and remove corruption causing factors in them; (c) internal rules and regulations by each organization to deter corruption-causing factors; and (d) by-laws of public service-related organizations. The assessment was adopted under the amendment of the ACRC Act (December 29, 2005).

As for institutional improvement, in accordance with Articles 12, 27, and 29 of the ACRC Act, the ACRC discovers unreasonable laws, regulations, and practices that cause corruption (as described below), and conducts fact-finding surveys. The ACRC then issues recommendation measures to relevant agencies.

As for the procedure of institutional improvement, the ACRC analyzes and reviews corruption/public interest violation reports, civil complaints filed on e-People, audit documents, and media reports to identify tasks for improvement. Based on the documents submitted by the relevant authorities, fact-finding surveys, and expert advice and public opinions, the ACRC draws up an improvement measure which is issued to the related agency after consultation with it. The content of the improvement measure is made public through press releases and so on.

The ACRC conducts follow-up monitoring on the implementation of the improvement measures issued. The ACRC checks and reviews implementation reports submitted by the relevant authorities twice a year. Implementation of the improvement measures is reflected in the result of the Anti-corruption Initiative Assessment. To help agencies facing difficulties in implementing a recommendation, the ACRC holds an implementation strategy meeting and provides consultancy to the agency to promote the implementation and share best practices.
Response by the Board of Audit and Inspection (BAI), Republic of Korea (ROK)

BAI is pleased to provide the following response to the request for information in relation to strengthening the role of Supreme Audit Institutions in the prevention and fight against corruption (resolution 9/3 of the Conference of the Sates Parties to the United Nations Convention against Corruption)

1. Measures/steps that ROK has taken to implement the Convention and to promote the implementation of resolution 9/3

BAI is the **supreme audit institution** of the Republic of Korea, whose main function is to audit the public sector, including governments, local autonomies, and public institutions and to inspect the duties of public officials. BAI is a **constitutional agency** whose function, status and organization are stipulated in Article 97 and 100 of the Constitution of the Republic of Korea.

While BAI is a constitutional agency established under the President, it retains an **independent status** in regard to its duties. BAI is an organization with a council (collective) system, in which major decision-making takes place. **The Council of Commissioners** consists of seven commissioners, including the Chair.

**BAI’s Main Responsibilities and Functions**

- **Examination of the Final Accounts (Article 99 of the Constitution; Article 21 of the BAI Act)**
  BAI examines the final accounts of the state and verifies that the nation’s resources have been spent wisely to benefit the public. To this end, the Minister of Economy and Finance writes up the final accounts which include the budgets implemented by all the government agencies, and submits the report to BAI. Then, BAI examines the report meticulously to ensure that the account totals and the actual amount spent are balanced. After BAI has examined the final accounts, the Minister of Economy and Finance presents the report to the National Assembly on May 31st of the following year.

- **Audit of Accounts (Article 22 & 23 of the BAI Act)**
  BAI audits the central government, local autonomies and public institutions to ensure that the budget which comes from taxpayer money is being used properly for the nation and its citizens. BAI also scrutinizes the budgets to examine whether or not public servants, through willful intent of negligence, are reckless in conducting projects that waste public money.

BAI, in accordance with the BAI Act, must audit 37,600 central and local governments as well as other institutions such as Bank of Korea. Furthermore, there are additional 28,600 institutions which BAI may audit when necessary or at the Prime Minister’s request (as of 2017).
• Inspection (Article 24 of the BAI Act)
Apart from audit, BAI inspects the works performed by government agencies and the duties of their employees, in order to improve the operation and quality of government services. While a financial audit is to examine an auditee’s financial accountability, an inspection is to monitor the public official’s performance and duties. It aims to detect legislative, institutional or administrative problems of the government agencies, as well as to detect unlawful or unjust acts of public officials for correction and improvement.

• All results of audit and inspection (except those that were decided as non-disclosure by the Council of Commissioners) are disclosed on BAI’s webpage.

BAI’s Other Responsibilities and Functions

BAI responds to requests for audit raised by the National Assembly and citizens. BAI supervises internal audit systems of auditee institutions, conducts research on the audit system and methods, and provides training programs for people working in the audit and accounting field.

• Audit Request System
BAI operates on an audit request system that listens to the needs of the people and sees from their perspective. Ordinary citizens can request BAI to conduct an audit. Currently, BAI receives audit requests from three channels: the National Assembly, citizens, and public entities.

• Follow-up Management System
For illegal or unjust actions discovered during the audit, BAI can demand dispositions (judgment on reparation liability, request for disciplinary action, request for correction) or issue recommendations and notifications. When disposition demands are issued, the audited organizations are required to implement them within the set period. Contrary to dispositions, notifications and recommendations are voluntary. Audited organizations may or may not choose to put them to action.

No penalty clauses are applicable in case an audited organization fails to take actions as demanded in a disposition. However, when audit results are not implemented for no good reason, BAI can conduct further audits and report the audited organization to the National Assembly or the President.

BAI’s Follow-up Management Team regularly monitors the implementation of follow-ups and, if necessary, visits audited organizations for field inspection. Every year BAI’s Division of Public Sector Internal Audit Management inspects whether audited organizations are taking appropriate actions to implement BAI’s audit results.
• Public Audit System

BAI enacted the Act on Public Sector Audits on July 1, 2010 in order to strengthen the internal control (internal audit) system of public entities (including local governments) and establish an efficient public audit system through a cooperative partnership between BAI and internal audit bodies.

The Act includes provisions appertaining to fundamental elements, such as independence and professionalism of internal auditors. To enhance the expertise of internal auditors, the Act prescribes matters related to recruitment, performance appraisal, and the professional training of internal auditors.

Audit Capacity Development

BAI recruits its employees by evaluating basic knowledge on essential areas (such as accounting, tax and management) necessary for audits, in accordance with the general principle of the public sector recruitment, based on an open competitive process.

With the aim of strengthening qualifications of auditors, BAI has offered training programs for each stage of employment from newly appointed or transferred auditors to promoted ones.

BAI also has mandatory training courses for public officials (Grade 4 to 7) to strengthen the employees’ expertise in audit.

• Audit and Inspection Training Institute (AITI)

BAI established AITI as a specialized training institution in 1995. AITI has trained accounting and audit professionals of the central government, local governments, and public institutions, as well as BAI employees. It was estimated that in 2017, AITI had trained nearly 32,000 people.

• Audit and Inspection Research Institute (AIRI)

BAI established AIRI as a BAI think tank in 2005. AIRI performs R&D activities for the advancement of audit and inspection systems and methods, and contributes to developing and upgrading the public audit infrastructure.

2. Examples of the implementation of those measures

• Board of Audit and Inspection Act
• Act on Public Sector Audits
• BAI HIGHLIGHTS – Annual Report 2021