



## Transparency and Integrity Strategy of the City Hall of Lagodekhi Municipality

The Strategy and subsequent Action Plan were prepared by the Institute for Development of Freedom of Information (IDFI) within the framework of the project "Develop Integrity and Transparency Strategy and Action Plan for the City-Halls of Telavi and Lagodekhi Municipalities". The project is financially supported by the USAID Good Governance Initiative (GGI) in Georgia (USAID GGI).

August, 2020

### **DISCLAIMER**

*Views expressed in the document do not necessarily reflect the views of the United States Agency for International Development, USAID GGI or the United States Government.*

## **Table of Contents**

Introduction .....	3
Vision .....	4
Strategic Directions .....	4
Direction I. Transparency.....	5
Direction II. Citizen Engagement and Accountability .....	6
Direction III. Human Resource Management .....	7
Direction IV. Ethics and Corruption Risk Reduction .....	7
Direction V. Public Procurement .....	8
Direction VI. Permits .....	9
Direction VII. Internal Audit.....	10
Direction VIII. Legal Entities subordinated to the City Hall of Lagodekhi Municipality .....	10
Implementation of the Strategy .....	11
Monitoring the Implementation of the Transparency and Integrity Strategy and Action Plan.	12

## **Introduction**

During recent years, Georgia has made significant progress in the fight against corruption and despite the challenges remains a leader in the region as is proved by various international surveys and rankings. Ensuring accountability and integrity are essential preconditions for democratic governance as well as for fight against corruption, as it promotes well-functioning public service delivery mechanisms and guarantees citizens' engagement in the decision-making processes. Additionally, it encourages efficient problem-solving and has a positive impact on the overall trust in the government.

In the National Anticorruption Strategy 2019-2020, with regard to municipalities, one of the several other objectives is to advance integrity and transparency in municipalities, one of the activities of which is the development of integrity and accountability strategies. Developing transparency and integrity strategies and action plans in municipalities is also a recommendation provided by the Anti-Corruption Network of Organization for Economic Co-operation and Development (OECD-ACN). Therefore, the City Hall of Lagodekhi municipality in cooperation with the Good Governance Initiative project of the United States Agency for International Development (USAID) and the Institute for Development of Freedom of Information (IDFI) prepared the Integrity and Transparency Strategy and Action Plan of the City Hall of Lagodekhi Municipality.

In order to develop evidence-based strategic documents the City Hall of Lagodekhi municipality together with IDFI conducted an in-depth situation analysis in terms of transparency and integrity, identified gaps and challenges and determined a set of policy recommendations. Based on the challenges identified and the recommendations elaborated for their elimination, the priority directions, goals and objectives of the strategy were determined.

During the preparation of the situation analysis by using a risk assessment questionnaire, public information was received and obtained; publicly available sources were analyzed; interviews were conducted with the City Hall staff and focus group discussions were conducted with the representatives of local civil society. In addition, in the preparation process of the situation analysis, the City Hall studied the existing anti-corruption legislative framework and policy-making documents; international recommendations regarding Georgia - OECD-ACN / GRECO monitoring reports and their general standards. The focus was on recommendations that were relevant to local government. At the same time, the state audit reports regarding the City Hall of Lagodekhi Municipality were examined for the situation analysis.

Based on the transparency and integrity strategy of the Lagodekhi Municipality, the City Hall has developed a two-year action plan for the implementation of the strategy. The action plan determines specific steps to achieve the goals and objectives identified in the strategy, indicators

of their implementation, responsible structural units, risks, funding source and term of implementation.

In order to develop the strategic documents, in the City Hall of Lagodekhi Municipality, a working group has been created which consists of the heads of the primary structural units of the City Hall. Once a year, the working group reviews the Transparency and Integrity Strategy and Action Plan of the City Hall of Lagodekhi Municipality and updates the documents in response to ongoing challenges as well as based on the experience gained during their implementation.

Transparency and Integrity Strategy and Action Plan of the City Hall of Lagodekhi Municipality is approved by the Mayor.

## **Vision**

The City Hall of Lagodekhi Municipality understands that the introduction of high standards of integrity and transparency in practice is essential for the proper functioning of the service and the prevention of corruption. This requires constant effort and transformation of certain approaches.

Considering that Georgia has achieved significant success in the fight against corruption, the main vision of the City Hall of Lagodekhi Municipality at the new stage is the following:

1. Establishment of a corruption-free, transparent, accountable, and integral system;
2. Ensuring the prosperity of the local population and effective management of public financial resources;
3. Increasing the population's trust in the activities of the City Hall of Lagodekhi Municipality.

Establishment of accountable and transparent government agencies for the prevention of corruption is of particular importance in bringing Georgia closer to the European family, as the Georgia-EU Association Agreement commits the country to establish an accountable, efficient, transparent and professional public service.<sup>1</sup>

## **Strategic Directions**

In order to ensure a high standard of transparency and integrity at the City Hall of Lagodekhi Municipality, the City Hall tends to determine eight significant strategic priorities:

1. Transparency that includes the accessibility of public information in the City Hall, proactive transparency and standards of data processing, including the accessibility of open data.

---

<sup>1</sup> “Association Agreement between the European Union and the European Atomic Energy Community and their Member States, of the one part, and Georgia, of the other part” (2014), Article 4.

2. Citizen engagement and accountability that includes the tools of participation in the activities of the City Hall provided by law, the practice of participation of employees and the community in decision-making as well as budget drafting process.
3. Human Resource Management that covers the practical enforcement of basic and auxiliary civil service legislation on the recruitment, dismissal, remuneration, career development, ethics, and discipline of officials; distribution of human resources.
4. Ethics and disciplinary proceedings, reduction of corruption risks, that include the norms of ethics and integrity of the City Hall staff, rules and standards of disciplinary proceedings, and the awareness of City Hall staff on these issues, public servants' awareness of whistleblower protection instruments and existing practice in this regard, introduction of corruption risk assessment system.
5. Public procurements that address the procedures of planning and implementation of public procurement of the City Hall and the circumstances related to the implemented procurements.
6. Permits and licenses in the context of quality assurance of service delivery and their compliance with integrity standards.
7. Internal financial control as a system of the internal control of public institutions.
8. Legal entities subordinated to the City Hall of Lagodekhi Municipality in the context of ensuring high standards of transparency and accountability.

### **Direction I. Transparency**

Certain transparency standards are already introduced in the City Hall of Lagodekhi municipality, however, the City Hall analyses that it is important to refine and improve the existing standards; pay attention to the qualification of the person responsible for publishing public information; implement in practice the standards for the proactive disclosure of public information and ensure constant updating of data on the website. In order to achieve a high degree of transparency, it is important to establish standards for publishing data in Open Data format, including in the legal entities subordinated to the City Hall.

Accordingly, in this direction **the strategic goal of the City Hall of Lagodekhi municipality is to improve the quality of transparency in the City Hall.**

For achieving this goal, the City Hall of Lagodekhi municipality outlines the following objectives:

- **Raise Awareness of Public Information in the City Hall of Lagodekhi Municipality:** ensuring access to public information is important for strengthening the transparency of the City Hall. For this, it is important to ensure the professional development of the

person responsible for publishing public information, since this person is responsible for responding to the requests for public information and carrying out the appropriate procedure. At the same time, as the heads of the primary structural units ensure that relevant information is provided to the person responsible for publishing public information, they shall also be properly informed about the rules and standards regarding public information.

- **Improve Public Information Proactive Disclosure Standard and Practice:** in order to ensure transparency in the City Hall of Lagodekhi municipality, along with responding appropriately to the requests for public information, it is important to proactively disclose public information and enable citizens to access relevant information without request. At the same time, it is equally important to produce open data with high standards and publish it in an easily editable format so that citizens have the opportunity to obtain and process open data interesting to them without unnecessary bureaucracy.

## **Direction II. Citizen Engagement and Accountability**

The City Hall of Lagodekhi Municipality recognizes that in order to strengthen the accountability and citizen engagement in the activities of the City Hall, it is important to improve the existing mechanisms and inform the population about them. The City Hall believes that the public should be informed regarding their rights and the mechanisms they can use to participate in the activities of the City Hall of Lagodekhi municipality. It is also important to establish the Civic Advisory Council and promote its activities. At the same time, the City Hall considers it necessary to promote the capacity development of individuals involved in public relations.

Accordingly, in this direction **the strategic goal of the City Hall of Lagodekhi municipality is to improve the transparency quality of the City Hall of Lagodekhi Municipality and citizen engagement in decision-making process.**

For achieving this goal, the City Hall of Lagodekhi municipality outlines the following objectives:

- **Improve the Communication Practice with Citizens and Ensuring Their Engagement in Decision-making Process:** the City Hall has already developed platforms (including digital) for informing and engaging citizens. At the same time, the City Hall considers it necessary to raise citizens' awareness about the existing mechanisms and their importance, as well as to take care of the proper functioning of these mechanisms. In addition to the citizen engagement, the priority for the City Hall of Lagodekhi municipality is to ensure the participation of City Hall staff in the decision-making process, which should be carried out according to properly written procedures.
- **Support Population in Terms of Using the most Necessary and Demanded Services of the City Hall of Lagodekhi Municipality:** the City Hall of Lagodekhi municipality considers

that for uninterrupted use of services it is important for the citizens to easily receive comprehensive information about the rules and procedures for using a particular service.

- **Introduce Policy Analysis Practice in the City Hall of Lagodekhi Municipality:** the City Hall of Lagodekhi municipality believes that the properly developed policy will improve the efficiency of the City Hall activities and will be able to bring more benefits to the citizens.

### **Direction III. Human Resource Management**

The City Hall of Lagodekhi Municipality is aware of the need to introduce additional regulations in the field of human resource management. In particular, the City Hall of Lagodekhi municipality aims to start the work on functional analysis of the agency. Caring for newly appointed employees also remains an important issue for the City Hall: it should be possible for them to easily access the information on institution's activities, regulations, organizational issues, or other important information. The City Hall has also realized the need to support the professional development of its employees.

Accordingly, in this direction **the strategic goal of the City Hall is to improve human resource management in the City Hall of Lagodekhi Municipality and promote employees' professional development.**

For achieving this goal, the City Hall of Lagodekhi municipality outlines the following objectives:

- **Ensure the Rationalization of Human Resources and Employees' Remuneration:** in order to ensure the rational use of public financial resources and the efficiency of the City Hall, for the successful operation of the agency it should be staffed with a sufficient amount of employees, whose job descriptions will be outlined in details and remuneration will be determined on the basis of the job descriptions.
- **Promote the Professional Development of Lagodekhi City Hall Employees:** accessing the needs of the City Hall staff and ensuring their training are essential for the successful implementation of the functions assigned to the City Hall. At the same time, the City Hall of Lagodekhi Municipality considers it necessary to support the newly appointed employees in the process of getting acquainted with the working principles and practices of the City Hall.

### **Direction IV. Ethics and Corruption Risk Reduction**

The City Hall of Lagodekhi Municipality considers that for establishing high ethical culture and standards at the City Hall it is important to develop a code of ethics and practical guide tailored to the specifics of the City Hall, which will provide specific examples and practical advices on issues such as prohibited gifts, conflict of interest, position incompatibility, misuse of

administrative resources, etc. At the same time, the City Hall considers it necessary to work intensively on raising the awareness of employees and officials on the issues of ethics as well as the institute of whistleblowers. An appropriate staff unit may be assigned to the City Hall, who will be responsible for improving the ethics environment and providing ethical advice to employees. Additionally, the City Hall of Lagodekhi Municipality aims to improve the abilities of the supervision unit of ethical norms, as well as, develop the basics of disciplinary liability and relevant procedures.

Accordingly, in this direction **the strategic goal of the City Hall is to establish high ethical culture and standards in the City Hall and reduce corruption risks.**

For achieving this goal, the City Hall of Lagodekhi municipality outlines the following objectives:

- **Normativize and Introduce in Practice Ethical Norms and Rules of Disciplinary Proceedings of the City Hall of Lagodekhi Municipality:** this will be done by elaborating the Code of Ethics and its explanatory manual for the City Hall of Lagodekhi Municipality, as well as developing the grounds for disciplinary liability and its detailed procedures. In order to implement the mentioned norms in practice, the City Hall will ensure the participation of employees in appropriate trainings and the introduction of a consultation mechanism.
- **Introduce Corruption Risk Assessment System in the City Hall of Lagodekhi Municipality:** the City Hall of Lagodekhi municipality will ensure the integration of detection, management and monitoring of corruption risks in the activities of the City Hall in order to reduce corruption risks.

## **Direction V. Public Procurement**

The City Hall of Lagodekhi Municipality plans to take important steps to establish high standards in public procurement. The City Hall analyzes the challenges identified in the state audit and internal audit reports and aims to eliminate the deficiencies. The City Hall considers it necessary to establish an effective mechanism for monitoring the condition of infrastructural facilities. In addition, it is important to assess the integrity risks in the procurement planning and implementation process. The City Hall plans to identify particularly problematic areas and engage in active communication with companies and potential suppliers operating in the municipality. At the same time, the City Hall of Lagodekhi municipality will analyze the tender conditions, conduct a proper study of the market and the needs of potential suppliers and produce comprehensive tender applications. In order to increase competition, the City Hall will specify the estimated tender announcement period within the annual procurement plan and will actively disseminate information about the tenders using both the website and social networks.



Accordingly, in this direction **the strategic goal of the City Hall is to establish high standards of public procurement in the City Hall.**

For achieving this goal, the City Hall of Lagodekhi municipality outlines the following objectives:

- **Improve Internal Control Mechanisms in Procurement Process in the City Hall of Lagodekhi Municipality:** the City Hall of Lagodekhi municipality will introduce an effective mechanism for monitoring the conditions of infrastructural facilities, which will be staffed with sufficient and properly qualified human resources. The City Hall will also introduce an electronic monitoring mechanism for the implementation of public procurement contracts.
- **Improve the Transparency of Public Procurement Process in the City Hall of Lagodekhi Municipality:** the objective aims to ensure proactive publication of information on the City Hall website and social media about ongoing tenders of the City Hall of Lagodekhi municipality and the legal entities under its subordination. The objective also aims to improve the annual procurement plan and to specify approximate date of tender announcement.
- **Improve the Public Procurement Planning Process by the City Hall of Lagodekhi Municipality:** the City Hall will do this by ensuring the needs assessment of potential suppliers throughout the municipality and analyzing the tender conditions, as well as providing proper market research in the procurement planning process. Besides, an integrity risk assessment system will be introduced in the public procurement planning process to identify and manage/reduce the risks.

## **Direction VI. Permits**

Basic standards regarding the issuance of permits have already been introduced in the City Hall of Lagodekhi Municipality. However, the City Hall is aware of the remaining challenges in this direction. In particular, in order to ensure greater transparency and efficiency in the activities of the Department of Spatial Planning, Construction, Architecture and Monument Protection in connection with the issuance of construction permits, it is important that the activities of the department fully comply with the requirements set by law. At the same time, the City Hall will ensure the development of the rules for the use of permit certificates and accounting at the local level. Also, the City Hall considers it necessary to provide access to information about these services, the rules of their delivery and the appeal procedure in an easily understandable form.

Accordingly, in this direction **the strategic goal of the City Hall is to facilitate the use of permitting services for Lagodekhi municipality population.**

For achieving this goal, the City Hall of Lagodekhi municipality outlines the following objectives:

- **Improve Permitting Service in the City Hall of Lagodekhi Municipality:** the City Hall plans to normativize the rules for the use and accounting permit certificates and bring them in line with the requirements of Georgian legislation.
- **Simplify permit appeal procedure in the City Hall of Lagodekhi Municipality:** the City Hall will ensure the introduction of an electronic mechanism for appealing decisions on permits.

## **Direction VII. Internal Audit**

The City Hall of Lagodekhi Municipality considers it important to increase the independence and efficiency of internal audit and improve risk management, as well as the monitoring mechanism for the implementation of recommendations and to take constant care of the professional development of the unit staff.

Accordingly, in this direction **the strategic goal of the City Hall is to ensure the efficiency of Internal Audit Unit in the City Hall of Lagodekhi Municipality.**

For achieving this goal, the City Hall of Lagodekhi municipality outlines the following objectives:

- **Strengthen the Internal Audit Unit:** within the framework of the objective, Lagodekhi City Hall will ensure the independence of the Internal Audit Unit and equip it with adequate human and financial resources, as well as introduce regular periodic retraining practices, including on the issues of ethics and conflict of interest. Within the same objective, the monitoring mechanism for the implementation of the recommendations issued by the internal audit will be refined and its effectiveness will be ensured.

## **Direction VIII. Legal Entities subordinated to the City Hall of Lagodekhi Municipality**

The City Hall of Lagodekhi Municipality considers that in order to ensure the transparency of the activities of the legal entities under its subordination, it is important to have a strong and proper internal control mechanism in each legal entity. It is necessary to develop a rule for accounting representative expenses and to substantiate the need for each expense on the basis of the rule. Each LLC needs to ensure that the annual financial statements and the planned budget for the following financial year are developed and discussed at their companions' meeting. It is necessary to analyze the activities of legal entities and, if necessary, reorganize them. The standards and principles of the City Hall shall be effectively implemented in legal entities whose degree of transparency and accountability needs to be significantly improved.

Accordingly, in this direction **the strategic goal of the City Hall is to ensure the transparency of the activities of Legal entities subordinated to the City Hall of Lagodekhi Municipality.**

For achieving this goal, the City Hall of Lagodekhi municipality outlines the following objectives:

- **Effective Human Resource Management of Legal Entities Subordinated to the City Hall of Lagodekhi Municipality:** this objective aims to ensure staff optimization in legal entities and to introduce transparent, open recruitment practices.
- **Improve Transparency in Legal Entities Subordinated to the City Hall of Lagodekhi Municipality:** this objective considers to ensure full disclosure of public information and its updating (including staff lists, charters, procurement plans, budgets, budget execution reports, and administrative reports), as well as raising staff awareness about open data, their proactive disclosure and preparing a comprehensive annual report.
- **Introduce Ethical Standards in Legal Entities Subordinated to the City Hall of Lagodekhi Municipality:** the objective aims to raise awareness of ethics, conflict of interests and integrity in legal entities through appropriate training.
- **Improve Internal Control of Legal Entities Subordinated to the City Hall of Lagodekhi Municipality:** the objective considers to provide independent, strong and functioning services, which will be provided with adequate human and financial resources.
- **Establish a High Standard of Accounting Representative Expenses in Legal Entities Subordinated to the City Hall of Lagodekhi Municipality:** the objective aims to produce comprehensive documentation proving the expenditure of finances, including transport and fuel costs.

### **Implementation of the Strategy**

The City Hall of Lagodekhi Municipality will implement the strategy on the basis of the following principles:

**Accountability and integrity:** the City Hall of Lagodekhi municipality will provide reports in order to promote transparency and prevent corruption.

**Evidence-based approach:** integrity policy will be based on risk assessment at the City Hall of Lagodekhi municipality, analysis of implemented activities and evaluation of the implementation of strategic documents.

**Result-oriented approach:** the City Hall of Lagodekhi municipality will set realistic goals and take into account the available data, which will enable the evaluation of the outputs.

**Civic Sector Engagement:** the City Hall of Lagodekhi municipality will collaborate with governmental, non-governmental and international organizations as well as the business sector to effectively implement integrity policy. The civil sector will be involved not only in the development of strategic documents but also in the process of monitoring their implementation.

**Transparency of the process and public consultations:** the process of preparing strategic documents will ensure openness and the involvement of the local community to take into account their needs and opinions.

## **Monitoring the Implementation of the Transparency and Integrity Strategy and Action Plan**

The purpose of the monitoring methodology of the implementation of Transparency and Integrity Strategy and Action Plan is to establish guidelines, based on which it will be possible to monitor the implementation of the Transparency and Integrity Strategy and Action Plan as well as the policy, which will contribute to the achievement of the goals and objectives.

The monitoring methodology is based on the principles of openness, accountability, responsibility and engagement. The document presents the approaches required for monitoring, methodological tools for qualitative and quantitative assessment.

In the process of monitoring, the implementation of the objectives and activities defined by the Transparency and Integrity Action Plan will be measured according to the quantitative and/or qualitative indicators determined for them in the Action Plan.

Objectives and activities will be given one of four statuses:

1. Fully implemented - the activity/objective is fully completed or almost fully completed and only a minor part is to be performed.
2. Mostly implemented - main part of the activity/objective has been completed, however, some part is still to be performed.
3. Partially implemented - a certain part of the activity / task is performed and the main part is not performed.
4. Not implemented - the activity/objective was not performed at all or so insignificant part of it was performed that it is virtually impossible to mark progress.

The City Hall of Lagodekhi Municipality will prepare monitoring reports annually to assess progress and challenges. The monitoring report will be provided to non-governmental organizations involved in the process for comments. The monitoring results will be discussed with the City Hall staff and the public.

The implementation of the action plan will be coordinated by the City Hall of Lagodekhi Municipality, where in order to effectively manage the process, a contact person will be appointed, who shall be fully informed about the action plan, its implementation stages and responsible units.