MINISTRY FOR THE KOSOVO SECURITY FORCES

INTEGRITY
— PLAN —
(2016–2018)

June, 2016

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Preface

Integrity represents a universal human value. This value has been transmitted widely in the democratic world. Integrity is considered core to the work of public institutions while it is particularly relevant in the security and defence structures. It fully adheres to the mission, role, tasks, objectives and responsibilities of defence institutions whose primary goal is to provide security and defence as a shared good, be it at the local or international level. The goal of security and stability cannot be attained in lieu of integrity. Hence NATO has paid a particular attention to the development of strategies and policy frameworks which prioritise integrity in the military and civilian structures of member states. The NATO Building Integrity programme is a programme embraced by NATO members and its partners.

The Ministry of Kosovo Security Force (MKSF) and the Kosovo Security Force (KSF) stands committed to aligning with NATO standards. By embracing international standards, we are gradually preparing ourselves to become a responsible and future partner of NATO. Kosovo has expressed a clear commitment to becoming a member of Partnership for Peace (PfP) and a full membership of NATO.

According to public opinion surveys, our institution is consistently considered as one of the most trusted and credible institutions by Kosovo citizens. This level of trust makes us privileged while also responsible for maintaining performance-based credibility. Our authority will prevail as long as we have policies reflecting clear goals to tackle corrupt and fraudulent behaviours in our institution. We are fully committed to implementing the goals requiring integrity-based performance at all levels of the institution.

From now on, the MKSF and particularly the Departments of Human Resource Management, Finance, Internal Control, Procurement, etc possess an Integrity Plan against which they will be measured. The integrity plan shall serve as guidance for our regular work. The adoption of this integrity plan represents an important step of the MKSF and the future Ministry of Defence, in aligning with NATO standards. At the national level, we expect to be a role model for other ministries and agencies of the Government of the Republic of Kosovo in embracing integrity measures.

Finally, I express my deepest gratitude to the technical working group for their commitment in finalising the integrity plan. Particular thanks belong to the Centre for Integrity in the Defence Sector (CIDS) of the Norwegian Ministry of Defence for their unreserved support in strengthening the MKSF integrity framework. The bilateral assistance of the Kingdom of Norway to the Republic of Kosovo is not only a contribution to integrity building in MKSF, but also a significant support for the state-building process. I fully trust our staff commitment and professionalism in implementing all of proposals deriving from this integrity plan. Our motto is "For integrity-based Ministry and Force".

Prof.Dr. Haki Demolli
Minister of Kosovo Security Force

List of Abbreviations

ACA	Anti-Corruption Agency
BI	Building Integrity
CIDS	Centre for Integrity in the Defence Sector
CoE	Council of Europe
DCIS	Department of Communication and Information System
DCS	Department of Cooperation and Security
DiFi	Agency for Public Management and E-Governance
DIS	Department of Intelligence and Security
DOT	Department of Operations and Training
DPP	Department of Public Procurement
EU	European Union
HRM	Human Resource Management
IAU	Internal Audit Unit
KIA	Kosovo Intelligence Agency
KIPA	Kosovo Institute for Public Administration
KSF	Kosovo Security Force
LFC	Land Force Command
MAP	Ministry of Public Administration
MEAT	Most Economic Advantageous Tender
MIA	Ministry of Internal Affairs
MJ	Ministry of Justice
MKSF	Ministry of Kosovo Security Force
NAT	NATO Advisory Team at MKSF
NATO	North Atlantic Treaty Organisation
OSCE	Organisation for Security and Co-Operation in Europe
PPL	Public Procurement Law
PPRC	Public Procurement Review Committee
SEE	South East Europe
SME	Subject Matters Experts
UN	United Nations

Introduction

Building institutional integrity represents one of the crucial elements in the state-building process. Failure to invest in integrity makes public institutions and people prone to mismanagement and corruption, resulting primarily in the misuse of taxpayer money. Along with implications for the budget, corruption can be depicted when, for example, non-merit based systems are present in human resource management or there is conflict of interest in the procurement process. Consequences of corrupt behaviour go beyond the institutional level, and undermine democratic values and the rule of law.

Kosovo has momentum in embracing the institutional integrity while building institutions from scratch. In particular, the build-up of security and defence institutions – with the prospective upgrade of mandate into a traditional military structure - requires specific oversight of integrity building due to its nature of classified information and purchase of high value military equipment. The reference to national security should not overshadow any accountability measures aiming to ensure integrity. In fact, even in democratic countries, the defence sector is considered susceptible to administrative and political malpractices, such as corruption, abuse of power and often co-optation by organised crime,[1] making this sector, by no means immune to corruptive behaviours.

This integrity plan (hereinafter: plan) represents the principal guiding document of the Ministry of Kosovo Security Force (MKSF) in reducing corruption risks in the institution. It is fully in line with the existing Kosovo legal framework which promotes good governance and meritocratic principles in human resource management and public funding expenditures. The plan considers entirely the international legal standards, which Kosovo unilaterally embraced in its Constitution, and policy documents, despite still not being part of international organisations, such as: the United Nations (UN), the Organisation for Security and Co-Operation in Europe (OSCE), the Council of Europe (CoE) etc. In particular, the plan represents Kosovo's aspiration to integrate in Euro-Atlantic structures, namely the European Union (EU) and North Atlantic Treaty Organisation (NATO).

MKSF pays particular attention in meeting NATO requirements. For this purpose, the Building Integrity (BI) Programme of NATO[2] represents a guiding document against which the institution should align its efforts in minimizing corruption risk. The lack of an existing contractual relationship between Kosovo and NATO does not affect MKSF commitment to embrace the principles and best practices of NATO and its members. The MKSF considers the advice and suggestion on BI from the NATO Advisory Team in the MKSF as well as NATO member states on bilateral level.

This plan is expected to serve the overall institutional efforts in reducing the corruption risk and strengthening good governance of the security sector. It recognises integrity as an indispensable norm of democratisation of the security sector. As such, it will serve as a first policy document that will be implemented in the near future through a set of pre-defined proposals for integrity building in the

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1   Svein Eriksen and Francesco Cordona, Criteria for Good Governance in the Defence Sector: International Standards and Practices, 2015

2   For more on NATO BI Programme see http://www.nato.int/cps/en/natolive/topics_68368.htm

institution. The document will assist the prospective efforts in increasing the capacities of the relevant departments of MKSF in all levels: tactical, operational and, particularly, strategic.

The plan aims to make improvement within the MKSF yet, it is recognised that usually the mismanagement and legal loopholes are often located outside the sector itself and relate to wider questions of administrative capacity and political governance. As a result, the document is not limited to MKSF but rather it aligns with national anti-corruption policies. It is expected to serve as a reference, and potentially a role model, for the Kosovo public administration in efforts to institutionalise integrity.

This is a living document meaning that it can be subject to modification and upgrade. Its implementation will be followed by an awareness-raising campaign within and outside the institution in order to ensure that integrity is understood correctly and therefore embraced holistically notion. Additionally, the plan envisages a set of capacity-building measures within the institution. Bi-annual reporting is required to indicate the implementation of the plan. The deadlines are defined by an implementation matrix which is placed in a form of annex to this document.

The implementation of the plan will initially rely on the budget of the project "Strengthening the integrity framework in MKSF" which is being implemented by CIDS as part of the bilateral Norwegian Government Support to the Kosovo Government. The successful completion of the bilateral project will ensure that there are sufficient local capacities and resources in continuing the implementation of the plan without direct international assistance.

Purpose and Methodology

A starting point for the integrity plan is the recognition that the development of policy framework should be based on the best possible understanding on the problems and challenges in the field. In the case of this document, the depiction of the problem has been reached following a set of data collection tools applied throughout the process.

The analysis identified a clear pathway of Kosovo joining the EU and NATO. This pathway is manifested in the development of a sound legal framework in the field of integrity and internal control mechanisms aligning with the international standards and EU *acquis communitaire*. The mechanisms are already in place; however, the existing capacities are weak and prone to corruption.[3] There is a need for supporting the efforts of integrity building, which will in turn decrease potential of corruption.

The team has analysed the cross-cutting legal and institutional basis of the integrity framework in Kosovo. During this process, it became clear that there is a lack of local knowledge on the concept of integrity, especially when compared to the way in which the concept is addressed by international legal standards. For example, the notion of integrity, when pronounced in the local languages, be it in

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3   DiFI, Building Integrity in the Kosovo Security Force, p.1

Albanian or Serbian language, echoes generally the need for individuals to obey ethical rules. It does not recognise integrity as an holistic approach but rather from ethical behaviours which, normally, represent one of the elements of integrity.

Based on existing international standards, the absence of integrity presents a situation whereby corruptive behaviour detrimental to institutional capacity in performing functions in an impartial and accountable manner. The risk of corruption and abuse of authority is particularly high when a great deal of power is concentrated in the hands of a few individuals, decisions are made in areas that are effectively shielded from transparency[4] and there is a greater level of nepotism in employment. In the Ministries of Defence of democratic world, the prevalence of corruption is considered harmful to the performance of the institution up to a level where the combat readiness of the defence institution can be at stake.

Goal and Principles

The goal of the integrity plan is to contribute to strengthening institutional capacities and minimising the potential of corruption and mismanagement in MKSF.

The plan lists a set of tangible and realistic proposals. The implementation of these proposals does not promise full removal of the corruptive behaviours simply because corruption is a moral hazard which can be reduced only as a result of strong rule of law and societal development. Instead, proposals provided in this integrity plan identify the weakest areas of the MKSF and shall subject them to improvements as a means to increase institutional capacities and reduce the potential of corruption.

The MKSF integrity plan is based on three principles:
    a.) *a need to define proposals for building integrity;*
    b.) *a need to recognise integrity as an indispensable part of good governance of MKSF;*
    c.) *a need to ensure local ownership.*

By defining *proposals* the MKSF is expected to implement a set of actions aiming to minimise the corruption risks. These proposals derive from the findings and cover concrete areas of MKSF work.

By recognising *integrity as an indispensable part of good governance* the document embeds the concept of integrity within the governance framework of MKSF. Integrity is therefore considered as a norm which shall be embraced fully at all levels of MKSF.

By ensuring *local ownership* the document acknowledges internally driven calls for integrity building. The document recognises that the implementation of its proposals will be done fully by the MKSF and Kosovo in line with Kosovo's context and culture.

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4   DiFi, Defence against corruption: The risk of corruption in the defense sector of 9 countries in South East Europe, p.12

Drafting Process

The MKSF introduced a technical working group in charge with analysis and drafting. The group was formed with a decision of the General Secretary (MKSF 2237/2015) and consisted of four MKSF members (representatives of Procurement, Inspector General, HRM and Policy and Plans departments); a representative of Ministry of Public Administration; a representative of Anti-Corruption Agency and two advisors of the NATO Advisory Team. The representatives provided their contribution in their respective areas, therefore making the process largely consultative. Additionally, there was an advisory group established by the Minister (MKSF 2165/2015) consisting of MKSF General Secretary, CIDS representatives and Director of NATO Advisory Team. The advisory group advised the technical working group throughout the entire process.

During the initial stage of analysis, we have analysed the integrity framework in MKSF based on a pre-defined methodology applied in nine countries of South East Europe (SEE).[5] We have initially looked at the integrity-promoting properties of the following main checks and balances:
- a) *parliamentary oversight;*
- b) *anti-corruption policies;*
- c) *specialised anti-corruption bodies;*
- d) *arrangements for handling conflicts of interests;*
- e) *arrangements for transparency/freedom of access to information;*
- f) *arrangements for external and internal audit, inspection*
- g) *arrangements;*
- h) *Ombudsman institutions;*
- i) *Public procurement*
- j) *Human resources management (HRM)*

Out of 10 areas, it was a generally agreed observation that the plan should reflect the proposals and recommendations of the most high-risk areas susceptible to corruption and unethical behaviour.

The specific analysis has been focused on the four topics:
- a.) *Improvement of procurement system and asset management;*
- b.) *Prevention of conflict of interest;*
- c.) *Human resource management;*
- d.) *Enhancing internal control mechanisms.*

CIDS conducted three specific gap analyses for: the procurement system, the internal control mechanisms and the conflict of interest. The three reports served as a basis for drafting of the integrity plan. In addition, MKSF provided a Matrix for Risk Management based on institutional self-assessment. Each member of the technical working group provided specific written contribution in their fields of expertise. The inputs complemented the efforts for completing the draft. With respect to the HRM, we have gathered evidence based on the work and track of practice in another bilateral project of CIDS titled "Strengthening Human Resource Management in the MKSF."

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5   DiFI, Building Integrity in the Kosovo Security Force, p.5

Proposals for Integrity Building Measures

Human Resource Management

Human Resource Management (HRM) also represents a sector of particular relevance for attaining integrity. The level of integrity in HRM can be achieved when the merit-based principle is present in recruitment and promotion of personnel. The merit principle means that appointments should be non-partisan and made in a fair and open procedure based on an assessment of competence and ability to do the job.[6] Furthermore, professional and impartial performance of the public administration and the armed forces is only possible when there is a strict separation between politics and administration and between politics and the military; i.e. there are clear and universally accepted rules for determining which positions belong to the political sphere and which belong to the administrative/military.[7]

The MKSF has made certain progress in developing improved arrangements of HRM in both civilian and uniformed positions. HRM is however challenged by the presence of some elements of patronage, politicisation and clannish ways of management which hamper integrity building efforts in the area of HRM.[8] There is a need for building up a performance appraisal system, merit based recruitment of both civilian and uniformed staffers and transparent promotion process.

The following proposed measures should be considered:

   a.)   *Identifying the risk positions in the MKSF and KSF*

There is a need to identify the positions that would potentially imply risk towards integrity. The risk could be identified through a self-assessment process involving tactical, operational and strategic level. Additionally, an external analysis should complement the process. Both assessments should be based on a pre-defined methodology. The identified risky positions should lead towards more observation and monitoring by the internal control mechanisms of the Ministry. The risk assessment of MKSF positions will be used to design measures to reduce risks in the most corruption prone positions. The identified positions may be subject to rotation and transfer, based on the merit principle and level of competence.

   b.)   *Decreasing short-term contracting*

It was a widely shared finding that there is a significant number of short-term contracts – referred usually as service contract – which avoids open and transparent recruitment. The Office of Audit General has highlighted this bad practice not only in MKSF but also in the entire public administration, marking therefore one of the shortcomings in the integrity. The MKSF should create mechanisms in decreasing drastically service contracts with the exception of the cases when the services are required for positions of specific criteria. These contracts should be given solely on the basis of merit.

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6   Svein Eriksen and Francesco Cordona, Criteria for Good Governance in the Defence Sector: International Standards and Practices, 2015

7   Ibid,

8   DiFI, Building Integrity in the Kosovo Security Force, p.1

The need to rely on short-term employment can be reduced through better methods of HRM planning.

c.) Change of recruitment and promotion board members

The practice of inviting the same board members to make decisions on recruitment and promotion should be reconsidered. It is advised that the composition of board members should be changed based on the specificities and the level of recruitment and promotion. This also ensures minimising potential of conflict of interest and nepotism in the process.

d.) Merit-based carrier progression

During the process of carrier progression it is necessary to ensure equal access to trainings, education and professional advancement. The merit-based principle should be applied in uniformed (both active and reserve component) and civil service. It is essential that during carrier progression and promotion the best individuals have been selected based on the conditions and criteria's required by law. The legislation is sound however it is of outmost importance that performance appraisal is objective and serves the merit-based promotion of the staffers. Integrity implies, among others, that there is equal access to promotion regardless of ethnic background or gender.

Prevention of Conflict of Interest

Arrangements for handling conflicts of interest are important instruments for upholding these norms and building public sector integrity. Conflict of interest does not ultimately reflect a corruptive situation but it implies the potential for corruption especially if left unresolved. Indeed, the most frequent cases of conflict of interest appear when the private interest interferes in the work of public institution, at the expense of the latest.

The provisions of conflict of interest are generally implemented in the MKSF. In particular, the declaration of assets and gifts is regularly done while the Anti-Corruption Agency assessed positively the cooperation with MKSF. It remains however unclear whether the information declared is accurate. Also unclear is the extent to which conflict of interest is present in the tendering commission or recruitment process. Nepotism is among the greatest problems in the institution bearing in mind the small community and potential for family and friendly relations among staff.

The following proposed measures should be considered:

a.) Enforcing procedures for the declaration of withdrawal in case of conflict of interest;

The existing rules and procedures for withdrawal in case of conflict of interest are sound. MKSF is subject to Regulation 04/2015 on Civil Servant Code of Conduct and KSF Code of Ethics 2/2008. Because there are some practices which may imply conflict of interest, it is necessary that the internal control mechanisms identify the cases and help the implementation of the legal framework. The senior leadership of MKSF should support the internal control mechanisms in exercising its functions.

b.) Enforcing procedures for banning concurrent external employment.

Concurrent external employment in the MKSF appears to be a challenge, despite it being considered an institution with decent salaries and sound standard. While there is no exact data, there is a practice of MKSF and KSF staff in concurrent external employment. This can either lead to situation in which concurrent employment is categorised direct conflict of interest or it represents a situation when MKSF and KSF officers do not report their ancillary work despite not being categorised as a conflict of interest. MKSF senior leadership should ensure implementation of the existing Regulation 15/2010 on Secondary Employment of KSF, the Law on Prevention of Conflict of Interest and Regulation 04/2015 on Civil Servant Code of Conduct.

Improving Public Procurement and Asset Management

On the global level, public procurement represents an important sector in building integrity. It is considered one of the most vulnerable sectors to corruption given the huge volume of transactions and the number of persons and organisations involved.[9] Furthermore, deficient arrangements for public procurement can lead to collusive tendering where businesses, that would otherwise be expected to compete, secretly conspire to raise prices or lower the quality of goods or services for purchasers who wish to acquire products or services through a bidding process.[10] Procurement system is a sensitive area which can be subject to corruption and misadministration.

In the case of MKSF, the analysis showed that there is a sound legal framework which has been constantly updated following domestic requirements and alignment with the EU *acquis communitaire*. There is a track record of practice gained especially when applying the regular procurement procedures however there is limited-to-nonexistent knowledge on military procurement. The existing system of public procurement is prone to corruption and mismanagement, especially with respect to the acquisition of goods, services and capital investment, as a result of lack of capacities in the field of defence procurement and uncompleted legal framework. Procurement system is a sensitive area which can be subject to corruption and misadministration.

The following proposed measures should be considered:

a.) Draft and adopt secondary legislation regulating the exemptions deriving from the Article 3 of the Kosovo Public Procurement Law;

The amended Public Procurement Law (PPL)[11] further aligned the Kosovo legal framework with the recent EU procurement directives. From a legal point of view, the law is considered fully in line with international

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9   Svein Eriksen and Francesco Cordona, Criteria for Good Governance in the Defence Sector: International Standards and Practices, 2015

10   Ibid

11   The modified PPL has been adopted by the Kosovo Assembly on the 1st of March, 2016

standards and it is applicable in the Kosovo context. In early 2016, Article 3 of the PPL was further expanded and now explains more thoroughly the exemptions and revocation of regular procedure for the purpose of defence and security procurement. The PPL requires that the Kosovo Government should adopt a regulation defining rules, conditions and procedures for the revocation of Article 3.[12]

The Public Procurement Regulatory Council (PPRC) should take the initiative in drafting the regulation (in line with Defence Directive 2009/81 EU), in cooperation with other security institutions such as: MKSF, Ministry of Internal Affairs, Intelligence Agency and Ministry of Justice.[13] The regulation should have in mind the best international practices yet, suitable to the Kosovo's legal and societal context. The adoption of the regulation will ensure better integrity in the appliance of legal framework, especially with regards to the justification of the exemptions. It is necessary that all organisational units are required to implement all provisions of PPL in order to ensure efficient public procurement and cost-effective spending.

b.) Improve and enhance quality of internal preparation for procurement procedures in the MKSF;

The existing internal procurement procedures are in place but need to be reviewed in order to align with international standards and accepted practices. While the MKSF should align fully with the PPL (and there is no requirement asking for a specific Law on Military Procurement), it is essential to create more advanced mechanisms in ensuring efficient procurement. Enhancement of integrity requires development and implementation of procurement policies solely designed for MKSF and KSF in the field of arms and military equipment, technology, transport, information technology, food, health, intelligence services, building material, infrastructure, maintenance services as well as other fields. KSF is required to foster integrity in order to perform supplying activities in prospective humanitarian and peacekeeping missions, including international military exercises.

It is necessary to clearly define responsibilities starting from the requesting units which are entitled to prepare requests. These requests should clearly provide tactical and technical characteristics related to the procurement of material goods and services whereas the Subject Matter Experts (SME) prepare final requests for procurement. This improvement should be followed by a developed tracking system in which all of the requests for purchases will be tracked and observed. The digital tracking system should ensure departure of MKSF from manual system into electronic one. The upgrade of the system should imply three cycles of filtering for the purchase requests: first one is the authorisation of person to start the procurement procedure; the second one needs to define the authorized person (within requesting unit) based on technical specification whereas the third cycle shall imply an authorised official looking at the planning coordination and whether the requests were in line with the planning guidelines. The tracking mechanism should end with the last of cycle within the Department of Logistics.

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12   Public Procurement Law, Article 3

13   MKSF can initiate this process but PPRC is authorised to draft and propose public procurement legislation in Kosovo

c.) Further improve planning process by linking future planning objectives with the needs;

MKSF needs to have in place a planning system that is efficient in transmitting the planning guidelines to the Minister, Commander of KSF and General Secretary. The consultation on the Midterm plan should be done before entering the stage of technical project development. The procedure needs to be developed ahead of time and therefore avoid the delays, before the Ministry of Finance instructs the MKSF on the budget cycle. In this regard the planning guidelines will be in line with the planning development projects and also the technical specification ahead of time**.**

d.) Diversify awarding criteria;

MKSF practice of applying the generic procurement procedures is sound. MKSF is a specific institution therefore investments should be long term in which both, good price and high quality must be ensured.

However, a part of the building integrity endeavours, MKSF needs to prioritize projects that are vital for the functioning of the institution but also in line with the long term contracting. The MKSF should start applying also the Most Economic Advantageous Tender (MEAT) criteria – along the lowest price criteria - in line with PPL. This criterion requires preparations of the procurement officer's and support from the PPRC. The decision to opt for contracts based on MEAT should be carefully justified and it should be fully in line with the standards of the institution, Kosovo standard as well as European standards.

e.) Enhancing market research;

Lack of prior market research in goods, services and capital investments may have implications in Kosovo's budget, hence in MKSF. Kosovo does not have a defence industry while the purchase of goods is done mostly from bidders importing from abroad. It is essential that MKSF employs talented officers with diverse foreign language skills in order to research the international market and therefore feed initially the planning purpose and later on the procurement process. The researchers should be based in one of the existing departments.

f.) Improving asset management

In order to improve asset management, it is necessary to improve internal regulations supporting internal logistics procedures as well as controlling and reporting procedures. Because misuse of KSF property may have taken place on different occasions, such actions should be sanctioned. In addition, the misuse of KSF assets on in private occasions has implications for the KSF image. The internal control mechanisms should take necessary steps to identify the extent of misuse whereas the senior leadership should ensure such practice is not repeated.

g.) Improving contract management

Contract management is reported to be weak. This has implications on the delivery of goods and services with a quality lower than the one agreed by the contract. The lack of capacity may prevent MKSF in ensuring control of all deliveries in terms of quality and time. Internal control mechanisms should used to monitor contract management. For this purpose, it is necessary to establish appropriate education and training for the contract management, primarily in the area of quality control and serving the implementation of contract provisions.

h.) Capacity building in the procurement;

MKSF benefits from the generic capacity building platform provided by the Kosovo Institute for Public Administration (KIPA), Ministry of Finance and donor community. Due to the specific mandate of the institution, MKSF is expected to increase capacities of its staffers in the proposed fields of improvement.

Enhancing Internal Control

Internal control implies an independent monitoring and evaluating mechanism within an organisation. The primary task is to ensure that the checks, analyses and control system are in place and whether the system operates in line with standards and principles of sound financial management. Despite being subordinated to the Minister, these mechanisms should be organizationally and functionally independent. Additionally, these mechanisms should ensure the acceptance of integrity across the institution by also exercising *ex ante* control.

In the case of MKSF, internal control is exercised through two mechanisms: internal auditing and Inspector General. Both mechanisms appear to be complementary in addressing potential concerns which may imply, among others, corruptive behaviours and mismanagement in the institution. While there are regular reports produced by the two mechanisms, their performance could be further improved and strengthened should there is more willingness within the institution to better understand their role and consider their recommendations. The functional independence of both mechanisms is far from the desired level.

The following proposed measures should be considered:

a.) Enhancing functional independence of the Independent Audit Unit (IAU);

Functional independence is the situation when the internal control mechanisms exercise their tasks in an independent manner, free of control or interference within or outside the institution. The functional independence of the internal control mechanisms appears to be only in the legal framework (and only in the Law on Internal Auditing) while it is very limitedly present in practice. For example, the functional independence could be reached when the internal mechanisms independently – based on risk assessments – chooses the areas to be audited and the manner of auditing and reporting.

The prospective steps in the MKSF should ensure that internal audit is legally, structurally and, most importantly, practically independent reporting solely to the Minister. The general Law on Internal Auditing should prevail vis-à-vis the existing structure of MKSF. The existing structure placing the internal audit reporting General Secretary should be modified. Its staff should be expanded and trained for the integrity measures in order to ensure high level of functional independence. The senior management must refrain from any attempt to influence the work of international control mechanisms. Furthermore, a set of capacity building for internal control mechanisms should be designed with respect to integrity measures.

b.) Undertaking general awareness-raising campaign on anti-corruption and integrity issues

An awareness-raising campaign within the institution is required in order to increase the level of knowledge with integrity, proposals of integrity plan and the existing legal framework in the field. It is suggested to be done systematically and involving the senior MKSF leadership in the campaign. In order to reach the necessary level of effect, joint ventures between MKSF and civil society, academia, parliamentarians and policy-makers are of crucial relevance.

Annex – Matrix with measures for implementation of the MKSF Integrity Plan (2016–2018)

No.	Area	Measures	Activity	Timeline	Key responsible entity	In cooperation with departments/units	Financial supportive authority
I	**Improvement of Public Procurement and Asset Management**	1.1. Development and approval of bylaws regulating exemptions governed by Article 3 of the Public Procurement Law.	1.1.1. MKSF contribution in the working group for implementation of Regulation on the Exemption Procedures, deriving from Article 3 of the Public Procurement Law. (IAW Governmental Anti-Corruption Strategy and Action Plan 2013-2017)	June-December 2016	Government & PPRC	MKSF, MoIA, KIA, and MJ	Kosovo Government
			1.1.2. Development of an internal Guide for explanation of procurement procedures deriving from Regulation on exemptions deriving from Article 3 of PPL	January-March 2017	Procurement Department	Legal Department, Logistics Department, Finance Department of DIS, PPRC	MKSF & CIDS
		1.2 Development and strengthening of MKSF procurement procedure system	1.2.1. Development of a digital system for procurement procedures cycle (Management Information System for procurement processes).	June 2016-December 2018	DCIS	Procurement Department, G6-LFC, Logistics Department; G4-LFC, Finance Department, G8-LFC; NAT	MKSF
		1.3. Empowerment of the market research system.	1.3.1. Recruitment of staffer with professional knowledge in the field of defense industry and English and other languages to research relevant international market	June 2016- June 2017	Personnel Department	Logistics Department, Procurement Department, MPA, NAT	MKSF & MPA

		1.4. Improvement of asset management.	1.4.1. Review of asset management normative acts and procedural bylaws (Regulations, Administrative Instructions, Guides, and SOPs).	June 2016- June 2017	Logistics Department	Logistics Department, G4-LFC, IAU, Inspectorate, Procurement Department. Finance Department, NAT	MKSF
		1.5. Improvement of the contract management process.	1.5.1. Strengthening capacities and increasing control in the field of contract management	June 2016- December 2018	Logistics Department	Procurement Department, IAU, Inspectorate, Finance Department,G4-LFC, General Support Services Unit , NAT	MKSF
		1.6. Professional capacity building for procurement	1.6.1. Increased staff number in the Procurement Department.	June 2016- June 2017	Personnel Department,	Procurement Department & MPA,	MKSF & MPA
			1.6.2. Conduct systematic training in the field of defence procurement (including 1.1, 1.2,1.3 & 1.5,).	September 2016 - December 2018	Procurement Department	DOT, DCS, KIPA, PPRC, CIDS, NAT, NLAT	MKSF, KIPA & CIDS
II	**Prevention of Conflict of Interest**	2.1. Strengthening procedures for declaration of withdrawal in the event of conflict of interest.	2.1.1. Review of the procedure (Code of Conduct No.2/2008 applicable in MKSF) for declaration of withdrawal in the event of conflict of interest in MKSF, fully aligned with relevant legislation	June- December 2016	Personnel Department	Legal Department, G1LFC, Legal Office of LFC, ACA, NAT	MKSF
		2.2. Strengthening procedures for prohibition of secondary employment.	2.2.1. Review of the procedure (Regulation No.15/2010 on KSF Secondary Employment) for prohibition of secondary employment and second employment-related issues when they do not constitute a conflict of interest.	June-December 2016	Personnel Department	Legal Department , G1LFC, Legal –Office of LFC, ACA, NAT	MKSF

		2.3 Increasing monitoring for implementing the procedures and legislation deriving from 2.1 and 2.2	2.3.1 Periodic reporting on the level of implementation of the regulations and procedures as indicated in 2.1 & 2.2	June 2016 – December 2018	IAU	KSF Inspectorate	MKSF
		2.4 Professional capacity building in the prevention of conflict of interest	2.4.1 Training development in the prevention of conflict of interest	September 2016 – December 2017	Personnel Department	Legal Department, DOT, ACA, KIPA, MPA, CIDS	MKSF, ACA & CIDS
III	**Human Resources Management**	3.1.Identification of integrity-sensitive positions.	3.1.1. Development of a process implying self-assessment as well as external assessment for the purpose of identifying sensitive positions.	September 2016-March 2017	Personnel Department	DIS, Inspectorate & NAT	MKSF & CIDS
			3.1.2. Recommendation of internal control mechanisms for positions requiring a rotation process and transfers on merit-based principle and level of authority.	Qershor 2017 - December 2017	Personnel Department	Special Board	MKS
		3.2. Application of special service agreements (short-term contracts)	3.2.1.Identification of specialist positions in the Ministry and KSF level	September 2016-June 2017	Personnel Department	All organizational units	MKSF
		3.3. Process for replacement of Board for Procurement and Promotion members.	3.3.1. Apply practice of periodic rotation of Recruitment and Promotion Boards' composition with a focus on the appointment of professional staff for equivalent areas.	June 2016-December 2018	Personnel Department	G1LFC, Special Committee	MKSF

			3.3.2. Conduct of preliminary training for the staff of the respective Boards in the recruitment and promotion area.	June 2016- June 2017	Personnel Department	G1LFC, Special Committee	MKSF & CIDS
		3.4. Merit-based career promotion.	3.4.1. Increasing monitoring for the purpose of ensuring merit-based carrier progression.	September 2016- December 2018	Personnel Department	G1 LFC, Special Working Group	MKSF
		3.5. Capacity building in HRM	3.5.1. Professional trainings in the field of integrity in HRM (3.1, 3.2 & 3.4)	September 2016-December 2018	Personnel Department	KIPA, CIDS & NAT	MKSF, KIPA & CIDS
IV	Strengthening of Internal Control	4.1. Strengthening the role of the Internal Audit Unit and Inspectorate General.	4.1.1. Structuring of IAU under Minister's direct subordination based on the Audit Law.	June 2016-September 2016	Personnel Department		MKSF
			4.1.2. Increased staff number in IAU and Inspectorate General.	June 2016- June 2017	Personnel Department	MPA, IAU, Inspectorate, OAG	MKSF & MPA
			4.1.3. Conduct of systematic training in the area of Audit and the Inspectorate for the IAU personnel, and Inspectorate General	September 2016-December 2018	Personnel Department	IAU, Inspectorate, OAG, KIPA, MoF, DOT, DCS, , NAT,	MKSF, KIPA & CIDS
		4.2. Awareness campaign regarding anti-corruption measures and integrity issues.					
			4.2.1.Organization of the systematic awareness campaign (training events, seminars, presentations) regarding legislation and procedures within the institution and externally on all MKSF and KSF levels.	July 2016-December 2017	Authorised office	DPP, CIDS & NAT	MKSF & CIDS
			4.2.2. Organization of roundtables, seminars, scientific and professional conferences with non-government institutional structures from local and international academic areas, etc. on integrity issues.	July 2016-December 2017	Authorised officer	DPP, CIDS & NAT	MKSF & CIDS