

**Results
of thematic anti-corruption monitoring
to assess law enforcement practices on anti-corruption issues
in the development of internal regulatory
documents (analytical report/reference)¹**

I. Introduction

1. Name of the quasi-public sector entity(ies) on the activities of which anti-corruption monitoring was conducted: «FSC of RES» LLP (hereafter – Partnership).

2. **Anti-corruption monitoring was conducted** by compliance-officer of **Anti-corruption compliance service** of «FSC of RES» LLP Mukusheva Madina Sherniyazdanovna, e-mail address - compliance@rfc.kz

3. Period of anti-corruption monitoring: **started on** March 6 of 2023 and **ended on** March 30 of 2023.

II. Information and analytical part

In accordance with the requirements of the Law of the Republic of Kazakhstan «On Combating Corruption» all state bodies, organizations, subjects of the quasi-public sector and officials are obliged to counteract corruption within their competence.

The subjects of the quasi-public sector shall define structural units performing the functions of anti-corruption compliance services, whose main task is to ensure compliance of the relevant organization and its employees with the legislation of the Republic of Kazakhstan on combating corruption.

In order to implement these requirements, the Partnership established an Anti-Corruption Compliance Service and appointed a Compliance Officer.

By decision of the Supervisory Board in September-November 2022, policies, standards, rules on combating corruption aimed at strict compliance with established requirements and the adoption of a set of measures to prevent and combat corruption, prevent and resolve conflicts of interest, measures of responsibility for corruption offenses were approved.

¹ The results of the thematic anti-corruption monitoring were considered at the meeting of the Partnership's Supervisory Board on May 31, 2023, and the Partnership's management was instructed to submit monthly information to the Anti-Corruption Compliance Service on the implementation of the recommendations (Minutes No. 3)

Anti-corruption regulations apply to all officers and employees, regardless of the level of their position or the functions they perform.

Officials and employees of the Partnership have adopted:

anti-corruption restrictions;

commitment to comply with the approved anticorruption standards;

the Partnership's principles and values of observing the rights and legitimate interests of individuals and legal entities and protecting them from corrupt practices have been adopted.

For the purpose of observance by the Partnership and its employees of the legislation of the Republic of Kazakhstan on counteraction to corruption by decision of the Supervisory Board of the Partnership from 31.01 - 01.02.2023 (Minutes № 1), the Plan of actions to counteract corruption of LLP «FSC on RES» for 2023 was approved.

Based on item 10 of the Plan and in order to assess the law enforcement practice on anti-corruption issues in the development of internal normative documents of the Partnership (hereinafter - IND), this thematic anti-corruption monitoring was conducted.

Thematic anticorruption monitoring was carried out taking into account requirements of article 7 of the Law of the Republic of Kazakhstan «On combating of corruption», items 11 and 13 of Rules of anticorruption monitoring, approved by order of Chairman of Agency of the Republic of Kazakhstan on counteraction of corruption (Anticorruption service) of January 28, 2020 № 22 (further - Rules) and section 13 of Policy on counteraction of corruption of «FSC on RES» LLP, approved by decision of Supervisory board of the Partnership of November 02, 2022 (Minutes № 4).

According to requirements of items 11 and 13 of the Rules during thematic anticorruption monitoring the law enforcement practice on anti-corruption issues in development of IND approved from September 2022 to January 2023 inclusive was considered.

The task of thematic anti-corruption monitoring was to study the IRD regulating activity of the structural subdivisions for identification of discretionary powers and norms contributing to corruption offences, except for the IND regulating personnel management, for which thematic anti-corruption monitoring is planned to be conducted in the second quarter of 2023.

As a result of the monitoring of the activities of the structural subdivisions and the Partnership as a whole, some INDs revealed indicators of the presence of corruption factors, such as:

1) the presence of legal gaps in the regulations of some business processes, conflicting provisions of internal documents, the breadth of discretionary powers in decision-making by various commissions provided for in the Partnership (*a list of INDs and details of the monitoring with recommendations aimed at eliminating corruption factors is attached*).

2) the absence of a risk management system, except for corruption risk management.

At the same time, as part of the conducted monitoring, publications in the media in relation to the Partnership were studied and information on the availability of applications of individuals and legal entities on anti-corruption issues was requested.

According to the results of the monitoring, no negative publications concerning the Partnership concerning corruption offenses committed by employees of the Partnership were found in the mass media and social networks. The Partnership did not receive any appeals from individuals or legal entities on anti-corruption issues.

Sociological surveys on anti-corruption issues in the Partnership were not conducted as part of this anti-corruption monitoring.

No cases of corruption offenses committed by employees and officials of the Partnership or legal proceedings on such cases have been identified.

III. Conclusion

Summary:

In general, the results of the thematic anti-corruption monitoring did not reveal the main factors that create high corruption risks in the activities of the Partnership, except for some indicators of the presence of typical corruption factors in IND, which can be eliminated by making appropriate changes and additions.

In this connection, it is proposed that:

1. To consider the submitted recommendations and make changes (amendments) to IND aimed at elimination of corruption factors according to the attached list.

2. To consider recommendations on the business processes specified in the appendix as part of the subsequent internal analysis of corruption risks.

3. To strengthen (regulate in IND) responsibility of the Legal Department to comply with the requirements of item 9 of Anticorruption Standards approved by the decision of the Supervisory Board of «FSC of RES» LLP dated November 02, 2022 (Minutes № 4), *according to which during legal expertise of internal documents of the Partnership, special attention should be paid to the presence of corruption factors and discretionary powers of officials, which may create conditions for employees to commit unlawful acts.*

4. To consider the issue of approving the IND regulating the procedure of development, approval and adoption of IND taking into account the requirements of the Anti-Corruption Standards approved by the decision of the Supervisory Board of «FSC RES» LLP dated November 02, 2022 (Minutes No.4).

5. To post the results of the thematic anti-corruption monitoring on the Partnership's official website after their review at the meeting of the Supervisory Board.

**Compliance-officer of
Anti-corruption compliance service
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