![Istat]

Organizational Transparency in Istat:

First Results of a Systematic Approach

Rome, August 2017

Authors: Angela Leonetti

1. Few hints on transparency in the Italian context

Italian Act no. 241/1990 has started a gradual process of participation by citizens in just those administrative procedures they were involved in, so introducing the notion of a "transparent" public sector that is willing to share its processes and documents in some cases. In 2009 another Act has linked transparency to performance accountability and introduced the notion of full access to public documents, while few years later (2012) the Italian Fraud-prevention Act has identified in transparency one of the mandatory prevention measures.

All this would mean that transparency levels achieved by an organization are directly related to its ability to both prevent corruption and account for its own performance; in simpler words, the more you show/disclose, the more others see, the less you can conceal, and all that increases your performance.[1] After a legislative decree that has reorganized the Italian legislation on transparency, with a special focus on disclosure obligations and access to documents and information in 2013, in 2016 another decree based on American Freedom Of Information Act has conclusively implemented the principle of full access to public documents.[2]

According to the overall intent of Italian legislation, an organization therefore can improve its levels of performance, transparency and fraud prevention by:

- disclosing and keeping updated on its website on a regular basis all the information and data whose disclosure is mandatory;

- implementing any actions to promote lawfulness and a culture of integrity (clearness of information, processes and procedures included);

- accounting for its actions on a regular basis compared to expected results, which depend on the objectives set out during the planning phase;

- implementing full access to the information related to every aspect of its governance/administration/management, in order to facilitate widespread controls by people and stakeholders.

The Italian notion of transparency seems to be a rather complex one because, as we have just seen, it includes several clusters of meanings:

- Accountability
- Disclosure (both mandatory and voluntary)
- Full access
- Quality of communication
- Participation/consultation
- Fraud prevention

Nonetheless, after 2013 the large amount of disclosure obligations has encouraged the Italian public sector to focus its own attention and initiatives on the compliance aspects only. In other words, in many cases the public bodies are too busy being compliant to implement a wider practice of transparency.

On the other hand, disclosure obligation compliance is a kind of quantitative transparency which can in itself be easily measured.

---

[1] "Transparency is not to be considered as a purpose but rather as a tool to get an organisation to act in ethical, effective, efficient and affordable ways, while capitalising on accountability towards citizens." – Anna Corrado, "La trasparenza attraverso gli obblighi di pubblicazione", in *Riflessioni in tema di lotta alla corruzione*, ["Transparency through disclosure obligations", in *Remarks on fighting corruption*], Carocci, 2017, p. 83. The English version of the quotation is mine.

[2] Everywhere in this paper the words "transparency", "disclosure", "publication", etc. and related processes are referred to organizational / governance / administrative activities, information and data only. Statistical activities and processes are not discussed here.

This paper will only take into consideration Istat's progress on implementing mandatory disclosure on the website (transparency obligations), as well as its features as an organizational change management process.

2. Compliance & monitoring progress in Istat from 2014 on

In Italy every public organization must currently include within its own website an area named *Amministrazione Trasparente* [*Transparent Governance*] whose task is to display a lot of information concerning, in a nutshell, its use of public money and resources.

As regards Istat, in the second half of 2014 such an area was monitored for the first time in order to both detect all its non-compliant sections/sub-sections and try to figure out, wherever possible, proposals for improving the existing compliance practices. This first monitoring had to be done because from November 2013 to April 2014 the position for the Head of Anti-corruption & Transparency Management (*Head of AC&TM*) had been open, thus interrupting any related control activities.

This first monitoring had also started consideration about how to make it more careful and regular.

The related Report was sent to the *Head of AC&TM* on 3 December 2014. Here follows an excerpt from the template, which has served as a basis from then on. The website area named *Transparent Governance* currently consists of more than 20 sections; here they follow in English version just to give an idea of the large number of disclosure obligations that must be complied:

1. General provisions
2. General info & organization chart
3. Consultants & contractors
4. Personnel
5. Competition notices
6. Performance
7. Controlled bodies/institutions
8. Administrative procedures
9. Administrative acts
10. Calls for tenders
11. Grants, welfare payments, allowances & other economic aids
12. Financial statements
13. Real estate
14. Controls & audits
15. Services delivered
16. Payment & debt information
17. Electronic invoicing
18. Emergency actions
19. Other contents (Fraud prevention, etc.)

The template excerpt shows Section no. 6 with its sub-sections; the Report contains documents and information on organizational performance in Istat.

TRANSPARENT GOVERNANCE - DISCLOSURE OBLIGATIONS PER SECTIONS & SUB-SECTIONS		
6. PERFORMANCE		
Sub-section	Information released	Observations and/or suggestions to improve compliance
Performance measurement & evaluation system		
Performance Plan		
Performance annual report		
Validation of the performance annual report by the Performance Assessment Independent Body (PAIB)		
PAIB report on the Performance measurement & evaluation system		
Total amount of performance bonuses		
Data on bonuses		
Well-being on job		

It is important to note that observations and suggestions under the third column don't comment on the substance of information, since the accountability for data and/or documents published in the different sections belongs to the relevant senior managers; nonetheless, in some cases they propose how to better organize information in order to give a clear image of Istat functioning as well as its use of public resources; furthermore, they take into consideration the following **quality criteria**:

- **Understandability**: the information disclosed can be clearly understood by ordinary people;
- **Sufficiency**: the information disclosed is not redundant, that is, it communicates what it has to, without confusing the searcher; indeed, too much information doesn't always result in transparency;
- **Thoroughness**: the information disclosed doesn't conceal any elements to fully understand administrative operations;
- **Standardization**: the information disclosed follows regular and shared standards in order to be better and faster found;
- **Consistency**: the information disclosed is not only compliant with law but also consistent with the rest of official information shared with the stakeholders;
- **Timeliness**: the information is disclosed in due time, that is, in order to be really useful.

In 2016, the template has been considerably changed due to the adoption of legislative decree no. 97/2016 which, together with finally introducing full access to public documents in Italy, also modified and in some cases simplified disclosure obligations for the public sector. Therefore, the following excerpt not only shows – as in the previous one – the compliance level (for the Section no. 12., in this case) on a given date; it also reports on impact from the new legislative decree and shows which offices are responsible for the information subject to disclosure. The Report based on this template has been enclosed to the Istat Fraud Prevention Plan 2016-2018.

TRANSPARENT GOVERNANCE - DISCLOSURE OBLIGATIONS PER SECTIONS & SUB-SECTIONS					
(monitoring and changes to be made according to the legislative decree no. 97/2016)					
12. FINANCIAL STATEMENTS					
Sub-section	**Information released**	Obligation fulfilment and impact of the legislative decree no. 97/2016 (if any)	Division obtaining and/or processing the information to be released	Division responsible for the information released	Update frequency
Budget & Balance sheet					
Financial indicator overview & balance expected results					

The following and last template has been the basis for a Report released on 30 June 2017 and conceived very differently from the previous ones; however, it is not expected to replace them because it serves another purpose. Like the previous Reports, it was set up on the *Head of AC&TM*'s indication and aims at giving a synopsis of compliance progress from 2014 to the first half of 2017.

The Report doesn't highlight how much and which information is missing under the current legislation, showing, instead, the compliance implementation level for every Section and sub-section, also giving an overview of their different implementation rates in the last three years; in doing that, it draws attention on the information areas which are more in trouble or, conversely, whose compliance performance is going well.

TRANSPARENT GOVERNANCE - DISCLOSURE OBLIGATIONS PER SECTIONS & SUB-SECTIONS				
(Compliance progress on 29 December 2014 , 12 August 2015, 21 December 2016, 30 June 2017)				
6. PERFORMANCE				
SUB-SECTION	**INFORMATION FOUND ON 29 December 2014**	**UPDATE AND/OR ADJUSTMENTS ON 12 August 2015**	**UPDATE AND/OR ADJUSTMENTS ON 21 December 2016**	**UPDATE AND/OR ADJUSTMENTS ON 30 June 2017**
Performance measurement & evaluation system				
Performance Plan				
Performance annual report				
Validation of the performance annual report by the Performance Assessment Independent Body (PAIB)				
PAIB report on the Performance measurement & evaluation system				
Total amount of performance bonuses				
Data on bonuses				
Well-being on job				

3. The introduction of systematic compliance as a change management process

"Change management helps acceptance for changes resulting from the implementation of new projects as well as reduction of dismissal factors. (…)

Staff involvement and participation in the process are keys for success. (…)

Helping staff participation allows to get their cooperation in so far as lower managers and employees are much more willing to implement their own ideas [than ideas from other people]. (…) It is therefore important to take into consideration demands, opinions and doubts from employees and stakeholders in order to agree on a solution suitable for everyone involved. (…) Establishing short-term objectives – whatever the overall goals of a project – is rewarding because it allows for reporting on a series of small and quick successes."[3]

These few and most general sentences on Change management point at the way Istat is following to shift from a "passive" approach to disclosure obligations (that is, only getting information published and taking note of what is missing) to a more proactive approach based on:

- Coordination of the structures/offices which are accountable for the information subject to disclosure;

- Non-compliance risk management;

- Shared consideration on qualitative improvement of the information/documents to be published, so contributing to a disclosure not just efficient but above all effective and actual: "What do we mean by transparency? Being transparent is about disclosing relevant information in a way that can be clearly understood. … this may mean disclosing more information than before … or disclosing a smaller amount of more meaningful and relevant information that can be used more effectively."[4]

As we have seen, the Italian public sector has to deal with many disclosure obligations that are also affected by different deadlines and update frequencies; "ensuring a regular and timely compliance cycle"[5] therefore requires targeted actions to help effective and efficient cooperation among all the actors involved.

To this purpose, since 2014 an internal *Network of Contact Persons for AC&T* has been operating in Istat. Such Contact Persons must, among other things, keep the *Head of AC&TM* regularly informed about any disclosure initiatives undertaken by their own senior managers, as well as contribute to the monitoring as far as their relevant obligations are concerned. So, they are expected to perform an important role in making easier the connection between the senior managers in charge and the *Head of AC&TM*, also by ensuring the publication of data, information and documents according to the current legislation. Furthermore, they are free to suggest any qualitative improvement about the data, information and documents subject to disclosure obligation.

Recently such a connection role and input for compliance activities have also being carried out through face-to-face meetings on a regular basis; from next September on, the meetings will include participation by the Istat website contact persons, who will significantly contribute on digital requirements for the documents subject to disclosure, still according to current legislation. The *Network of Contact Persons for AC&T* is co-ordinated by a senior manager of staff to the *Head of AC&TM*, in order to ensure the accomplishment of the cycle of internal communication on transparency.

---

[3] Change management – http://it.ccm.net. My English version.

[4] FCA [Financial Conduct Authority] transparency framework, London, August 2013, p. 3.

[5] According to the legislative decree no. 33/2013. My English version.

The setting up and implementation of a systematic publication practice – to be followed in the same way by all structures in charge of information and/or documents subject to disclosure – has been another key initiative. The practice identifies, among other things, all the recipients for the notices concerning the publication operations, in particular the actors involved in the monitoring tasks. In the near future this practice is expected to be finalized as a real procedure.

Finally, some Istat structures in charge of the publication of large amounts of information, such as the HR Division or Procurement & Real Estate Division, have set up internal task forces dedicated to compliance improvement. Such task forces refer to the *Network of Contact Persons for AC&T* directly.

All the above-mentioned initiatives have indeed their strength in the active participation of the human resources involved; these latter are not considered as mere performers in this process, but thrusters of a change that, although mandatory, is voluntary as well.

A real automation of the compliance cycle is still to be accomplished; actually, the organizational measures undertaken so far, as well as the monitoring actions, are assigned to persons, with the resulting risks related to human mistakes. However, currently the risk to get the internal communication and compliance cycle unfinished is being kept under control through:

- allocating different monitoring responsibilities among different people;

- ensuring the participation of the same few people both in the internal communication cycle and the compliance one, as well as their direct cooperation with the *Head of AC&TM*;

- setting up cross-check actions;

- the power of the *Head of AC&TM* to consult the managers on the information subject to disclosure at any time, given that he is in charge of the proper implementation of the transparency compliance cycle.