

COUNTRY SUMMARY - CZECH REPUBLIC

EMBARGOED UNTIL 29 JAN. 2013 - 2:01 GMT

POLITICAL - 57%	Defence & Security Policy	Legislative Scrutiny	3
		Defence Committee	3
		Defence Policy Debated	2
		CSO Engagement	2
		International AC Instruments	2
		Public Debate	1
		AC Policy	2
		AC Institutions	2
		Public Trust	1
		Risk Assessments	2
	Defence budgets	Acquisition Planning	2
		Budget Transparency & Detail	3
		Budget Scrutiny	2
		Budget Publicly Available	4
		Defence Income	3
		Internal Audit	3
		External Audit	2
	Other Political Areas	Natural Resources	4
		Organised Crime Links	1
		Organised Crime Policing	2
		Intelligence Services Oversight	3
		Intelligence Services Recruitment	1
		Export Controls	2
		Asset Disposal Controls	3
FINANCE - 60%	Asset Disposals	Asset Disposal Scrutiny	3
		Percentage Secret Spending	0
	Secret Budgets	Legislative Access to Information	4
		Secret Program Auditing	2
		Off-budget Spending in Law	4
		Off-budget Spending in Practice	-
		Information Classification	1
	Links to Business	Mil. Owned Businesses Exist	2
		Mil. Owned Business Scrutiny	2
		Unauthorised Private Enterprise	3
PERSONNEL - 59%	Leadership	Public Commitment	3
		Measures for Corrupt Personnel	2
		Whistleblowing	0
		Special Attention to Sensitive Personnel	1
	Payroll and Recruitment	Numbers of Personnel Known	4
		Pay Rates Openly Published	3
		Well-established Payment System	4
		Objective Appointments	1
		Objective Promotions	2
	Conscription	Bribery to Avoid Compulsory Conscription	-
		Bribery for Preferred Postings	3
	Salary Chain	Ghost Soldiers	4
		Chains of Command and Payment	4
	Values, Standards, Other	Code of Conduct Coverage	2
		Code of Conduct Breaches Addressed	1
		AC Training	1
		Prosecution Outcomes Transparent	3
		Facilitation Payments	2
OPS - 35%	Controls in the Field	Military Doctrine	1
		Operational Training	2
		AC Monitoring	0
		Controls on Contracting	2
		Private Military Contractors	2
PROCUREMENT - 49%	Government Policy	Legislation	3
		Transparent Procurement Cycle	2
		Oversight Mechanisms	2
		Purchases Disclosed	3
	Capability Gap	Standards Expected of Companies	0
		Strategy Drives Requirements	3
		Requirements Quantified	2
	Tendering	Open Competition v. Single-Sourcing	1
		Tender Board Controls	1
		Anti-Collusion Controls	1
	Contract Delivery / Support	Procurement Staff Training	2
		Complaint Mechanisms for Firms	3
		Sanctions for Corruption	2
	Offsets	Due Diligence	1
		Transparency	1
		Competition Regulation	3
	Other	Controls of Agents	3
		Transparency of Financing Packages	2
		Subsidiaries / Sub-Contractors	1
		Political Influence	3

The Czech Republic is placed in Band C. In relation to **political risk**, the country's parliament has formal rights to scrutinise defence policy and the security committee is active, though its impact is reported to be uncertain. Some policy documents in the sector cover transparency and anti-corruption, and there are institutions with that remit, but there is little information on implementation or effectiveness. There is a defined acquisition process and the budget and income sources are generally publicly available, but there is evidence of potential shortcomings in transparency. Defence institutions have no interests in natural resource exploitation, though there are considerable concerns over penetration of organised crime into the sector, which the government is looking to address. Lastly, there is transparent information on the Czech intelligence agencies, though scandals have cast the controls into question.

In terms of **finance risk**, recent reforms have aimed to improve prosecutions and oversight of asset disposals. Budget information is well disclosed, although the non-government researchers' efforts to find information on secret spending were unsuccessful. Off-budget expenditure does not appear to exist—but this finding is based on a lack of contrary evidence. There are informal mechanisms available for information classification, though there is insufficient evidence of enforcement and oversight. There is also little sign of transparency and oversight of military-owned businesses, which relate to military equipment renovation.

In the **personnel** front, payments are made in a timely fashion, the pay system is separated from chains of command, and there is no evidence of ghost soldiers. Although no substantive whistle-blowing provision could be found, the government is hoping to reform this through a recently approved Act. The 2013 strategy to modernise appointments and promotions aims to stem a history of patronage. Facilitation payments and gifts are recognised to be an on-going concern, although the government is aware of the problem and prohibitions are in place. There is uncertainty over the scope and implementation of any Code of Conduct for the military.

In **operations**, there is no formal doctrine recognising corruption as a strategic issue, but it is understood to be a governance issue in internal regulations. There is a lack of provision for operational monitoring of corruption. Although there is some training, whether it touches on operational issues is uncertain.

Regarding **procurement risk**, a New Procurement Act was adopted in early 2012, which means it is too early to assess its impact. Also, reform over oversight in the area is imminent, including a new Office for Acquisitions, to replace the current systems. There is a legacy of single-sourcing, but improvements have been evident. Nevertheless, the assessment identified a lack of enforcement of anti-collusion mechanisms. Transparency generally reflects a mixed picture, with transparent non-strategic procurement, but less openness over sensitive purchases, and too little attention paid to suppliers' compliance programmes. On offsets, the Ministry of Defence (MOD) indicates strong controls and a long-term aim of greater transparency, but with little focus on corruption risk.

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