In The Name Of God
The Most Beneficent
The Most Merciful
The 13th Asian Ombudsman Association Conference in Tehran 7-10 Oct 2013
2012-13 activities Report

Transparency and fighting Organizational corruption in the petrochemical Industry of the Islamic Republic of Iran
Investigation Borders are not limited and no Discrimination is allowed.
The Supreme Leader
Investigation in the supreme Leader Speech

Investigation borders and discrimination
Investigation Borders are not limited and no Discrimination is allowed and all aspects, Leadership Department and other organizations would be Monitored and carefully investigated on constitution laws.
The reason Investigation needed… It shall be appreciated if a department will recognize and explain discrepancies All the execution, legislative and judiciary systems should welcome investigators, the strength points which realize their perfect management.
Specifications of a Proper target in Investigation

Specific
Measurable
Achievable
Relevant or Realistic
Time-based
The contents of the presentation includes the arguments to realize a specific target

Targets:

- Prevention and confronting systematic corruptions
- Developing Healthy bureaucracy and ethics
- Evaluating Performances
- Accountability and Handling complaints
- Preserving Civil Right
Central Performances of Investigation in Petrochemical Industry

Preventing and avoiding Inspection

Central Performances of Investigation in Petrochemical Industry

Production and Projects

Economic endeavor in Investigation area

Preparation infrastructures for progress and justice in "The year called "Economic Endeavor" year"

Efforts to develop to produce in quantity and quality

Efforts to produce economically and ethically

Effort to strengthen Endeavor Spirit

Evaluating reconciliation and feasibility between the law and Surroundings Conditions

Recognizing legal Voids

Defending Law Dignity

Revering Colleagues' rights

Recognizing Deviation to the rules

Promoting Rule Obedience

Empowerment of law performing staff

Socially appreciation of Rules

Confronting Manipulation in Contracts

Supervision on Job Performance

Supervision on Healthy financial transactions and securities

Handling Complaints and advises

Facilitating finding bottle necks and restriction for capacity production

Set infrastructure to produce safely, steadily and optimized

Conditioning a proper room for safe production through saving human capital

Supervising projects to facilitate project progresses

Preserving Law orientation and stagnating Professional Ethics
The Value of Investigation and Supervision in the 5th Development Bill of Islamic Republic of Iran

The Development Bills are Constituted by the supreme Leader as the basic road map, and the current (5th). The commitment to the Bill consider the preservation of Civil Rights.
Developing Organization Health and transparency in the 5th Bill in the corresponding aspects

**General Policies**

- **Culture**
  - Strengthening Law obedience, Social discipline, Working Conscience, Self-believing, Team work, Motivation, Creativity, Honesty, Economizing, avoiding wasting resources and endeavor to develop qualities

- **Society**
  - Modifying the Bureaucratic and judiciary structure to increase motivations and efficiency, Services to People, Preserving Dignities and the stuff proper wages, preventing systematic corruptions and introducing corresponding law bills

- **Economy**
  - Developing financial markets in quantity and quality (Capital, Monetary, Insurance) relying on efficiency transparency and Health
The Process of handling and evaluating complaints

All the Claims and complaints which are received directly or through legal or real personalities, are reviewed, and classified by relevance (legal, technical, financial) and compared to laws and circulars. Then the execution details and documented information are collected and examined, and corresponded to the relevant managements to self-accounting.

Technical consultancy usually is taken by the National Petrochemical or other experts on occasions. It is emphasized to prepare all the cues are documented in face to face meeting or in written correspondences as minutes of meeting to deliver the authorities.
Communication Method to Investigation Department of National Petrochemical Company

- SMS
- Auto-Receive Tel
- Email
- Letters
- Tel-Fax

Box
Meeting
The Procedures to make communication, Follow Up the Bill, Handling and responses

The Ever Expanding communicative Devices let the Working Stuff, beneficiary companies and complaints to communicate in many various methods. The under mentioned table depicts the methods and percentage of the communication method the staff utilize to preserve civil rights carefully up to reach the result.

<table>
<thead>
<tr>
<th>Method</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Meetings</td>
<td>%14.2</td>
</tr>
<tr>
<td>General Inspection Organization Web</td>
<td>%9.5</td>
</tr>
<tr>
<td>Tel Messages</td>
<td>%21</td>
</tr>
<tr>
<td>Massage Receive System</td>
<td>%8.1</td>
</tr>
<tr>
<td>Email</td>
<td>%10.3</td>
</tr>
<tr>
<td>SMS</td>
<td>%6.9</td>
</tr>
<tr>
<td>Boxes and Mailing</td>
<td>%30</td>
</tr>
</tbody>
</table>
An essential question we touch in our department is “How amount of targets of Organizational Investigation Measures have been accessed” The below curve help to depict the quantity and the question will be remain then receive.

The Process effectiveness

<table>
<thead>
<tr>
<th>Year</th>
<th>Effectiveness ratio</th>
<th>Correspondences Quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>829</td>
<td>%93</td>
</tr>
<tr>
<td>2012</td>
<td>1340</td>
<td>%89</td>
</tr>
</tbody>
</table>
Periodic, Extra-ordinary and casual Investigation Procedure

In pace with the article 12 of the formation law of General Inspection Organization, resolved in 1981 and amendment issued in 1986 and 2008, and stipulated definitions of the abstract (first chapter), the investigation methods are defined as under:

Periodically: annually with environmental, timely and subjective order
Occasionally: Handling documented claims reasoning on corruption or misfeasance in the organizational authority borders
Extraordinary supervision and inspection: the cases do not fit the annual continuous schedule which is submitted by the certified authorities in a specific subject.

The received claims, advices or relevant supervisions are observed in one or the above mentioned manners.
Preparing periodical investigation time tables for production complexes and projects in order to:

1. Facilitating to solve the bottlenecks

2. Preventing possible dangers in safe and continuous production

3. Preventing unpredictable possible dangers in human resources in production complexes

4. Realizing the road map, safe, steady, optimized production of technical and economical view centered by human capital and professional ethics axes

Periodically, Occasionally and extra ordinary Investigation on diagrams

<table>
<thead>
<tr>
<th>Year</th>
<th>Activity</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>295</td>
<td>140</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Day-Person</td>
<td>Day-Person</td>
</tr>
</tbody>
</table>
Forming, executing and stagnating Professional culture of Ethics

“Professional Manifest of Ethics” in the Petrochemical Industry: through:
Selecting most incentive oriented colleagues inherently owned knowledge, respected personal character
Forming “Monitoring and Supervision Nucleus”, directly supervised and supported by managing directors
Editing “Professional culture of Ethics” in a free open sources or contributive manner
Issuing “Professional culture of Ethics” in a free open sources and manner with the certified ethics consultants contribution
Continual and comprehensive training of “Professional Ethics” to the superior managers
Continual supervision on executing “Professional culture of Ethics” in the complexes
Comprehensive evaluation, annually and based on quantitative assessment methods
Investigation Section of Iranian Petrochemical Company conducted its ultimate endeavor to eliminate ethical obstacles regarding below actions

**Obstacles to Ethical Decision Making**

- Weak Organizational Culture
- Non-Contribuition Management Pattern
- Lack of Organizational Attitude
- Lack of information and Explanatory ability
- Hasty
- Weakness in “Exciting Intelligence” (Samples in next Slides)
Exciting Intelligence

“Exciting Intelligence” consists of four steps

- Recognizing excitements and feelings
- Utilizing excitements and feelings to mentor and facilitate the sage
- Managing excitements and feelings

Excitement intelligent persons are able to deform negative excitements and feelings in positive working structures
Creating Organizational Boxes in all Iranian Petrochemical companies strategically founded to utilize profession ethics auditors (State Section, recommended to all companies with complementary reports)

Inspection Organization chart updated from 11 box to 86 ones

in order to proportionate the handling claims, evaluating performances, circulating supervision mechanism to insure the health and complete activities in the corresponding sections of National Iranian Petrochemical Company, and conducting preventive provisions, preventing possible deviations and set about to modify and develop bureaucracy transparency as well.

Actions
Correspondences to the subject companies and complexes
Collecting the responses and nominating persons
Interviewing the stuff and selecting professional ethics auditors
Privatization- Petrochemical industries are the leading in executing the Rules

The national economy of the country has been based on three government, private and Cooperation section
Government section include heavy industries, capital mines, Banking, Insurance, Power Supply and emission, irrigation system, Communications ,Air industry, shipping and railway belong the nation
Cooperation section includes firms and institutions on distribution and production circles subject to the constitution
Private section consists of all supplementary activities to agriculture, livestock, industry, trading and services
In this course the Holing of Production companies merged into Khalij Fars mother company including BIK , the mega unit , and Bakhtar Holding of Ethylene line and corresponding Provincial polymer units all over the state scheduled and constructed.
Six-month and annual reports of the conducted inspections and actions are prepared to inform the authorities on transparency and submitted on the responsibilities

- On-site inspection (periodic/Occasional/extra ordinary)
  - 2012-2013

- Attending in training courses, seminars,…
  - 67 person – days

- 435 person – days

Ave. Rate of Correspondences

- 2228
- 2210
- 2200

- 2012
- 2013
Comparing correspondences on various subjects

- Inspection: 436
- Tender/Auctions: 94
- Contracts/Allying: 285
- Stock Market-Commercial/Share selling: 534
- Feed / Operation: 259
- Projects: 297
- Safety/Accidents/Health: 327
- Passive Defense: 64
- Personnel/Recruitment: 788
- Administration/Regulation: 513
- Cultural/Habitation/Welfare: 338
- Managers/Staff/Miscellaneous: 493
Comparing correspondences on destinations and origins

- Presidential Office: 67
- The General Inspection Organization: 70
- Oil Minister Vice President in Petrochemical Affairs: 96
- Oil Minister Investigation Office: 271
- Oil Minister Vice President in Petrochemical Affairs: 1026
- National Petrochemical Company Head Office: 1160
- Complexes/Production Companies: 1345
- Real Personality: 147
- Legal Personality: 256
Establishing / Supervising Preventive Safety Rules and Preserving Environment in Petrochemical Complexes

1) Supervising on Preparation of manuals on Health-Safety-Environment (HSE) concerns and updating to global changes
2) Updating equipment standards to omit any poisons and minimizing pollutants according to ISO 14001
3) Observing safety regulations properly to reach in standard requirement for all subsidiary complexes and as OHSAS 18001
4) Drilling training maneuvers to prepare to control accidents and for general experience, and to minimize losses in real instances
5) Supervising maintenance and production operation and modifications to reach quality products in according with ISO 9001 standard
6) Endeavor to grow EFQM quality model in all components and deviation of on Health-Safety-Environment (HSE) section and supervision
Preparing and Designing Performance Evaluation Forms of the managing boards. They are the main decision makers of any organization to create:

* Effectiveness of decision making in the board and managing director interactions
* Setting strategies based on the defection analysis of restrictions and discrepancies in order to transfer the experiences
* Profession Ethics aspect and gradual develop in excellence for the next follow up
* Self-appraisal method, recognizing weaknesses to cover
Introduction of Iran Akhlagh Web Portal
Targeted to

1) Disseminating Professional Ethics culture to widespread in all the country industrial Society
2) Developing theoretical bases of prevention in the professional ethics concept
3) Developing trustworthiness, conducting services and taking responsibility eagerly, discipline, kindness and target orientation
4) Self Controlling
5) Developing Work-conscience

Most Activities

Preparing and regularly E-mail delivery of Newsletter of Ethics to the registered recipients twice a week

Introducing various books in professional Ethics subject

Introducing updated and eminent abstracts and papers in management, cultural, scientific, research and economical concepts

http://iranakhlagh.nipc.ir

www.Iranakhlagh.ir
The state circular issued in early 2012 emphasizes all petrochemical upper stream products shall be supplied and bargained and traded in Iranian Mercantile Exchange Market (All information of trades are transparently published in the ime.co.ir counter simultaneously, which has been made a prominent step toward an accountable tax legend and a sound competition between suppliers. Iranian National Petrochemical company’s Investigation and complaint and accusation scrutiny section sets about to monitor, law infringement or delinquency on suppliers delivery schedule or quality discrepancy, and the season export permits allocated to producers is justified, and the relevant authorities are advised based on a weekly regular report.

Submitting 51 weekly report, correspondences and advices and continual follow up with production state and private owned complexes to Fully supply of products in the Mercantile Exchange Market Make transparency in domestic petrochemical supply market Reconciliation the products supply and market needs variety
Transparency in the process of performing tenders and assigning projects to contractors

Performing of all the various steps of the tenders are publically available in National Iranian Oil Company Website (www.shana.ir), and all the information of relevant contractors collected systematically in the projects of PIDEMCO (the affiliate company of NIPC, National Iranian Petrochemical Company for establishing new project companies), and all state and private companies should enroll their tenders accordingly.
In pace with the way to empower subject groups, and publishes, “Preventive-Avoiding Control and supervisions besides ethics oriented Processes”, made for inspection addressed people prepared in NIPC Inspection Department.

The book, in 9 chapters and 140 pages, emphasizes in necessities and conclusions, and includes historical origin, classic formatting and suggested standards.

1st Chapter: necessities of Investigation
2d Chapter: History of Investigation
3d Chapter: Hierarchy of Legal Investigation
4th Chapter: Job list and personal Characteristics of an Inspector
5th Chapter: Effectiveness specification and requirement
6th Chapter: Ethics in Bureaucracy and Inspection
7th Chapter: Current systems of Inspection
8th Chapter: Inspection in Leader’s addresses
9th Chapter: Sources and references
Executing Training Courses

- Communication Skills
- Seminars titling “introduction with performing Tenders”
- Training Courses in Applied Legalization

Applied Training Courses

- Legal Writing Procedure
- Problem Solving in Executing Organizations
- Bureaucratic infringement
- Retributive responsibilities of state staff
- Civil Rights in Executing Organizations
- Introduction to judiciary-like references
- Contract Law
  - Government –Staff attribution Court
- Civil Judiciary applied circulars
- Penal Judiciary applied circulars
- Introduction to modern Bureaucracy
Performing Recruitment Exams observing transparency and civil rights

In pace with observing civil Rights, creation of equal opportunity is a must. It is accompanied with qualification limits in recruitment process. Then, National Iranian Petrochemical company set about to perform exams to recruit expert in two phases of general qualifications (Education Degrees, Age,..) and technical and comprehensive interviews, publish the success applicant list and answering and complaints’ answering rules. In the years of 2012 and 2013, NIPC held on two recruitment processes, and results publicly handed and advised in the corresponding Oil Ministry Website.
NIPC provisions to null Gasoline Import Restrictions

At the recent years, about 10 million liters a day gasoline was imported for domestic consumption, and some experts predicted that gasoline shortage of sanctions restrictions may cause great inequality and problem over the state may result to manage ration –type system of distribution, but the petrochemical complexes set about to modify line of production of Octane Modifier Cuts and additives as MTBE to a 30 million litters a day capacity, which can ensure smooth delivery of gasoline and other oil products to consumers. Distribution of 4 Billion litter of Petrochemical production cuts besides deleting subsidiaries paid on fuels resulted in better control and supervision against any possible corruptions and systematic misuses.
At the moment required systems are installed discipline –wise and data transmission is performed with the various interfaces, and ERP mechanization of activities is being conceptualized and ready for implement.
List of Existing Systems

- Warehouse/Accounting
  - Programming spare parts for maintenance and preservation (PM/CM)
- Production
  - Administration’s Automation for wages, Entrance and Exit recording
- Warehouse
- Purchase (Ordering)/Domestic – Foreign
- Financial
  - Precept and payment / Fixed assets/ Cost estimation and budget
- Sales
  - Customer Relation Portal for domestic and foreign sales
Investigation Attitude in Petrochemical Industry

**Thinking**
- steady, optimized production of technical and economical view centered by human capital and professional ethics axes

**Relying**
- relying on God to strength self-confidence and preservation

**Endeavor**
- Process-centered and intelligence actions with prevention orientation for the colleagues’ ethics oriented decision making

- Preventing and fighting against Corruption
- Developing Ethics oriented activity
- Responsibility and responsiveness
- Observing Civil rights according to mission and duties of the organization
- Disseminating Ethics oriented culture according to creative actions
WE HOPE YOUR SUCCESS