 Anti-Fraud and Corruption Controls\*

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| Component | Anti-Fraud and Corruption Controls | |
| Oversight | * Board oversees program * Executive Director is responsible (tone from top) * Periodic reporting to board * External verification of program | * Authorization and approval thresholds in place * Surveys to verify employee awareness * Sub-Recipient & Supplier implementation |
| Policy | * Visible zero tolerance policy * Established roles & responsibilities throughout program * Policy in all languages, accessible to all employees * Addresses bribery, facilitation payments, gifts, hospitality | * Whistle-blower policy, inclusive prohibition of retaliation * Verification and compliance program * Communicated and contractual requirements to Sub-Recipients & Suppliers |
| Resources | * Human, financial and IT resources sufficient & commensurate with size of organization * Board verification of resources | * Corporate budget line for anti-fraud & corruption activities * Budgets allocated on risk assessment model |
| Risk Assessments | * Risk Assessment strategy in place sufficient and commensurate with size of organization * Identifies all drivers of fraud and program risk * Reviewed at least annually | * Consistent across all programs in country * Specific processes for high risk countries * Requires training for participants |
| Due Diligence | * Sub-Recipient/Partner/Supplier Due Diligence procedures in high risk countries/operations * 3rd party experts as service providers * Includes previous fraud investigations/prosecutions/sanctions | * Includes Politically Exposed Person/legitimacy of charities/Human Rights & environmental record/terrorist links * Performed with mergers or organization acquisitions |
| Controls & Monitoring | * Segregation of duties * Financial systems & transaction level approvals * High-risk or unusual transactions monitored * Exception reports reviewed and monitored | * Procedures do not allow off-book transactions * Access to and set-up of new vendors limited * Controls over set-up of bank accounts in place * Established relationships and activities with Local Fund Agent and external assurance providers |
| Training | * Provided to all board members, employees and significant business partners/Sub-Recipients * Training tested and verified as part of compliance program | * Addresses high risk red-flags relevant to organization & operations * Addresses fraud, bribery, facilitation payments, gifts, hospitality |

\*Inspired by the Institute of Internal Auditors