TRANSPARENCY INTERNATIONAL
the global coalition against corruption

POCKET GUIDE OF GOOD PRACTICES
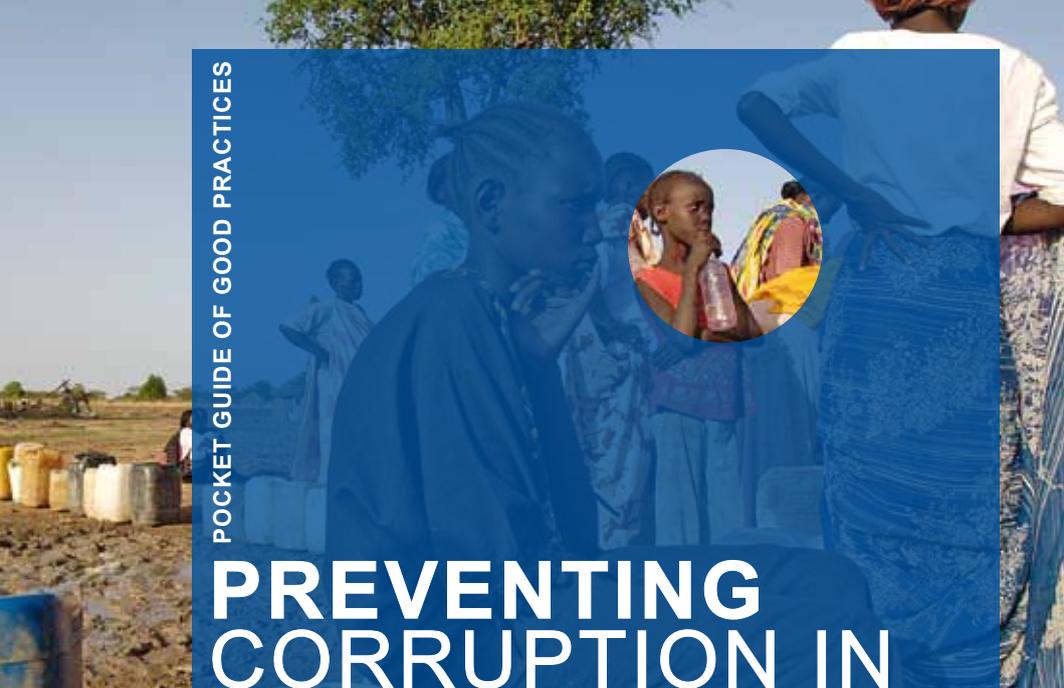
PREVENTING CORRUPTION IN HUMANITARIAN OPERATIONS

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Transparency International (TI) is the global civil society organisation leading the fight against corruption. Through more than 90 chapters worldwide and an international secretariat in Berlin, Germany, TI raises awareness of the damaging effects of corruption and works with partners in government, business and civil society to develop and implement effective measures to tackle it.

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ACKNOWLEDGEMENTS

PREFACE

This Pocket Guide was prepared by Roslyn Hees and Stephanie Debere with the assistance of Larissa Schuurman. It is a condensed version of the *TI Handbook of Good Practices for Preventing Corruption in Humanitarian Operations*, published in February 2010. The full version is attached as a CD-ROM inside the back cover. The Handbook was compiled with the help of Action Aid, Care International, Catholic Relief Services, Islamic Relief Worldwide, Lutheran World Federation, Save the Children USA and World Vision International, who partnered with Transparency International (TI) to identify corruption risks affecting humanitarian aid programmes as well as the good practices and tools used in the humanitarian community and other sectors to deter, detect and deal with those risks. These agencies joined with TI in this programme because they believe that addressing corruption is an integral element in humanitarian accountability, quality assurance and good management, and thus part of their responsibility towards both aid beneficiaries and supporters of their programmes.

Following the launch of the Handbook, World Vision approached TI to propose the preparation of a shorter Pocket Guide aimed at humanitarian field staff. TI would like to thank World Vision International (WVI) - Humanitarian and Emergency Affairs and Global Accountability - and World Vision Germany (WVG) for their generous financial and intellectual support of this project. French and Spanish translations of this guide will also be published.

Transparency International (TI) has long held that the most damaging impact of corruption is the diversion of basic resources from poor people. Corruption in humanitarian aid is the most egregious form of this, as it deprives the most vulnerable poor people, the victims of natural disasters and civil conflicts, of essential life-saving resources. Humanitarian assistance aims to save lives and alleviate the suffering of people in times of crisis. Yet these noble ambitions do not immunise emergency responses from corrupt abuse.

In response to this concern, TI launched a programme in 2005 to diagnose corruption risks specific to humanitarian operations and, through targeted research in partnership with seven of the leading international non-governmental organisations, to develop a set of good practices aimed at mitigating those risks. The TI *Handbook of Good Practices for Preventing Corruption in Humanitarian Operations*, is the result of that work. This Pocket Guide was developed specifically with humanitarian aid field staff in mind, for use as a quick reference point on the ground.

We hope that this Pocket Guide will offer guidance and support to the many people in the humanitarian sector who devote their lives to alleviate the suffering of the most vulnerable. It is dedicated to their work, to their resilience and courage in supporting the ones that are most in need: the victims of natural disasters and civil conflict.

Christiaan Poortman
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INTRODUCTION

What is corruption and why does it matter?
Understanding of corruption varies enormously, both within and across cultures. Many people have a narrow definition, confined to fraud and bribery. What is considered corrupt in some cultures (nepotism, for instance) may be perfectly acceptable in others. Transparency International's definition of corruption is: 'the abuse of entrusted power for private gain'.

This includes financial corruption such as fraud, bribery and extortion – but also encompasses non-financial forms, such as the diversion of humanitarian assistance to benefit non-target groups; the allocation of relief resources in exchange for sexual favours; preferential treatment for family members or friends in assistance or hiring processes; and the coercion and intimidation of staff or beneficiaries to ignore or participate in corruption.

Here, 'private' means in contrast to the concept of the public good. Private gain refers not just to individuals but to families and communities; ethnic, regional or religious groupings; political or social organisations; corporations or militias. 'Gain' is not always financial: the abuse of power may enhance personal or organisational reputation or be for social and political purposes.

The worst impact of corruption is the diversion of life-saving resources from the most vulnerable people, caught up in natural disasters and civil conflicts.

Why this pocket guide?
Addressing corruption is an essential element in improving the quality, accountability and effectiveness of humanitarian responses. This guide offers field managers and staff on the front line of aid delivery a menu of good practice tools for preventing

and detecting corruption risks faced in their particular organisation, department, programme or role. Such risks vary with context, but also depend on the type and phase of emergency, and how well established and resourced a programme is.

Compact enough for easy use in the field, the pocket guide is a condensed version of Transparency International's *Handbook for Preventing Corruption in Humanitarian Operations*, presented in full in an attached CD-ROM. The guide should be used in cross-reference with the CD when circumstances permit, or when further detail is needed on a particular tool. The pocket guide tools describe briefly 'what to do' when corruption is suspected or encountered; technical details on 'how to do it' are referenced in further reading on the CD. The Handbook introduction also contains key recommendations and highlights dilemmas that need addressing when implementing anti-corruption measures.

The guide contains three sections: a summary of general policies and procedures that create an organisational context strongly resistant to corruption, followed by two sets of tools designed to counter specific corruption risks in programme support functions and the programme cycle of an emergency response.

I.   Institutional Policies and Guidelines
This section recommends a strategic approach to addressing corruption risks. It gives the building blocks for creating an organisational context that promotes transparency, integrity and accountability – for example, by integrating analysis of corruption risks and the political environment into emergency preparedness. This holistic approach involves viewing corruption mitigation as central to the quality and management of humanitarian operations, to be mainstreamed into agencies' strategic agendas rather than considered a marginal question. The pocket guide gives an outline of this section of the Handbook, but does not contain its individual tools for creating a tailored anti-corruption strategy; therefore managers and team leaders in the field should refer to the CD-ROM for greater detail.

II. Corruption in Programme Support Functions

Research indicates that much corruption occurs within programme support functions. This section recommends ways of further strengthening agencies' systems against it, addressing specific corruption risks faced in supply chain management (procurement, transport and asset management), human resources (HR) and finance. It does not aim to explain all the general principles of good procurement practice, for example, but it does show how some of those principles relate to preventing corruption. (There are operating manuals among the reference materials cited on the CD-ROM that cover the general principles of good practice in each programme support area.)

III. Corruption in the Programme Cycle

Even if an agency has strong anti-corruption policies in place and rigorous systems to prevent corruption in programme support functions, vigilance is still essential on the ground, where emergency humanitarian assistance is delivered. Programme activities may be distorted by cronyism, bias or intimidation, or for political, social or corporate gain. These corrupt practices may not be detected by internal controls such as audits. This section examines the risks of corruption most likely to be faced at different stages of the programme cycle, from needs assessment through to post-distribution M&E (with a special section on commodities), and suggests measures to block it at every stage.

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How to use the guide

We do not expect most people to read the entire guide: each tool or description of good practice works as a stand-alone document, so it's easy for readers to pick the most relevant sections. (This means inevitable overlap among some of the tools and references.) There is no pre-set roadmap through the guide; we recommend that readers focus on their key areas of work, but are not constrained by them. Colour-coding directs the reader to other relevant tools in the guide or in the full Handbook, including in the summarised Institutional Policies and Guidelines section.

The guide's job-specific sections – such as supply chain management or targeting and registration – have relevance beyond their specialist practitioners. A programme manager needs to know the corruption risks his logisticians face, for instance. All managers, whatever their discipline, should know about preventing sexual abuse, financial fraud and corrupt HR practices, and all field staff need to understand organisational anti-corruption policies. The guide shows readers what to look out for in order to detect corruption and how to create and strengthen prevention mechanisms. Ultimately, because each job and context is individual, we hope readers will map the corruption risks most applicable to their own context, and follow a path through corresponding sections of the guide.

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A living document

Corruption often remains a taboo topic among humanitarian agency staff, which inhibits the effectiveness of prevention measures. Discussion of corruption needs to be made open, with an emphasis that addressing it does not mean condoning it or implying particular vulnerability to it. Tackling corruption risks should form an integral part of quality assurance, accountability and good management strategies, and should be built into inductions and training for all staff.

It's only when the humanitarian community takes ownership of the fight against corruption that risks will be reduced and the full amounts of aid will reach people caught up in humanitarian emergencies. Like the Handbook on which it is based, the pocket guide is designed to be a living document, regularly improved and updated, so we welcome feedback on its effectiveness and suggestions for measures and policies that can help tackle corruption.

Please email us at humanitarianassistance@transparency.org – we look forward to receiving your ideas.

INSTITUTIONAL POLICIES AND GUIDELINES
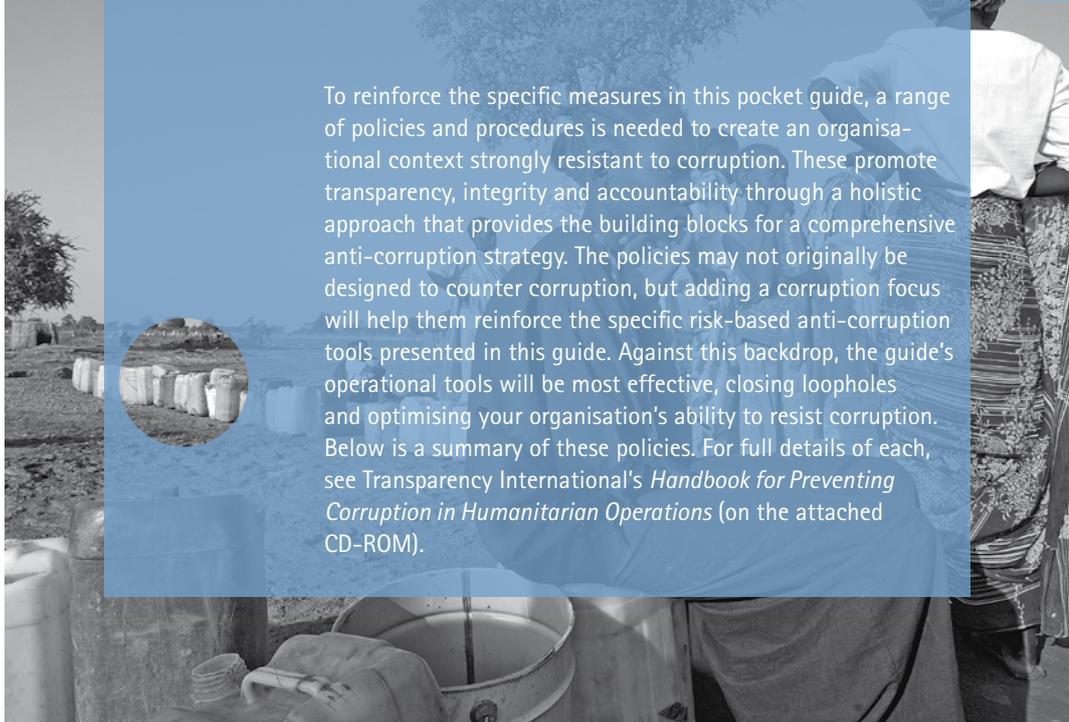
To reinforce the specific measures in this pocket guide, a range of policies and procedures is needed to create an organisational context strongly resistant to corruption. These promote transparency, integrity and accountability through a holistic approach that provides the building blocks for a comprehensive anti-corruption strategy. The policies may not originally be designed to counter corruption, but adding a corruption focus will help them reinforce the specific risk-based anti-corruption tools presented in this guide. Against this backdrop, the guide's operational tools will be most effective, closing loopholes and optimising your organisation's ability to resist corruption. Below is a summary of these policies. For full details of each, see Transparency International's *Handbook for Preventing Corruption in Humanitarian Operations* (on the attached CD-ROM).

RISK ANALYSIS

To judge the likelihood that your emergency response will be exposed to various types of corruption, you need to conduct an organisational- and context-specific corruption risk analysis. This will identify which corruption risks could be most prevalent in your work, so that you can choose the particular policy and operational tools most relevant for detecting, deterring and dealing with those risks.

MANAGEMENT LEADERSHIP

The right leadership signals create an environment of 'zero-tolerance' towards corruption, defining whether it's seen as a challenge to be overcome or a problem that remains unacknowledged. Leadership also determines whether staff feel empowered to identify and tackle corruption. Key to this are agency values: a set of positive behaviours reflecting ideas such as social justice, stewardship of resources and integrity. By deliberately adopting values incompatible with corruption, an organisation helps define its culture and staff behaviour, and provides itself with the essential components of all anti-corruption tools – most directly, for a code of conduct explicitly proscribing corrupt behaviour. Without such formal written guidance, staff and partners can claim innocence through ignorance when accused of corruption. A code of conduct can also help protect staff from external pressure to accede to corruption. Given their particular gravity, sexual exploitation and abuse require a specific set of guidelines to protect people vulnerable in emergencies, when sex can be demanded or offered in return for programme benefits.

It's also important to provide guidance in particular situations where the line between right and wrong can seem blurred. A neutral, confidential ethics office or ombudsman helps staff identify corrupt behaviour and how best to respond to it, ensuring they understand their ethical obligations under your core values. Policies on gifts and hospitality guide staff in what type and size of gift can be accepted, and in what circumstances acceptance would be improper. Confidential, independent whistle-blowing procedures (internal or external) help create an environment in which staff feel safe to report corruption without fear of reprisal. Well-defined procedures for investigating reports of corruption

and for sanctioning staff or suppliers proven to have acted corruptly are a powerful deterrent and can also help prevent malicious complaints.

EMERGENCY PREPAREDNESS

Much can be done before an emergency to reduce corruption risks. By including specific anti-corruption references in staff and partner training and inductions, you can ensure every person in your emergency team understands your 'zero tolerance' policy and knows what constitutes corruption and how to respond. A robust staff 'surge capacity' (the ability to scale up quickly in response to an emergency) is vital protection against corruption at the onset of a crisis, when programmes are most susceptible. If surge staff are coordinated, experienced and know where corruption risks lie, they will design and implement transparent and accountable programmes even at high speed. A list of pre-approved suppliers who can quickly compete for your business in an emergency blocks the corruption risks that occur when there's no time for a full procurement process. It's a robust way of keeping corruption out of your supply chain.

INTERNAL CONTROLS AND QUALITY ASSURANCE

Particular standards and procedures can ensure your anti-corruption policies are effective and adhered to. A compliance programme that includes anti-corruption standards guides employees in implementing your policies, helping them to fulfil their personal responsibility to avoid corrupt behaviour. Resource tracking systems tell you exactly what should be where and when, so you quickly notice discrepancies and can investigate whether resources have been deliberately diverted. And while the demand for speed at the start of an emergency justifies the temporary relaxation of some policies, clear, pre-established special emergency procedures provide vital programme protection, helping you maintain control and effectiveness even when moving fast. They should include strict criteria for returning to normal controls. Industry-wide standards – statements of commitment to quality in various technical and process aspects of humanitarian programmes – also block opportunities for corruption by driving improvement of agency performance across the sector.

Effective monitoring and evaluation, especially on-site physical monitoring and unannounced spot-checks, are among the most powerful tools for combating corruption. Backed by regular audits, they provide systematic scrutiny of every stage of programme design and implementation. Audits further ensure your organisation is complying with its own policies and procedures, and can detect and deter many corruption risks – particularly if they go beyond the 'paper trail' and are promptly acted on.

TRANSPARENCY AND ACCOUNTABILITY

These are the benchmarks that promote excellence in humanitarian operations. Transparency involves opening up procedures and programmes to stakeholders, providing timely, accessible information about your operations for their assessment. It's indispensable for the effective monitoring of financial flows and programme implementation needed to prevent corruption. Agencies often focus on upward accountability to donors or boards, but it's accountability to beneficiaries that most enhances programme quality. Affected communities should be informed of their rights and entitlements and be involved in assessment, targeting and monitoring. Exposure to corruption falls as community involvement in programmes rises.

Donors, governments and civil society also have roles. As well as driving and supporting agency anti-corruption policies, donors should fund only humanitarian action entirely independent from political, economic, military or other objectives. Implementing agencies can encourage donors to support their organisational capacity for accountability and their anti-corruption policies, by demonstrating that corruption prevention is essential if both donor and agency are to be accountable to their public and to beneficiaries. Governments of emergency-affected areas should coordinate international and national responses, as well as creating neutral space for the delivery of aid. Agencies should engage governments as much as possible in the fight against corruption, and be clear they won't tolerate manipulation of humanitarian relief. Civil society organisations can be valuable local allies against corruption, contributing to programme design, playing a powerful watchdog role and mobilising community vigilance. Being outside state or commercial apparatus, they can be

impartial, independent and representative of citizens' rights. Underpinning transparency and accountability are culturally sensitive and safe community complaint mechanisms, allowing aid recipients to report corruption and seek redress. They also send strong signals that corruption won't be tolerated, and generate feedback that helps agencies improve programme quality.

DEALING WITH THE EXTERNAL ENVIRONMENT

Emergencies mean unpredictable environments, but certain policies can strengthen your capacity to harness external forces to prevent corruption. Interagency coordination reduces the opportunity for corruption to penetrate an overall emergency response via duplication or loopholes in individual agency programmes, boosting transparency and accountability across an emergency. A collaborative approach also helps agencies address common external problems beyond the scope of any single organisation to eliminate. Well-tailored media and communications strategies let you proactively address reports of corruption; develop open, ongoing media relations; and enlist journalists as valuable partners in creating a transparent environment.

BUILDING A COMPREHENSIVE ANTI-CORRUPTION STRATEGY

To achieve a comprehensive approach to tackling corruption, it's essential to view corruption mitigation as central to the quality and management of humanitarian operations. Rather than be considered as a marginal question, it must be mainstreamed into agencies' strategic agendas and tackled by pulling all these policies together into an effective anti-corruption strategy, tailored to an individual organisation and its own operational reality.

PROGRAMME SUPPORT FUNCTIONS

SECTION II

SUPPLY CHAIN MANAGEMENT/PROCUREMENT
MANIPULATED TENDER SPECIFICATIONS/
BIDDING DOCUMENTS

A. Corruption risks:

Technical specifications for goods and services to be tendered may be designed to favour or exclude certain suppliers – possibly as a result of bribery, coercion or conflict of interest. Bidding documents, terms of reference or the quantity or quality of goods or services needed may be skewed to suit one particular supplier. Tender specifications may be altered during the procurement process if a staff member develops links with a supplier or is bribed.

B. Watch out for:

- Specifications too narrow or precise, so that only one supplier can qualify
- Subjective criteria for evaluating compliance with specifications
- Contracts split into multiple tenders just below the threshold for competitive bidding
- Contract amounts just below the threshold for senior management review
- Limited bid advertising
- Multiple or repeat contracts going to the same supplier or group of suppliers
- Unduly short bid deadlines; frequent justification of 'urgency' which may favour incumbent contractors
- Unjustified requests for 'sole-sourcing' (supplier selection without competition)
- Bids not sealed or opened publicly and simultaneously

C. Prevention measures:

- **Base tender specifications on technical criteria**
  Ensure specifications are drafted by technical specialists, not by procurement staff. If brand names are indicated in specifications, ensure that 'or equivalent' is also stated. Require that those preparing specifications sign a conflict of interest declaration.
- **Use standard specifications where applicable**
  Prepare standard specifications for frequently used goods and services; update them regularly. Use Sphere sectoral standards to guide technical specifications. Have standardised bidding documents. Require that sample goods be submitted with bids, for technical staff to check against specifications.
- **Be clear that procedural violations are an offence**
  Ensure staff know they'll face sanctions if involved in corrupt or non-transparent deals, including termination without benefits or legal action. Use debarment or legal action to sanction corrupt suppliers, and allow competing bidders to complain if they believe specifications are biased.

You'll need:

- Appropriate technical staff with the required expertise.

Challenges:

- Unjustified change orders to a contract after award to modify specifications.

SUPPLY CHAIN MANAGEMENT/PROCUREMENT
BID-RIGGING AND INSIDER INFORMATION

A. Corruption risks:

Staff may offer or be bribed or coerced into giving a potential supplier 'insider' information, or information may be withheld from some bidders. Collusion or 'bid rigging' may occur among suppliers (with or without agency staff), who may coordinate bids to ensure that the designated winner's is lowest, that all bids are above market price or that they contain an amount which the winner shares to cover losers' costs.

B. Watch out for:

- Repeated awards to the same bidder or to staff family, friends or business associates
- Common bid patterns (e.g. the same calculations or mistakes in multiple bids)
- Conditions conducive to a cartel (e.g. few vendors with close relationships)
- Received bids opened prematurely or not securely stored
- Winning bids submitted or altered at the last minute (in light of possible information about other bids)
- Winning bids suspiciously just less than the nearest bid
- An employee pushing for a particular supplier, regardless of bid quality or financing terms
- Staff living above their means, or having social appointments with bidders

C. Prevention measures:

- **Hire and train the right staff**
  Train procurement staff so they know they may not be involved in deals with family or friends, provide insider information to suppliers, or accept kickbacks, commissions or bribes. Hire procurement staff from diverse backgrounds, vetted on the basis of integrity, expertise and local knowledge. Train them to handle pressure to behave corruptly.
- **Ensure staff sign a code of conduct and a conflict of interest policy**
  Ensure staff disclose real or potential conflicts of interest and withdraw from the procurement process if so. Oblige them to report suspected corruption (via a whistle-blowing mechanism). Forbid them from accepting suppliers' gifts or hospitality.
- **Make suppliers commit to integrity**
  Bid documents must forbid potential suppliers from offering staff anything of value or submitting false information, disclosing bid prices or collusion. Use debarment or legal action to sanction corrupt suppliers.
- **Go beyond financial audits**
  Supplement financial audits with social audits and monitoring and accountability processes, so staff know corruption will be uncovered and they'll face disciplinary action.

You'll need:

Time for staff and supplier vetting, market research and to review bids for unusual patterns.

Challenges:

Difficulties in detecting and proving bid-rigging or the provision of insider information, which generally occur off the books.

SUPPLY CHAIN MANAGEMENT/PROCUREMENT
BIASED SUPPLIER PREQUALIFICATION

A. Corruption risks:

Suppliers may be invited to tender even if they don't meet pre-qualification criteria, or applicants who meet criteria may be excluded due to bribery. 'Phantom suppliers' or 'shell companies' may be created to meet minimum competitive bidder numbers, receive fake contracts or mask true ownership, disguising personal connections or supplier collusion.

B. Watch out for:

- Subjective prequalification evaluation criteria
- The same suppliers always prequalifying
- No street address or telephone landline given; generic email addresses (e.g. yahoo, hotmail)
- 'Shell company' bidders with different names but identical staff names, addresses or telephone numbers
- The same calculations, errors or language in bids under different letterheads
- Subsidiaries or affiliates submitting 'competing' bids
- Sequential bid document numbers, indicating documents purchased in one batch by one supplier, for use by phantom bidders
- Limited advertising of tenders or unjustified shortcuts in minimum bidder requirements or deadlines
- Requests for 'sole-sourcing' (without competition), based on unresponsive prequalification

C. Prevention measures:

- **Set clear, objective criteria for prequalifying**
  Publicise in advance clear requirements regarding technical specifications and supplier qualifications, allowing objective prequalification.

- **Implement checks and balances, and the separation of duties**
  Never allow one person to execute any stage of the procurement process. Different staff must decide prequalification criteria, formulate technical specifications, solicit and evaluate supplier offers and decide the final award. Rotate staff to avoid improper connections with suppliers. Ensure staff know they'll face disciplinary action if involved in corruption.

- **Publicise your bid opportunity**
  Call for prequalification widely and in good time, so a corrupt supplier can't be the only one to request prequalification.

- **Cross-check evaluation methods and criteria**
  Another staff member must approve a procurement officer's choice of prequalification criteria, criteria weighting and evaluation method, ensuring all stem from technical needs.

- **Thoroughly vet potential bidders**
  Run careful background checks on bidders: visit offices; verify references. Debar corrupt suppliers from future bidding. Set up pre-supply contracts with vetted suppliers.

- **Build integrity requirements into prequalification**
  Obtain from suppliers a written pledge to avoid corruption and disclose convictions or investigations into corrupt dealings. Use debarment or legal action to sanction corrupt suppliers.

You'll need:

Time and resources for thorough supplier background checks.

Challenges:

Pressure to skip prequalification, allow sole-sourcing or relax normal minimum bidder numbers and deadlines.

SECTION II

SECTION II

SUPPLY CHAIN MANAGEMENT/PROCUREMENT

MANIPULATED BID EVALUATION, CONTRACT AWARD AND CONTRACT EXECUTION

A. Corruption risks:

Bribery, kick-backs, collusion or coercion can distort supplier selection, leading to above-market prices or substandard quality of goods and services.

B. Watch out for:

- Fees to intermediaries for assistance in bid preparation or contract negotiation (possible 'facilitation payments')
- Unjustified delays, which may indicate negotiation of corrupt terms or leave only one supplier who can meet the order in time
- 'Shadow bidders', who always submit a slightly higher bid than the winner, to suggest fair competition
- Drastic changes in pricing from previous contracts or from market levels
- Unusual bid patterns indicating possible collusion
- Repeat contract awards to the same supplier(s) or the lowest priced bidder being bypassed for a costlier supplier
- Unjustified 'sole-source' contracts (without competition)
- Bidding processes involving direct negotiation with suppliers
- Contract amounts just below review or competitive bidding thresholds
- Unjustified change orders to contracts after award
- Employees living above their means or being guarded about their contract awarding authority

C. Prevention measures:

- **Aim for a minimum number of bids**
  Ensure all suppliers meeting prequalification conditions are invited to tender. Double-check your criteria before allowing reduced competition. Ensure requests for sole-sourcing are justified in writing and authorised by a manager.

- **Ensure transparency in the tendering process**
  Maintain coherence between evaluation criteria in bid documents and those used to select a supplier. Publicise your evaluation method, criteria and weighting from the start. Use sealed bids and a tender committee so no one staff member has undue influence. Publish evaluation results, and establish a complaint mechanism for anyone feeling the process was unfair.

- **Ensure clear separation of staff duties**
  Use different staff for technical specifications, prequalification and bid evaluation. All procurement decision-making should be by committee. Rotate staff to prevent close relationships with suppliers. Develop independent cost estimates for contracts, to help detect collusion and inflated pricing. Apply sanctions to staff involved in corruption.

- **Limit the use of special emergency procedures**
  Always set clear criteria and timings for resumption of normal controls; ensure compliance. Include experienced procurement staff in your surge capacity.

- **Include procurement in monitoring and evaluation**
  Involve civil society organisations and beneficiaries as independent monitors.

You'll need:

To share debarred suppliers' details with other agencies.

Challenges:

Resistance to publishing evaluation criteria and award outcomes, or to independent external monitoring.

SUPPLY CHAIN MANAGEMENT/PROCUREMENT

SURPLUS PROCUREMENT

A. Corruption risks:

Suppliers may bribe staff into making unnecessary purchases in order to sell the excess and share profits. A supplier may invoice for too much work or too many supplies, or provide fewer goods or services than contracted for but invoice the full amount. Donated goods or services may be sold for profit.

B. Watch out for:

- Poorly documented needs assessments
- Warehouses with too much inventory
- Relief goods or supplies being sold in large quantities in local markets
- Proposed relief packages substantially larger than Sphere minimum standards
- Requests for 'urgent' purchases at financial year-end, when there's pressure to spend budgets

C. Prevention measures:

- **Double-check whether goods and services are really needed**
  Someone other than the requisitioner must always check whether goods or services were identified in the needs assessment and are really necessary. Could needs be met by repairs or better use of existing assets?
- **Establish comprehensive supply chain management systems**
  Keep track of the quantities, condition and location of goods at all stages. Verify physical and visual checks against documentation. Use reliable warehousing and train staff in receipt and dispatch procedures. Require transporters to reimburse for unjustifiable losses.

- **Consider using cash transfers or vouchers**
  These allow aid recipients to buy goods and services on the local market, avoiding agency mass procurement.
- **Include aid recipients for accountability**
  Beneficiaries can identify unnecessary goods or services, unreliable local suppliers or procurement staff with conflicts of interest. They can provide quality control checks and alert you when predetermined criteria are ignored.
- **Ensure that surplus goods are not sold privately**
  Mark relief supplies as donated or free goods. Check local markets for relief goods on sale in large quantities. Post signs that donated goods must not be traded.
- **Plan and budget for monitoring and evaluation**
  Cover procurement procedures and outcomes in M&E. Evaluation teams should include procurement expertise. Have signed agreements with partners preventing the diversion of goods. Provide transparent information, for monitoring by media, local civil society organisations and beneficiaries.

You'll need:

Software systems for supply chain management.

Challenges:

Staff claiming evolving circumstances to justify additional goods and services.

SUPPLY CHAIN MANAGEMENT/PROCUREMENT

SUPPLY OF SUB-STANDARD GOODS OR SERVICES

A. Corruption risks:

Suppliers may provide low quality supplies or poor services, but bill for specification-standard materials or work. They may bribe staff to ignore sub-specification contract execution, or may introduce substantial changes to contract quality specifications or prices via renegotiation or 'change orders', often in small increments not needing management sign-off.

B. Watch out for:

- Prices inflated above market levels
- The amount of goods or services delivered being less than requested
- Goods not matching the sample provided with the bid
- Goods with imminent or past expiry dates
- Excessive or frequent change orders

C. Prevention measures:

- **Set clear quality standards**
  Outline technical specifications in bid documents and include quality compliance in evaluation criteria. Set clear lines of responsibility for contract monitoring. Keep bid samples for verifying the quality of delivered items.
- **Pre-establish limits for change orders**
  Once cumulative change orders reach a certain price threshold above a contract (or quality threshold below it), ensure all further change orders, however small, have senior management approval.
- **Agree sanctions for suppliers**
  Build into all contracts an integrity clause and sanctions for failure to meet specifications, including debarment. For large or project-critical procurements, require performance bonds guaranteeing timely, high-quality delivery.

- **Set up an independent monitoring system**
  Make frequent, unannounced control checks (including site visits) to monitor contract implementation. Consult aid recipients to establish benchmark quality standards and to check whether these are met. Carry out regular, independent internal audits comparing costs and results with estimates and expectations.
- **Standardise key goods and services by sector**
  Use existing purchasing channels or carry out joint procurement through the UN sectoral cluster system or country-level inter-agency coordination. Purchase according to industry-wide standards, e.g. Sphere.
- **Consider cash transfer or voucher systems**
  Providing cash or vouchers directly to beneficiaries transfers quality control to them, potentially reducing scope for corruption.

You'll need:

To commit resources to implementing standards within your agency and across sectors.

Challenges:

Poor definition of technical specifications, making monitoring and evaluation of quality standards difficult.

SECTION II

SECTION II

SUPPLY CHAIN MANAGEMENT/TRANSPORT

PAYMENT FOR ACCESS TO AID RESOURCES OR BENEFICIARIES

A. Corruption risks:

Government officials or local militia may block aid by demanding bribes or kickbacks from staff in return for access to people needing assistance or aid resources the agency requires. Payment may be demanded at a strategic level (for access to an area, or staff entry visas), an operational level (along the supply chain, e.g. customs), or at the point of aid delivery (e.g. roadblocks).

B. Watch out for:

- Changes in laws and your operating environment
- Requests for one-on-one meetings by officials
- Unjustified refusals to grant visas
- Repeated customs delays
- Unforeseen delays in the delivery of goods
- Roadblocks controlling access to sites or beneficiaries

C. Prevention measures:

- **Train staff to deal with extortion and intimidation**
  Pre-analyse the situation to identify corruption risks. Develop staff negotiating skills so they can define clearly and prioritise their objectives and articulate your agency's position.
- **Identify the right counterpart**
  Always try to negotiate with a counterpart (the person most likely to meet your needs). Gauge their position for compatibility with yours, and assess your power to influence them. Give objective arguments (e.g. based on international norms) and subjective ones (related to your counterpart's interests). Appeal to someone's superiors if payment is insisted on.
- **Identify a capable team for formal negotiations**
  Try never to negotiate alone: you can be vulnerable to physical threats; the other party can lie about what was said.

Choose diverse team members (ideally matching your opposition's authority and cultural background).
- **Manage cultural differences**
  Respect differences in hierarchy, gender roles, individualism, time, adherence to rules and modes of bargaining. Use common sense over how much to follow cultural norms.
- **Pre-agree customs and visa procedures**
  Under emergency preparedness, pre-plan logistical arrangements, to prevent opportunistic bribery. Liaise with other agencies to pre-lodge customs and visa paperwork and pre-negotiate clearance outside working hours or designated locations, and the waiving of duty and transit procedures.
- **Report blockages transparently**
  Document and report to donors and government any efforts to block humanitarian operations. Develop joint responses with other agencies.

You'll need:

To decide in advance how to deal with aggressive tactics (e.g. 'take it or leave it').

Challenges:

Compromises involving second-best solutions.

SUPPLY CHAIN MANAGEMENT/TRANSPORT

DIVERSION DURING TRANSPORT

A. Corruption risks:

Corrupt transporters, possibly in collusion with staff, may claim they had to pay a proportion of supplies as a bribe (payment for access), or that goods diverted for sale were stolen or damaged and had to be abandoned. Corrupt officials or soldiers may divert goods at roadblocks, or armed militias may raid transport.

B. Watch out for:

- Shipments arriving with lower weight, or fewer or poorer quality items than at origin
- Numerous reports of irreparably damaged supplies
- Packages tampered with
- Missing, incomplete or manually corrected shipping documents
- Deliveries taking unusually long to arrive
- Unusually high mileage on delivery trucks
- Relief goods for sale at local markets in large quantities

C. Prevention measures:

- **Agree security measures with transporters**
  Build security measures into transporters' contracts. Ensure vehicles are in optimum condition; that they travel only during daylight and are never overloaded. Hide goods from view. Agree security measures with drivers, especially for overnight parking. Only display your agency logo if confident it won't attract unwanted attention. Consider partnering with private companies experienced in shipping goods to remote areas.
- **Pre-plan your route carefully**
  Choose the safest route, even if it's not the fastest, and inform everyone responsible for a shipment. Identify key services and potentially insecure segments. Communicate

deviations immediately to the nearest base. Coordinate transport routing with local authorities and other agencies. Use convoys for long journeys or through insecure terrain; coordinate with other agencies to share transport.

- **Document the supply chain**
  Have record-keeping staff throughout the supply chain, overseen by a coordinator. Use official consecutively numbered forms. Recipients must verify goods immediately and notify the sender: count and weigh all or a comprehensive sample of packages, check their condition and cross-check with shipping documents. Document and investigate discrepancies. Technical personnel should check specialised items.
- **Make transporters responsible**
  Contracts should specify that transporters reimburse unjustified losses. Document losses in writing. Emphasise you're using tracking systems.

You'll need:

Specialised staff, clear labelling, standardised corporate paperwork and an efficient commodity tracking system (e.g. logistics software).

Challenges:

The need for multiple verifications and to investigate missing or partial shipments.

SECTION II

SECTION II

SUPPLY CHAIN MANAGEMENT/TRANSPORT

FALSIFICATION OF INVENTORY DOCUMENTS

A. Corruption risks:

Inventory documents can be altered or rewritten to hide the corrupt diversion of goods. Staff might deliberately delay documentation so managers can't detect diverted goods. Inventory documents or receipts may 'go missing' to cover someone's tracks, so goods can be diverted without evidence they ever existed.

B. Watch out for:

- Documents that are not originals
- Handwritten or manually altered documents
- Numbers that don't add up
- Pristine sets of records potentially written by the same person (to replace originals)
- Missing or lost documents

C. Prevention measures:

- **Use IT for traceability and transparency**
  Use hi-tech labelling to identify inventory during storage, handling and distribution. Specialist IT packages can match inventory identification labels with packing lists, bringing accuracy, transparency and real-time control.
- **Train staff in inventory and stock control**
  Ensure staff keep strict records of the movement of goods. Carry out warehouse spot-checks and compare locations and inventory turnover rates. Apply sanitary and safety measures and keep central records of stock expiry dates, so missing goods can't be attributed to flooding or rodents, or claims they were out-of-date and disposed of.
- **Limit the number of people with access to inventory documents**
  Require proper documentation for access to the inventory. Check all inventory transfers against both people and documents. Restrict access to the stock room, particularly after hours; lock up high-value items. Consider video surveillance and record entry to the secure area.
- **Separate key duties**
  Make different staff responsible for ordering, receiving, dispatching, monitoring and recording goods. Require independent authorisation for scrapping inventory items.
- **Cover inventory procedures in monitoring and evaluation**
  Ensure all supply and delivery information is available to monitors and auditors, and that inventory methods and schedules are included in supply chain evaluations.

You'll need:

A secure IT network or lockable metal filing cabinet, to protect records from tampering.

Challenges:

Collusion among warehouse staff or with transporters.

SUPPLY CHAIN MANAGEMENT/TRANSPORT
DIVERSION DURING STORAGE

A. Corruption risks:

Stored relief goods may be looted or pillaged, with or without staff collusion. Theft may arise from lack of physical security or poor controls. Inventory documents may be falsified, or goods smuggled out and tracks covered. Goods may also be siphoned off during repackaging for distribution.

B. Watch out for:

- Manually prepared distribution units (e.g. scoops) that are slightly reduced
- Packages tampered with (e.g. puncture holes, rips)
- 'Doughnut' stacking: a pillar of goods with a central hole where packages were removed
- Staff accessing the storage facility at odd hours
- The rounding-up of weight numbers
- Frequent corrections in distribution ledgers

C. Prevention measures:

- **Use only suitable, secure warehouse facilities**
  Ensure potential storage facilities are secure and in good condition. Hire reliable security personnel. Inspect warehouses at least weekly and check the flow of goods against scheduled programme activities.
- **Clearly separate staff duties**
  Give your warehouse manager ultimate responsibility for goods. Ensure the segregation of roles among staff ordering, receiving, storing, dispatching and monitoring goods. Limit the number of people allowed access to the warehouse; install two locks and give the keys to different people. Rotate staff among sites and include staff from another location.

- **Use formal systems to keep track of goods stored**
  Carry out regular physical inventories and inspections of goods. Keep detailed records, computerised if possible. Use formal procedures for the arrival and dispatch of goods (physical and visual examinations cross-checked with paperwork). If repackaging, record the total weight of goods before and afterwards. Formally certify lost or damaged goods. Carry out regular audits and evaluations of your warehousing and supply chain systems.
- **Include logistics preparation and training in emergency preparedness**
  View logistics strategically and invest in staff training and infrastructure for tracking supplies. Involve logisticians in programme planning. Have pre-supply agreements, reducing the need for filled warehouses on standby.

You'll need:

A central record of authorised signatures for dispatching and receiving goods, so staff can check paperwork is legitimate.

Challenges:

The need to investigate all missing goods (involving police or local authorities where appropriate) and to apply sanctions against perpetrators.

SECTION II

SECTION II

SUPPLY CHAIN MANAGEMENT/ASSET MANAGEMENT
UNAUTHORISED PRIVATE USE OF VEHICLES

A. Corruption risks:

Staff may use agency vehicles without authorisation (e.g. hiring them out, transporting goods for sale, selling taxi rides or for social purposes). Vehicles may be appropriated by local authorities through coercion or bribery.

(Staff may also abuse other agency equipment, e.g. selling telephone talk-time or computer use for internet access. Be alert and limit who can access such equipment.)

B. Watch out for:

- Purchasing or hiring excessive numbers of vehicles
- Vehicles driven outside hours or in unlikely locations
- Inconsistent expenditure reports, e.g. under-spent project funding with over-spending on fuel or vehicle maintenance
- Physical deterioration indicating vehicle overuse or overloading

C. Prevention measures:

- **Have clear written procedures for staff use of vehicles**
  Forbid the unauthorised use of vehicles. If allowing staff private use in certain circumstances, have a clear written policy. Private use must have prior approval, be recorded in the vehicle logbook and the cost recouped from the employee.
- **Keep strict records for each vehicle**
  Keep a daily logbook recording conditions, trip authorisations, servicing, mileage, fuel consumption and activities. Ensure vehicles are parked overnight in a safe facility. Ask staff to report vehicle presence in unauthorised locations. Relevant programme staff should countersign driver trip reports.

- **Appoint a trained manager or logistician to coordinate your fleet**
  If possible, give responsibility for a vehicle to one driver. Appoint a manager to supervise drivers and authorise all trips in writing. Train drivers to fill in logbooks and report problems. Combine the 'one-vehicle, one-driver' policy with periodic rotation of vehicles among drivers, with handover notes.
- **Use tracking technology**
  Use black box and satellite tracking technologies which alert the fleet manager if a vehicle is driven beyond your property.
- **Ensure head office monitors vehicle data**
  Send data regularly to the country head office for comparison with other offices, to ensure vehicle use doesn't deviate from expectations without good reason.
- **Recognise fleet management as a professional skill**
  Acknowledge drivers and logisticians as a crucial part of your team.

You'll need:

Computerised management and monitoring systems, with trained staff.

Challenges:

Collusion between drivers and a fleet manager to hide unauthorised vehicle use.

SECTION II

SUPPLY CHAIN MANAGEMENT/ASSET MANAGEMENT

CORRUPTION IN VEHICLE REPAIRS AND MAINTENANCE

A. Corruption risks:

Staff may collude with workshops to inflate service costs. Mechanics may charge for new spare parts but fit used ones or leave parts unchanged, or they may carry out unnecessary repairs. Employees may sell spare parts from stocks and claim they were used. Collusion may occur between agency and insurance company staff to make false claims for repairs and pocket the reimbursement. Staff may declare a vehicle unfit for use so they can buy it at a nominal price or expropriate it.

B. Watch out for:

- Repair and maintenance costs higher than expected
- Variances in maintenance cost per kilometre between similar vehicles or in one vehicle over time
- Use of counterfeit spare parts
- Frequent vehicle insurance claims
- Unnecessary vehicle disposal

C. Prevention measures:

- **Plan maintenance carefully**
  Have a written service schedule – after a certain mileage or time period. Plan ahead so services are booked into a reliable workshop.
- **Select workshops through a proper procurement process**
  Check the supplier's reputation: staff qualifications, equipment, arrangements for getting spare parts. Consider compiling a pre-supply list.
- **Require detailed service contracts**
  Contracts must stipulate service details, establish costs, prevent extra work being performed without agency

authorisation and ensure spare parts are genuine. Prohibit corrupt behaviour and ensure workshops report staff attempts at collusion.

- **Have set procedures for vehicle maintenance**
  Drivers should verify that work done accords with your repair order, and collect used parts for verification by a manager. Ensure managers physically check vehicle damage before submitting insurance claims.
- **Keep strict inventories of spare parts**
  Record every deduction from inventory. Physically mark premium mechanical items (e.g. batteries, starter motors) with a metal stamp. Register tyre serial numbers to prevent replacement with inferior ones.
- **Carry out regular checks and independent audits**
  Have drivers report daily to management. Make spot-checks verifying vehicle maintenance. Keep detailed expense records so auditors can monitor each vehicle's fuel and parts cost per kilometre and check spare parts. Submit maintenance records to the country office for comparison with others offices.

You'll need:

Benchmarks for vehicle maintenance, wear-and-tear and fuel consumption, with accepted deviations beyond which you investigate.

Challenges:

Complex collusion that's well-hidden, involving several people.

SECTION II

SECTION II

SUPPLY CHAIN MANAGEMENT/ASSET MANAGEMENT
DIVERSION OF FUEL

A. Corruption risks:

Employees may sell fuel siphoned from vehicles or your storage facility, or be bribed to enable its theft. They may liaise with suppliers to withhold an amount from a fuel delivery, while the agency is invoiced the full amount. Drivers may request fuel vouchers from several sub-offices and sell excess fuel, or refuel at non-authorised petrol stations, then claim reimbursement using inflated receipts.

B. Watch out for:
- Unusually high fuel use
- Unexplained variances in fuel cost per kilometre between similar vehicles or in one vehicle over time
- Drivers making expense claims for fuel costs

C. Prevention measures:
- **Make drivers responsible for fuel consumption**
  If possible, allocate one driver to each vehicle. Ensure drivers sign fuel-use sheets daily and report problems. Use simple, user-friendly formats and train drivers in their use.
- **Measure and compare fuel usage over time and between vehicles**
  Assign monitoring to one person, overseen by a manager, using a computerised system. Assess each vehicle's performance monthly. If there are irregularities, inspect the vehicle and use a different driver to monitor comparative fuel consumption.
- **Implement practical and technological controls**
  Always fill tanks to the brim. Fit lockable caps, seals and anti-siphon adaptors. Use fleet management software that flags deviations beyond set benchmarks.

- **Contract suppliers carefully**
  Select fuel suppliers through a proper procurement process, or compile a pre-supply list. Use formal agreements specifying that refuelling take place only with agency vouchers. Prohibit corruption and require suppliers to report staff attempts at collusion.
- **Record fuel use and reconcile with stock levels and deliveries**
  Keep strict inventories and perform a weekly reconciliation between the total amount of fuel used by vehicles and deductions from your stock, or fuel delivered and invoiced. Keep a central fuel database so drivers don't request vouchers from several sub-offices.
- **Carry out spot–checks and independent audits**
  Make spot-checks verifying fuel use and deliveries. Keep detailed records of expenses so auditors can monitor each vehicle's fuel cost per kilometre and check fuel stocks. Submit fuel records to country headquarters for comparison with other offices.

You'll need:
Logistics staff with expertise in fuel consumption.

Challenges:
Fuel monitoring being resource-intensive.

HUMAN RESOURCES

BIAS IN RECRUITMENT, DEPLOYMENT, PROMOTION OR SUPERVISION

A. Corruption risks:

Employees may favour or block candidates when appointing staff. Potential staff may bribe human resources (HR) officers to obtain employment or a higher salary, keeping the best candidate out of the job. The commonest HR biases are nepotism and cronyism – considered normal in many societies. These can be positive – e.g. if staff can vouch for the professional reliability of friends. But they can lead to unqualified staff being recruited, undermining humanitarian programmes.

B. Watch out for:
- One individual receiving applications
- HR staff all from the same group/region
- HR officers pushing for candidates not the most qualified
- Pressure to skip full vetting of candidates due to 'urgency'
- Staff promoting a prospective candidate for recruitment
- Narrow job requirements that favour specific candidates

C. Prevention measures:
- **Develop effective, fair and transparent HR policies**
  Written policies covering recruitment, appraisal, training and promotion help prevent favouritism or discrimination. Constantly review HR policies and procedures.
- **Have an explicit policy regarding nepotism**
  Clarify which categories of staff family members cannot be recruited. Justify and document exceptions. Control cronyism by strict adherence to objective criteria and processes and by a conflict of interest policy. Apply these policies to consultants.
- **Use trained staff to handle recruitment**
  Provide HR specialists with specific training in corruption risks. Ensure more than one person is involved in every stage

of recruitment, that recruitment teams reflect diversity, and that selections are made against specific criteria and standard rating systems. Document all decisions.
- **Ensure candidates are thoroughly vetted**
  Carry out background checks of candidates and CVs using several sources. If staff are recruited under emergency procedures, ensure ex-post vetting.
- **Implement a structured performance review system**
  Set clear criteria for performance measurement, with input from colleagues as well as supervisors. Allow staff to dispute ratings; ensure the final report is signed by the reviewer's manager. Salaries and benefits must be set by at least two people and approved by management.
- **Support equitable training and career opportunities**
  Provide equal access to training and secondments. Have clear promotion criteria and ensure succession planning is a transparent way of nurturing talent.

You'll need:
To give HR strategic importance.

Challenges:
The need to be vigilant for bias and outside interference.

HUMAN RESOURCES

SHORT-CIRCUITING OF HR CONTROLS IN AN EMERGENCY

A. Corruption risks:

Bypassing HR controls during an emergency (in the interests of speed) can allow unsuitable staff into your organisation and presents multiple corruption risks (especially as short-term staff can lack loyalty to your agency). Without proper procedures, corrupt recruitment may take place (e.g. via nepotism or bias), or people may be recruited who will go on to behave corruptly once employed.

B. Watch out for:

- Temporary staff not properly vetted or inducted
- Failure to receive and verify references from a previous employer
- Resistance to ex-post vetting of temporary staff

C. Prevention measures:

- **Plan for a surge in staff as part of emergency preparedness**
  Assign experienced HR staff to surge capacity to assess staffing needs and define job descriptions, salary and benefits, person specifications and required competencies. Develop rosters of pre-checked, qualified staff to enlist during a crisis. Share with other agencies an informal list of corrupt employees, so they can't be 'recycled'.
- **Avoid overly complex HR policies**
  Develop minimum requirements for the acute emergency phase. Don't bypass essential elements in the recruitment process, although time frames can be shortened. Always involve more than one person in short-listing and inter-viewing candidates. Verify references and make necessary

child protection checks. Limit the use of special emergency procedures and establish criteria for re-establishing normal HR procedures. Carry out vetting ex-post of staff recruited under emergency procedures.
- **Carry out adequate inductions, briefings and handovers**
  Ensure all staff are adequately prepared for rapid deployment, receiving high-quality organisational inductions (including anti-corruption policies, values and your code of conduct); country and project orientations (including security briefings); job briefings (including corruption risk analysis); and handovers.
- **Always follow debriefing and exit procedures**
  Hold detailed exit interviews. Ensure staff carry out handovers and have a final performance review that's fed into your emergency staff roster for possible future deployments. Liaise with Finance staff to ensure the payroll is amended.

You'll need:

To document fully all HR procedures throughout the employment cycle.

Challenges:

Attempts to short-cut HR controls.

HUMAN RESOURCES
CONFLICT OF INTEREST

A. Corruption risks:
Conflicts of interest arise when a staff member's outside interests affect (or are perceived to affect) their ability to act fairly and impartially. Opportunities for personal gain, or for family or close associates to benefit (nepotism or cronyism), may influence an individual's behaviour. Being in a conflict of interest situation is not in itself corruption, but can lead to it.

B. Watch out for:
- Employees or their families with lifestyles well above their official income
- Reports of staff indulging in gambling, excessive entertaining or international travel, or boasting about status
- Decisions not objectively justifiable

C. Prevention measures:
- **Have a clear conflict of interest policy in your code of conduct**
  A written policy enables staff to identify and avoid conflicts of interest, and tells them what to do if they occur. It helps staff resist improper approaches, protecting them (and your organisation) from any appearance of harbouring corruption. Cover it thoroughly in staff training and inductions.
- **Oblige staff to avoid conflict of interest situations**
  Be clear that employees must avoid situations where potential for personal gain might affect their work. They must dispose of private interests or withdraw from related professional decisions. Have a gifts policy and an ethics office to guide staff.
- **Implement and monitor a disclosure policy**
  Staff should sign a yearly statement disclosing any real or potential conflicts of interest. Make this a contractual

obligation. Apply sanctions for the non-declaration of interests. Where privacy legislation permits, require managers to declare and update assets and outside income.
- **Create an open environment conducive to discussion**
  Communicate your policy widely and ensure staff don't feel afraid to disclose conflicts of interest. Be clear that having a conflict of interest isn't in itself wrong, but that not declaring it or remaining involved in related decisions is.
- **Seek diversity in situations of entrenched interests**
  Pursue a strategy of intentional diversification of staff backgrounds in contexts where you face deeply entrenched regionalism, sectarianism or tribalism.

You'll need:
A confidential register of interests and assets, accessible only by senior staff.

Challenges:
Resistance to declaring assets and outside income on the grounds of privacy.

SECTION II

SECTION II

HUMAN RESOURCES

EXTORTION, INTIMIDATION AND COERCION OF STAFF

A. Corruption risks:

Staff may be exposed to physical threat or psychological coercion to pay for access to relief goods or beneficiaries, hand over goods or money, or participate in corrupt activities (especially in conflict situations). An agency may be threatened with programme closure. A programme without adequate security measures is a soft target for corrupt actors ready to use extortion or to intimidate staff.

B. Watch out for:
- Unusual signs of staff stress
- Odd explanations for unforeseen field payments
- Aggressive or threatening behaviour by local leaders, militia, politicians or the military

C. Prevention measures:
- **Have a clear policy on responding to threats**
  Assess corruption risks and security threats as part of emergency preparedness. Make the observation of security rules mandatory and ensure personal behaviour doesn't increase risk, e.g. careless talk about assets. Clarify that staff should not put their own or beneficiaries' safety at risk.
- **Train and thoroughly brief all staff on security**
  Fully train all staff in general security principles, incorporating corruption risks; give detailed briefings on country and local circumstances, and include security in job-specific training (e.g. defensive driving). Train all staff in negotiating skills. Don't assume that local knowledge makes national staff less vulnerable than international staff.
- **Clarify that corruption will hurt beneficiaries**
  Counter the perception that relief resources from 'rich foreigners' are fair game by explaining to extorters that funds

or goods don't belong to the agency, but to the emergency-affected people, and that diverting them increases their own communities' suffering.
- **Report incidents of intimidation transparently**
  Oblige staff to report and document all field security incidents. If payment of bribes is unavoidable due to physical threat, report this transparently. Ensure those who report coercion are taken seriously and adequately protected.
- **Cooperate with other agencies on security matters**
  Create inter-agency security forums at field level, so you can identify threats, share methods and experience of commercial security providers, and engage collectively with authorities to increase security.

You'll need:
A thorough knowledge of the local context.

Challenges:
Staff reluctance to report security incidents for fear of further threats, HQ interference or career damage if an incident is seen as their fault.

HUMAN RESOURCES
BEHAVIOUR CONDUCIVE TO CORRUPTION

A. Corruption risks:
Wasteful or provocative behaviour by agency staff can create an enabling environment for corruption. If local people see international agencies paying inflated prices for accommodation, vehicles, goods and staff, they may consider agencies wasteful and conclude it's legitimate to exploit them. Staff lifestyles and private behaviour may be culturally inappropriate. While not necessarily corrupt, such behaviour can alienate local people, creating an environment conducive to corruption by causing them to see agency resources as legitimate targets for exploitation and abuse.

B. Watch out for:
- Local people speaking with contempt about international aid agencies
- Local media reports about agencies' waste or ineffectiveness
- Reports of inappropriate private behaviour of agency staff, especially expatriates or managers

C. Prevention measures:
- **Monitor and evaluate aid recipient opinions of your agency**
  Keep in touch with beneficiaries' opinions of aid agencies in general, and yours in particular. Encourage staff to talk informally with beneficiaries, and carry out periodic surveys of their perceptions as part of M&E. Proactively build strong community relations.
- **Encourage beneficiaries to feel ownership**
  Empower local communities to take greater control of and responsibility for aid resources. Explain agency expenditures. Include beneficiaries in targeting, allocation, distribution and monitoring. Brief communities to report inappropriate staff behaviour.

- **Train staff** thoroughly in local customs, morals and values
  Before an emergency posting, brief all staff (especially expatriate) in local culture and appropriate behaviour. Encourage them to show empathy and avoid disrespectful behaviour, flaunting personal resources, violating local customs, excessive drinking, or sexual relations with local people (even if not beneficiaries).
- **Provide staff with ethical guidance and stress–management support**
  Have an ethics office or ombudsman to advise staff confidentially on ethical behaviour and handling external pressures for corruption. Provide a counselling service to help them handle stress, with personnel experienced in the pressures of emergency work.
- **Be open about benefits for international vs. local employees**
  Explain to all staff the benefits for international vs. local staff, and the reasons, so international benefits don't seem like unfair perks. Harmonise local and international staff benefits as far as possible, to reduce the temptation for unethical behaviour.

You'll need:
To train staff to watch for inappropriate behaviour and stress in themselves and colleagues.

Challenges:
Extreme stress impairing staff judgement.

FINANCE

OPERATING IN A CASH ENVIRONMENT

A. Corruption risks:

A new field office may be run entirely with physical cash, or programmes involving cash-for-work or cash transfers to beneficiaries may require substantial amounts of it. Readily available cash may easily be stolen or embezzled by staff, who may falsify or fail to keep records to cover their tracks, or may be bribed or coerced into informing thieves about cash availability.

B. Watch out for:
- Unjustified requests for cash payments to beneficiaries instead of relief items
- Unusual numbers of cash-for-work beneficiaries
- Incomplete financial records
- Financial records that are altered or suspiciously uniform (possibly rewritten), or electronic records that 'crash' and need re-entering
- The same staff handling accounting and cash functions

C. Prevention measures:
- **Outline specific procedures for cash-only operations**
  Have clear written guidelines for working in a cash environment. Make security provisions to protect cash and financial records. Keep a daily cash ledger; observe strict procedures for the transport and custody of cash, and document all transactions. Always separate accounting and cash-custodian functions.
- **Enforce strict cash controls and receipts procedures**
  Keep money coming in separate from money going out; never leave surplus cash lying around an office. Restrict access to petty cash, safes and cash receipt books, and keep cash transactions to an absolute minimum. Give receipts from a numbered receipt book, written in ink. Always obtain receipts for money paid. If impossible, record transactions on petty cash slips for authorisation by a manager. Stamp 'paid' vouchers and support documents, to prevent reuse.
- **Document and file all financial transactions**
  Use official printed purchase requisitions, purchase orders, cash receipts, disbursement vouchers and payment requests, so all transactions can be followed from initiation to payment. Managers must check the reconciliation statement and verify accounting records.
- **Carry out unannounced spot-checks and audits**
  Make regular, independent spot-counts of cash (both office balances and petty cash) and reconcile them to budgets. Cash counts require two people (the spot-checker and the cash custodian) and must be documented, signed and dated by both. Spot-check that accounts are up-to-date and supported by documentation. Have regular unannounced audits by an independent team.

You'll need:
To insure all cash in the field.

Challenges:
The need to maintain separate accounting and cash custodian functions, even with limited staff numbers.

FINANCE

ISSUES IN CASH-BASED PROGRAMMING

A. Corruption risks:

Cash may be stolen (with or without staff collusion, via bribes or intimidation). Transfers may be made on false reports. Payroll fraud can accompany rapid staff turnover. Money merchants may collude to fix exchange rates. Staff may change currency on the black market, delivering money to the agency at bank rates and pocketing the surplus.

B. Watch out for:

- Bank accounts in a false name similar to your agency's
- Slow bank transfers (stalled to earn interest)
- Payments made not directly to the recipient
- Cash payment receipts or signature sheets with similar signatures or predominantly thumbprints
- Financial records that are altered or suspiciously uniform (possibly rewritten); electronic records that 'crash' and need re-entering
- Currency exchange transactions without bank documentation

C. Prevention measures:

- **Work with a reputable bank**
  Vet banking partners carefully. Keep manual or electronic ledgers for each account; attach reconciliation forms to bank statements and submit with monthly accounts. Get quotes for exchange rates. Double-check account names and numbers before signing transfers.
- **Pre-arrange transfer plans with reliable local contacts**
  Where banks are unavailable, cash may be acquired locally, e.g. from a trader. Ensure senior authorisation. Only transfer funds on receipt of cash.

- **Use professional couriers where possible**
  Ensure they document all transfers, are bonded, accept full liability and cover lost or misallocated funds. Move cash on unpredictable days using varied routes. Carry out documented cash counts.
- **Pre-plan discreetly for cash carried by team members**
  Consider carefully who should carry cash, how much, who needs to know, and the best transport and route. Cash must be counted and signed for whenever transferred between people. Insure all cash. Consider paying aid recipients via banks or cell phone, so staff need not handle cash.
- **Coordinate Finance and HR to prevent payroll fraud**
  Ensure the payroll contains no 'ghost workers' (fictitious or former employees whose wages are received by someone else). Check for salary inflation (with surpluses diverted) and that no staff member pockets part of a team's cash wages.

You'll need:

A policy on who's responsible for cash carried by staff which disappears. The agency is responsible only if a police report is filed and staff took all precautions to prevent theft.

Challenges:

Balancing transparency with staff security when transferring money.

FINANCE

FINANCIAL FRAUD AND EMBEZZLEMENT

A. Corruption risks:

Embezzlers may have signature authority and make payments on false reports by agency staff, through a desire to keep projects going, maintain reputations or divert funds for private gain. Projects or overheads may be double-funded and funds diverted. An agency may inflate costs or bribe donor staff to secure funding. Bogus partners may be established to receive funds. Assets may be disposed of at below market price in return for financial gain (or stolen by staff or others, possibly involving the bribery of staff) or severance payments made to 'ghost' workers.

B. Watch out for:

- Staff unwilling to take leave (for fear of wrong-doing being exposed)
- Lack of audit trails and documentation
- Invoices requiring payment into individual private bank accounts
- Lack of separation of duties
- Expenditure not matching programme activities
- Staff relationships that go beyond professional levels
- Staff lifestyles that exceed earning capacity and family circumstances

C. Prevention measures:

- **Have a written fraud response plan**
  Include instructions on reporting suspected fraud, the investigation process, liaising with external auditors, involving legal authorities and mitigating reputational risk.

- **Establish whistle-blowing procedures and sanctions for fraud**
  As a deterrent, state that routine controls are in place and that failure to comply is a disciplinary offence. Ensure staff understand whistle-blowing procedures.

- **Maintain strict separation of duties and carry out spot-checks**
  Always follow a formal procurement process. The duties of ordering goods, receiving goods, authorising payment, keeping accounting records and reconciling accounts must be spread through a team. Consider a threshold for two signatures on cheques. Managers should make random checks and authorise accounting records, count petty cash and review orders for supplies.

- **Clearly document levels of authority**
  Have a register specifying who can authorise orders, sign cheques, access the safe and petty cash, and authorise accounting records. Update the register regularly.

- **Instigate strict cash controls**
  Keep money coming in separate from money going out; give and obtain written receipts; pay surplus cash into the bank. Restrict access to petty cash, safes and receipt books, and keep cash transactions to a minimum.

- **Share funding information with other agencies and donors**
  This helps avoid double-funding. Specify clearly when, who and how to share information.

You'll need:

Training to develop financial skills in all managers.

Challenges:

Long-term intangible impacts of fraud on staff morale and an agency's reputation.

FINANCE

IMPROPER ACCOUNTING

A. Corruption risks:

Accounting records may be falsified or destroyed to conceal improper actions. Records may be deliberately delayed so managers can't detect false accounting. There may be a lack of processes or controls; existing polices may not be followed, nor independent reconciliations performed, allowing diverted funds to go unnoticed.

B. Watch out for:

- Accounting systems with limited audit trails and documentation
- Accounting software systems with weak data security
- Regular payments not referenced to a contract
- Expenditure not matching programme activities
- Ageing records and late payments
- Stories of accounting systems 'crashing' requiring data to be re-entered
- Lack of separation of duties

C. Prevention measures:

- **Maintain management vigilance**
  Management must monitor financial activities, be aware of fraud risks and follow up unusual transactions. Preparation, verification and approval of finance reports and transactions must be carried out by different people. Managers should check the reconciliation statement, verify accounting records and check income and expenditure against budgets for anomalies.

- **Ensure your surge capacity includes financial skills**
  Send experienced financial staff to set up strong systems from the beginning of an emergency and train local staff in financial procedures.

- **Have strict accounting processes and controls**
  Ensure normal controls exist and are restored within specified time limits after an emergency; require written justification for exceptions. Make sure record-keeping is organised, consistent and up-to-date. Carry out independent reconciliations of accounting records and regular, independent spot-counts of cash and accounts. Document all financial transactions. Use official printed stationery, so transactions can be followed from initiation to payment.

- **Carry out regular, thorough audits**
  Have independent external audits to meet legal requirements and check accounting is correct and backed by documentation. Hold independent internal audits (including periodic surprise audits) to ensure proper controls are applied.

- **Have a fraud response plan**

You'll need:

Systems that ensure management vigilance over the accounts process; managers with the right skills.

Challenges:

The need for auditors to check the accounts of partner organisations and agents.

SECTION II

SECTION II

FINANCE

FALSE OR INFLATED INVOICES OR RECEIPTS

A. Corruption risks:

Receipts may be obtained from suppliers for goods not bought, or for more than the cost of goods, then presented for payment or to support expense claims. An agency may pay an invoice that doesn't show that a discount was paid to the purchaser as a bribe. Receipts can be difficult to collect in emergencies, allowing false expense or expenditure claims. Staff may invent 'ghost' suppliers to claim payments, or pocket cash by illegally issuing official receipts.

B. Watch out for:

* Invoices with missing information
* Carbon or photocopied invoices
* Invoices not accompanied by a signed 'goods received' note and an order number
* Invoices for unspecified consulting fees
* Invoices requiring payment into individual private bank accounts
* Suspicious or forged receipts

C. Prevention measures:

* **Select suppliers carefully**
  Always vet suppliers and follow a thorough procurement process.
* **Check invoices against actual goods and services received**
  Only original invoices signed by the authorising manager should be paid, unless the duplicate can be verified. Invoices must be sent to the department receiving the goods and compared with the original order and goods received, by someone with specialist knowledge, independent of the authorisation function. Check that invoices reflect requisitions and contracts. Reconcile expenditure to ledgers immediately.

* **Enforce strict cash receipt procedures**
  Pay direct into a bank account wherever possible. If paying cash, always give receipts from a numbered receipt book, written in ink. Enforce strict control over access to receipt books. Always obtain receipts for money paid out. If impossible, record transactions on petty cash slips for authorisation by a manager. Stamp 'paid' vouchers and support documents, to prevent reuse.
* **Separate staff responsibilities for processing payments**
  Different members of staff must approve invoices and payment. If not operating in a cash environment, set an upper limit for cash payments (e.g. US $100), above which signed cheques are required.

You'll need:

Firm control of computer usage, access to records and receipt books.

Challenges:

Ensuring accounting staff maintain a professional distance from suppliers.

FINANCE

MANIPULATED AUDITS

A. Corruption risks:

Auditors may be unfamiliar with particular fraud or corruption risks. They may be bribed or may demand a bribe to cover up corruption. Inexperienced audit staff may fail to go beyond the paper trail to uncover collusion or kickbacks.

B. Watch out for:

- Complex, highly technical audit reports that are hard to understand
- Auditors appointed by one person (rather than your trustees)
- Auditors linked to people in the organisation
- Auditors lacking professional qualifications or experience
- Partner organisations lacking an audit function
- Auditors who don't go beyond the paper trail

C. Prevention measures:

- **Hold managers accountable for audit success**
  Don't let responsibility for corruption rest in the audit silo. Managers must carry out regular random spot-checks of receipts and records, and apply clear sanctions to staff who knowingly mislead or fail to disclose information to auditors.
- **Check the independence of internal and external auditors**
  Auditors should never be appointed by just one person, but by your agency's trustees. Before appointment, require that firms and individuals sign a conflict of interest disclosure. Use an audit team or ensure that audits are double-checked.
- **Have a written methodology for audits**
  Ensure audits are carefully planned and that they test the effectiveness of your internal control systems as well as the accuracy of individual transactions. Audits must involve physical checks to ensure the paper trail corresponds with what actually occurred.

- **Pay special attention to compliance and internal controls**
  Audits must verify whether each control appears to have been performed, and whether procedures are being followed. They should check the segregation of duties and the overall supervisory controls exercised by management, the review of management accounts and comparison with budgets.
- **Give auditors unrestricted access to documents and people**
  Auditors should ask management and staff about corruption risks and whether they're aware of corruption. Stress that staff must cooperate with auditors and it's a disciplinary offence not to. Inform partners that their accounts will be audited.
- **Ensure your board verifies audits**
  Your organisation's governing body must oversee the financial auditor's work, ensuring it tests areas, locations and accounts that might otherwise be missed.

You'll need:

Auditors who can identify fraud and corruption risks and go beyond the paper trail.

Challenges:

Auditing partner organisations' work.

FINANCE

PAYROLL AND CLAIMS FRAUD

A. Corruption risks:

Payroll fraud can involve 'ghost workers' (fictitious or former employees whose wages are received by someone else), salary inflation with surpluses diverted, or a staff member pocketing part of a team's cash wages. It can occur via loans or advances not repaid or false claims for benefits. Someone in charge of payroll may make unauthorised loans to employees and keep interest payments. Payroll fraud is especially likely with short-term staff and rapid turnover.

B. Watch out for:

- Sudden unexplained increases in payroll numbers or cost
- Salaries still paid to employees who have left
- Perfect attendance records for field work teams (is no-one sick?)
- Similar signatures or numerous thumbprints on pay receipts
- Unusual items, e.g. payments for removal costs or other benefits
- Unexplained increases in salaries of payroll staff

C. Prevention measures:

- **Train payroll staff and double-check their work**
  Have payroll staff reconcile payments with contracts, advances and loans. Rotate individual payroll functions between several staff members; the entire function should not reside with one employee. Ensure the payroll is checked by another person before being signed off by the programme manager.
- **Back all entries by documentation**
  All payroll entries should be based on signed contracts, per diems, loan agreements, etc. Include relevant files when

submitting the payroll to the programme manager. Never let payroll items (e.g. advances) go through off-payroll. Restrict these and deduct them from the payroll in the current month.
- **Ensure managers carry out spot-checks**
  Payroll should be monitored and audited carefully. Ensure net wages are signed for, and spot-check salaries, per diems and loans against original documentation. Visit sites and cross-check names on the payroll to prevent ghost employees. Confirm that the payroll adds up and the net payment corresponds.
- **Monitor temporary or casual staff**
  Managers should visit sites to count temporary staff. Check all receive full pay and no money is skimmed off. Compare payrolls; check that all new names have a signed contract, that leavers have been deleted, and that the payroll corresponds.
- **Promote coordination between HR and Finance**
  This can prevent corruption, e.g. if someone leaves but Finance continues their salary.

You'll need:

Enough staff trained in payroll functions to allow adequate rotation.

Challenges:

Scrutinising payroll staff salaries and benefits.

FINANCE

PAYMENT FOR LOCAL PERMITS OR ACCESS TO PUBLIC SERVICES

A. Corruption risks:

The need to obtain permits, licences and access to services such as electricity or water provides opportunity for officials to seek or respond to bribes. Officials may demand a bribe to speed things up or to overlook real or concocted infringements of rules. Agencies may inadvertently (or deliberately) 'outsource' the problem by using local intermediaries who bribe on their behalf ('facilitation payments').

B. Watch out for:

- Deliberate delays by officials in processing permits, licences or service requests
- Officials inventing rules, procedures or fees not in the published regulations
- Extraordinary difficulty in accessing public services
- Fees higher than expected for public services
- Payments to agents or local intermediaries
- Agents claiming personal relations with high-level officials; recommended by officials you're negotiating with; who appear just as you encounter problems, or wanting payment in cash via third parties

C. Prevention measures:

- **Pre-arrange paperwork with authorities**
  Under emergency preparedness, familiarise yourself with procedures for accessing public services, so applications are lodged correctly and bribes can't be demanded for 'overlooking' a mistake. Pre-lodge paperwork with relevant authorities.
- **Train staff to deal with demands for bribes**
  Train staff in cultural awareness and negotiating skills, e.g. play for time; treat officials with respect; ask to see a senior official. Back this with a clear anti-corruption policy and a code of conduct (useful weapons when asked for payment). Publicise your policies: this makes demands less likely and easier for staff to resist.
- **Have a clear policy on facilitation payments**
  Use a strict selection process and make any third parties (e.g. local agents) sign a contract agreeing to follow your code of conduct and declare conflicts of interest. Ensure they won't bribe on your behalf and record transparently all payments by or to third parties.
- **Coordinate with other agencies against corrupt facilitation payments**
  Issue joint anti-corruption declarations and hold joint staff training in dealing with corrupt demands for payment.

You'll need:

To avoid meeting officials alone. It's harder to seek bribes with witnesses.

Challenges:

Dealing with unavoidable payments (e.g. if staff face intimidation or coercion). Ensure staff know that safety comes first, but they must report payment of bribes.

PROGRAMME CYCLE

NEEDS ASSESSMENT/ RESOURCE ALLOCATION
BIASED PROJECT LOCATION OR RESOURCE ALLOCATION

A. Corruption risks:
Local or national elites may use coercion or bribery to influence assessment; affect programme shape, size or location; or deter-mine which social groups are included. Elites or staff may favour an area according to political, religious, ethnic, tribal or clan affiliations; select areas or beneficiaries based on media coverage; or require membership of a local organisation for eligibility.

B. Watch out for:
- Assessment staff pushing hard for a particular region or group
- Interviewees identifying others to talk to who always reinforce their views
- Assessors or interviewees resisting your efforts to consult with other sources
- Your agency being denied or having limited access to certain populations

C. Prevention measures:
- **Assess local power structures**
  Under emergency preparedness, assess the area's political, economic, religious, ethnic, tribal or clan influences, to detect corruption risks. Learn the population's socio-economic condition before the emergency, to assess its impact.
- **Select a varied assessment team, with local and external members**
  Balance local knowledge, language skills and possible biases with external skills and perspective. Ensure gender balance and that no-one faces conflicts of interest or social pressure. Train the team in corruption risks, transparent data collection, and gender and cultural sensitivity.

- **Assess the right areas and populations**
  Use secondary information to identify areas directly and indirectly affected, and unaffected (for comparison). Combine random and purposive sampling, to reduce corruption risks. Visit more locations and talk to fewer people in each, rather than vice-versa, and triangulate information. Distribute reports to all stakeholders for comment.
- **Ensure local participation**
  Consult the community (not just leaders; include women and minorities) to help choose assessment sites and criteria. Verify your information. Inform local people about the assessment, publicise the results and seek feedback.
- **Coordinate with other agencies**
  This reduces the duplication or manipulation of assessment areas. If possible, carry out joint assessments. Pre-agree methods and criteria, to avoid patchwork data that's hard to aggregate. Share results with donors to avoid double-funding.

You'll need:
Set formats and standards for assessment reports, so key rela-tionships across data are evident.

Challenges:
The need to distinguish between emergency needs and chronic, long-term pre-existing needs (which can be distorted to attract aid).

NEEDS ASSESSMENT/ RESOURCE ALLOCATION

INFLATED OR DISTORTED NEEDS, COSTS OR BENEFICIARY NUMBERS

A. Corruption risks:

Needs, costs or beneficiary numbers can be distorted by staff or local elites to generate surplus resources for corrupt diversion. They can be exaggerated through an agency's desire to be seen to respond quickly, generate funds for other expenses or enhance its profile. Local elites may bribe or coerce staff to inflate population numbers, or may hide assets or information to make their situation seem worse, to attract resources for diversion.

B. Watch out for:

- Unit needs or costs exceeding Sphere minimum standards
- Beneficiary numbers close to or exceeding the total population
- Local elites' reluctance to allow independent verification of needs assessments

C. Prevention measures:

- **Compare historical and current contexts**
  Establish a baseline from primary and secondary data so you can judge assessments against the pre-crisis situation. Form the historical context using existing knowledge (from officials, other agencies, the media, academics), then use field assessment data for the post-emergency context.
- **Involve donors or independent specialists, to ensure objectivity**
  Assessment shouldn't be left to implementing agencies, which may have vested interests. Consider joint agency assessments, using teams independent of those preparing funding proposals, to reduce the risk of exaggeration. Donors should insist that evaluation covers assessment quality and programme consistency with its results.

- **Involve the local population (not just leaders)**
  Consult the community to assess its vulnerability. Include women and minorities, and distinguish vulnerability levels across the community and within households. Have enough female interviewers and those who speak the local language. Ensure proposed goods and services are culturally and economically appropriate. Share findings, so people can comment.
- **Check data between multiple sources**
  Triangulate assessment findings to minimise bias or distortion, using at least three sources or methodologies. Deploy mixed teams so several opinions are shared and inconsistencies discussed. Use new information sources to clarify contradictions.
- **Make assessment ongoing**
  Carry out situational, initial and in-depth assessments. As emergencies evolve rapidly, keep assessing the situation to prevent diversion or receipt of aid no longer needed or going to the wrong place.

You'll need:

To share analysis with other agencies, to identify gaps or duplication.

Challenges:

Difficulties in assessing the needs of internally displaced persons (IDPs) and refugees on the move.

PARTNERS AND LOCAL INTERMEDIARIES
MANIPULATED SELECTION OF LOCAL PARTNER AGENCIES

A. Corruption risks:

Partner agency staff may collude with, bribe or be bribed by agency staff to be selected or to receive extra funding. Agency staff can choose partners through personal bias rather than objective evaluation, or may even invent bogus NGOs or 'ghost' partners to secure funding (for diversion or to boost personal and programme status).

B. Watch out for:

- Potential partners lacking physical offices or clear governance structures
- Partners with staff who appear to come from the same family
- The influence of family, friends, clan or ethnic relations in partner selection
- Partners unable to give references for previous work
- Pressure to choose partners without adequate assessment

C. Prevention measures:

- **Use clear, pre-existing criteria for partner selection**
  Set firm selection criteria and priorities; be clear about what type of partner would strengthen your capacity. Check their ability to meet internal and external policy requirements, e.g. progress and financial reporting; procurement procedures.
- **Build real knowledge of prospective partners**
  Use your criteria to assess potential partners' mandates, experience, capacities and governance. Visit their premises and make independent checks on their history, reputation for integrity, links with local power structures, audits and annual reports, and ask for references. Assess their understanding of partnership roles and responsibilities, accountability and information sharing.

- **Involve more than one person at every stage of partner selection**
  Form a team without conflicts of interest to shortlist and interview prospective partners, using consistent evaluation criteria. Decisions should never be dependent on one person. Provide a complaint mechanism for prospective partners to report agency staff demanding kickbacks.
- **Include partner selection in emergency procedures**
  Cover partner selection in your special emergency procedures. Set criteria and a timeframe beyond which these may not be continued without written justification and senior management approval.
- **Invest in partner relationships**
  Stress to donors that you need time and resources to assess existing partners for corruption risks, build effective relationships with new ones and develop capacity where needed.

You'll need:

A standardised partner agreement including a code of conduct and covering corruption and use of resources.

Challenges:

Constraints to terminating partnerships, including limited number of alternative organisations in the emergency area.

PARTNERS AND LOCAL INTERMEDIARIES

INEFFECTUAL PARTNER MONITORING

A. Corruption risks:

Local partners may bribe authorities to expedite procedures without informing the agency ('facilitation payments'). Partners may corruptly divert resources; bribe agency staff to ignore pre-agreed controls (to allow the diversion of funds) or use funds from two donors for the same project or overheads (double-funding). Needs assessments may be inflated by partners wanting to run large programmes, or through bias towards particular areas or groups.

B. Watch out for:

- Partners unwilling to be fully transparent about activities, staff and experience
- Sudden and unexplained increases in partner assets or staff lifestyles
- Partners resisting in-depth monitoring by agency staff or programme evaluators
- Partners defensive towards constructive criticism
- Unexplained fees or payments by partners to third parties
- Partner activities with expenses higher than market prices

C. Prevention measures:

- **Commit resources to managing the relationship**
  Dedicate sufficient staff time to the partnership and building partner capacity. Identify liaison staff in both organisations, with the right skills, including knowledge of local culture. Periodically evaluate the relationship and identify potential improvements.
- **Include clear terms of reference in your partnership agreement**
  Assess partner strengths and weaknesses, and implement controls accordingly. Monitor and evaluate their work against roles and responsibilities outlined in a legal agreement.

Set specific monitoring arrangements and reporting requirements (e.g. financial, progress). Negotiate audit rights into your contract.

- **Explain your policy on corrupt behaviour**
  Explain your agency values, code of conduct and policy towards corruption, including facilitation payments. Specify all unacceptable conduct and define sanctions, e.g. partnership termination, and when they are applicable. Require written requests for changes in partnership terms.
- **Coordinate with other agencies working with your partner**
  Meet all a partner's donors and commission a joint audit, to reduce duplication and double-funding. Use common reporting requirements to help coordination. Communicate corrupt partner behaviour to other agencies.

You'll need:

Sufficient resources and staff skills for effective (but not overbearing) partner capacity building and monitoring.

Challenges:

Resentment or alienation in a weak partnership, which can cause corruption.

PARTNERS AND LOCAL INTERMEDIARIES

BIASED LOCAL RELIEF COMMITTEES

A. Corruption risks:

Elected, appointed or volunteer local relief committees may distort programmes through corruption and bias. They may represent only the strongest sections of the community, excluding women and minorities from decisions and receiving aid. They may divert aid towards families, friends, ethnic or regional groups, or those able to pay (financially or sexually).

B. Watch out for:

- Committees composed of local leaders or public authorities
- Committees composed of only one particular group
- Members who attend committee meetings intermittently
- Unexplained substantial improvements in committee member lifestyles
- Committees resistant to M&E
- Reports of sexual exploitation or extortion of staff or beneficiaries

C. Prevention measures:

- **Understand local power structures**
  Assess political, economic, social, religious, ethnic and clan structures, to ensure committees contain minimal conflicts of interest.
- **Don't give committees total discretionary power**
  Ensure committee work is adequately monitored and evaluated. Make surprise visits to observe committees in action. Explain roles and responsibilities to the community, publicise committee decisions and set up an independent complaint mechanism so people can report if a committee isn't representing them fairly.

- **Ensure women and minorities have a say in decision making**
  Include them on committees. Ensure meetings are effectively chaired, so no-one dominates and decisions are objective. Verify this through private interviews.
- **Be explicit about committee member payments**
  Either establish and publicise a nominal payment for committee members or publicly state that they should not be paid – including by beneficiaries. Make sure everyone agrees, so committee members don't feel entitled to skim off 'payment' in relief goods. Publicly acknowledge members' contribution, to inspire loyalty.
- **Train members in anti-corruption measures**
  Train committee members, including in what's acceptable and corrupt behaviour, and how to prevent and report corruption. Translate your values and code of conduct into local languages. Emphasise that if the committee allows corruption, the community will lose resources and the programme may even be terminated.

You'll need:

Sufficient time, staff skills and cultural sensitivity to build good working relationships with local committees.

Challenges:

Resistance to involving women and minorities.

PARTNERS AND LOCAL INTERMEDIARIES
BLOCKING OR DIVERSION OF AID BY 'GATEKEEPERS'

A. Corruption risks:

'Gatekeepers' (local officials, elites, traditional leaders, volunteers or militias who control access to resources or beneficiaries) can block or divert aid. They may do so with or without staff collusion, for sale or redistribution elsewhere in order to win political favour. They may demand payment (sexual or financial) for receipt of aid. Volunteers may distribute underweight portions of aid and sell the surplus.

B. Watch out for:

- Roadblocks by militias or local authorities
- Local leaders denying staff access to beneficiaries
- Reports of sexual exploitation in return for relief items
- Reports of extortion, coercion and intimidation of staff
- Reports of unofficial post-distribution 'taxation' of aid from beneficiaries
- Large quantities of relief goods for sale in local markets
- Unexplained receipts for payments to third parties

C. Prevention measures:

- **Assess the local political economy for corruption risks**
  Undertake a comprehensive risk analysis to help pre-empt corruption risks. Use various sources, including civil society organisations.
- **Engage local elites in fighting corruption**
  Co-opt potential aid diverters to help ensure fair distribution. Don't ally the agency with any one group; show that a transparent, corruption-free environment is in everyone's interests. Be clear that there's no remuneration; reward support with public appreciation.

- **Ensure beneficiary input into programme design and implementation**
  This helps offset local power structures and corruption risks. Ensure recipients can speak without fear of reprisal (e.g. private interviews), and that minorities are heard. Provide safe complaint mechanisms so recipients can report aid blockages.
- **Have clear staff policies**
  Train staff to respond to coercion and intimidation, to blockage by elites or authorities, and to requests for payments for access to recipients. Establish procedures for reporting such incidents; inform donors if they occur repeatedly.
- **Coordinate with other agencies to prevent aid diversion**
  Share local knowledge, to reduce corruption risks across a whole emergency, and work together to enlist the support of gatekeepers. Give a joint response to efforts to block humanitarian aid.

You'll need:

Strong local contacts and staff trained in sensitive, cross-cultural communication and negotiating skills.

Challenges:

Beneficiaries reluctant to report intimidating local elites for corruption.

TARGETING AND REGISTERING BENEFICIARIES

BIAS IN TARGETING CRITERIA

A. Corruption risks:

Staff may be bribed or offered kickbacks to set targeting criteria that favour or exclude particular groups or locations. They may be biased or have conflicts of interest that influence their targeting criteria. Or they may set criteria as a result of collusion with external actors to divert aid, or may deliberately set very complex criteria, increasing opportunities for corruption.

B. Watch out for:

* Criteria that are too general, vague, narrow or complex
* Criteria favouring or excluding particular regions or groups
* Criteria not physically verifiable
* Local leaders pushing for or against particular criteria
* Resistance to your agency verifying criteria provided by others, e.g. the government

C. Prevention measures:

* **Use both geographic and administrative criteria**
  Have clear, strict pre-determined administrative criteria if your agency is setting them itself (e.g. in a rapid-onset emergency). Ensure they're understood in the community, objectively verifiable and applied transparently. Avoid too many or too complex criteria. Don't accept government criteria without verification.
* **Involve beneficiaries and community groups**
  Include women and marginalised groups in defining selection criteria, and increase community participation as an emergency unfolds. Ensure women are adequately represented at community meetings; have female staff so women can ask questions or report intimidation and extortion. Cross-check

targeting decisions through field visits and household surveys. Publicise subsequent beneficiary lists widely, for community comment.

* **Coordinate with other agencies in setting and cross-checking criteria**
  Where agencies are given pre-determined criteria and/or aid recipient lists by the government or the UN, coordinate to negotiate the contractual right to review and modify criteria and lists on a regular (annual or six-monthly) basis.
* **Monitor and evaluate your programme, to assess targeting criteria**
  Have the groups in greatest need been reached? Are objectives being achieved? Keep verifying your targeting process, to improve accuracy and filter out any bias. Carry out periodic surveys of beneficiaries' perceptions of corruption in targeting and registration, including extortion and sexual exploitation.

You'll need:

A criteria-setting team widely representative of different sections of the affected community, as well as government and your agency.

Challenges:

Offsetting cleavages (ethnic, caste, new immigrants), corrupt leaders or unequal power balances, if the community does the targeting.

TARGETING AND REGISTERING BENEFICIARIES

CORRUPT EXCLUSION OR INCLUSION OF BENEFICIARIES

A. Corruption risks:

Staff or local elites may demand bribes, kickbacks or sexual payment for registration. Elites may manipulate recipient lists to exclude groups or areas; maintain people as visibly needy to attract resources; or register themselves, family and friends. People unaffected may arrive seeking aid. Camp leaders may register external people, sell registration cards or demand money for 'representing' people to agencies. People can falsely claim vulnerability, bribe staff to be registered when they don't meet criteria, borrow children to inflate family entitlements, or buy or forge registration cards.

B. Watch out for:

- Registration cards without means of identification
- Manually corrected registration lists
- Families claiming more dependents than listed
- Beneficiaries appearing well-dressed and fed, or exaggerating needs
- Unverified government eligibility lists
- Expanded registration lists during elections (vote-buying)

C. Prevention measures:

- **Apply clear, pre-established targeting criteria**
  Screen out non-targeted people carefully (avoid excluding those in need or creating security risks). Ask refugees or IDPs about their origins; check clothes and dialects. If unsure, register people and confirm eligibility during verification activities.
- **Understand local power structures**
  Assess social, economic, political, religious, ethnic or clan structures and consult local civil society organisations to find suitable community partners. Don't give total discretion to local leaders or volunteers.

- **Involve beneficiaries** in designing, implementing and monitoring registration
  Include women and minorities. Explain why some people are ineligible and ensure people understand that including ineligible people excludes those in need. Publicise registration times, so people are present and needn't buy fake or stolen cards. Design sites with secure and limited flows of people.
- **Communicate clearly** that registration is free and voluntary
  Use meetings, posters, leaflets or drama in local languages so people understand their entitlements. Ask them to report financial or sexual extortion in return for registration, via your confidential complaint mechanism.
- **Verify records by comparing data from different sources**
  Use distinctive registration books, unobtainable locally. 'Fix' populations with pre-registration identification measures; check fixing devices for tampering. Verify family members' physical presence (allowing for absent targeted beneficiaries, e.g. the sick).
- **Carry out regular independent** monitoring
  Make periodic site visits to detect inclusion or exclusion errors caused by corruption.

You'll need:

To update registration lists regularly (for births/deaths, arrivals/ departures).

Challenges:

Beneficiary reluctance to report demands for payment to be registered, for fear of being struck off lists.

TARGETING AND REGISTERING BENEFICIARIES
MULTIPLE OR 'GHOST' REGISTRATIONS

A. Corruption risks:

People may register several times (possibly under different identities), with or without staff collusion. Households may divide, or borrow children to inflate family size, to increase assistance. Registered beneficiaries may pose as new arrivals, re-use 'fixing' devices or register at more than one centre. Beneficiaries may sell or leave registration documents to people already registered. People can keep claiming deceased relatives' entitlements or sell their registration documents. Staff or elites may register non-existent 'ghost' families and divert their entitlements.

B. Watch out for:

- Corrected or falsified registration lists
- Altered or fake registration cards or identity documents
- Beneficiaries with identical characteristics (age, family size, origin, etc.)
- Numerous absent beneficiaries who can't physically register
- Multiple similar signatures or names (check with local leaders whether legitimate)
- Registration lists with thumbprints and no signatures

C. Prevention measures:

- **Make regular on-site visual checks**
  For inaccessible sites, consider monitoring by video; review footage carefully.
- **Use standard personal and place names to prevent multiple registrations**
  Sort names alphabetically or filter different parts of your records (e.g. age, ethnicity, sex) for possible duplication owing to non-standard spelling. Introduce standard spellings (especially when more than one alphabet is involved).

- **At registration, check whether an individual or family record already exists**
  Afterwards, filter data by different categories. Visit families to resolve duplications (photos are useful). Don't delete genuine records that seem duplicates.
- **'Fix' the population as quickly as possible**
  Use ink, wristbands, photos, fingerprints or biometrics to define and temporarily freeze the target group, and cross-check with written registration cards. Do this within one day, to avoid multiple or bogus registrations.
- **Verify registration documents frequently**
  Make house-to-house visits; cross-check other records (e.g. medical); interview people suspected of multiple registrations; use roll-calls or card validation before distributions. Record births, deaths and movements. Cross-check registration lists with other agencies.
- **Deregister if there's a death or people leave**
  Update your records (but retain the entry). Incentivise people to report deaths, e.g. pay burial fees in return for the deceased's registration documents (invalidate these).

You'll need:
Staff trained and equipped to 'fix' beneficiaries.

Challenges:
High population mobility making it hard to track registered beneficiaries.

DISTRIBUTION AND POST-DISTRIBUTION
MODIFICATION OF ENTITLEMENT SIZE OR COMPOSITION

A. Corruption risks:
Staff may reduce entitlements, remove high-value items, or skim off food at distributions for later sale (possibly falsifying records). A distributor may collude to give larger rations and later collect his share, or show bias, changing ration size for certain beneficiaries. Recipients may claim for cash entitlements greater than their need.

B. Watch out for:
- Large quantities of relief goods on sale in local markets
- The rounding-up of ration allocation numbers
- Puncture holes in containers; packages tampered with
- Cartons missing from pallets
- Altered or rewritten distribution records
- Discrepancies between cash entitlements in the needs assessment and disbursements

C. Prevention measures:
- **Inform the community of distribution details and entitlements**
  Communicate in the local language through meetings, leaflets, posters or drama. Encourage use of your complaint mechanism if entitlements aren't received.
- **Let beneficiaries monitor distribution**
  Ensure male and female participation. Beneficiaries should sign only for rations received (never sign beforehand). Check carefully when someone collects for the elderly or sick. Verify recipients' identities and record the rations distributed, e.g. by signature or fingerprint. Consider 'grouping' (allowing beneficiaries to distribute among themselves), but ensure individuals know how much they should receive and mix social groups to reduce bias.
- **Have contractual agreements with distribution teams**
  Specify obligations, including repayment for diverted goods. Impose sanctions (also a deterrent). Provide nominal payment to community distribution teams to prevent them diverting goods, e.g. extra rations. Publicise this, so everyone knows how much distributors receive. Explain that surpluses must be returned to the agency for re-distribution to other needy groups.
- **Measure food rations in standardised containers**
  Avoid flexible containers whose sides can be squeezed to reduce rations. Punch horizontal slits at the fill-line to prevent over-scooping. Use scales if ration sizes change frequently, or pre-package rations.
- **Make regular surprise M&E visits to distribution sites**
  Carry out 'food basket verification': random checking of rations received by one in five or ten beneficiaries. Ensure containers are completely empty post-distribution. Check local markets for relief goods. Rotate M&E teams to prevent collusion with field staff.

You'll need:
A secure and transparent distribution system, clearly understood by staff and beneficiaries.

Challenges:
Beneficiaries reluctant to report irregularities for fear of retaliation by distributors.

DISTRIBUTION AND POST-DISTRIBUTION
DIVERSION OF RESOURCES DURING DISTRIBUTION

A. Corruption risks:
Local militia or public officials may forcefully divert aid (on the road or from a warehouse), for sale or to extort money or favours (including sexual). Staff may demand kickbacks from beneficiaries, or be bribed to ignore theft during transport or distribution, or collude in it. Distributors may divert assistance for private gain; local elites may take more than their entitlement or determine which groups receive relief. Community leaders may 'order' and sell surpluses.

B. Watch out for:
- Relief goods on sale in large quantities in local markets
- Requests for larger allocations than the needs assessment identified
- Beneficiaries or groups claiming larger rations than others
- Identical attendance lists for every distribution
- Frequently corrected distribution ledgers
- Similar or identical signatures or fingerprints for receipt of rations
- Distributors demanding extra rations in return for service
- The same sites always being monitored and evaluated

C. Prevention measures:
- **Use comprehensive supply chain management systems**
  Have trained staff, and track resources at all times. Carry out risk analyses to help anticipate and prevent the diversion of goods.
- **Design distribution sites carefully**
  Leave space between people waiting and stocks of commodities. Ensure sites are safe and easily accessed by beneficiaries (especially women and the vulnerable). Consider distributing directly to female heads of household. Have written

agreements obliging distribution teams to honour entitlements; impose sanctions for corruption, including repayment of losses.
- **Ensure staff report deviations in the quality or quantity of goods received**
  Investigate all problems immediately. Make multiple inventories of goods stored at distribution sites, to detect discrepancies between goods received, stored and distributed.
- **Provide nominal payment to community distribution teams**
  Consider providing extra rations or payment in kind, to prevent distribution teams diverting goods; publicise this. Explain that surpluses must be returned to the agency for re-distribution to others in need.
- **Check during M&E whether full entitlements were received**
  Monitors should examine ration receipts and attendance lists, ask beneficiaries whether rations received matched entitlements, and make spot-checks comparing allocation samples in transit and at distributions, to prevent collusion between transporters and distribution personnel.

You'll need:
To vary distribution times and locations, to minimise security risks.

Challenges:
Security threats, e.g. militia ambushes.

DISTRIBUTION AND POST-DISTRIBUTION

POST-DISTRIBUTION TAXING OR EXPROPRIATION

A. Corruption risks:

Attack, looting, pillage or theft of relief goods may occur with the collusion of authorities. Local leaders, militias or military forces may force beneficiaries to sell or give them relief items. Goods may be redistributed according to local customs, or local elites or authorities may demand 'taxation' of a percentage of relief goods received. Women and minorities are especially vulnerable.

B. Watch out for:
- Beneficiaries still malnourished or lacking relief goods after distribution
- Local militias or elites possessing relief goods
- Reports on the grapevine of post-distribution corruption

C. Prevention measures:
- **Consult beneficiaries to find out what's likely to happen after distribution**
  Understand post-distribution patterns and consequent corruption risks. Hold meetings and private interviews; include women and minorities. If necessary adjust how aid is delivered so it reaches the most needy and doesn't make beneficiaries vulnerable. Consider host communities: e.g. food rations in a camp where the host community has very little can provoke post-distribution expropriation.
- **Involve beneficiaries in designing distribution**
  Work with the community to ensure distribution reaches targeted beneficiaries in a way that doesn't increase their vulnerability. Ensure minorities are heard.
- **Work with trusted local leaders to ensure redistribution is not corrupt**
  Ensure any redistribution of aid by beneficiaries or their leaders to include other needy but non-targeted people

accords with local perceptions of vulnerability. Provide information transparently on the whole community's entitlement as well as for individuals, so people can check whether aid has been diverted.
- **Check during M&E whether post-distribution expropriation occurred**
  Provide a confidential complaint mechanism so people feel free to report corrupt redistribution. Feed complaints into M&E, and enquire specifically whether any post-distribution expropriation took place in order to include needy but non-targeted households, or to enrich leaders. Verify findings and amend the aid distribution process accordingly.

You'll need:
To understand how the value and marketability of assistance delivered influences corruption risks and aid recipient vulnerability.

Challenges:
Distinguishing between the legitimate sharing of relief goods with needy but untargeted households, and corrupt diversion.

PROGRAMME MONITORING AND EVALUATION (M&E)

FALSE, EXAGGERATED OR INCOMPLETE REPORTS

A. Corruption risks:

M&E reports may be falsified by managers wanting to bolster their career, attract more resources or cover up corruption. Community leaders may manipulate evaluations to attract further aid (e.g. maintaining visibly needy groups). Field staff with a grudge against supervisors may mislead M&E teams. M&E staff may lack independence or be biased.

B. Watch out for:

- Unduly consistent reports or ones always indicating targets reached or exceeded
- Reports inexplicably more positive than previous ones on the same site
- Excessive praise by communities
- Inconsistent narrative and financial reports
- The same sites always being monitored and/or evaluated

C. Prevention measures:

- **Separate monitoring staff from programme implementation staff**
  Rotate monitoring staff so they don't develop links with programme staff or communities. Ensure the country office management team discusses monitoring reports and managers check them during site visits. Intensify monitoring for sites with suspicious reports.
- **Involve stakeholders in M&E design and implementation**
  Carry out M&E involving all sectors of the community (especially women and minorities), local officials, civil society organisations and field staff from all levels. Ensure beneficiaries know their entitlements so they can monitor distributions. Provide confidential complaint mechanisms. Have plenty of female monitors (some women talk more easily to women).

- **Disseminate reports widely so stakeholders can object to inaccuracies**
  Summarise conclusions and recommendations (including in local languages) so staff, beneficiaries and donors can object if reports aren't accurate, and differences be resolved.
- **Always cross-check M&E findings**
  Provide simple monitoring templates and standard evaluation indicators. Use multiple information sources and different tools for data collection. Beware possible biases; ensure certain projects or sites aren't kept from monitors and that minority groups are covered. Check information with other agencies in the region. Use M&E reports to help auditors go beyond the paper trail.
- **Follow up reports you suspect are biased or exaggerated**
  Check whether they're typical of the programme type, staff responsible or emergency context. Make surprise site visits to verify conclusions. Ensure management acts on M&E findings.

You'll need:

To ensure field staff understand the importance of evaluations, and cooperate fully.

Challenges:

Staff or stakeholders with vested interests misinforming monitors and evaluators.

PROGRAMME MONITORING AND EVALUATION (M&E)
NON-REPORTING OF CORRUPTION

A. Corruption risks:

M&E personnel may be bribed, intimidated or threatened to overlook corruption, or may offer bribes to do so. They may have biases (e.g. ethnic) or conflicts of interest that prevent them from reporting corruption. Corrupt staff may keep a project from monitors or evaluators, to hide wrongdoing.

B. Watch out for:

- Consistently glowing reports never mentioning implementation problems
- Delayed or no action by managers on issues reported by M&E

C. Prevention measures:

- **Invest sufficient resources in field monitoring**
  Ensure M&E staff can spend enough time at programme sites to detect possible corruption. Reports and evaluations should be discussed by country office management, and suspicious reports verified by follow-up field visits. Close managerial monitoring of field activities is essential.
- **Assess evaluation quality (meta-evaluation)**
  Use two evaluators, working independently with a form or checklist, to assess the quality of evaluations. Include assessments of the selection of evaluators, the terms of reference, evaluation methods, scrutiny and report quality.
- **Ensure beneficiaries participate in all stages of M&E**
  Involve the community in planning, design, data gathering and identifying recommendations. Ensure M&E reports reflect the perspectives of women and minorities. Provide a community complaint mechanism in case reports don't reflect reality; M&E reports should address complaints (respecting confidentiality).

- **Provide a safe, accessible whistle-blowing mechanism**
  This allows M&E staff to alert management if intimidated into overlooking corruption, and other staff to raise the alarm over corruption left unreported.
- **Monitor and evaluate programme anti-corruption systems**
  Brief field monitors and evaluators in corruption issues and train them to probe specifically into corruption risks, incidence and prevention measures. M&E teams should check whether anti-corruption systems are being regularly verified, and encourage transparency at all times, e.g. if staff have to pay a bribe at a roadblock so critical food supplies can pass, they should report it.

You'll need:

To invest in M&E (crucial to programme quality and preventing corruption). Sufficient resources and staff capacity must be available.

Challenges:

The need to seek and offset bias in monitors and evaluators, e.g. via balanced team selection.

COMMODITIES
FOOD AID

A. Corruption risks:

Staff or partners may divert food for personal use or sale. Suppliers may deliver poor quality food or undersized quantities. Inventory documents may be falsified and food stolen from warehouses, or during repackaging or transportation. Local militias or officials may divert food, forcefully or with staff collusion, during targeting or registration, through inflation of population figures or via extortion (for money or sex). Distributors may reduce entitlements, remove high-value items, skim off food for later sale, give enlarged rations and later collect their share, or show bias towards recipients. Post-distribution, local elites may demand a percentage of rations (especially from women and minorities).

B. Watch out for:

- Packages appearing tampered with
- Food packages arriving underweight
- Manually prepared distribution containers, made too big or small
- Large quantities of relief food on sale in local markets
- Altered or rewritten distribution records
- Beneficiaries still malnourished after distribution
- Local militia or elites possessing relief food items

C. Prevention measures:

- **Have specialist staff and procurement policies**
  Follow strict prequalification and bid procedures; monitor contract implementation. Have pre-supply agreements, reducing the need for filled warehouses on standby.
- **Ensure safe storage and transport**
  Assess local power structures, to predict possible aid diversions. Use secure warehousing and formal procedures for

arrival and dispatch, with multiple cross-checking. Make staff and volunteers sign a code of conduct. Label packages as free-of-charge, carry out regular inventories and certify losses. Use only trusted transporters.

- **Involve the community in needs assessment, targeting and registration**
  Include women and minorities. Publish information transparently and coordinate with other agencies to avoid duplication or gaps.
- **Identify secure distribution sites, in collaboration with recipients**
  Tailor food delivery according to community accounts of likely post-distribution events. Verify registration documents and provide a complaint mechanism in case entitlements aren't received.
- **Use standardised measures**
  Avoid squeezable containers which can reduce rations. Punch horizontal slits at the fill-line to prevent over-scooping. Consider pre-packaging.
- **Monitor and evaluate your supply chain**
  Include surprise spot-checks of storage, transport and distribution. Examine ration receipts and attendance lists. Verify with recipients that rations match entitlements and ensure containers are empty post-distribution.

You'll need:

Staff training on food distribution, a food operations manual and a commodity tracking system.

Challenges:

Inappropriate donated food items, creating the urge to sell them.

COMMODITIES
GIFTS IN KIND

A. Corruption risks:

Agencies receiving gifts in kind (GIK) – goods donated to relief operations – have less control over product quantities and quality, making it harder to keep track of goods received. Staff and partners may divert GIK for personal use or sale. GIK items may be culturally or economically inappropriate for a particular emergency, leading to misuse or sale. Staff may charge partners or beneficiaries for GIK products.

B. Watch out for:
- Large quantities of GIK for sale in local markets
- Staff living above their means
- Staff appearing at a warehouse at inappropriate times
- More products being requested than seem appropriate
- High quantities of a single product sent to one community
- Inadequate distribution records in relation to receipt records
- Fees higher than distribution costs bring charged to distributing partners

C. Prevention measures:
- **Communicate your GIK policy to partners and staff**
  Cover GIK in staff inductions and training. Stress that because the agency hasn't purchased these items, it doesn't mean it's acceptable to sell them. Sign up to sector standards, including financial practices for recording GIK in accounts. Sign agreements with staff and partners that products won't be sold.
- **Use trained staff for storage and distribution**
  Ensure logisticians, expert in receiving, dispatching, tracking and storing goods, manage your supply chain. Hold regular GIK inventories, and use only transporters selected through careful procurement processes. Ensure distribution points

guarantee security, an orderly flow of beneficiaries and protection of GIK awaiting distribution.
- **Check beneficiaries understand items are free**
  Use posters or leaflets at the distribution site to reinforce that products mustn't be sold by distributors. Keep records signed by recipients, detailing items and quantities received.
- **Ensure GIK goods are appropriate to a specific emergency**
  Hold a thorough needs assessment: people are more tempted to sell or trade unsuitable goods.
- **Provide M&E and management oversight of GIK distributions**
  Monitor and evaluate GIK distributions, just as for purchased items. Hold frequent audits of donation records against distribution records. Go beyond the paper trail to learn what beneficiaries actually received.

You'll need:
An efficient tracking system (e.g. humanitarian logistics software) giving an overview of the supply pipeline.

Challenges:
Difficulties in record-keeping for donated products, which may be different from those expected.