Methodology for Corruption Risk Management Implementation Guidance in the Health Sector

Mostafa Hunter
Senior Expert - Corruption Risk Management
UNDP - Regional Hub Arab States

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Anticorruption Approaches

Anticorruption approaches and interventions focused mainly on...

- broad governance transformations and public sector effectiveness
- punitive post event detection and criminal law enforcement
- awareness as a mode of prevention
- overarching national level strategies

Anticorruption approaches and interventions have been evolving to...

- tackle corruption head-on while using anticorruption as an entry point for governance transformations
- add extra focus on prevention
- address vulnerability to corruption & institutional prevention
- support developing specific strategies at sectoral level

There is need to further develop institutional approaches to prevent corruption at sectoral level. Preempting an adverse event = Risk Management

UNDP Methodology for Corruption Risk Management at the Sectoral Level

- UNCAC
- Anticorruption programs
- Global AC civil society organizations & networks
- National AC strategies and agencies

- UNCAC focus on prevention
- Awareness campaigns
- Increased awareness on corruption & its impact on development at global & national levels
- Including prevention in national AC strategies

- Frameworks for legal and institutional reforms to tackle vulnerability to corruption
- Compliance based approaches
- Specific programs & capacity development on transparency, accountability & AC

- Sector specific guidelines & studies
- Acknowledgement of AC by international agencies of different sectors
- Sectoral approaches in national AC strategies
- Engagement of AC agencies with line ministries
Corruption undermines capacity to realize objectives.
UNDP-MCRM Value Proposition

- Health Outcomes
- Financial Performance
- Risk Management
- Audit & Compliance
- Anticorruption & Ethical Conduct
- Equity

- Country Ownership
- Stakeholder Engagement
- Long-term Sustainability

Country Ownership
Stakeholder Engagement
Long-term Sustainability
UNDP-MCRM Value Proposition

Innovative
Concrete & Tangible
Relevant to Stakeholders
Relatively Simple User-friendly
Effective & Efficient

Agile
Adaptable to country contexts
Adaptable across sectors
Scalable
Measurable

Impactful
UNDP-MCRM Model:

1. Risk Management
2. Corruption
3. Understanding corruption as a Risk
5. Considerations for Application in Countries

Entry Point to Broad Governance Transformations
Adaptation to COVID-19 and other Crises
Understanding corruption as a Risk

Step-by-step Methodology for Corruption Risk Management

Considerations for Application in Countries

Adaptation to COVID-19 and other Crises

Entry Point to Broad Governance Transformations
Main frameworks for risk management

- ISO 31000
- IIA – IPPF
- COSO – ERM and IC
Risk Management: UNDP Approach

UNDP continues to work together with its national and international partners in highly complex and constantly changing contexts. We must bear in mind:
- To ensure that programmes are effective and relevant
- To find new innovative solutions to deliver higher impact
- To allocate resources where they are most needed
- To be accountable for the results produced, considering interest and internal constraints
- To manage health and security risks to UNDP personnel, premises and assets, i.e. reduce to an acceptable level.

All these are critical for the reputation of UNDP as a value-driven and risk-informed organisation. That is because those are the most optimal ways of the internal and external limitations and uncertainties. Only then UNDP and its partners can be assured that the chosen pathway towards sustainable development and its implementation is the guaranteed gateway to the expected results.

1.4 What is the UNDP ERM Approach?

UNDP’s ERM Policy (2018) is based on an integrated risk-management approach. The methodology is in line with the ISO 31000:2018:
- Establishing scope, context, criteria,
- Risk assessment,
- Risk treatment,
- Monitoring and review, and
- Recording and reporting, communication and consultation (see Diagram 3).

The ERM methodology is applied across the whole organization at different levels:
- Project level (e.g. Development Projects, Engagement facilities),
- Development Services, Institutional and Development Effectiveness Projects, Multi-Country and South-South Projects),
- Programme/Unit level (e.g. Country Office/Programme, Regional Bureaux/Programmes, Regional/Other Bureaux/Programmes, Central Bureau/Programmes),
- Corporate level (organization as a whole).

Diagram 3: ERM Methodology

Risk management in UNDP

Risk and uncertainty are inherent in many of UNDP’s activities. Achieving its mission of eradicating poverty and reducing inequalities and exclusion requires the organization to take risks. UNDP has an elaborated Enterprise Risk Management framework (ERM) embedded in its Programme and Operations Policies and Procedures (POP). The steps of the risk management process are as follows:

- Establishing the context;
- Risk assessment;
- Risk treatment;
- Monitoring and review; and
- Communication and consultation.

The detailed policy for risk management at programme and project level is currently under development. At the project level, UNDP currently applies adaptation of PRINCE project management method. A Risk Log of each project is available online in Atlas (UNDP’s ERP) as part of each project’s documentation.

Corruption Risk Management:
Partner Leading Organizations Approach:
UNODC and U4
Risk Management: Definition and Risk Heat Map

“Risk is the effect of uncertainty on objectives”
ISO 31000

“Risk is the possibility of an event occurring that will have an impact on the achievement of objectives. Risk is measured in terms of impact and Likelihood”
IPPF of the IIA

![Risk Heat Map Diagram]

- Low risk
- Medium risk
- High risk
- Critical risk

Impact vs. Likelihood

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UNDP-RBAS
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Entry Point to Broad Governance Transformations
Corruption: Definition

"Abuse of entrusted power for private gain"

UNDP

Corruption types: (based on the UNCAC)

Bribery: The solicitation or acceptance, directly or indirectly, of an undue advantage by any person who directs or works, in any capacity, for a public or private sector entity, for the person himself or herself or for another person, in order that he or she, in breach of his or her duties, act or refrain from acting.

Embezzlement: Misappropriation or any other diversion in the course of economic, financial or commercial activities, by a person who directs or works, in any capacity, in a public or private sector entity of any property, private funds or securities or any other thing of value entrusted to him or her by virtue of his or her position.

Trading in influence: The solicitation or acceptance by a public official or any other person, directly or indirectly, of an undue advantage for himself or herself or for another person in order that the public official or the person abuse his or her real or supposed influence with a view to obtaining from an administration or public authority of an undue advantage.

Abuse of Function: The performance of or failure to perform an act, in violation of laws, by a public official in the discharge of his or her functions, for the purpose of obtaining an undue advantage for himself or herself or for another person or entity.

Other corruption crimes defined in the UNCAC include illicit enrichment, obstruction of justice, concealment and laundering of proceeds of crime. These crimes are not included based on this methodology as they are considered to be crimes that happen after the corrupt act took place already and/or directly linked to other corruption types, which makes them from a risk.
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Entry Point to Broad Governance Transformations

Adaptation to COVID-19 and other Crises
Understanding Corruption as a Risk

Corruption: “abuse of entrusted power for private gain”

- Purpose
- Roles and responsibilities
- Mandate & entrusted power
- Abuse for private gain
- Decisions/Actions
- Deviated Decisions/Actions
- Targeted Outcomes
- Distorted outcomes
- Undermines

Corruption Risk Analysis

Likelihood

Impact

Corruption: “abuse of entrusted power for private gain”

Understanding Corruption as a Risk

- Any
  - Function
  - Entity
  - Program
  - Process

Objectives/Targets

Contribute to

Negative Impact

Understanding Corruption as a Risk

Corruption: “abuse of entrusted power for private gain”
Understanding Corruption as a Risk - Example HIV Program

**Corruption Risk Analysis**

- **Likelihood**
- **Impact**

**Any**
- Function
- Entity
- HIV Program
- Process

**Eradicate HIV**
- Distribute free HIV drugs
- Mandate & entrusted power
- Abuse for private gain

**Corruption: “abuse of entrusted power for private gain”**

**Treat HIV patients**
- High Quality HIV drugs reach targeted patients equitably at lowest cost
- Patients do not receive drugs
- Patients have to pay
- Health of patients
- Spread of disease
- Access barriers and inequities
- Financial losses & inefficiency
- Loss of trust

**Negative Impact**

- Contribute to

**Undermines**

**Corruption Risk Analysis**

- Patients do not receive drugs
- Patients have to pay
- Health of patients
- Spread of disease
- Access barriers and inequities
- Financial losses & inefficiency
- Loss of trust

**Abuse for private gain**

- Bribery
- Embezzlement

**Decisions/Actions**

- Distorted outcomes
- Deviated Decisions/Actions
UNDP-MCRM: A step by step approach

What to assess??

Risk of Corruption

Where to assess?

Decision/Action Points

How to assess?

Impact & Likelihood
UNDP-MCRM Model:

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Entry Point to Broad Governance Transformations

Adaptation to COVID-19 and other Crises
Step 1: Scoping and Context

Example from the health sector

Several criteria can be used for scoping to choose between competing priorities.

This could include:
- National (sector) priorities and strategies
- Policy preferences
- Areas pre-identified as vulnerable to corruption based on previous assessments
- Areas with a high historical record of corruption cases
- Areas with the highest amount of public spending
- Areas relevant to national sustainable development plans
- Areas impacting a priority segment e.g. poor, women, geographical location
- Areas around priority services
Step 1:
Generating Decision Points

Follow the Beneficiary
Follow the Product
Follow the Money
Follow the Document

Process Mapping

Zoom-in/-out as needed
Step 1: Example from the Health Sector
Step 1:
Decision Points and Potential Actors: Example from the Health Sector

<table>
<thead>
<tr>
<th>Decision/Action point</th>
<th>Potential Actor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Schedule an appointment</td>
<td>Receptionist</td>
</tr>
<tr>
<td>Register patients</td>
<td>Receptionist</td>
</tr>
<tr>
<td>Determine payment mechanisms</td>
<td>Receptionist/accountant</td>
</tr>
<tr>
<td>Refer to physicians</td>
<td>Receptionist/nurse</td>
</tr>
<tr>
<td>Let patient in examination room</td>
<td>Nurse/ Nurse assistant</td>
</tr>
<tr>
<td>Conduct examination</td>
<td>Physician</td>
</tr>
<tr>
<td>Prescribe medication</td>
<td>Physician</td>
</tr>
<tr>
<td>Refer to diagnostic procedures</td>
<td>Physician</td>
</tr>
<tr>
<td>Refer to further interventions</td>
<td>Physician</td>
</tr>
<tr>
<td>Schedule appointment for diagnostic/ other procedures</td>
<td>Receptionist/administrator</td>
</tr>
<tr>
<td>Conduct diagnostic/other procedures</td>
<td>Physician / technician</td>
</tr>
<tr>
<td>Admission</td>
<td>Receptionist/administrator</td>
</tr>
<tr>
<td>Writing medical report</td>
<td>Physician</td>
</tr>
</tbody>
</table>
### Step 2: Risk Assessment

#### A. Risk Identification: Identification of potential corrupt acts and deviations associated with each Decision/Action Point

<table>
<thead>
<tr>
<th>Decision/Action point</th>
<th>Deviated Decisions/Actions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Schedule an appointment</td>
<td>Delaying/Accelerating/Denying the appointment</td>
</tr>
<tr>
<td>Register patients</td>
<td>Register under another name or ID number</td>
</tr>
<tr>
<td></td>
<td>Register for a specific physician</td>
</tr>
<tr>
<td>Determine payment mechanisms</td>
<td>Deny right for financial coverage</td>
</tr>
<tr>
<td></td>
<td>Enroll as financially covered or as exempt from payment</td>
</tr>
<tr>
<td></td>
<td>Bypass payment</td>
</tr>
<tr>
<td>Refer to physician</td>
<td>Direct to specific physician</td>
</tr>
<tr>
<td>Let patient in examination room</td>
<td>Delay/accelerate entrance</td>
</tr>
<tr>
<td></td>
<td>Divert to specific physician</td>
</tr>
<tr>
<td>Conduct examination</td>
<td>Denying/Delaying/ Accelerating the essential service to the patient</td>
</tr>
<tr>
<td></td>
<td>Providing unnecessary or inappropriate services</td>
</tr>
<tr>
<td></td>
<td>Providing low quality service</td>
</tr>
<tr>
<td></td>
<td>Requiring extra payments</td>
</tr>
<tr>
<td>Prescribe medication</td>
<td>Prescription of a more expensive alternative of the medicine</td>
</tr>
<tr>
<td></td>
<td>Prescription of unnecessary medicine</td>
</tr>
<tr>
<td></td>
<td>Prescribing low quality medicine</td>
</tr>
<tr>
<td>Refer to diagnostic procedures/ further interventions</td>
<td>Referral to unneeded procedures</td>
</tr>
<tr>
<td></td>
<td>Referral to more expensive alternatives or outside the facility</td>
</tr>
<tr>
<td></td>
<td>Referral to a low quality service</td>
</tr>
<tr>
<td></td>
<td>Referral to specific brand/ name as an unjustified promotion</td>
</tr>
<tr>
<td>Admission</td>
<td>Delaying/Accelerating admission</td>
</tr>
<tr>
<td></td>
<td>Admission in higher quality e.g. private room</td>
</tr>
<tr>
<td>Writing medical report</td>
<td>Omitting information from the report</td>
</tr>
<tr>
<td></td>
<td>Misrepresenting information in the report</td>
</tr>
</tbody>
</table>
Step 2: Risk Assessment

B. Risk Analysis: Assessing Impact

Areas of potential impact:

- Quality & Safety
- Access
- Equity
- Human Capital
- Finance
- Environment
- Competitiveness
- Trust

Impact:
Magnitude of the distorted outcomes of the deviation at the decision/action point combined with the frequency of occurrence at the decision point &/or across similar decision points.

very weak  weak  medium  strong  very strong
Step 2: Risk Assessment

B. Risk Analysis: Assessing Likelihood

The overall collective assessment of the two opposing forces: the drivers and the restraints.

Drivers/Incentives:
- Social/Peer pressure
- Relatives & social relationships
- Political relationships
- Economic turmoil
- Financial hardships
- Scarcity of resources
- Regulatory & procedural hurdles
- Perceived high return

Abuse of entrusted power

Restraints:
- Perceived detection
- Perception of enforcement
- Feasibility
- Reputational incentives
- Personal integrity
Step 2: Risk Assessment
B. Risk Analysis: Assessing Likelihood

- Perception of feasibility
- Perception of detection
- Perception of enforcement
- Personal integrity
- Reputation

Would I be able to do it?

If I do it, would it be detected?

Is the punishment strong & would it be enforced?

Would this be ethical & righteous?

What would my colleagues & community think of me?

I tried to do it but I couldn’t

Actual feasibility
Step 2: Risk Assessment
B. Risk Analysis: Assessing Likelihood - Accountability Mechanisms

By Owner/ Governing Body

- Board of directors oversight
- Internal control
- Internal audit
- Reporting lines
- Policies and procedures
- Segregation of duties
- Disclosure policies
- Conflict of interest management
- Automation/ Information management
- IT governance
- ...........

By Independent Regulator

- Licensing bodies
- Quality assurance bodies
- Anticorruption agencies
- ...........

By Other Stakeholders

- CSOs
- Watchdogs
- Unions
- ...........
Step 2: Risk Assessment
B. Risk Analysis: Illustration on Risk Heat Map
Step 3: Exploring Risk Treatment Options

- Mitigation
- Transfer/Sharing
- Avoidance
- Acceptance
Step 4: Prioritization

Prioritization

<table>
<thead>
<tr>
<th>Risk level</th>
<th>Examples</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>- Addressing all decision points which have critical and high risk profiles</td>
</tr>
<tr>
<td></td>
<td>- Accepting corruption risks at decision points with low risk profile</td>
</tr>
<tr>
<td></td>
<td>- Accepting corruption risks at decision points with high impact and low likelihood with close observation</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Risk evaluation</th>
<th>Examples</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>- Prioritizing some points despite the fact that they are of low or medium risk profile over other points due to low tolerance level to corruption in them</td>
</tr>
<tr>
<td></td>
<td>- Integrating certain national or organizational priorities</td>
</tr>
<tr>
<td></td>
<td>- Political choices and priorities</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Risk treatment options</th>
<th>Examples</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Weighing risk response based on</td>
</tr>
<tr>
<td></td>
<td>- Feasibility and applicability</td>
</tr>
<tr>
<td></td>
<td>- Technical complexity</td>
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<tr>
<td></td>
<td>- Time span</td>
</tr>
<tr>
<td></td>
<td>- Capacity and resources needed</td>
</tr>
<tr>
<td></td>
<td>- Complexity of implementation</td>
</tr>
<tr>
<td></td>
<td>- Expected stakeholder positions</td>
</tr>
<tr>
<td></td>
<td>- Return and cost-effectiveness</td>
</tr>
<tr>
<td></td>
<td>- Potential negative/positive impact on risk level in other points or on other risks</td>
</tr>
</tbody>
</table>
Ongoing Activities

- Communication and Consultation
- Risk Monitoring
- Recording and Reporting
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Considerations for Application
Considerations for Application in Countries - Experiences from RBAS

Qualitative Assessment

National Multistakeholder Taskforce
Elements for success and lessons learnt

• **Tackling corruption heads-on as an entry point to governance reform**
  - It is a rallying agenda for both the people and the politicians
  - It is concrete and allows to mobilize resources around specific reforms
  - It leads the dialogue to tailor-made solutions rather than trying to impose ready-made abstract standards

• **Adopting a preventative institutional risk management based approach** proved to be practical and relatively easy to apply with minimal resources

• **Focusing on prevention and risks** made it easy to overcome the sensitivity of the issue.

• **Focusing on decision points as units of analysis** using combination of function-based approach and process mapping rather than the broad health system governance approach

• **Using corruption risk heat maps** in identifying priorities and risk mitigation interventions allowing a balance between “quick wins” and “medium-long term reforms”.

• **Detecting similarities between countries despite** difference in country contexts which allowed comparability and consolidating patterns.
Ingredients for success

- **Using consolidated country experiences** around the implementation process and the outcomes allowing exchange and scalability across different countries despite differences in the context.

- **Multi-stakeholder participatory approach** creating a common platform and language among health and anticorruption communities.

- **Building national capacities for assessment**, rather than using independent external experts, facilitates access to information, creates national ownership and ensures sustainability.

- **Qualitative research methods for data collection and assessment**, rather than quantitative research while managing potential bias is the best way to do it as it promotes diversity and representation to build consensus without jeopardizing confidentiality and sovereignty of the countries.

- **Two-pronged approach, direct engagement and strategic engagement**, strengthens political commitment, maintains a momentum while retaining direction.

- **Clear leadership with gradual and incremental institutionalization** of the national teams through creating national champions and change agents.
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Adaptation to COVID-19 and other Crises

Entry Point to Broad Governance Transformations
Considerations for Crisis Situations

Crisis amplifies impact & likelihood of corruption risks

Crisis

Response

Recovery

Corruption exacerbates the crisis

Corruption undermines capacity for response & recovery

Poor Governance

Accountability Deficits

Vulnerability to Corruption

Systemic Corruption

Mostafa Hunter
UNDP-RBAS
Financial pressures and economic instability (loss of income, economic hardship, uncertainty about future ...)

Scarcity of resources (availability of health services and products, payments for suppliers.....)

Increased flow of funding especially aid, government subsidies, corporate donations ....

Disruption of systems

Bypass of regular procedures

Loosening of regulations & controls

Granting extra authorities

Obstruction to the work of AC agencies and investigators

Tendency to marginalize the importance of governance

Individualism, opportunism and rationalization

Abuse of entrusted authority

Drivers

Restraints
Thank you

mostafa.hunter@undp.org
Twitter @HunterMostafa