

Methodology for Corruption Risk Management in the Health Sector

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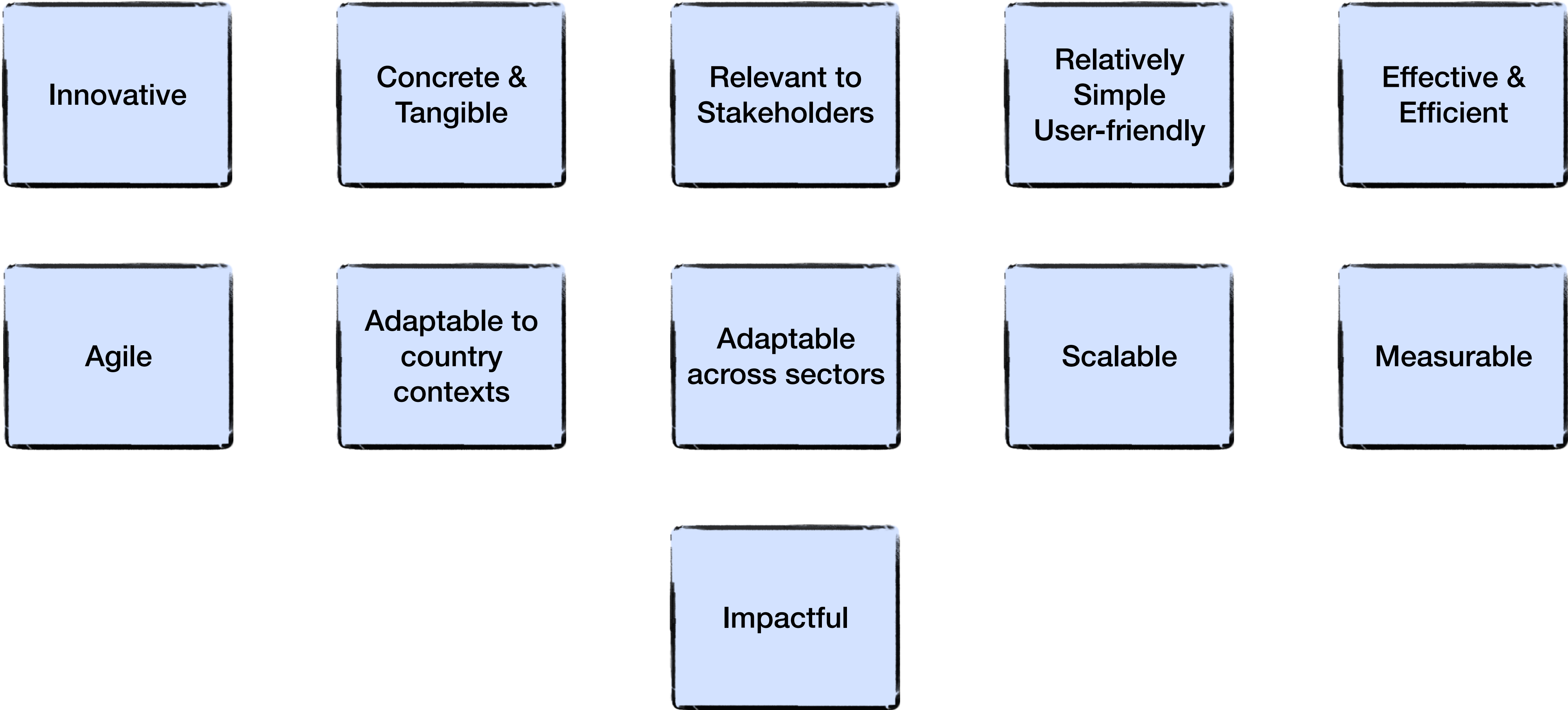
UNDP - Regional Hub Arab States

November 2020

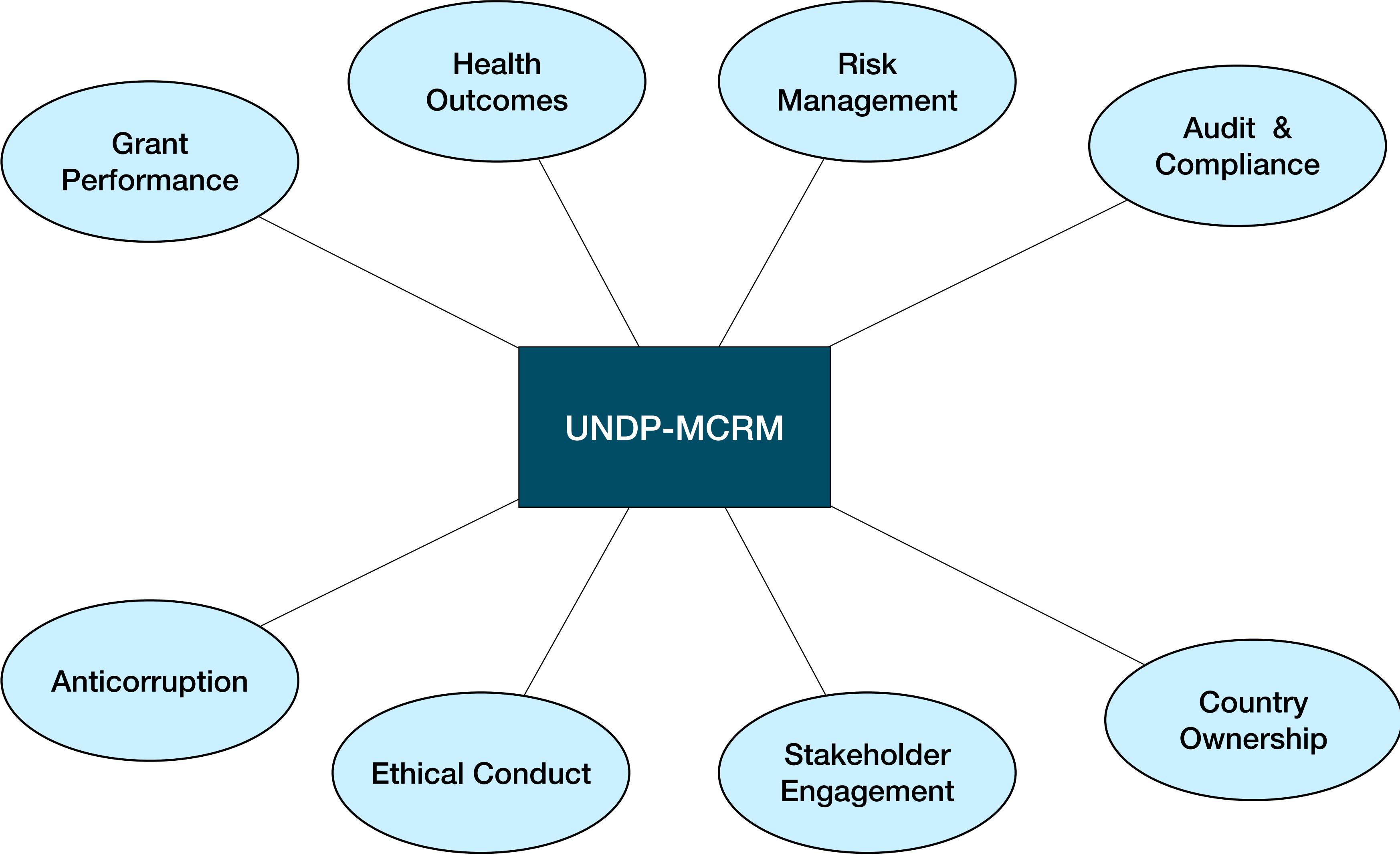


*Empowered lives.
Resilient nations.*

UNDP-MCRM Value Proposition



UNDP-MCRM Value Proposition



Entry Point:

Corruption Risk Management

Corruption Risk Monitoring

Corruption Risk Assessment

Improved Governance

Reduced Corruption Risks

Poor Governance

Accountability Deficits

Vulnerability to Corruption

Systemic Corruption

Corruption Risk Treatment Interventions

Corruption Risks

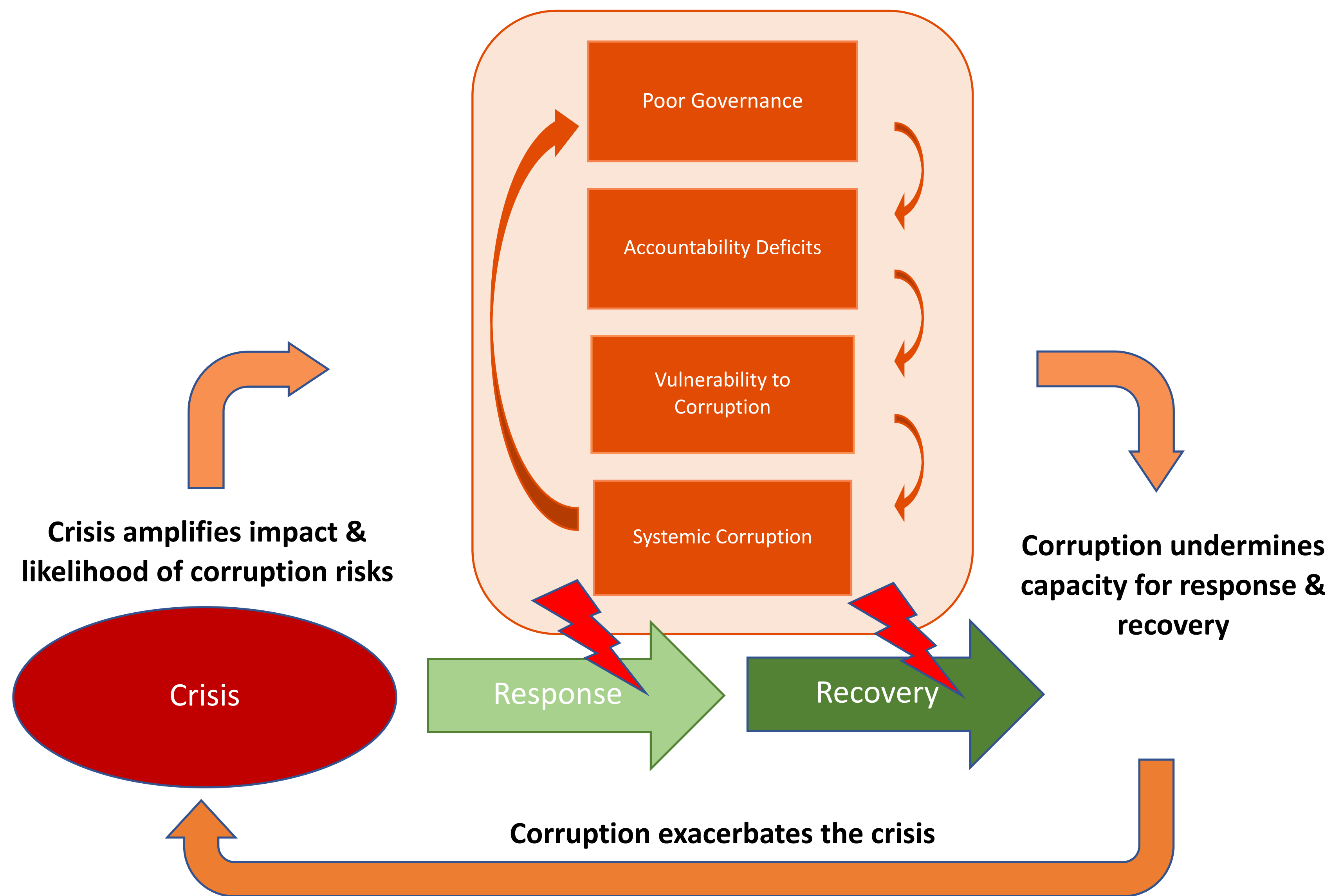
Corruption undermines capacity to realize objectives

Sector/ Function/ Program/ Entity

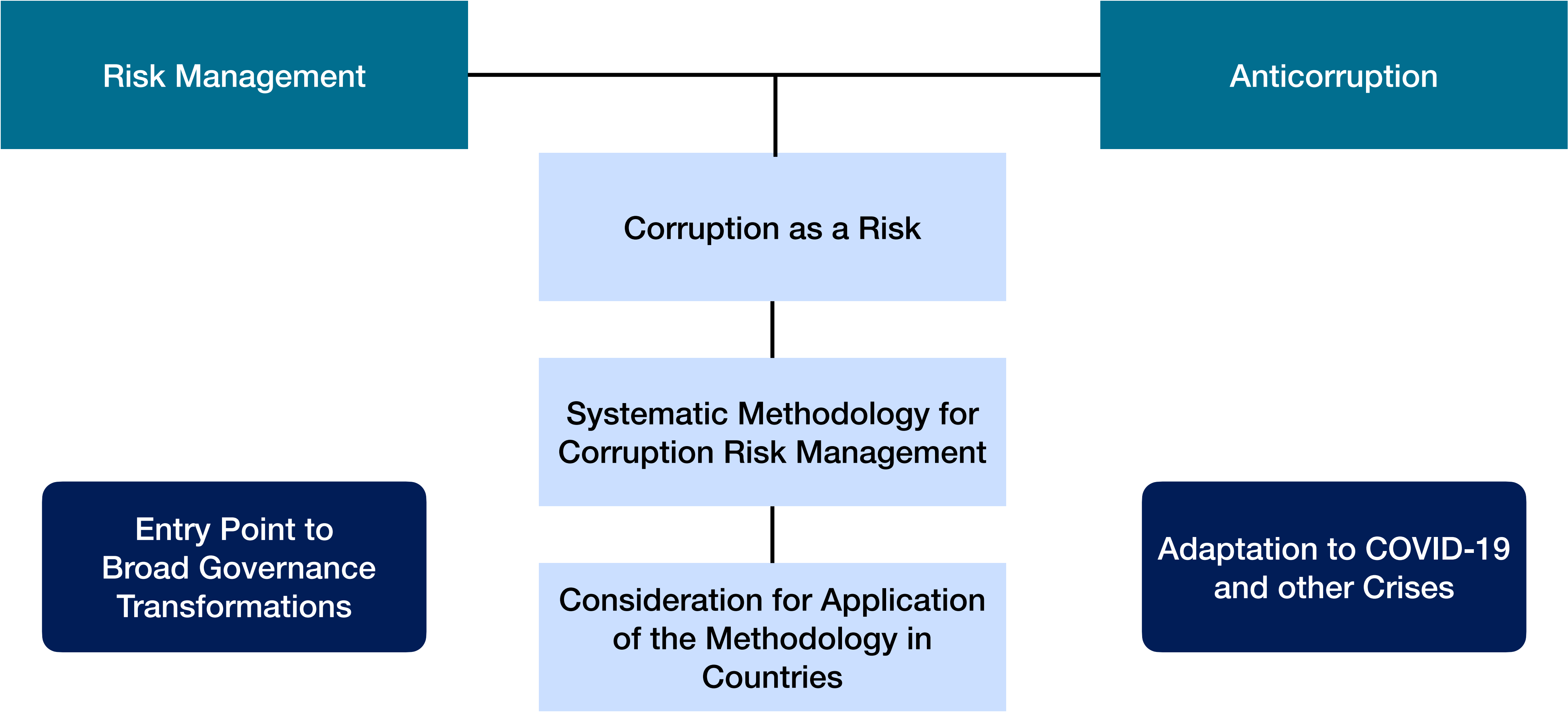
Improved Performance

Objectives

Considerations for Crisis Situations



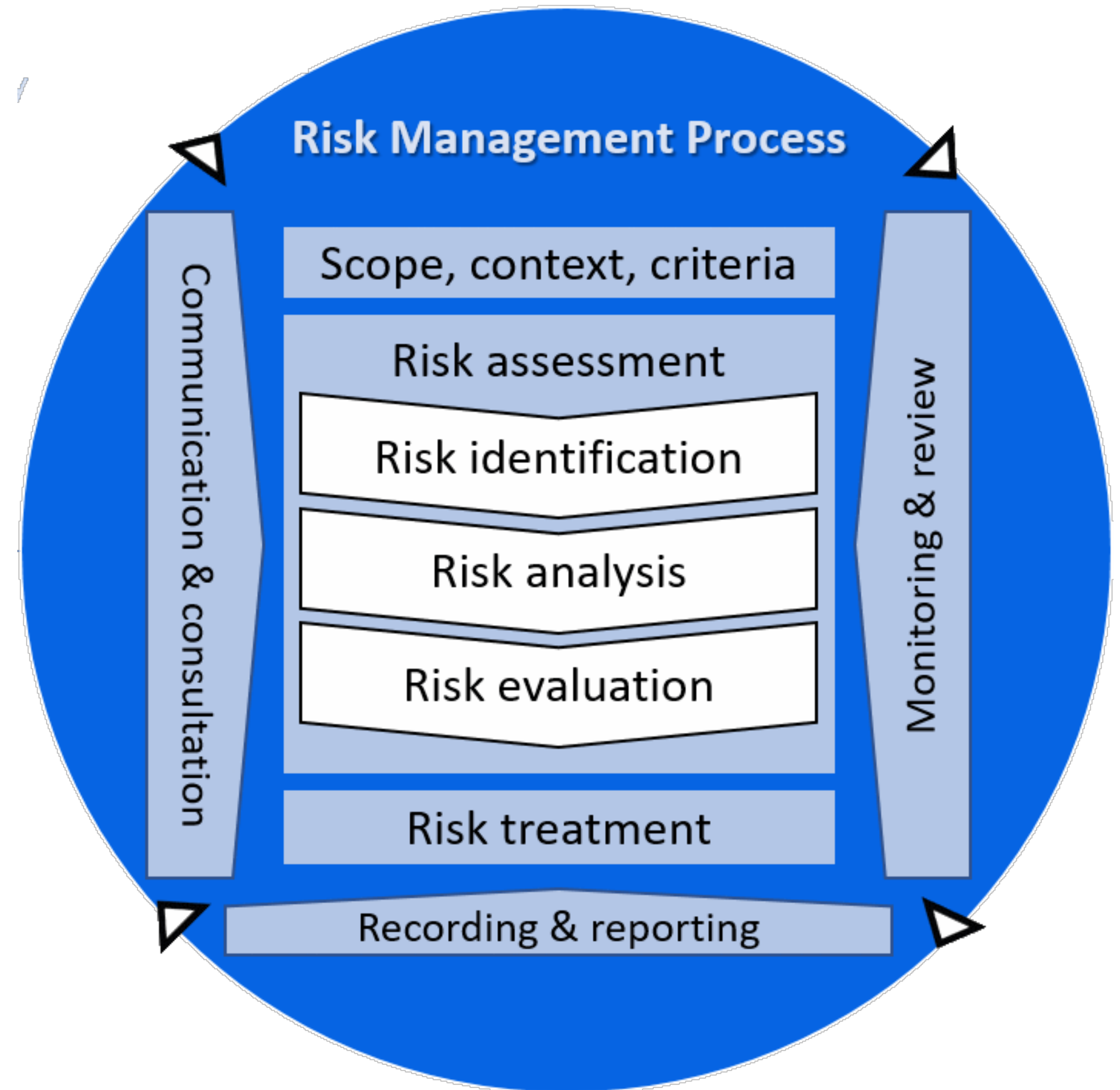
UNDP-MCRM Model:



Risk Management

Main frameworks for risk management

- ISO 31000
- IIA – IPPF
- COSO – ERM and IC
- OCEG - GRC



Risk Management: UNDP Approach



Managing Risks Across UNDP Programming and Operations

GUIDANCE NOTE

September 2019

UNDP continues to work together with its national and international partners in highly complex and constantly changing context. We must take informed choices:

- To ensure that **programmes are effective and relevant**
- To find more **innovative solutions** to deliver higher impact
- To **allocate resources** where they are most needed
- To be **accountable for the results produced** considering internal and external constraints
- To safeguard **people and the environment**
- To manage **safety and security** risks to UNDP personnel, premises and assets, i.e. reduced to an acceptable level.

"A decision that does not involve risk, probably is not a decision"
Peter Drucker

All these are critical for the reputation of UNDP as a value-driven and risk-informed organization, that takes decisions that are the most optimal given all 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?

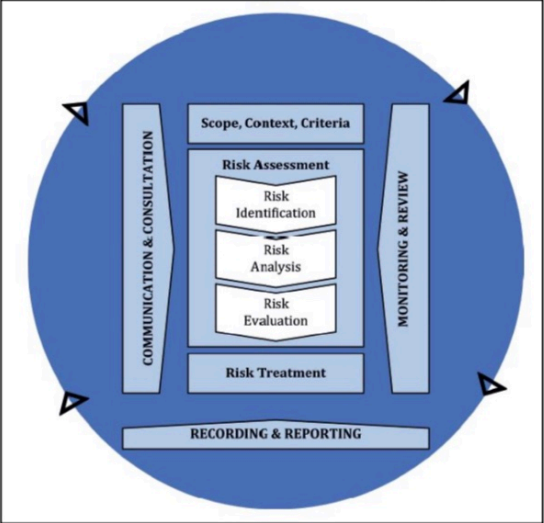
UNDP's ERM Policy (2018) is based on an integrated risk management approach. The methodology is in line with the ISO 31000:2018:

- (a) establishing scope, context, criteria;
- (b) risk assessment;
- (c) risk treatment;
- (d) monitoring and review; and
- (e) recording and reporting; communication and consultation (see Diagram 2).

The ERM methodology is applied across the whole organization at different levels:

- **Project level** (i.e. Development Projects, Engagement Facilities, Development Services, Institutional and Development Effectiveness Projects, Multi-Country and South-South Projects);
- **Programme /Unit level** (i.e. Country Office/Programme, Regional Bureaux/Programme, Central Bureaux/Programme);
- **Corporate level**: organization as a whole.

DIAGRAM 2: ERM Methodology



UNDP-Global Fund and Health Implementation Guidance Manual



Principal Recipient Start-Up	▶
Legal Framework	▶
Procurement and Supply Management	▶
Financial Management	▶
Monitoring and Evaluation	▶
Sub-Recipient Management	▶
Reporting	▶
Capacity development and transition, strengthening systems for health	▶
Risk Management	▶
Audit and Investigations	▶
Human rights, key populations and gender	▶
Human resources	▶
Grant closure	▶

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)^[1] embedded in its Programme and Operations Policies and Procedures (POPP). 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 PRINCE2 project management method. A Risk Log of each project is available online in Atlas (UNDP's ERP) as part of each project's documentation.

^[1] Adopted in 2007 and updated in early 2016.

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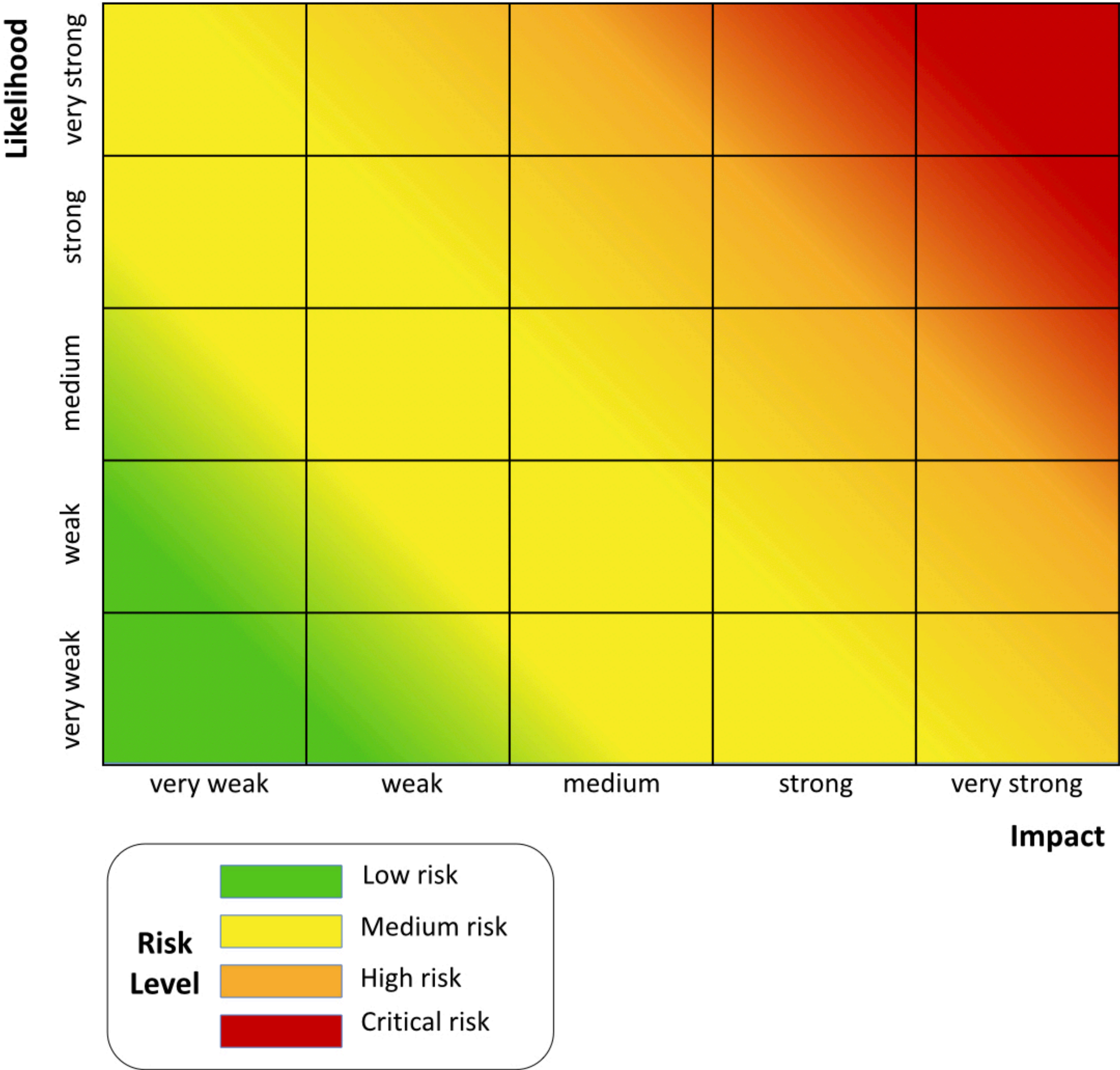
Risk Management: Definition and Risk Heat Map

“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



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.

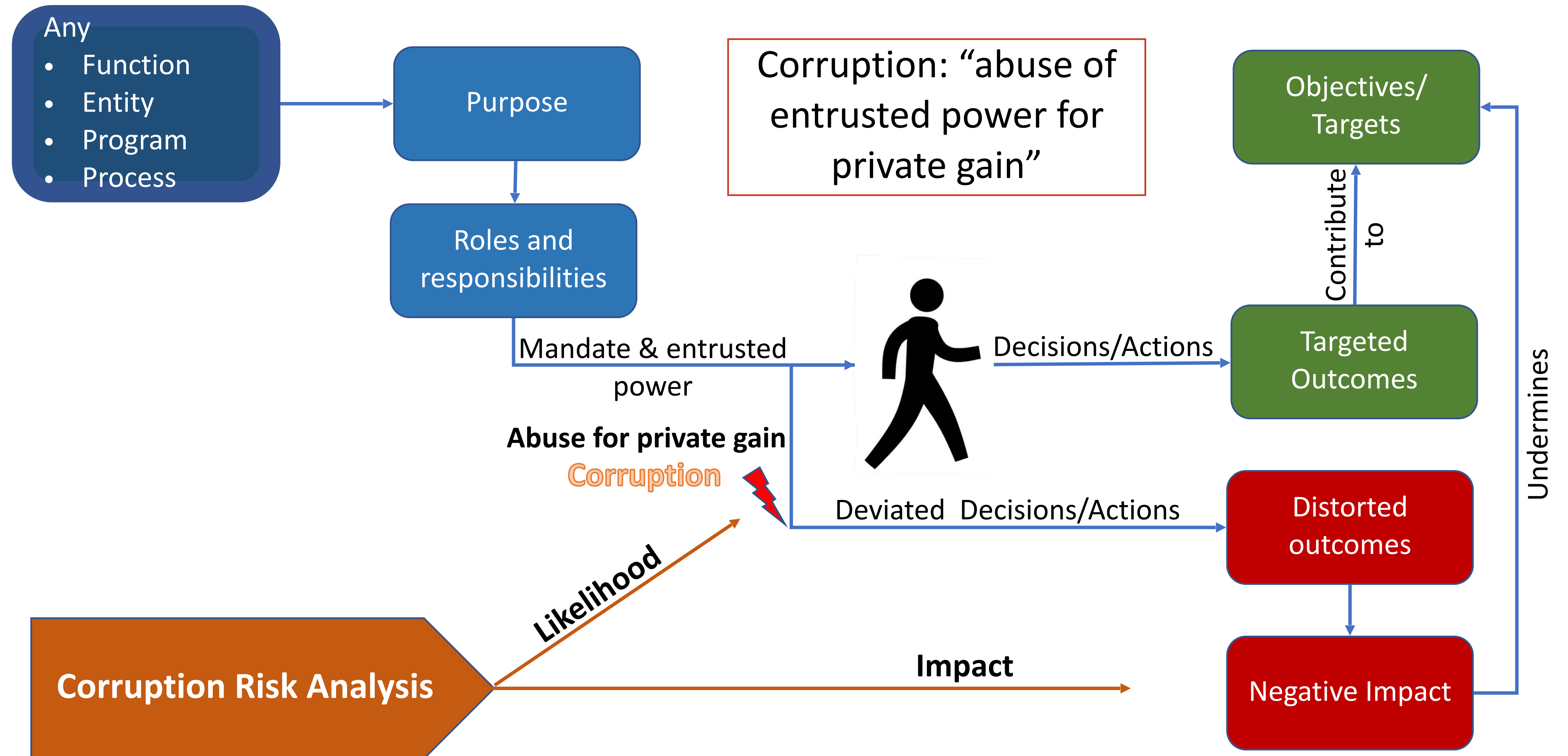
Embezzlement: Misappropriation or any other diversion in the course of economic, financial or commercial activities, by a person who directs or works, in any capacity, in a public or private sector entity of any property, private funds or securities or any other thing of value entrusted to him or her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

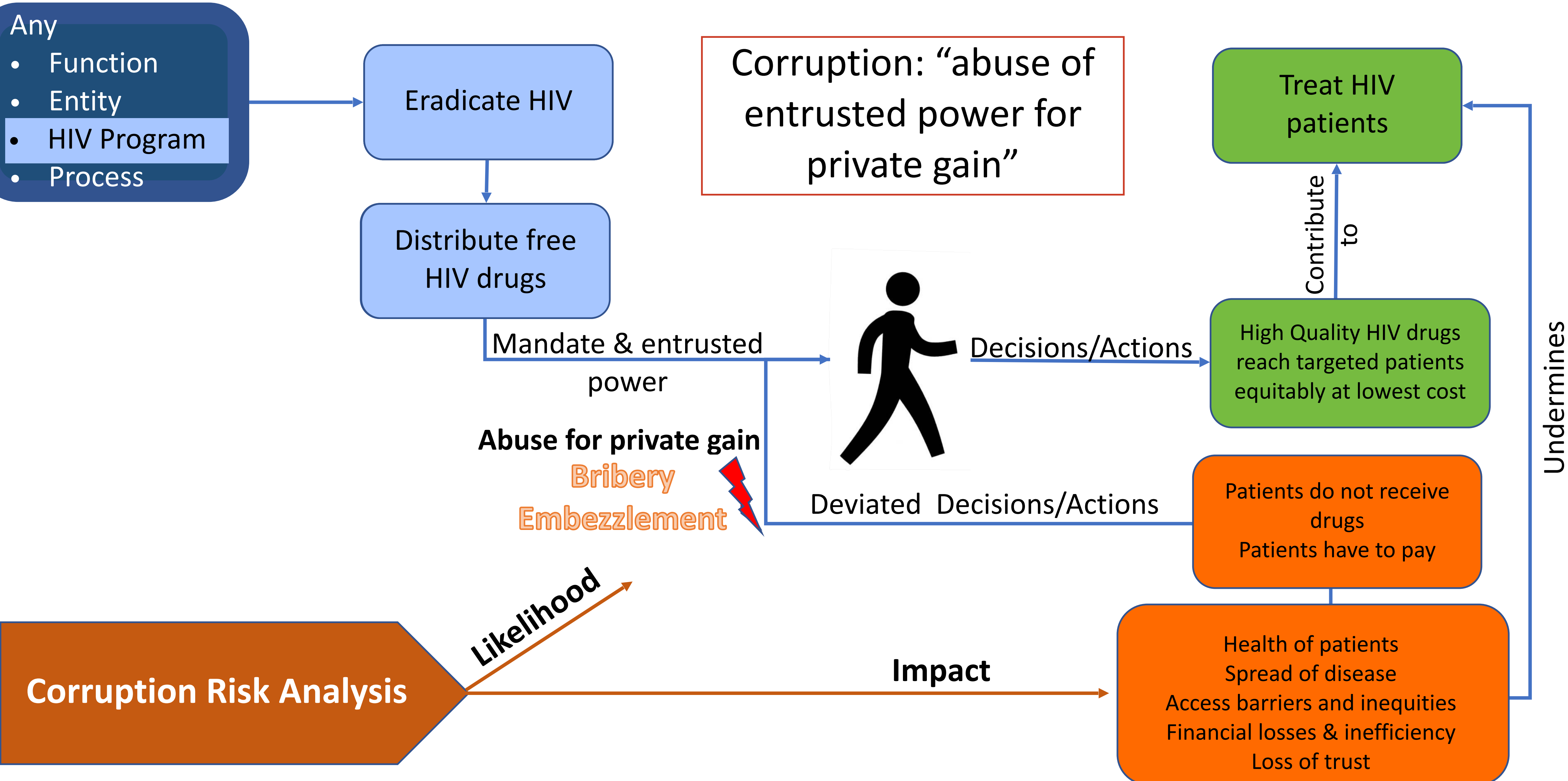
Abuse of Function: The performance of or failure to perform an act, in violation of laws, by a public official in the discharge of his or her functions, for the purpose of obtaining an undue advantage for himself or herself or for another person or entity.

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

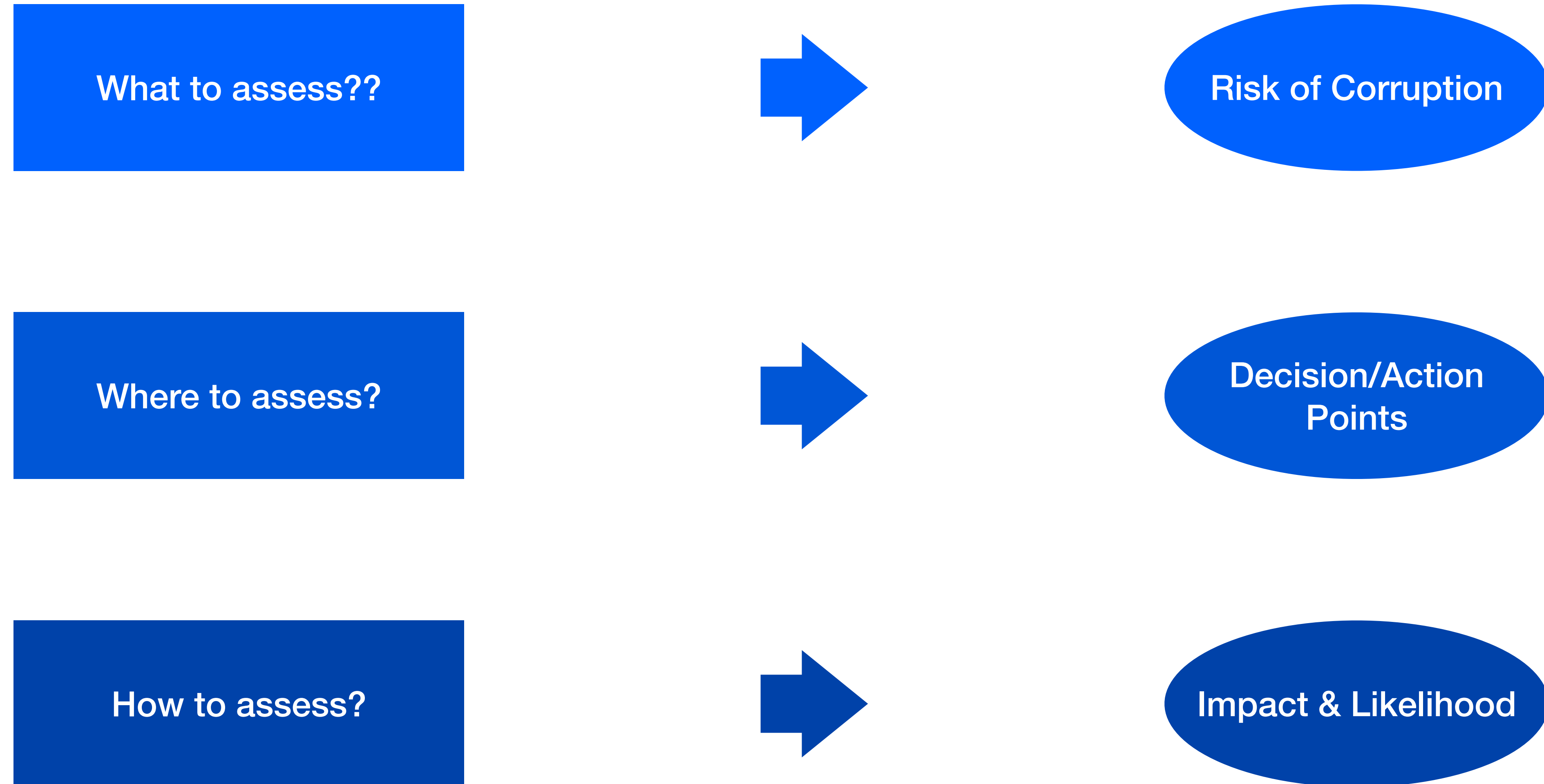
Understanding Corruption as a Risk



Understanding Corruption as a Risk - Example HIV Program



UNDP-MCRM: A step by step approach



Step 1: Scoping and Context

Example from the health sector

Health System Function

Example

- Policy making
- Legislation
- Health service delivery
- Supply of medical products
- Payment, financial coverage & protection
- Regulatory oversight

Entity

Example

- Hospital
- Primary healthcare unit
- Central pharmacy
- Supply management company
- Registration/Licensing body

Program

Example

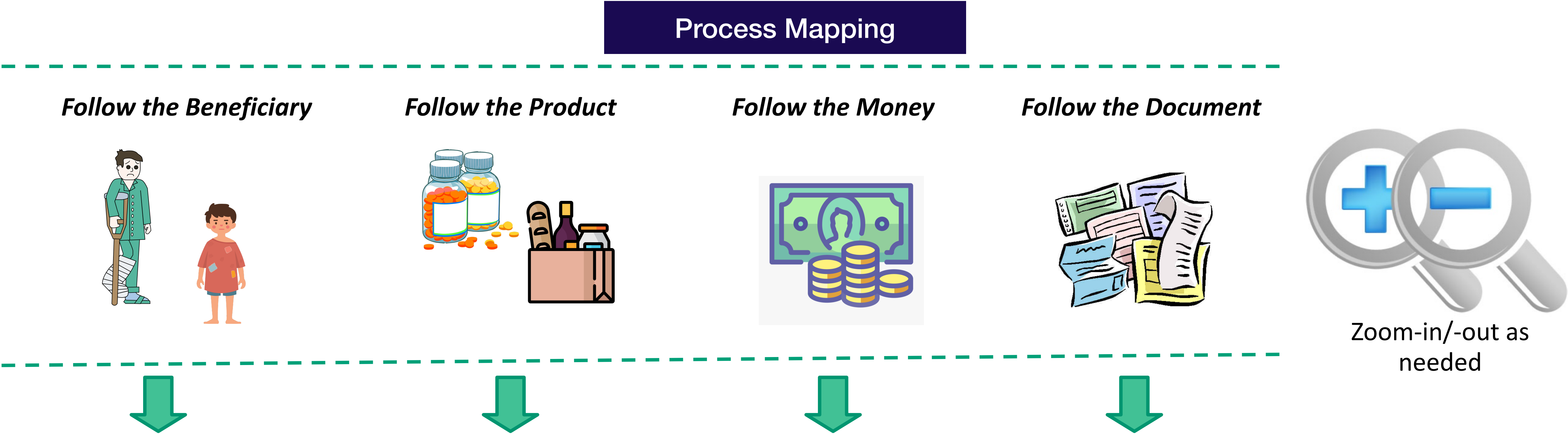
- HIV medicine dispensing
- Malaria net distribution
- Breast screening
- Immunization
- Capacity building
- Mass testing

Process

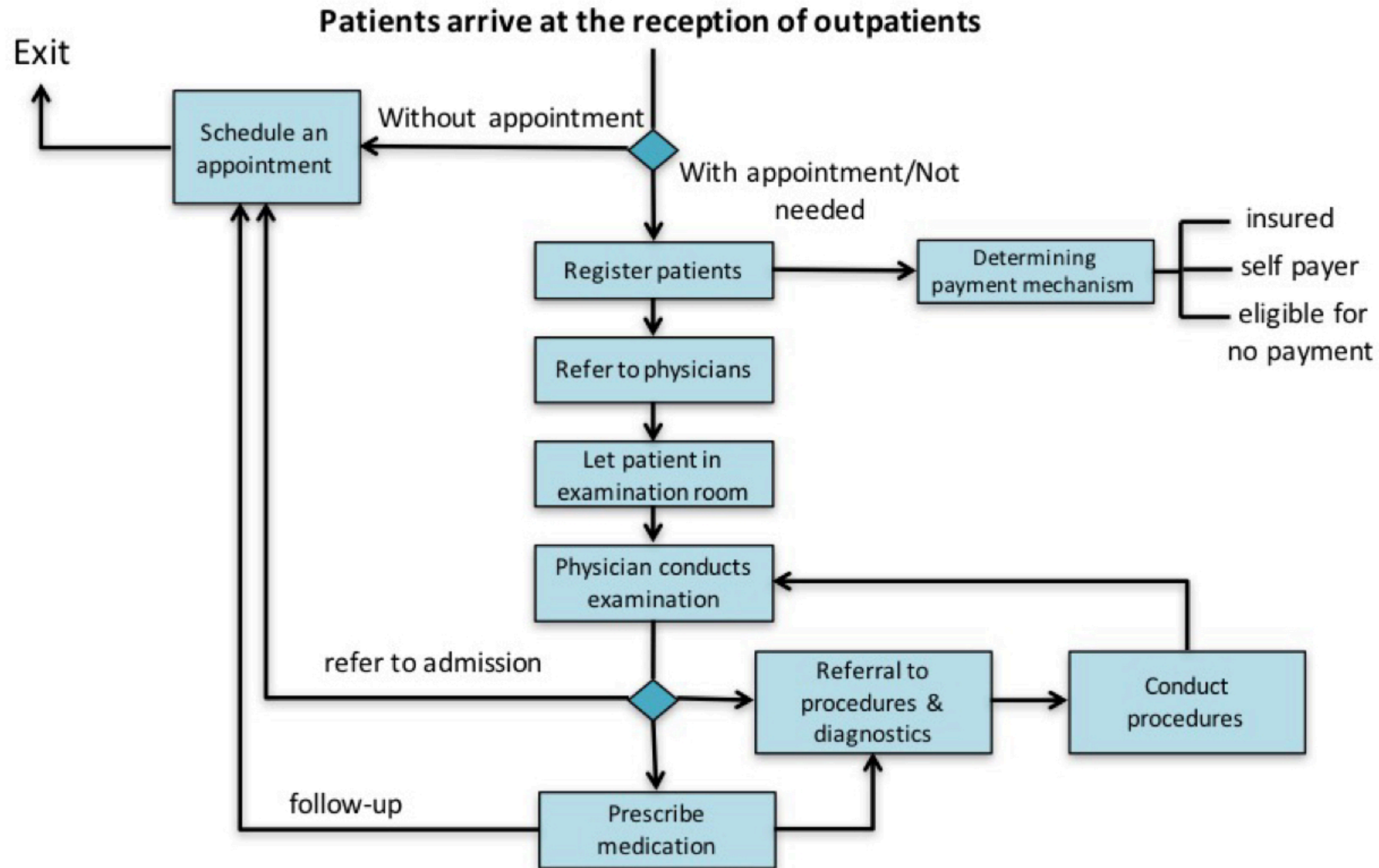
Example

- Registering drugs
- Public procurement
- Supply chain of products
- Offering services to patients
- Reimbursement of services by insurance
- Issuing a policy

Step 1 contd: Generating Decision Points



Step 1 contd: Example from the Health Sector



Step 1 contd:

Decision Points and Potential Actors:

Example from the Health Sector

Decision/Action point	Potential Actor
Schedule an appointment	Receptionist
Register patients	Receptionist
Determine payment mechanisms	Receptionist/accountant
Refer to physicians	Receptionist. nurse
Let patient in examination room	Nurse/ Nurse assistant
Conduct examination	Physician
Prescribe medication	Physician
Refer to diagnostic procedures	Physician
Refer to further interventions	Physician
Schedule appointment for diagnostic/ other procedures	Receptionist/ administrator
Conduct diagnostic/other procedures	Physician / technician
Admission	Receptionist/ administrator
Writing medical report	Physician

Step 2: Risk Assessment

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

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

Step 2: Risk Assessment

B. Risk Analysis: Assessing Impact



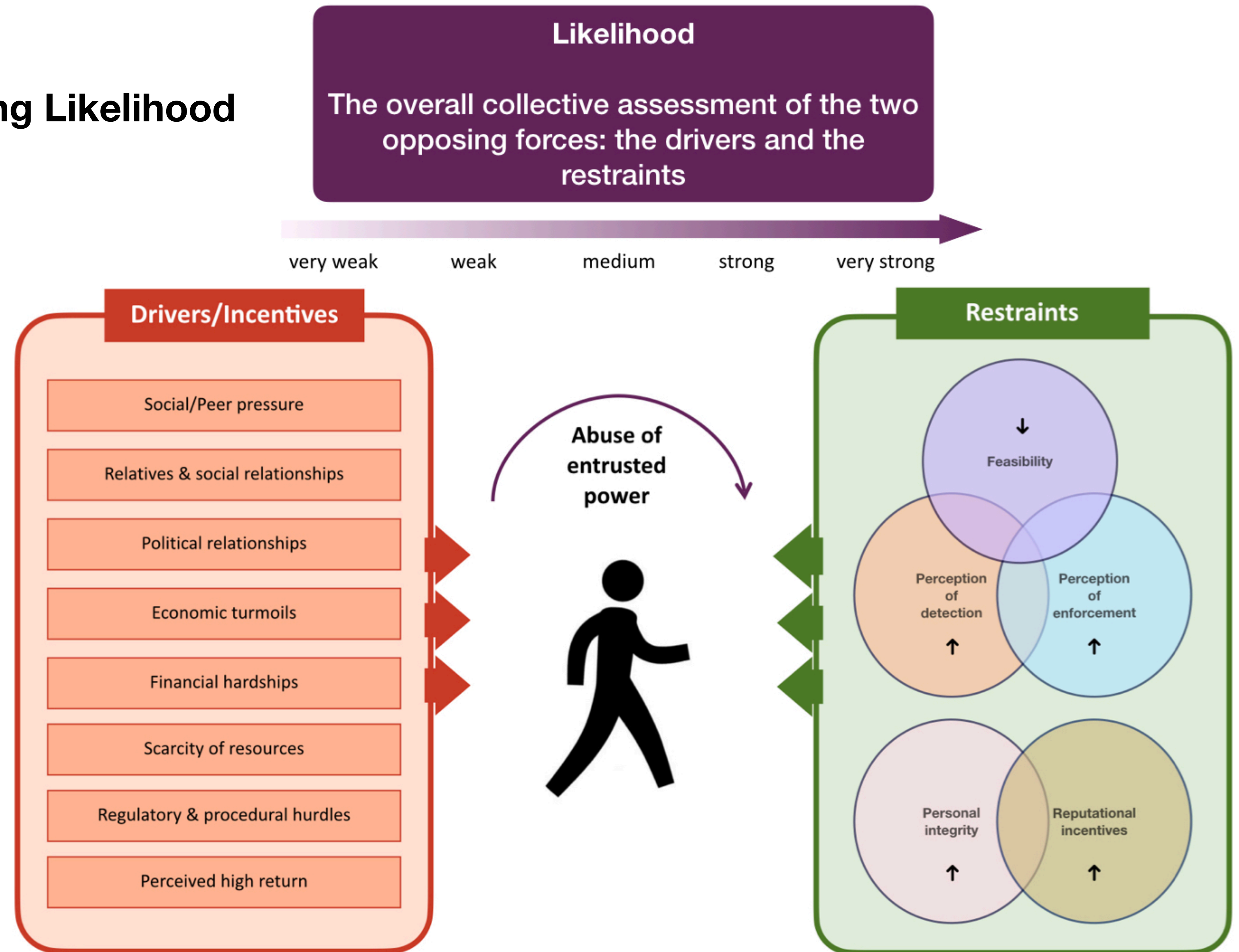
Impact

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



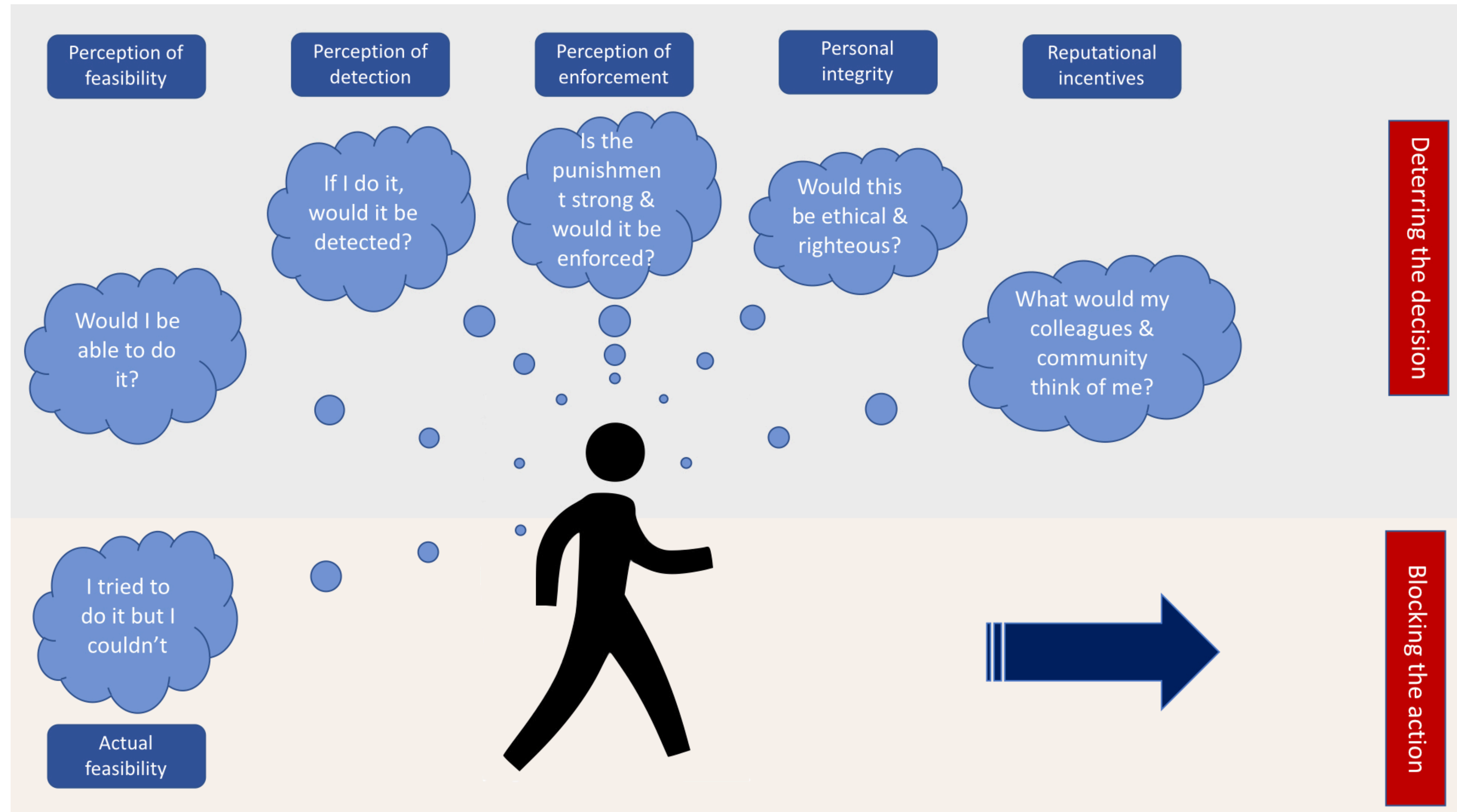
Step 2: Risk Assessment

B. Risk Analysis: Assessing Likelihood



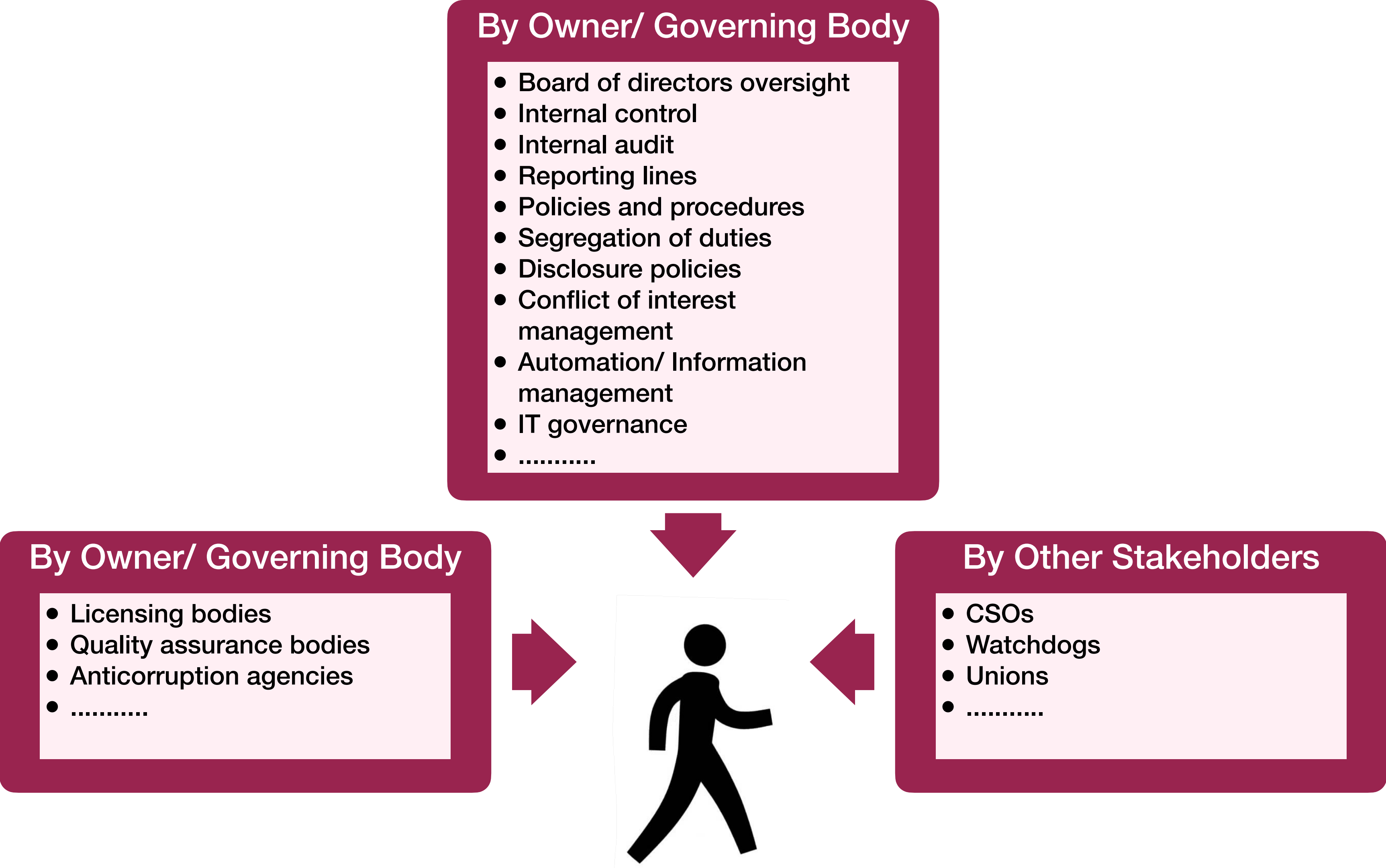
Step 2: Risk Assessment

B. Risk Analysis: Assessing Likelihood



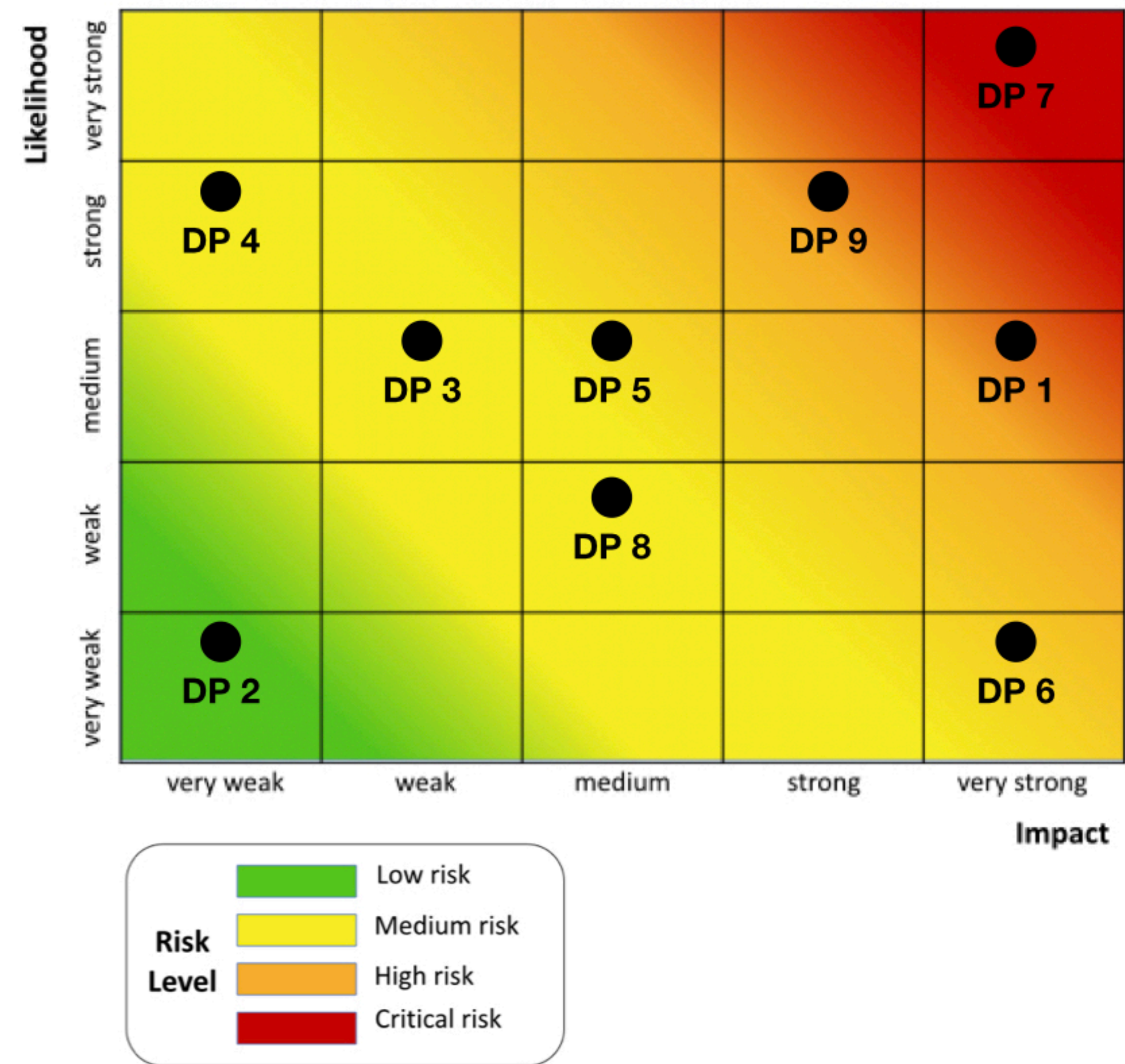
Step 2: Risk Assessment

B. Risk Analysis: Assessing Likelihood - Accountability Mechanisms

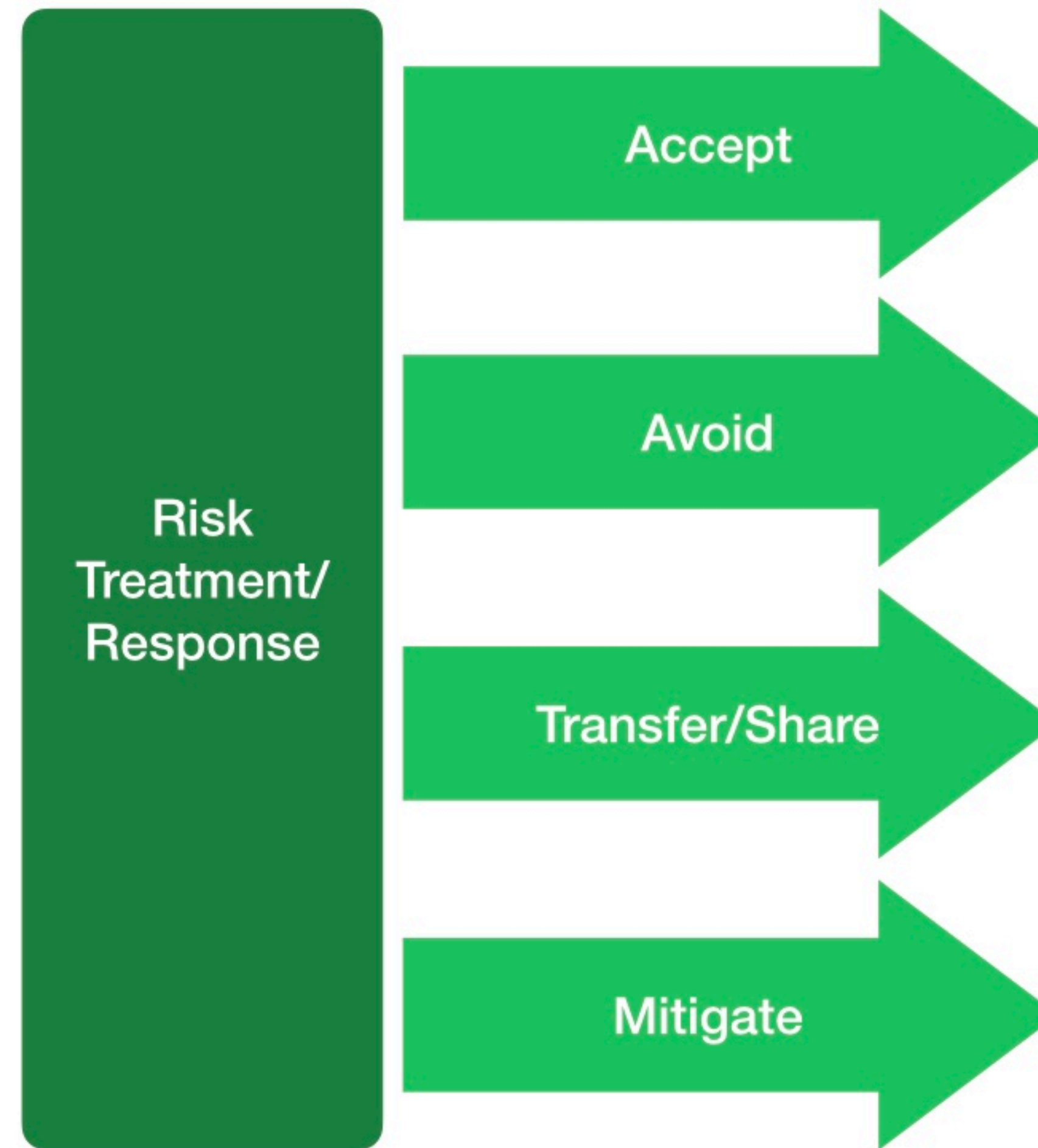


Step 2: Risk Assessment

B. Risk Analysis: Illustration on Risk Heat Map



Step 3: Exploring Risk Treatment Options



Step 4: Prioritization, Planning and Implementation

Prioritization

Risk level

Examples

- Addressing all decision points which have critical and high risk profiles
- Accepting corruption risks at division points with low risk profile
- Accepting corruption risks at decision points with high impact and low likelihood with close observation

Risk evaluation

Examples

- 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
- Integrating certain national or organizational priorities
- Political choices and priorities

Risk treatment options

Examples

- Weighing risk response based on
- Feasibility and applicability
 - Technical complexity
 - Time span
 - Capacity and resources needed
 - Complexity of implementation
 - Expected stakeholder positions
 - Return and cost-effectiveness
 - Potential negative/positive impact on risk level in other points or on other risks

Ongoing Activities

Communication and Consultation

Risk Monitoring

Recording and Reporting

Considerations for Application



Considerations for Application in Countries - Experiences from RBAS

Qualitative Assessment

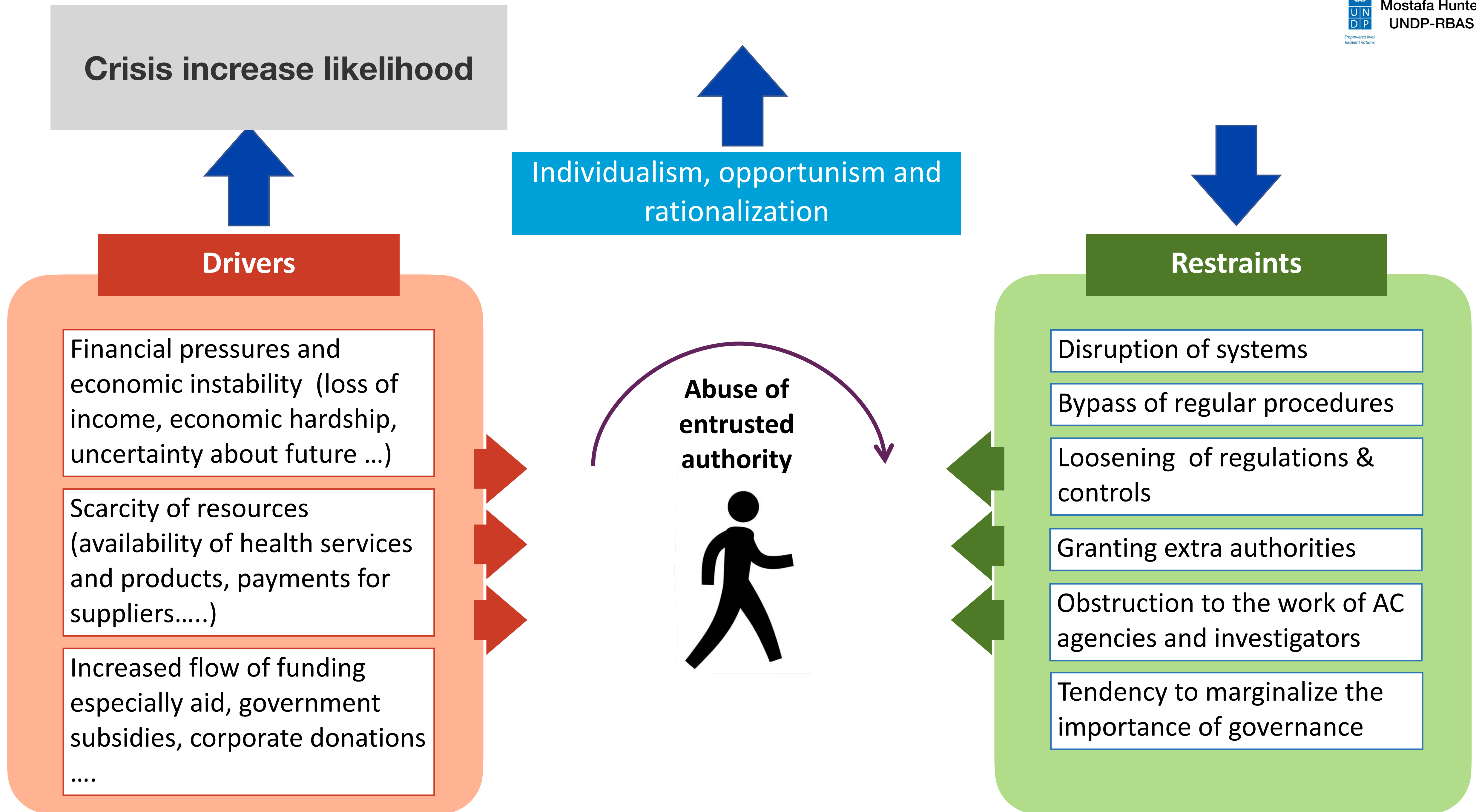
National Multistakeholder
Taskforce

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 Fosters 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



Crisis magnifies impact

Endangered
citizens

Limited access to
services &
products

Limited resources
& finance

Exacerbated
inequities

Exposed
workforce

Vulnerable
communities

Disrupted public
systems

Public trust is
critical