

# Anti-Corruption Annual Report 2023

The screenshot shows the top portion of a SharePoint website. At the top is a green header bar with the SharePoint logo, the text "SharePoint", a search box labeled "Search this site", and icons for settings and help. Below this is a navigation bar with a green "AC" logo, the title "Anti-Corruption", and a menu with items: "Home", "Documents", "Pages", "KB", "Site contents", and "ACG Internal". On the right side of the navigation bar, it says "Internal NPA" with a star icon and "Not following".

The main content area features three large tiles. The leftmost tile has a background image of a person looking at a tablet and contains the text "NPA Anti-Corruption Policy" and a "Learn more →" link. The middle and right tiles have a background image of hands typing on a laptop. The middle tile is labeled "Procedures and templates". The right tile is split into two sections: "Learning resources" on the left and "Prevention and detection" on the right.



**Norwegian People's Aid**

Norwegian People's Aid (NPA) is one of the largest Norwegian humanitarian organisations with more than 1.6 billion NOK in turnover in 2023. We are operating in 37 countries, most of them in challenging circumstances including corruption risks. Corruption is detrimental to peace and development, it increases inequality and has the potential of undermining the implementation of our programs, as well as our reputation.

NPA is concerned with aid effectiveness and is determined to make every effort to ensure that we spend our resources as intended. Our program-countries have in general a low score on the Corruption Perception Index of Transparency International, which indicates for NPA to have a continuous high focus on prevention, as well as control of our activities.

We are accountable for how we spend our resources, not only vis a vis our donors, but also towards the beneficiaries of our support and our stakeholders in general. Thus, the fight against corruption is "solidarity in action".

## 1) Major achievements

NPA's [Anti-Corruption policy](#) was adopted in November 2022, followed by an [e-learning programme](#) which is mandatory for all staff.

The main points in our policy are:

- NPA defines corruption as: **the abuse of entrusted power for private benefit**. This includes both financial and non-financial benefits.
- NPA practice **zero tolerance** for corruption. That means it reacts promptly on suspicion and confirmed corruption.
- NPA is committed to **transparency and integrity** throughout its operations, and **accountability** towards its stakeholders.
- The policy is applicable to **all NPA staff**, and both staff and stakeholders have an **obligation to report** suspicion of corruption, large and small.
- The roles and responsibilities for managers and staff at Head Office and Country Offices are described in detail in the policy. A common denominator for all managers, staff and volunteers is to **act with integrity** in line with this policy, starting with the tone from the top.

After one year with a new policy and procedure, NPA is continuously in the process of rollout and awareness-raising throughout the organisation and stakeholders. An e-learning course has been developed and made mandatory for all new staff.

NPA established a new position as Special Advisor on Anti-Corruption at HO on 1 October 2023. The Special Advisor will strengthen NPA’s focus on preventive measures throughout the organisation through training and dialogue, as well as coordinating and leading the NPA Anti-Corruption Group (ACG).

## 2) New corruption complaint cases 2023

23 new cases were reported to NPA’s Anti-Corruption Group (ACG in 2023). Quite a number of cases were related to procurement, which is a particular vulnerable risk area for corruption and mismanagement.

Name
AC 2023-01 Kickback partner
AC 2023-02 Stolen food oil from field office
AC 2023-03 Vending of stolen food
AC 2023-04 Embezzlement of food
AC 2023-05 Theft of water pump
AC 2023-06 Fraud and embezzlement of fuel
AC 2023-07 Donation of car
AC 2023-08 Nepotism in recruitment process
AC 2023-09 Financial irregularities by partner
AC 2023-10 Irregular purchase of services
AC 2023-11 Kickback from supplier
AC 2023-12 Procurement of tools
AC 2023-13 Corruption and harassment by partner
AC 2023-14 Fuel
AC 2023-15 Irregularities related to salaries
AC 2023-16 Procurement of drones
AC 2023-17 Procurement of notebooks
AC 2023-18 Fraudulent partner
AC 2023-19 Insurance fraud
AC 2023-20 Conflict of Interest
AC 2023-21 Theft from compound
AC 2023-22 Theft and disappearance of director
AC 2023-23 Procurement of uniforms

*South Sudan (7), Iraq (6), Rwanda (2), Angola (1) Mozambique (1), Sudan (1), Syria (1), Ukraine (1), Vietnam (1), Yemen (1), Zimbabwe (1)*

### 3) Closed whistleblower cases in 2023

ACG closed 16 cases in 2023

CaseNumber	Name
AC 2020-19	Outdated food and falsification of documentation
AC 2021-04	Local Community Groups
AC 2021-05	Irregular payments
AC 2021-15	Kickback from partner - 2
AC 2022-07	Similar invoices
AC 2022-11	Theft of IT equipment
AC 2022-13	FB post on partner and employee
AC 2022-14	Inappropriate request for quotations
AC 2022-15	Stolen assets
AC 2023-01	Kickback from partner
AC 2023-05	Theft
AC 2023-06	Forgery and embezzlement
AC 2023-14	Fuel
AC 2023-16	Procurement of drones
AC 2023-17	Procurement of notebooks
AC 2023-20	Conflict of interest

*Iraq (5), Syria (3) Angola (1), Lebanon (1), Mozambique (1), Rwanda (1), South Sudan (1), Ukraine (1), Zimbabwe (1)*

The following cases are examples of what happened, how they were handled and what we learnt from a different cases. It is not an exhaustive list, but demonstrate the variety of cases.

#### **2023-20 Conflict of interest**

##### *What happened?*

NPA partner purchased items from a private entrepreneur, that turned out to be closely related (family) to the NPA partner.

##### *What did we do?*

An investigation was carried out to determine if the formal vendor selection process had been carried out, and whether or not the conflict of interest had been intentional. The findings revealed that the procedures had not been followed properly, thus the purchase could not be covered by NPA. However, it was not found evidence that the conflict of interest had been intentional.

##### *What did we learn?*

There is a need to take proactive measures to foster a culture of ethical conduct. In this context NPA's partners should receive training in anti-corruption and accurate financial reporting.

## **2023-17 Procurement of notebooks**

### *What happened?*

Items of similar quality had been purchased to a much higher price (five times higher) compared to a similar purchase the previous year.

### *What did we do?*

An investigation was carried out, but no evidence was found on allegations that the prices had been manipulated for any personal gain in the procurement process.

### *What did we learn?*

Changes have been made to the procurement processes ensuring separation of duties. Refresher training and mentoring will be given to relevant staff on logistics procedures, as well as NPAs AC policy and procedure. The suppliers involved in this case will no longer be part of any future procurement processes.

## **2023-14 Fuel**

### *What happened?*

Allegation that an employee had attempted to get more compensation than the legitimate use of fuel.

### *What did we do?*

Based on the findings of an investigation and the lack of explanation for the extra fuel, 94 USD for the extra fuel was paid back, and the subject of the complaint received disciplinary action and did not get an extension of work contract.

### *What did we learn?*

There was a need for awareness-raising and a refresher anti-corruption training for field and office staff. New guidelines on fuel purchases and supporting accountability processes to be advocated.

## **2023-06 Forgery and embezzlement**

### *What happened?*

A series of allegations on fuel theft and falsification of “goods received” notes as well as irregular handling of petty cash.

### *What did we do?*

The investigation concluded that money from the petty cash repeatedly was taken over long periods of time. When finance followed up about the missing petty cash, it was returned, but only at a later date. It could not be established that any funds were embezzled. Funds related to a potential fuel theft were paid back to donor, and the person behind the irregularities resigned.

### *What did we learn?*

The case could have been caught earlier if routines in the country program were stricter. These routines include that no new cash advance should be given to anyone who has not settled the previous one, and quicker action should be taken if rules are broken.

### **2023-05 Theft**

#### *What happened?*

Water pump stolen from roof of NPA office building after third-party break-in.

#### *What did we do?*

Case reported to police, and discussed with landlord. NPA replaced waterpump as part of running cost.

#### *What did we learn?*

Security system assessed with a recommendation of installing a new alarm system.

### **2022-11 Theft of IT equipment**

#### *What happened?*

Two computers and a modem was stolen from the NPA office

#### *What did we do?*

NPA registered missing items and police undertook investigation

#### *What did we learn?*

The security company was liable for recovery of assets and reparation costs. Unclear status on the investigation by the police.

### **2022-07 Similar invoices**

#### *What happened?*

In the course of the review of a partner's quarterly financial reports, two invoices from two different suppliers were used by the partner to support expenses were found to be very similar and identical raising alert of possible fraud.

#### *What did we do?*

Investigations was undertaken and revealed that the suspicion and possibility of fraud was real, although not institutional, as per the limitations of the investigation. It was decided to close the case with a final reimbursement covering the eligible costs.

#### *What did we learn?*

Normally we would in such cases have recommended an action plan agreed between the partner and NPA and approved by the donor, as condition for continuation of the partnership and further instalments. However, as the partnership is already ended it does not make sense to set this condition.

### **2021-05 Irregular payments**

#### *What happened?*

During the annual audit serious inconsistencies were identified in a partner's procurement processes which directly contradicted policies and procedures laid out in the organisation's procurement manual.

#### *What did we do?*

An external audit was commissioned to investigate the case. Following the investigation, we concluded the lack in internal controls gave room for potential (willed or un-willed) mismanagement or corruption. There was little understanding of the importance of rectifying this on the partners side, and the

partnership was terminated. The case was closed with reimbursement of funds to the programme donors.

*What did we learn?*

We were not able to fully follow up on our own systems during COVID-19 shutdown.

#### **2021-04 Local Community Groups**

*What happened?*

NPA accused of not paying local community group

*What did we do?*

Investigation confirmed allegations, poor management and lack of documentation. No evidence found on potential embezzlement.

*What did we learn?*

Reset the verification and payment of groups, crosschecking paperwork, and possible more investigation

#### **2020-19 Outdated food and falsification of documentation**

*What happened?*

Allegations against NPA partner organisation regarding distribution of expired food items, and allegations regarding falsification of beneficiaries' information.

*What did we do?*

Investigation confirmed no evidence of corruption or fraud in either of the two cases, but the cases surfaced as a result of weak project management.

NOK 712.643 was paid back to MFA.

*What did we learn?*

The need to follow up and report to donor in a timely manner

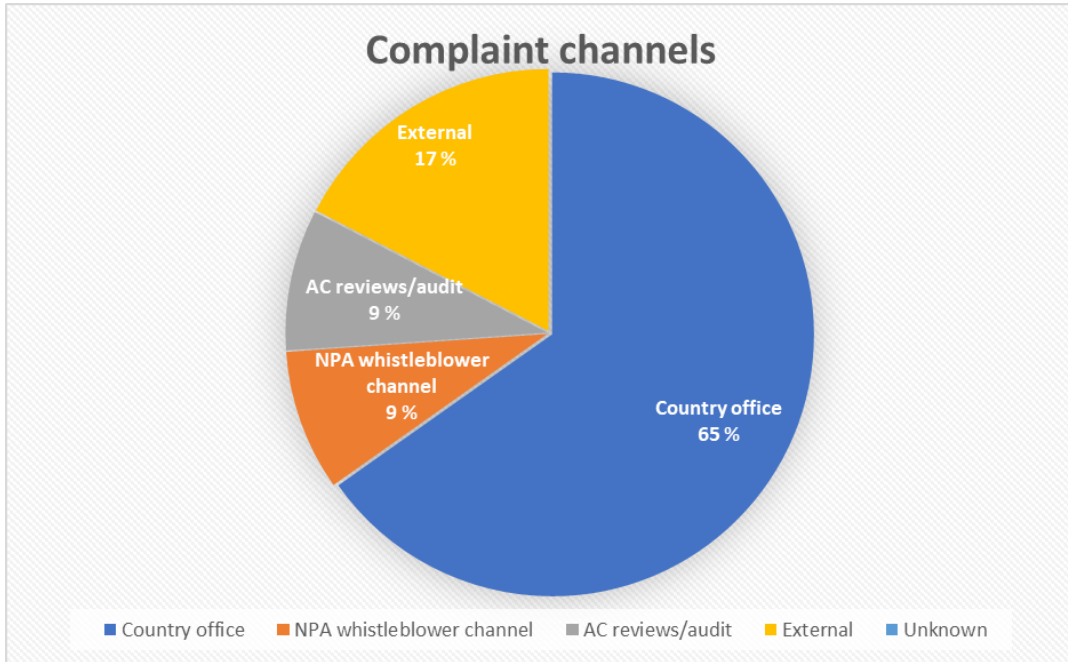
#### 4) Ongoing cases per 31. 12. 2023

CaseNumber	Name
AC 2020-20	Financial irregularities by partner
AC 2020-22	Irregularities in program
AC 2021-14	Theft from cash box
AC 2021-17	Conflict of interest by partner
AC 2022-06	Misappropriation of funds
AC 2022-12	Theft of laptops etc.
AC 2023-02	Stolen food oil from field office
AC 2023-03	Vending of stolen food
AC 2023-04	Embezzlement of food
AC 2023-07	Donation of car
AC 2023-08	Nepotism in recruitment process
AC 2023-09	Financial irregularities by partner
AC 2023-10	Irregulare purchase of services
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AC 2023-18	Fraudulent partner
AC 2023-19	Insurance fraud
AC 2023-21	Theft from compound
AC 2023-22	Theft and disappearance of director
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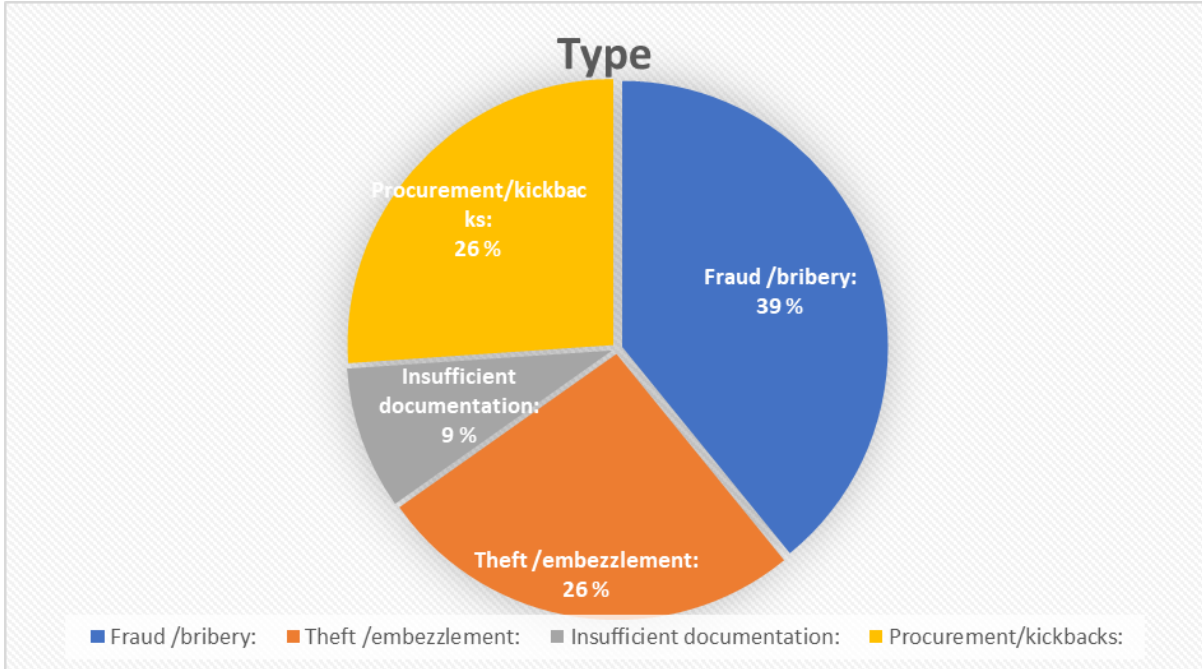
*South Sudan (9), Iraq (4), South Africa (2), Rwanda (2), Mozambique (1), Sudan (1), Syria (1), Vietnam (1) Yemen (1)*



5) 2023 Corruption complaint channels (based on new cases in 2023)



6) 2023 Types of corruption (based on the new cases in 2023)



*The illustrations above reflects both allegation/suspicion of corruption as well as confirmed suspicions through investigation.*

## **7) Way forward**

- Finetune the case-handling system to make it more targeted and efficient, and make an extra effort to finalise and close old cases
- Focus on AC training for all stakeholders and COs
- Make the e-learning course on case-handling mandatory and monitor attendance.
- Advocacy and awareness-raising of all staff and partners on NPAs zero-tolerance policy
- Strengthen reporting mechanisms, including the anonymous whistleblower channel

Thanks to all NPA staff and stakeholders for enforcing the AC policy and procedure.