



# Managing the Risks Within: Spotting the Signs of Corruption

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# Focus on what can be controlled

- Motivation is difficult to determine and sometimes to detect
- But what about opportunities for Corruption ?

# Where does Corruption Happen?

- Sales, Operations, the Corporate Suite and...
- Procurement

# Procurement Corruption – When does it happen?

- Corruption occurs in Pre-Bid or Bid or Contract Management phase
- Research and experience indicates that Corruption occurs in the earlier phases
- Corruption is however more visible in Contract Management stage

# What are the signs of opportunity?

## **Culture problems**

- Poor tone at the top
- No Management Participation
- Lack of Awareness

## **Control Weaknesses**

- Duties not segregated
- Non-observance
- No job rotation
- Lack of independent review

# Are the signs visible to the naked eye?

- Guides on stopping corruption list similar failures
- Local and international agencies charged with fighting corruption identify the same indicators
- Looking when the alarm bells are not ringing...

# Case Studies: What did we learn?

- Controls are key
- Clients need to focus more on prevention
- We don't bill as much to clients that take an event as an opportunity for reform

# Case Studies: What did the Client learn?

- Rarely does abuse happen without one or more critical failure
- “I had my suspicions but...”
- We seem to see you guys a lot these days



# What might be the signs of Corruption?

- No management oversight
- Codes of conduct missing
- No training
- Head of Procurement a control freak and been in job for 5 years
- Procurement contracts are subject to variations
- Procurement costs are increasing while revenue is stable

# Prevention: Learning from mistakes

- Play the ball and not the man
- Upper Management must be involved in the resolution
- Be prepared to grasp the nettle



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