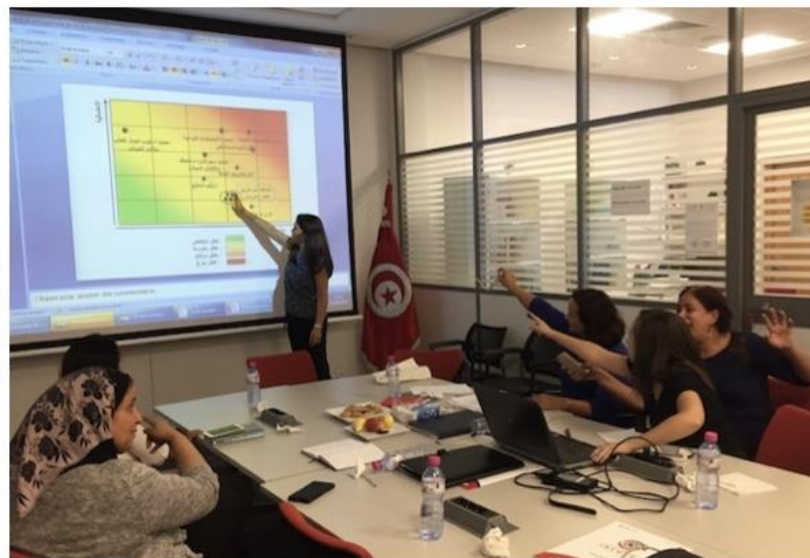
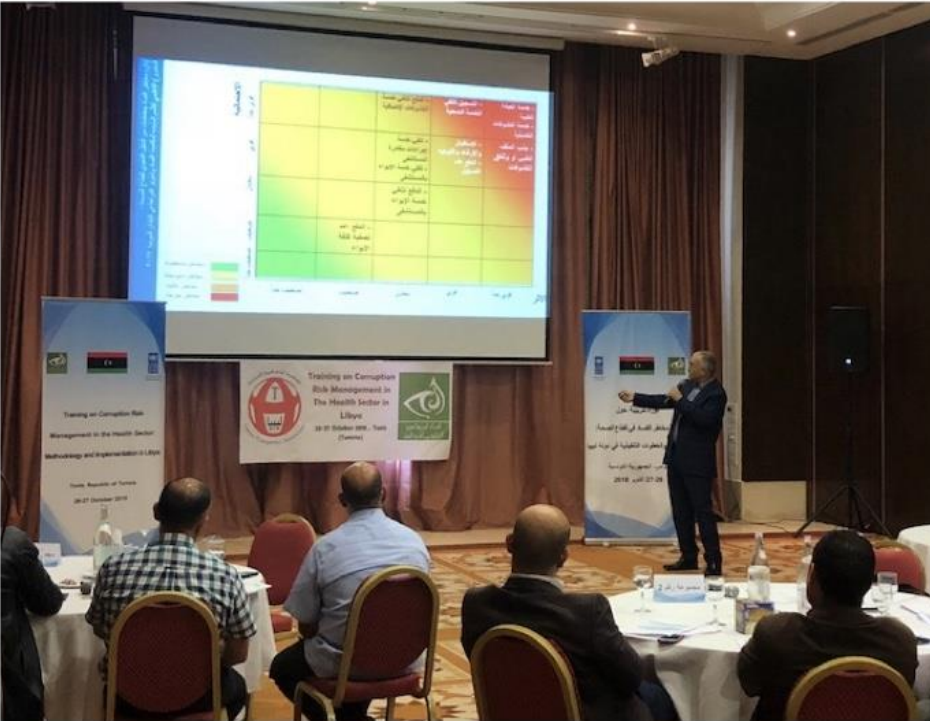




Sectoral Corruption Risk Management (SCRM)

Practical Applications



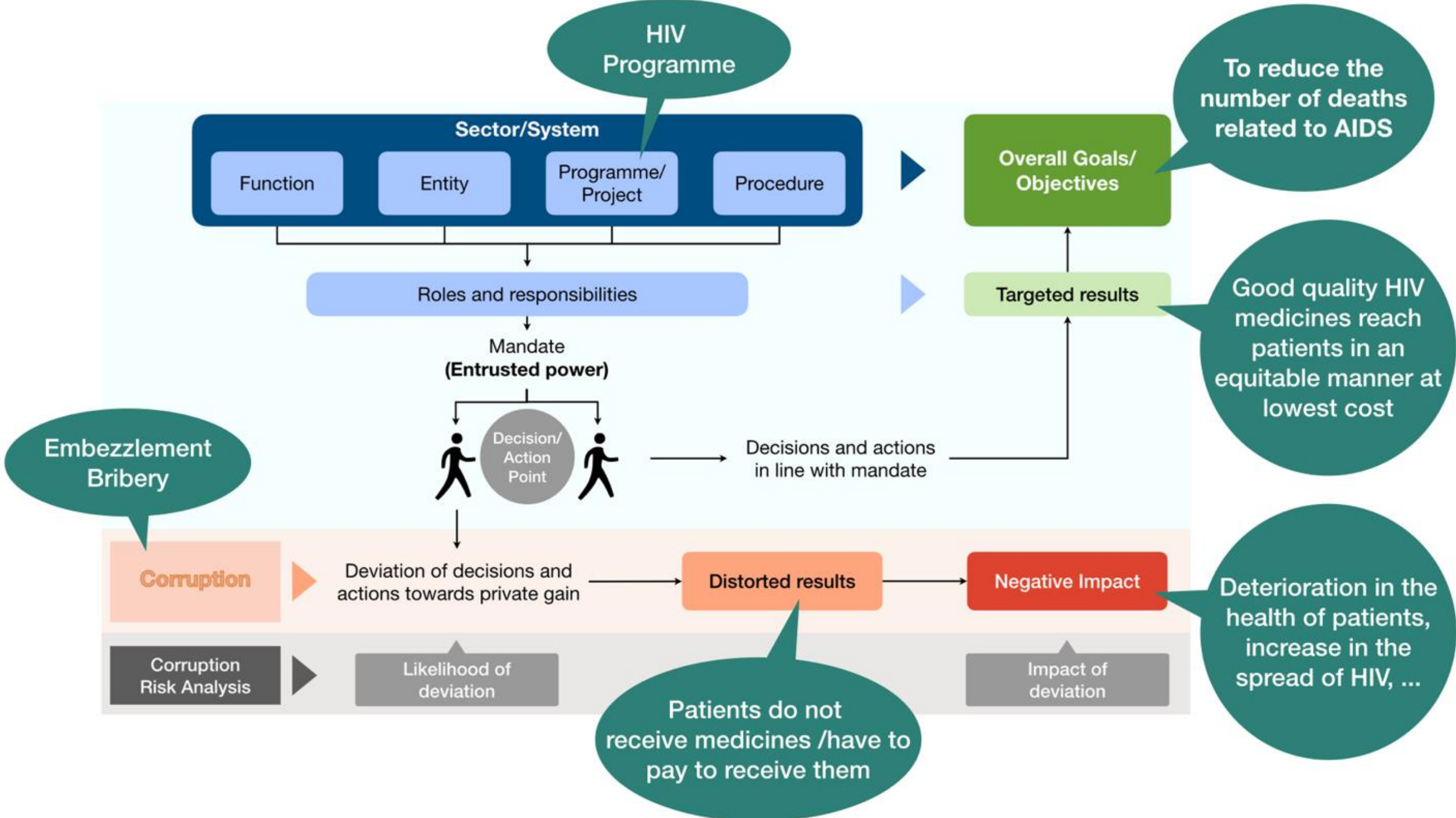


Implementation steps

- 1 Setting the scene
 - 2 Contextualization and Scoping
 - 3 Risk Assessment
 - 4 Exploring Risk Treatment Options
 - 5 Prioritization
 - 6 Planning & implementation
- Communication & Consultation
- Monitoring & Review
- Recording & Reporting



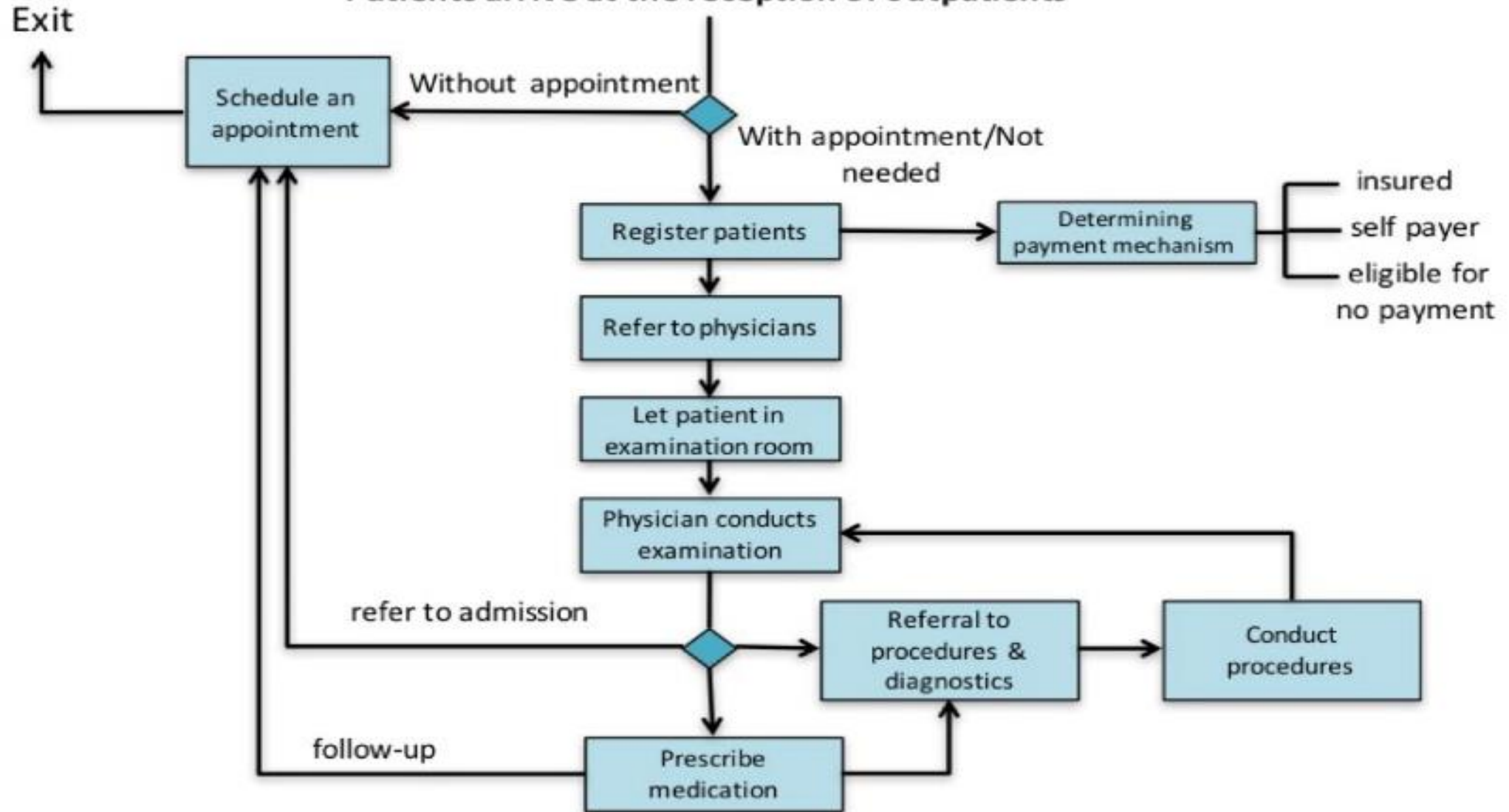
Example of corruption at the sectoral level





Example of breaking a process into “decision points”

Patients arrive at the reception of outpatients





Example of breaking a process into “decision points”

Decision/Action Point	Potential Actor
Schedule an appointment	Receptionist
Register patients	Receptionist
Determine payment mechanisms	Receptionist/Accountant
Refer to physicians	Receptionist/Nurse
Let patient into examination room	Nurse/Nurse assistant
Conduct examination	Physician
Prescribe medication	Physician
Refer to diagnostic procedures/further interventions	Physician
Schedule appointment for diagnostic/other procedures	Receptionist/Administrator
Conduct diagnostic/other procedures	Physician /Technician
Admit patients	Receptionist/Administrator
Write medical report	Physician



Example of defining and formulating “distorted results”

Decision/Action point	Deviated Decisions/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

Decision/Action point	Deviated Decisions/Actions
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 to providers Referral to a low-quality service Referral to specific brand/ name as an unjustified promotion
Admit patients	Delaying/accelerating admission Admission in higher quality (example: private room)
Write medical report	Omitting information from the report Misrepresenting information in the report



Example of “assessing impact”



Impact analysis

Magnitude of the distorted outcomes of the deviation at the decision/action point combined with the frequency of occurrence at the decision point and/or across similar decision points

very weak weak medium strong very strong

Area of Impact	Examples that can affect this area of impact
Quality	The registration committee accepts a bribe and registers a low-quality ineffective vaccine allowing it on the market
	A procurement officer accepts the purchase of low-quality ultrasound machines from a company owned by his wife
	An inspector writes a report in favor of a facility because the manager is her cousin, even though the quality was found to be low during the inspection
	An officer issues a license for a physician even though he has poor qualifications and does not fulfill the requirements because he gets a recommendation from a senior official to favor him
Access	A mother is forced to pay a bribe to get her child into the hospital, limiting her access to the service
Equity	A politician directs subsidized medications to his own ethnic group to favor them and gain their political support, which makes the medications unavailable to other groups
	A vaccine is distributed to powerful and rich people limiting its availability to lower socioeconomic classes

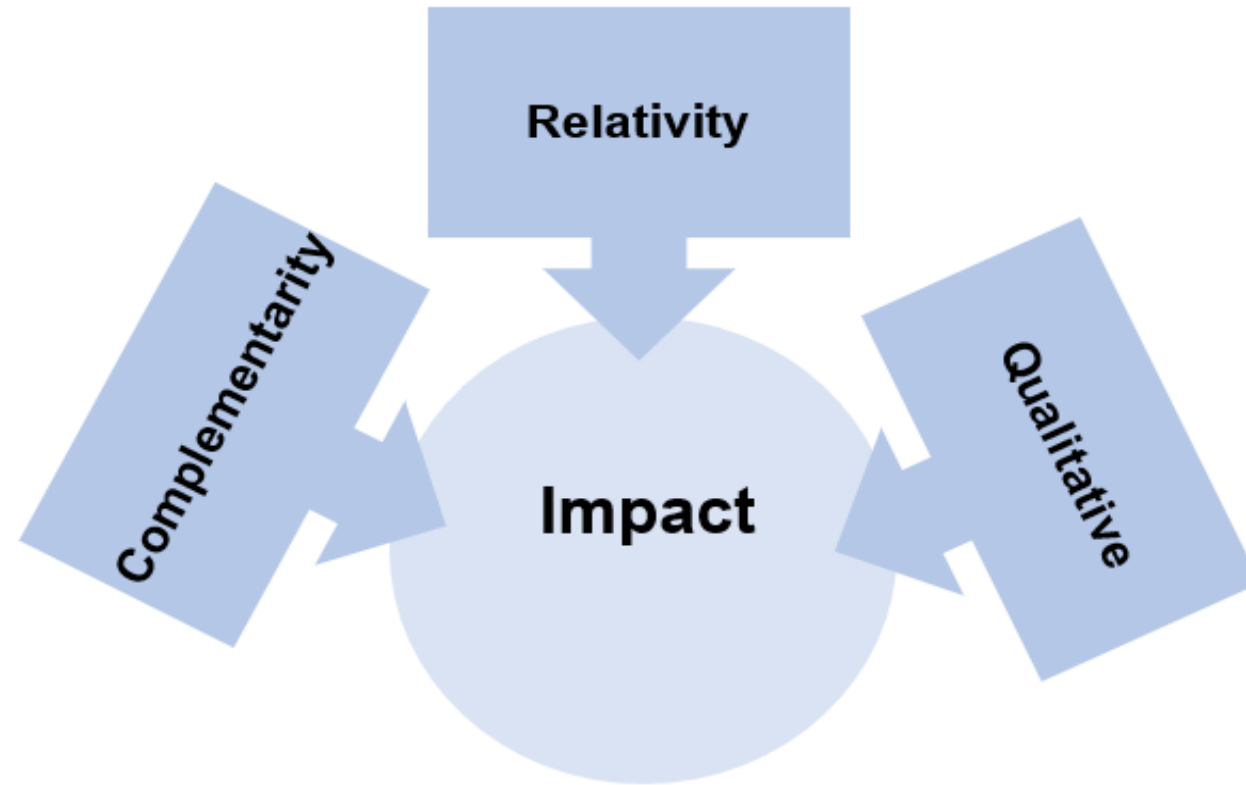
Area of Impact	Examples that can affect this area of impact
Human capital	An under-qualified manager is appointed to a hospital because she is a relative of a senior official
	A highly qualified nurse is not employed in the hospital because she refuses to yield to a sexual bribe to a manager
Finance	A physician prescribes unneeded expensive medications to patients because he is sponsored in fancy trips by the pharmaceutical company
	An inventory keeper embezzles medications
	A procurement officer settles an agreement with direct order to a company at a much higher price than if it were done through a tender and receives a bribe
	A minister sets a policy for building several hospitals that are not needed in favor of a relative owning a construction company
	Salaries are transferred to the accounts of an HR manager through accounts for ghost employees

Area of Impact	Examples that can affect this area of impact
Environment	An inspection officer allows hazardous material to go out of the hospital in regular garbage without safety precautions in exchange for a bribe
Competitiveness	A registration unit delays the registration files of vaccines from several companies except one
	A company offers physicians kickbacks to keep prescribing and promoting its medicines against other medicines of similar quality and price
	A procurement committee puts out tight specifications only fitting one company
Trust	Widespread corruption in public hospitals undermines the trust of its patients



Handouts “assessing impact”

Guiding principles to assess impact



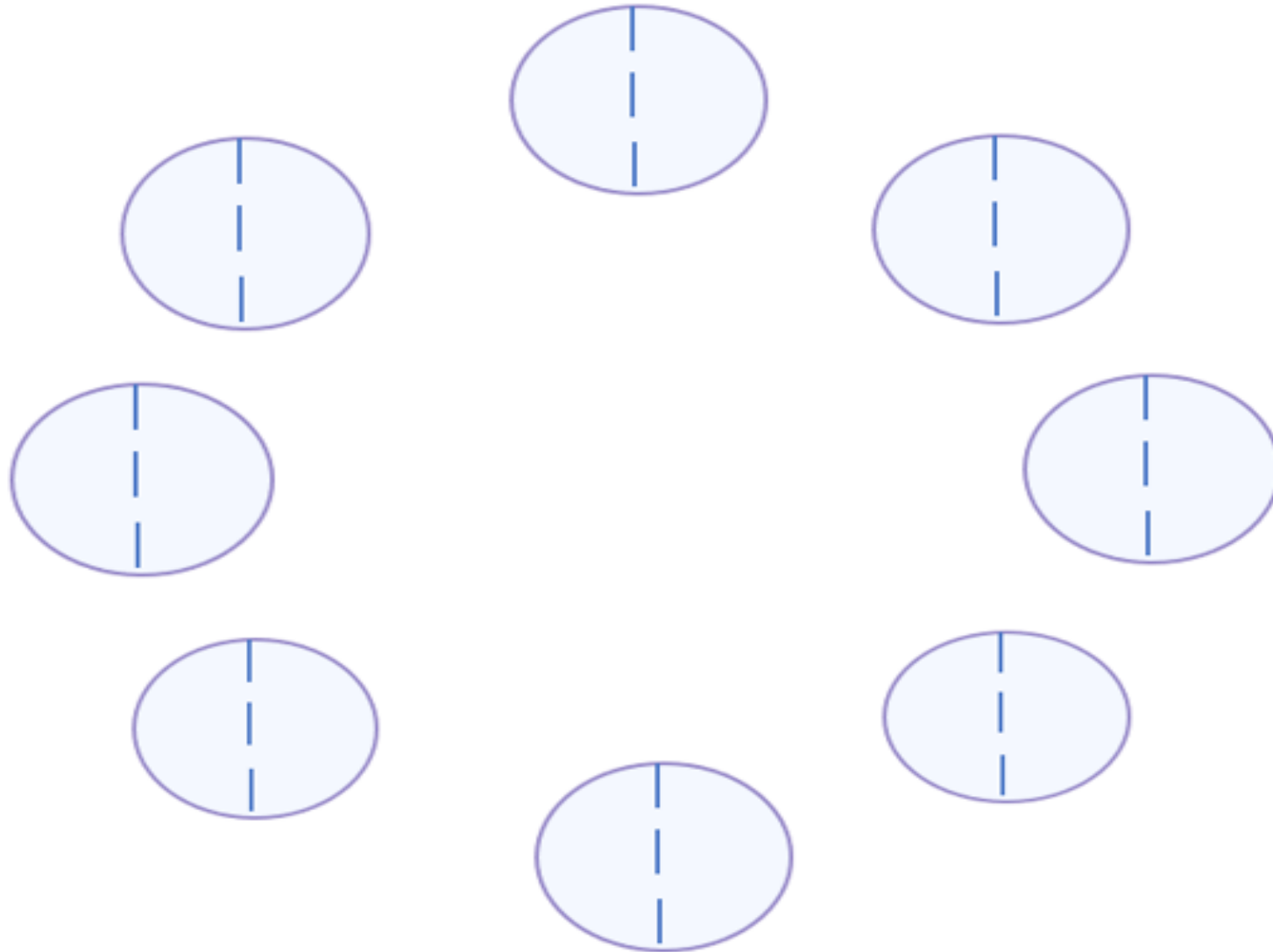
Working definitions of the **(10) IMPACT AREAS** (formulated for purposes of the SCRM alone & in accordance with its parameters)

Impact area	Definition
1- Quality	The totality of features and characteristics of an institution’s product or service that bear on its ability to satisfy stated or implied needs.
2- Access	The ability of the user of an institution’s product or service to enjoy it without needing to resort to undue additional steps or informal payments.
3- Equity and fairness	The commitment of an institution be just in allocating resources and availing products and services in accordance with applicable rights and needs.
4- Efficiency and effectiveness	The achievement of the goals set by the institution within reasonably expected timelines and allocated resources.
4- Human resources	The skills, knowledge, and experience possessed by individuals, working at an institution, viewed in terms of their value or cost to the institution.

Working definitions of the 10 impact areas
 (formulated for purposes of the SCRIM alone & in accordance with its parameters)

Impact area	Definition
6- Finance	The direct financial losses (or gains) that take place while collecting revenues, making expenditures, or managing the funds and affairs of the institution.
7- Environment	The natural surroundings or conditions on land, in water and the atmosphere that sustain life
8- Competitiveness	The capability of businesses to contend with one another, without undue influence, to deliver better value to customers.
9- Safety & security	The condition of being free from danger or threat and protected against injury.
10- Trust	The confidence of citizens and businesses in the decisions and actions of an institution to do what is right and perceived as fair.

Assessing Impact

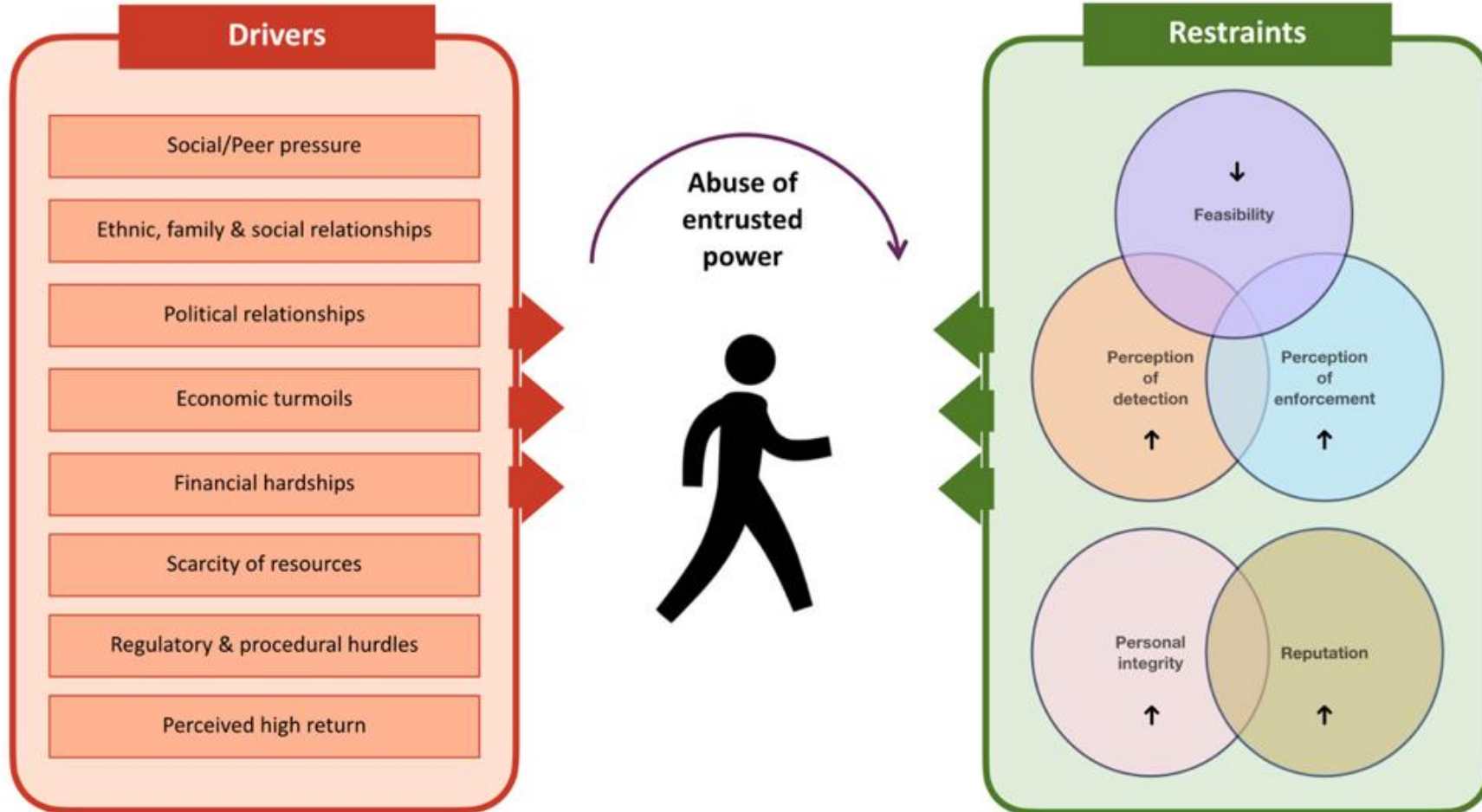


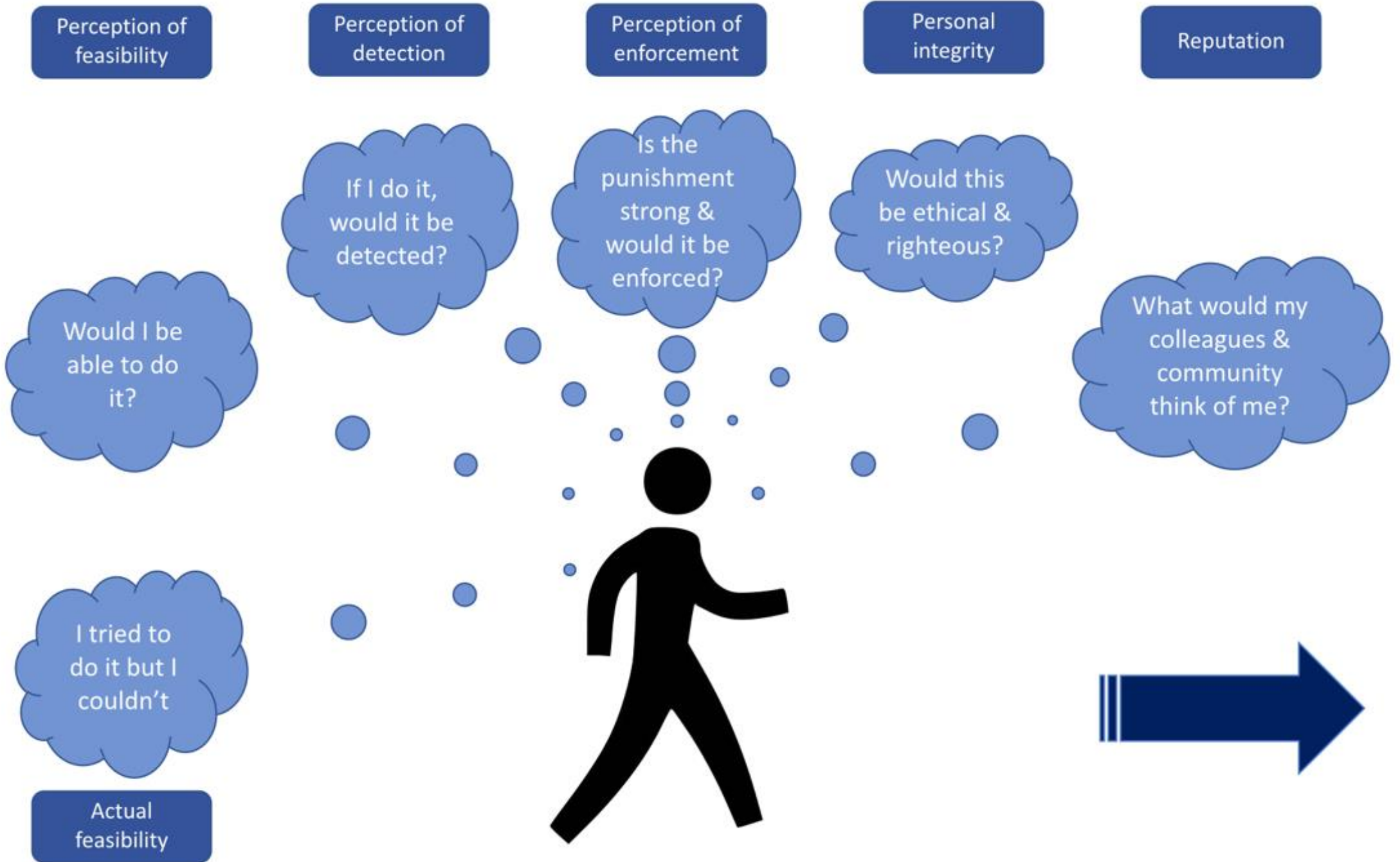


Example of “assessing likelihood”

Likelihood

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



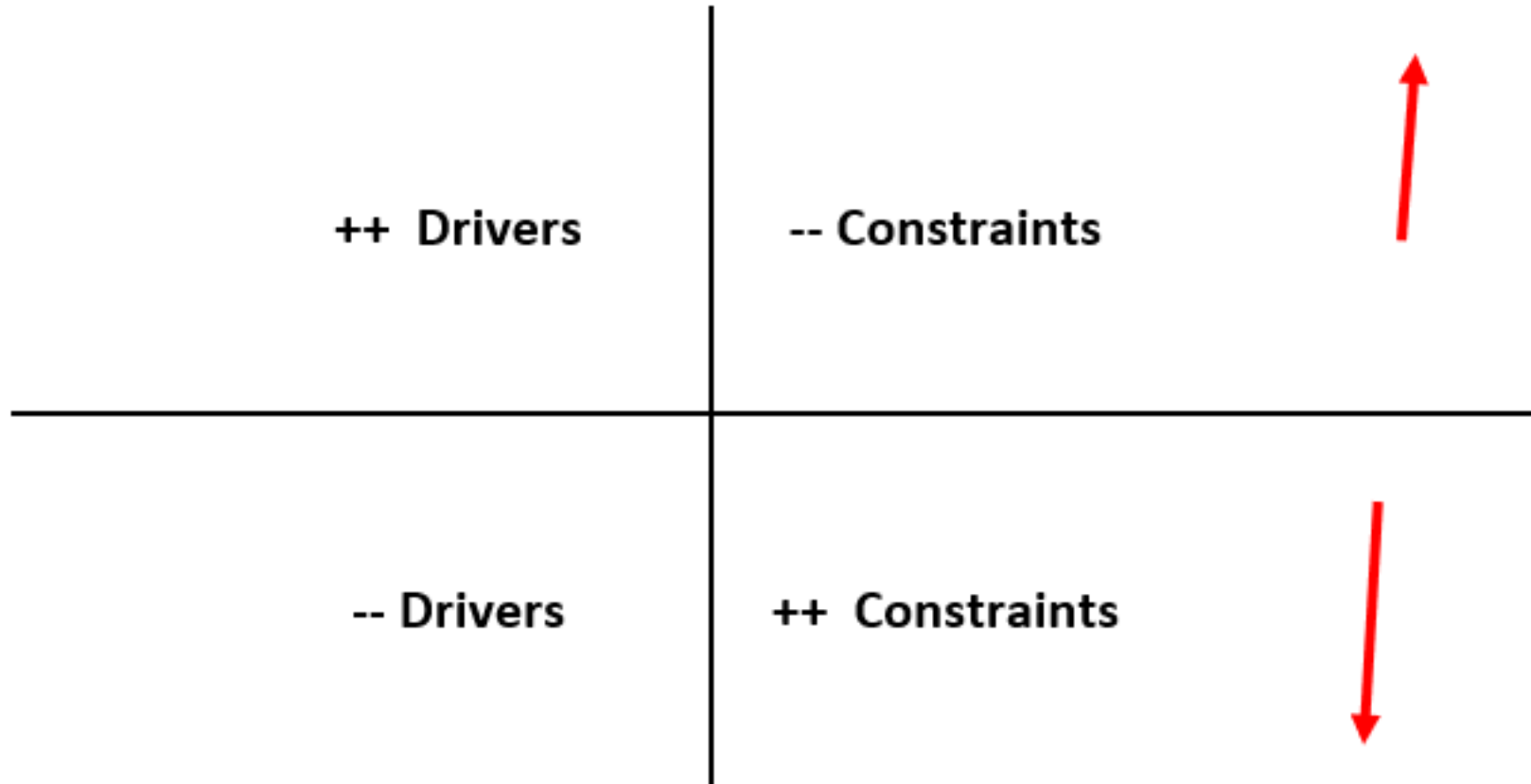




Handouts “assessing likelihood”

Assessing Likelihood

Likelihood



Sample guiding questions to assess likelihood (1)

Drivers

Is it expected & socially acceptable for individuals to receive special treatment/services from relatives?

Is it expected and socially acceptable for individuals to make decisions in favor of their political party/affiliation, regardless of the public interest?

Do decision-makers receive adequate salaries given the economic situation?

Are there clear paths for promotions and incentives based on performance that allow for legitimate income growth?

Are there any other legal and legitimate ways to increase income?

Is the country's overall economy stable during the current period, or is it turbulent?

Are the regulatory procedures related at this decision point considered unnecessary given the existing circumstances?

Does the current supply exceed demand at this decision point, or is it the other way around?

Sample guiding questions to assess likelihood (2)

Constraints

Is committing corruption at this decision point practically feasible if desired by the decision-maker?

Are the policies and procedures governing decision-making clear and well-defined?

Are the policies and procedures governing decision-making readily available to concerned stakeholders?

Are roles and responsibilities well-defined, with clear objectives?

Are these roles and responsibilities assigned to individuals/entities clearly and distinctly?

Are roles, responsibilities and the tasks derived from them distributed evenly to allow for hierarchical supervision and separation within the organizational structure and along policies and procedures as needed?

If there are independent boards or committees to oversee some of these roles and responsibilities, are they organized according to good governance standards of institutions?

Sample guiding questions to assess likelihood (3)

Constraints

Is there an effective information management system to monitor and control operations?

Are there internal controls and monitoring mechanisms regarding decision-related processes?
Are they considered effective?

Are there independent audit mechanisms to ensure objective improvement of processes, especially regarding risk management and governance within the organization?

What is the overall impression regarding the leadership's commitment to ethics and integrity in both public statements and daily practice?

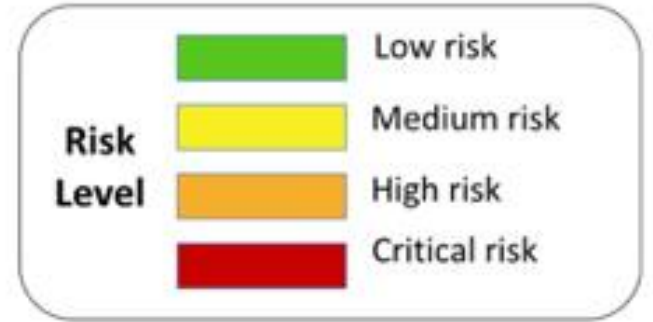
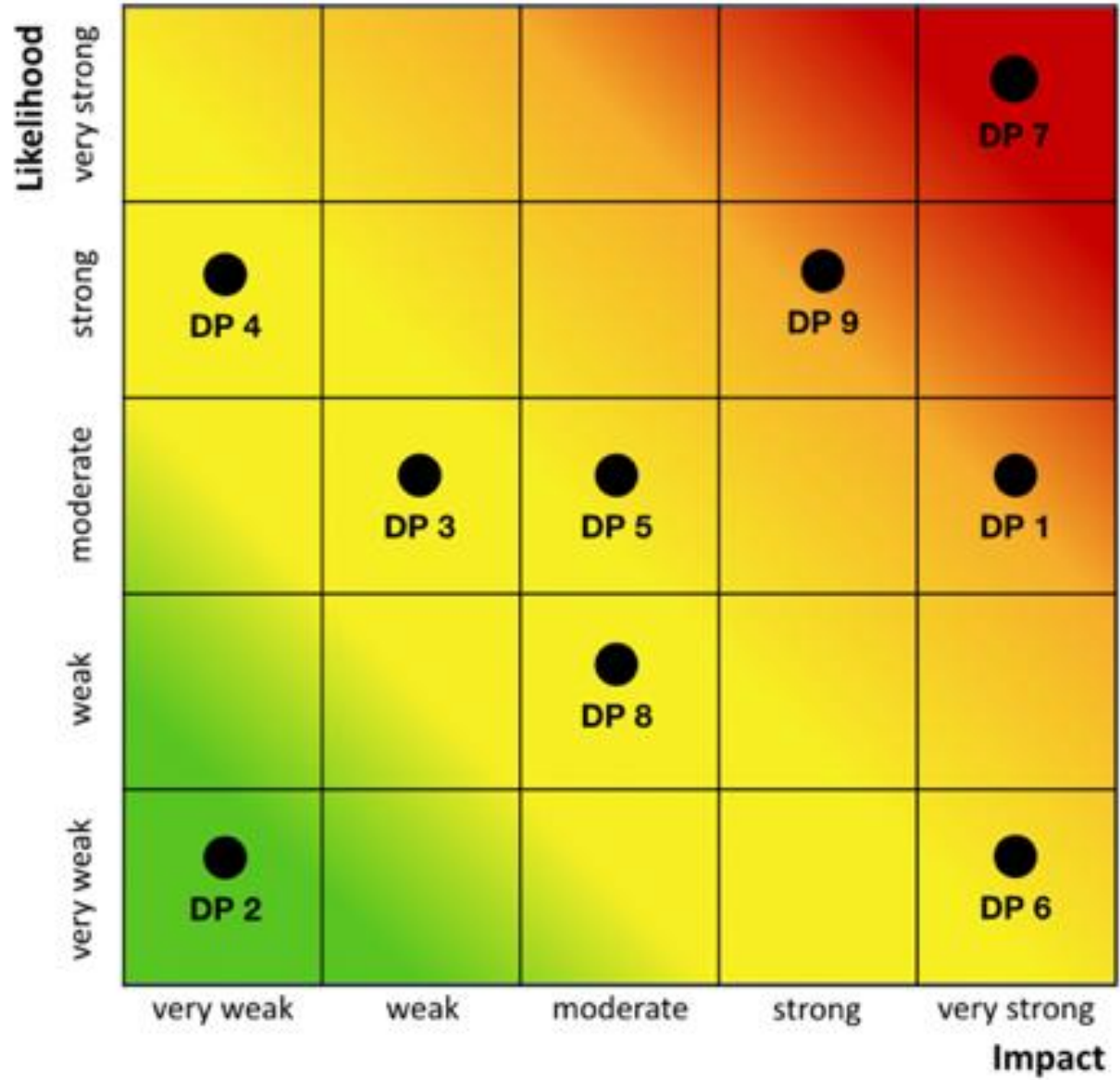
Is there an established code of ethics and conduct, and is it well-known and adhered to by stakeholders? Is it effectively implemented?

Are there policies and procedures in place to penalize corrupt behavior (financially, job loss, other legal penalties like imprisonment)? Are they effectively implemented?

Are there policies and procedures for reporting corruption within the organization? Are they effectively implemented?



Example of “Risk Heat Map”





Prioritization

Prioritization

Risk level

Examples

- Addressing all decision points which have critical and high risk profiles
- Accepting corruption risks at decision 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

THANK YOU!



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