



THE AMERICAN ANTI-CORRUPTION INSTITUTE

DEVELOPING EFFECTIVE CORRUPTION PREVENTION POLICY: CHECKLIST

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This document is a part of The AACI series of anti-corruption resources¹. The contents of this document constitute an integral part of the CACM Review textbook that would be available in countries where the CACM will only be offered by exam.

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¹ This document and its contents do not constitute a legal or professional advice. For professional advice, one should seek appropriate professionals or expert houses. The AACI provides professional services worldwide. The primary objective of this document is providing helpful guidelines to those charged with governance (decision makers) to address specific issues directly related to corruption prevention policy that they may have it implemented in their organization. An organization could be a for-profit, not-for-profit, or governmental entity.

Definition: A fraud and corruption prevention policy is a formal, written statement recording the entity's attitude and response to fraud and corruption.

The policy could be standalone or included within the code of ethics. It should state clearly what the organization expects from its employees regarding fraud and corruption.

A successful policy is one that:

1. Embeds in it the “Perception of Detection” **AND**
2. Implements a swift and consistent action when fraud or corruption is suspected or detected

Corruption Prevention Policy Benefits

The following is a "partial²" list:

1. Absence of confusion to what is fraud, corruption or misappropriation of assets
2. Clear consequences for engaging in fraud and corruption
3. Commitment of board of directors and management - the entity is not an easy target to fraud and corruption

Elements of Corruption Prevention Policy

The following is a "partial³" list:

1. Scope of policy
 - (a) Objective
 - (b) Applicable to what?
2. Business principles and business ethics
 - (a) Setting explicit, direct, and clear requirements from employees
 - i. Current employees
 - ii. New employees
3. Recruitment, training, and evaluation
 - (a) Integral part of
 - i. Recruitment policy
 - ii. Employees’ training
 - (b) Essential to annual performance review
4. Actions constituting fraud and corruption



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- (a) The policy should state what constitutes fraud or corruption.
- (b) Non-exhaustive list

5. Reporting procedure and investigation responsibilities

- (a) What should an employee do when she/he suspects or identify fraud or corruption
- (b) Whom to report to?
- (c) What are her / his responsibilities?
- (d) *Fraud Response Plan*

Pre-requisites for Effective Corruption Prevention Strategies, Plans, and Programs:

The following is a "partial⁴" list:

1. Set the proper tone at the top
2. Entity's culture
 - (a) Is it ready to effectively implement it?
 - (b) How many cultures do you have inside your entity?
3. Manage the internal resistance
4. Anti-corruption education is an essential part of any fraud and corruption prevention policy
5. EACH member of the board, management, and personnel should have annual relevant anti-corruption training

Fraud Prevention Policy: Effective Implementation

1. Implement
2. Monitor
3. Revise
4. Implement
5. Monitor
6. Measure

Why Do Not Employees Report Corrupt Acts?

1. No corrective action
2. No confidentiality of reports
3. Retaliation by superiors
4. Retaliation by coworkers
5. Unsure whom to contact

###END###



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² We address the complete list in our premier workshop/training program titled " Developing Effective Anti-Corruption Prevention Policy." We present this program in Washington D.C., London, Paris, Amsterdam, Barcelona, and Dubai. For more information, [contact us](#).

³ See note 2.

⁴ See note 2.

