

Forensic Services

# *NGO's and corruption*

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*Strictly Private  
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# *Introduction*

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## *Drivers for anti-corruption initiatives*

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- Drivers for corporations to invest in anti-corruption programs:
  - **Compliance** with national and international regulations like UK bribery act, US Foreign Corrupt Practices Act (FCPA), etc.
  - **Business needs:**
    - ✓ Preserving good reputation,
    - ✓ Being a trusted and sustainable business partner who complies with the vendor and customer's expectations,
    - ✓ Preserving the physical integrity of staff and management (operational business continuity),
    - ✓ Attracting the best professionals under the best conditions,
    - ✓ Avoiding financial penalties...
  - **Reality** - entrepreneurs and sales people often accept that when doing business with and in certain countries, you need to comply with “*The local way of doing business*”.

## *Drivers for anti-corruption initiatives*

- Governments and intergovernmental organisation hire audit firms to perform preventive and reactive audits on beneficiaries of their funding.

Based on our experience, in Belgium, there is still a long way to go in respect to anti-corruption awareness

- ☐ on what corruption is,
- ☐ what the organisation's exposure is,
- ☐ what the impact is,
- ☐ what the required investment is to do something about it.

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# *Experiences*

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## *NGO's in the audit workspace*

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Audit firms are often exposed to NGO's in their audit work for funding organisations.

The type of audit work we perform at NGO's are, among others,

- Audit of the well spending of donations;
- Audit compliance with anti-corruption regulations of contracts with governments;
- Preventive assessments of potential beneficiaries of funds (among them also NGO's) in their capacity to manage funds;
- Reactive investigations based on suspicions or whistleblowing in respect of fraud, conflict of interest and corruption

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# *NGO's vulnerability to corruption*



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## *Corruption exposure*

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Based on what we learned of NGO's, we note specific attention points

- Financial dependance
- Lack of means to invest
- Political influence
- Money laundering

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## *Questions and answers*

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*Thanks for your attention.*