



Executive Director's Circular (ERM Division)

Date: 01/07/2021

Circular No.: OED2021/012

Revises:

Amends:

Supersedes: OED2015/019

WFP Anti-Fraud and Anti-Corruption Policy and Related Guidance

Background and Purpose of Circular

1. The WFP Executive Board approved revisions to the WFP Anti-Fraud and Anti-Corruption Policy ([WFP/EB.A/2021/5-B/1](#), attached) (hereafter referred to as the "AFAC Policy"), at its 2021 annual session, with immediate effect.
2. Accordingly, the purpose of this Circular is to promulgate with WFP's internal legal framework the:
 - A. revised WFP Anti-Fraud and Anti-Corruption Policy;
 - B. related AFAC supplemental guidance to employees (Level I) and Office/Division Directors (Level II) for reporting fraud and corruption;
 - C. revised AFAC model clause.

A: WFP Anti-Fraud and Anti-Corruption Policy

3. The revised WFP Anti-Fraud and Anti-Corruption Policy is owned by the Enterprise Risk Management (ERM) Division.

Key Changes to the AFAC Policy

4. The revised AFAC Policy:
 - a) **reiterates** WFP's risk appetite position towards fraud and corruption: WFP is highly risk averse towards fraud and corruption and has zero tolerance for inaction (paragraphs 18 and 19);
 - b) **expands** the applicable scope to include any type of contracted entity or other third parties that have a relationship with WFP (paragraph 10);
 - c) **expands** the definition of "fraud and corruption" to also include theft, money laundering and financing of terrorism (paragraph 11);
 - d) **clarifies** the role of accountable manager as the role of Office/Division Director (paragraph 14);
 - e) **presents** a life cycle view of the fraud risk management process (paragraph 17);
 - f) **clarifies** the employee reporting requirements which state that employees must promptly report any reasonably suspected case of fraud and corruption, or any attempts



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thereof, to the Office of the Inspector General and may do so on an anonymous basis using the WFP hotline. WFP employees are strongly encouraged also to report to the Office/Division Director, as appropriate (paragraph 49);

- g) **introduces** a new responsibility for Office/Division Directors to escalate *material* reasonably suspected cases of fraud and corruption in the event they are informed of an allegation (escalation in line with risk escalation responsibilities outlined in the ERM policy) (paragraph 53);
- h) **introduces** a feedback loop where if an allegation is reported to OIGI and not to the impacted Office/Division Director, OIGI will, at the earliest reasonable time after completion of its preliminary assessment, inform the impacted Office/Division Director and the ERM Director of allegations of fraud and corruption deemed credible enough to warrant investigation (paragraph 54).

General Principles

5. Employees are reminded of the following general principles underlining the AFAC Policy:

- a. Fraud and corruption in any form are against the core values of WFP and can have a serious impact on the effective implementation of its activities and operations. Fraud and corruption not only divert resources from their ultimate purposes, but also undermine public trust and confidence in WFP.
- b. Consequently, WFP is highly risk averse towards fraud and corruption in its activities and operations and has zero tolerance for inaction.
- c. All the individuals and entities listed in paragraph 10 of the AFAC Policy must take appropriate action to prevent, mitigate, combat and report fraud and corruption and must refrain from engaging in fraud and corruption when participating in any WFP activity or operation.
- d. Where fraud and corruption are found to occur WFP will take robust, timely action.
- e. WFP will ensure that WFP employees who, in good faith and in line with the provisions of the AFAC Policy, report allegations of fraud and corruption are protected against retaliation.

6. Employees are required to be familiar with the AFAC Policy and act in accordance with it.

B: AFAC Supplemental Guidance to Employees (Level I) and to Office/Division Directors (Level II)

7. To aid employees and Office/Division Directors in applying the AFAC Policy reporting requirements, supplemental guidance has been developed.



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8. Employees should refer to the document entitled **Level I – Reporting Reasonably Suspected Cases of Fraud and Corruption**¹ for guidance in reporting any reasonably suspected case of fraud and corruption in line with the AFAC Policy. The document outlines steps that employees may take to determine whether an alleged case they observed or learnt about constitutes a reasonably suspected case of fraud and corruption, and then report it as appropriate.

9. Office/Division Directors should additionally refer to the document entitled **Level II – Escalation of Material Suspected Cases of Fraud and Corruption**² for guidance on escalating a *material* reasonably suspected case of fraud and corruption in the event they are informed of an allegation. The guidance defines what constitutes a *material* reasonably suspected case of fraud and corruption.

C: AFAC Model Clause

10. The AFAC Policy outlines certain obligations of cooperating partners, vendors and other contracted third parties (paragraphs 15 and 16).

11. To enforce these obligations, appropriate provisions prohibiting fraud and corruption are to be included in all agreements with cooperating partners, vendors and other contracted third parties. These provisions have been reflected in a revised AFAC Model Clause³.

12. WFP employees involved in the contracting process shall include the revised AFAC Model Clause in all contractual agreements with cooperating partners, vendors and other contracted third parties. Certain aspects of the AFAC Model Clause may need to be tailored to the particular circumstances of the contractual arrangement that is being put into place.

13. Any changes to the AFAC Model Clause must reflect the expectations set forth in paragraph 15 of the AFAC Policy and be approved by the Chief Risk Officer and Director of ERM, in consultation with the Legal Office.

Delegation of Authority

14. The Executive Director delegates the authority to update the AFAC supplemental guidance and the AFAC Model Clause to the Chief Risk Officer and Director of ERM, following consultations with relevant divisions and offices, where appropriate.

¹ [Level I Guidance on Reporting Reasonably Suspected Cases of Fraud and Corruption.](#)

² [Level II Guidance on Escalation of Material Suspected Cases of Fraud and Corruption.](#)

³ [2021 AFAC Model Clause.](#)



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Effective date

11.This circular takes immediate effect.

David M. Beasley
Executive Director



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Policy issues

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Executive Board documents are available on WFP's website (<https://executiveboard.wfp.org>).

Revised anti-fraud and anti-corruption policy

Draft decision*

The Board approves the revised anti-fraud and anti-corruption policy (WFP/EB.A/2021/5-B/1).

* This is a draft decision. For the final decision adopted by the Board, please refer to the decisions and recommendations document issued at the end of the session.

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WFP is highly risk averse towards fraud and corruption and has zero tolerance for inaction.

Accordingly, WFP takes all allegations of fraud and corruption seriously and is committed to investigating credible allegations and taking appropriate disciplinary action and sanctions when allegations are substantiated.

Reports of any fraud and corruption, or any attempts thereof, should be promptly made to the Office of the Inspector General (hotline@wfp.org).

Purpose and basis

1. The purpose of WFP's anti-fraud and anti-corruption policy (referred to as the "policy" throughout this document) is to outline the organization's commitment to and procedures for the prevention of, detection of and response to incidents of fraud and corruption applicable to all its activities and operations.
2. The policy is based on and reflects the principles set out in the staff regulations and rules, the financial regulations and rules, the standards of conduct for the international civil service, the WFP code of conduct and other relevant documents issued by WFP.¹ It also reflects the principles underlying the United Nations Convention against Corruption² and prevailing best practices for management in the humanitarian sector.

General principles

3. Fraud and corruption in any form are against the core values of WFP and can have a serious impact on the effective implementation of its activities and operations. Fraud and corruption not only divert resources from their ultimate purposes, but also undermine public trust and confidence in WFP.
4. Consequently, WFP is highly risk averse towards fraud and corruption in its activities and operations and has zero tolerance for inaction.
5. All the individuals and entities listed in paragraph 10 below must take appropriate action to prevent, mitigate, combat and report fraud and corruption and must refrain from engaging in fraud and corruption when participating in any WFP activity or operation.
6. Where fraud and corruption are found to occur WFP will take robust, timely action.
7. WFP will ensure that WFP employees who, in good faith, report allegations of fraud and corruption are protected against retaliation.³

¹ Staff regulations available at <http://www.fao.org/home/search/en/?q=fao%20staff%20regulations>; financial regulations available at https://docs.wfp.org/api/documents/WFP-0000102455/download/?_ga=2.225560218.1285052993.1610654622-1143068035.1585841826; financial rules available at <https://docs.wfp.org/api/documents/WFP-0000024932/download/>; standards of conduct for the international civil service available at <https://icsc.un.org/Resources/General/Publications/standardsE.pdf?r=05897925>; and WFP code of conduct on page 18 available at https://docs.wfp.org/api/documents/WFP-0000120630/download/?_ga=2.145845053.888257090.1612384691-1143068035.1585841826.

² Adopted by the General Assembly of the United Nations in Resolution 58/4 and effective 14 December 2005; available at <http://www.un-documents.net/a58r4.htm>.

³ Executive Director Circular No. OED2020/022, WFP Whistleblower Protection Policy, available at <https://docs.wfp.org/api/documents/WFP-0000122589/download/>.

Scope

8. The policy applies to any act of fraud and corruption (actual, suspected or attempted) perpetrated by any of the individuals or entities listed below that have a relationship – contractual or implied – with WFP in any WFP activity or operation.
9. The policy applies to all activities and operations of WFP, including: any programme, project or activity funded by WFP and any programme, project or activity implemented by WFP and any entity with a contractual arrangement with WFP (see paragraph 10b)) or any other third party with a relationship with WFP (see paragraph 10c)).
10. Specifically, the policy applies to the following individuals and entities:
 - a) WFP employees: A WFP employee (also referred to as “an employee”) refers to any individual employed by WFP regardless of contract type, including all WFP staff members (professional and general service staff, staff on secondment to WFP and junior professional officers), consultants, service contract and special service agreement holders, casual labourers, interns, volunteers and United Nations volunteers and fellows.
 - b) Entities that have contractual arrangements with WFP, including the following:
 - i) Cooperating partners: A cooperating partner is a non-profit entity that enters into a contractual relationship with WFP for the purpose of assisting in the performance of WFP’s work (including government entities, non-governmental organizations and United Nations organizations).
 - ii) Vendors: A vendor is any natural person or legal entity that is a prospective, registered or actual supplier or contractor supplying goods, works or services to WFP under the provisions of the applicable rules and regulations. Vendors include but are not limited to any private or public company, whether parent, subsidiary or affiliate company, member of a consortium or partnership, non-profit organization or other entity as appropriate. Employees, officers, advisers or representatives of a vendor will be considered agents for which the vendor is responsible.
 - iii) Other contracted third parties.
 - c) Other third parties that have a relationship with WFP and whose cooperation with WFP in the prevention and reporting of fraud and corruption is desirable and therefore encouraged under this policy. Other third parties include, but are not limited to, donors, beneficiaries and host communities.

Definitions of prohibited practices

11. The following definitions of prohibited practices apply to the policy. These prohibited practices are collectively referred to as “fraud and corruption” or “fraud” in the policy:
 - a) Fraud is any act or omission, including any misrepresentation, that knowingly misleads, or attempts to mislead, a party to obtain any financial or other advantage, or to avoid any obligation whether for oneself or for others.

Without limiting the foregoing, fraud could involve, among other things, misappropriation of cash (for example through fraudulent claims or disbursements) or other assets (for example through fraudulent shipments or falsifying inventory records) or fraudulent financial or non-financial statements (for example through purposefully misreporting or omitting information).

- b) Corruption is the offering, giving, receiving or soliciting, directly or indirectly, or attempt to do so, of anything of value to improperly influence the actions of another party.

Without limiting the foregoing, corruption could involve, among other things, an abuse of a conflict of interest, improper gratuities (including unauthorized acceptance of honours, gifts or remuneration), bribery (including kickbacks) or economic extortion.

- c) Theft is the unauthorized taking of anything of value that belongs to another individual or entity.
- d) Collusive practice is an arrangement among two or more parties designed to achieve an improper purpose, including but not limited to, influencing improperly the actions of another party.
- e) Coercive practice is impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence improperly the actions of a party.
- f) Obstructive practice is deliberately destroying, falsifying, altering or concealing of evidence material to the investigation or making false statements to investigators in order to materially impede a duly authorized investigation into suspected cases of fraud, corruption, theft, collusive or coercive practice, money laundering or financing of terrorism; and/or threatening, harassing or intimidating any party to prevent that party from disclosing its knowledge of matters relevant to the investigation or from pursuing the investigation; or acts intended to materially impede the exercise of WFP's contractual rights of access to information.
- g) Money laundering is the conversion, transfer, acquisition, possession or use of property by any person who knows or who may be reasonably presumed to know that such property is derived from criminal activity or from an act of participation in such activity, including the concealment, or disguise of the true nature, source, location, disposition, movement, rights with respect to, or ownership of, such property or aiding, abetting and facilitating such acts.
- h) Financing of terrorism (and other sanctioned individuals or entities) is the provision or collection of resources, by any means, directly or indirectly, with the intention that they should be used or in the knowledge that they are to be used, in full or in part, to benefit individuals and entities subject to measures imposed by the United Nations Security Council and appearing on the United Nations Security Council Consolidated List.⁴

Roles and responsibilities

WFP employees

12. WFP employees must at all times act in accordance with the highest standards of integrity and will:
 - a) adhere to the standards of conduct for the international civil service, the standards set forth in WFP regulations, rules and administrative issuances and the provisions of contractual agreements entered into with WFP, as applicable to the employees based on their contractual status;

⁴ Available at <https://www.un.org/securitycouncil/content/un-sc-consolidated-list>.

- b) under no circumstances engage in, condone or facilitate, or appear to condone or facilitate, any fraud and corruption in the course of the activities and operations of WFP;
 - c) refrain from participating in any situation that may give rise to any undisclosed conflict of interest;⁵
 - d) exercise due care in managing the funds, resources and assets of WFP, applying established risk management and internal control mechanisms to mitigate the risk of fraud and corruption;
 - e) comply with mandatory anti-fraud and anti-corruption training requirements; and
 - f) promptly report any reasonably suspected case of fraud and corruption, or any attempts thereof, to the Office of the Inspector General, which may be done anonymously. WFP employees are strongly encouraged also to report to their Office/Division Director⁶ as appropriate.
13. All WFP employees will be held accountable for failing to satisfy their obligations under the policy, and knowingly condoning or facilitating any practice that is contrary to the policy. Such cases may be considered misconduct in and of themselves.

WFP Office/Division Directors

14. WFP Office/Division Directors⁷ have the overall responsibility for preventing, detecting and reporting fraud and corruption. With the assistance of relevant support units, they are responsible for ensuring that WFP employees under their supervision adhere to the established system of internal control for preventing and detecting fraud and corruption. In addition to complying with the obligations listed in paragraph 12, WFP Office/Division Directors must:
- a) set the tone at the top by emphasizing that fraud and corruption run counter to WFP's values, standards and principles and can seriously undermine achievement of its objectives and stakeholder trust;
 - b) raise awareness of risks of fraud and corruption through ongoing training and guidance for WFP employees, including by ensuring that WFP employees under their supervision comply with mandatory training requirements (see paragraph 41);
 - c) ensure that managers under their supervision conduct, at least once per year, a fraud risk assessment designed to identify and assess fraud and corruption risks at the programme planning stage, and develop and implement corresponding prevention measures and mitigating actions;
 - d) ensure that contractual arrangements with any cooperating partners, vendors and other third parties include appropriate provisions for countering fraud and corruption;
 - e) ensure that a feedback mechanism for receiving beneficiary and external party reporting of reasonably suspected cases of fraud and corruption, or any attempts thereof, is in place;

⁵ As described in paragraphs 23 and 24 of the Standards of Conduct for the International Civil Service. This requirement includes the obligation to disclose any financial interests, in accordance with Executive Director Circular No. OED2020/007, Conflicts of Interest and the Annual Conflicts of Interest and Financial Disclosure Programme, available at <https://docs.wfp.org/api/documents/WFP-0000113860/download/>.

⁶ For the purposes of the policy, a WFP Office/Division Director is defined as the country director, regional bureau director, WFP global office director or headquarters division director.

⁷ See footnote 6.

- f) promptly report any reasonably suspected material case of fraud and corruption, or any attempts thereof, to their regional or headquarters director, the Director of the Enterprise Risk Management Division (ERM) and the Inspector General, as outlined in paragraph 53 b);
- g) promptly address any control weaknesses arising from reported incidents of fraud and corruption, in consultation with ERM and the Office of Inspections and Investigations (OIGI); and
- h) take prompt action to recover misappropriated resources or losses caused by fraud and corruption in consultation with OIGI and the Legal Office, as appropriate.

**Entities that have contractual arrangements with WFP
(cooperating partners, vendors and other contracted third parties)**

15. Actual and potential cooperating partners, vendors and other contracted third parties and their officers, employees, contractors, subcontractors, agents and affiliates have the duty to act honestly and with integrity in the provision of goods and services to WFP (and its partners). Cooperating partners, vendors and other contracted third parties will be encouraged to establish robust policies and procedures for combatting fraud and corruption and are required to promptly report any reasonably suspected case of fraud and corruption, or any attempts thereof, to WFP and to cooperate with WFP investigations. Cooperating partners, vendors and other contracted third parties have the duty to ensure that WFP resources are safeguarded and used for their intended purposes, as authorized by WFP.
16. Appropriate provisions⁸ are to be included in all agreements to require cooperating partners, vendors and other contracted third parties to:
 - a) acknowledge that WFP takes fraud and corruption seriously and will act on all reasonably suspected cases of fraud and corruption, or any attempts thereof, in line with this anti-fraud and anti-corruption policy;
 - b) represent and warrant that they have not, and will not, engage in any fraud and corruption;
 - c) communicate this anti-fraud and anti-corruption policy to their officers, employees, contractors, subcontractors, agents and affiliates and take reasonable measures to ensure that such persons do not engage in fraud and corruption; in addition, they will include appropriate anti-fraud and anti-corruption provisions in their agreements with any subcontractors or other agents involved in the implementation of any project funded by WFP;
 - d) promptly report all reasonably suspected cases of fraud and corruption or any attempts thereof, to WFP and fully cooperate in any investigation undertaken by WFP or its agents, including by allowing WFP to access and inspect its premises as well as any records, documents and any other information; and
 - e) acknowledge that any breach of the policy may lead to termination of their agreement, sanctions and potential recovery of losses.

⁸ Certain aspects of paragraph 16 may need to be tailored to the particular circumstances of the contractual arrangement that is being put into place.

Fraud risk management process

17. The anti-fraud and anti-corruption management life cycle comprises the following stages:
 - A. identification and assessment of fraud and corruption risk;
 - B. prevention, detection and deterrence of fraud and corruption; and
 - C. response to fraud and corruption.

A: Identification and assessment of fraud and corruption risk

Risk appetite

18. In accordance with the WFP enterprise risk management policy,⁹ WFP categorizes the risk of fraud and corruption as a fiduciary risk. For fiduciary risks, WFP is highly risk averse: while it accepts that it remains exposed to these risks, WFP recognizes its duty of care to employees and its obligations to stakeholders and commits to take prompt and effective action on matters of internal conduct.
19. WFP is highly risk averse towards fraud and corruption and has zero tolerance for inaction. WFP is guided by the following risk appetite statement: "WFP commits to investigating substantive reports of violations of the anti-fraud and anti-corruption policy and taking appropriate disciplinary action/sanctions when allegations are substantiated. In addition, WFP will take measures for corrective action, including, but not limited to, recovery of WFP losses."

Fraud risk assessment

20. Fraud risk assessment is an integral component of WFP's enterprise risk management. Offices and functions are required to carry out a fraud risk assessment at least annually as part of their office or function level risk assessments in the annual performance planning process. Offices and functions may also carry out a fraud risk assessment at intervening points during the year as the need arises (such as at the programme planning stage, when a business process undergoes a major change or when there is concern regarding the integrity of operations).
21. A fraud risk assessment is an effective way to improve communication about and awareness of the potential for fraud and corruption among WFP employees. When employees are engaged in an open discussion about fraud and corruption, the conversations themselves can play a role in reducing vulnerability to fraud and corruption. A culture of openness and transparency in relation to fraud and corruption risks empowers employees to report potential cases. It also promotes the identification of potential vulnerabilities and enables WFP to become more resilient with regard to fraud and corruption.
22. The aim of a fraud risk assessment is to help management identify and evaluate the areas of programme, operational and support activities that are most susceptible to fraud and corruption and to prioritize those on which WFP should focus its resources for prevention and mitigation.
23. ERM maintains a fraud risk assessment guide to support offices and divisions in conducting fraud risk assessments.

⁹ WFP 2018 enterprise risk management Policy (WFP/EB.2/2018/5-C), available at <https://docs.wfp.org/api/documents/1d4d4576ad134706aaa5358c73f30218/download/>.

B: Prevention, detection and deterrence of fraud and corruption

24. Responsibility for the prevention, detection and deterrence of fraud and corruption cuts across functional and managerial lines and extends to all WFP external parties. Successful preventive measures can safeguard resources, support the integrity of WFP and protect WFP's reputation. ERM maintains a comprehensive handbook on fraud and corruption prevention, outlining major risks, "red flags" and mitigating actions by major functional area. Key preventive and detective measures for WFP are summarized in the following paragraphs.

Tone at the top

25. Senior management is responsible for setting the tone at the top by emphasizing that fraud and corruption are not acceptable under any circumstance; consistently displaying the appropriate attitude regarding fraud prevention and encouraging free and open communication regarding ethical behaviour; and demonstrating, through their directives, actions and behaviour, the importance of integrity in supporting the functioning of the system of internal control.

Governance and oversight***Executive Director***

26. The Executive Director of WFP is ultimately accountable for the establishment and management of an effective system for the prevention and detection of fraud and corruption. The Executive Director is supported in this accountability by other parties as described in the following paragraphs.

Senior management

27. Senior management at headquarters is responsible to ensure that the authority and responsibility for overseeing and maintaining fraud prevention programmes are clearly defined and that the resources needed to effectively manage fraud prevention programmes are made available, and to provide updates to the Audit Committee, which meets regularly and devotes time to assessing fraud risks and proactively supporting the implementation of fraud prevention mechanisms.
28. Senior management at headquarters and in field offices is responsible for ensuring that there is full cooperation with the Office of the Inspector General.

Enterprise Risk Management Division

29. ERM is the custodian of this policy and is the second line lead for anti-fraud and anti-corruption, setting standards, providing training and agreeing risk appetite measures for anti-fraud and anti-corruption monitoring at the corporate level as well as assisting headquarters functions and field operations to develop suitable metrics.
30. The division provides guidance and support in anti-fraud and anti-corruption matters to WFP Office/Division Directors and employees, including a fraud risk assessment guide and a handbook on fraud and corruption prevention. Regional bureaux and country offices are supported by risk and compliance advisers in high risk areas and in complex contexts and, in certain regional bureaux, by anti-fraud and anti-corruption specialists.

Office of the Inspector General

31. According to its charter, the Office of the Inspector General conducts independent and objective assurance and oversight activities to protect the integrity, efficiency and effectiveness of WFP's activities and operations and detects and deters fraud, waste and abuse through internal audits, advisory services, inspections and investigations.

32. The Office of the Inspector General also ascertains that the actions of WFP employees comply with WFP's regulatory framework and that WFP cooperating partners, vendors and other contracted third parties observe applicable WFP rules, regulations and policies. In addition, the Office of the Inspector General may undertake proactive integrity reviews on specific operational issues that may indicate risk of fraud, corruption and other wrongdoing.

Ethics Office

33. The Ethics Office assists the Executive Director in nurturing a culture of ethical behaviour and accountability that enables all employees to perform their functions to the highest standards of integrity. As a confidential, independent office, the Ethics Office is available to provide advice on preventing misconduct. The office administers the whistleblower protection policy,¹⁰ which enables employees to report misconduct and cooperate with duly authorized audits, investigations and proactive integrity reviews without fear of retaliation.

Office of Evaluation

34. According to its charter, the Office of Evaluation contributes to the work of WFP by providing management and stakeholders with independent assessment of results that strengthens accountability and learning and informs policy, strategic and programmatic decisions. The evaluation function combines centralized and demand-led decentralized evaluations.

External Auditor

35. Pursuant to WFP financial regulation 14.1 and the annex to the financial regulations on additional terms of reference governing external audits, the External Auditor provides external oversight for WFP. The External Auditor is obliged to report any fraud, presumptive fraud or wasteful or improper expenditure of WFP's money or other assets to the Executive Board.

Building prevention of fraud and corruption into programme design and support activities

36. When developing a new programme, project or activity, it is important to ensure that fraud and corruption risks are fully considered in the design and processes of the programme, project or activity. This is especially the case for high risk programmes, projects and activities, such as those that are complex or that are undertaken in high risk environments, in which information on risks must be communicated to relevant stakeholders, including donors and cooperating partners, together with an assessment of the extent to which the risks can be mitigated. Programme officers must also evaluate the impact of fraud and corruption (how easy it might be for fraud and corruption to occur and be replicated in day-to-day operations) and the effectiveness of measures taken to mitigate related risks, including programme and financial monitoring. Informed decisions can then be made regarding any additional mitigating actions required.
37. The processes involved in support activities, particularly in sensitive areas such as procurement and management of resources, also require careful consideration of fraud and corruption risks. Processes should be reviewed regularly to ensure that existing controls are effective in mitigating fraud and corruption risks.

Awareness and training

38. WFP employees, cooperating partners, vendors and third parties engaged in activities and operations on behalf of WFP must be aware of their responsibility to prevent, detect, deter, respond to and report fraud and corruption.

¹⁰ See footnote 3.

39. Accordingly, in respect of WFP employees, WFP Office/Division Directors are responsible for raising awareness of this policy, of what constitutes fraud and corruption and of their detrimental effects and for underscoring the duty of all WFP employees to report any reasonably suspected case of fraud and corruption, or any attempts thereof.
40. In respect of external parties, WFP employees involved in the engagement of external parties are responsible for ensuring that such parties are aware of this policy through the contracting process.
41. All WFP employees, regardless of contract type, must complete mandatory online training courses, including but not limited to, courses on ethics and standards of conduct, prevention of fraud and corruption and cyber security. Refresher courses must be taken every three years. Completion of online training requirements by all employees is monitored centrally by WFP.

Application and adherence to standards and codes of conduct

42. Adherence to standards and codes of conduct and contractual obligations deters fraud and corruption and encourages the highest standards of professional behaviour.
43. Standards and codes of conduct have been established for WFP employees. Specifically, WFP employees must be guided by, as applicable, the standards of conduct prescribed in the staff regulations and rules, the standards of conduct for the international civil service, the WFP code of conduct and other documents.¹¹
44. Standards of conduct for cooperating partners, vendors and other third parties are set forth in their agreements.
45. Through the Ethics Office, WFP maintains a policy¹² applicable to WFP employees in respect of conflicts of interest and their resolution. The policy covers the obligations of WFP employees to avoid personal conflicts of interest and to disclose any that arise with a view to mitigating or eliminating them; to seek authorization concerning outside activities; to disclose offers concerning honours, decorations, favours, gifts or remuneration; and, for certain WFP employees, to participate in an annual conflict of interest disclosure programme.

Internal control systems

46. A strong internal control system in which policies and procedures are enforced, internal controls are appropriately implemented and employees, vendors, cooperating partners and other third parties are informed about fraud and corruption and its consequences can mitigate the risks of fraud and corruption.
47. WFP has incorporated several key preventive and detective controls into its systems and processes. They include, but are not limited to, the following:
 - **Employee management:**
 - *Due diligence in hiring:* Conducted during any recruitment process for WFP employees, regardless of rank or length of service. Includes an assessment of actual or perceived conflicts of interest.
 - *Performance management:* Use of documented workplans and performance appraisals, including staff disciplinary procedures, where applicable.

¹¹ See footnote 1.

¹² Executive Director Circular ED2008/004, Disclosure of financial interests, outside activities and honours, decorations, favours, gifts or remuneration, available at <https://api.godocs.wfp.org/api/documents/WFP-0000011016/download/>, and Executive Director Circular OED2020/007, Conflicts of Interest and the Annual Conflicts of Interest and Financial Disclosure Programme, available at <https://docs.wfp.org/api/documents/WFP-0000113860/download/>.

- **Roles and responsibilities:**
 - *Assignment of responsibilities:* Clear reporting lines, job descriptions, and delegations of authority with approval workflows.
 - *Segregation of duties:* Implementation of appropriate levels of checks and balances with regard to the activities of individuals.
- **Access controls:**
 - *System profiles:* Defined system role profiles and their assignment to relevant employees in line with their responsibilities.
 - *Premises access:* Restricted access to premises and facilities.
- **Data controls:**
 - *Data integrity and reconciliation:* Validation checks and data analysis that support the detection of anomalies and abnormal patterns.
- **Quality control:**
 - *External party due diligence:* Rigorous selection procedures for cooperating partners, including assessment of their capacity to fulfil their obligations. WFP requires all of its vendors to be qualified and eligible.¹³
 - *External party performance monitoring:* Regular monitoring of the performance of vendors, cooperating partners and other third parties, including through performance assessments and complaint and feedback mechanisms.
- **Governance:**
 - *Management review:* Supervision and control exercised by directors and line managers.
 - *Second line reviews:* Second line activities carried out by staff responsible for specified functions and regional bureaux to provide support for country offices on internal controls and conduct compliance monitoring and decentralized evaluations.
 - *Committee review:* Oversight and scrutiny by internal WFP committees.

C: Response to fraud and corruption

Reporting procedures

48. The following reporting procedures apply to all individuals and entities to whom this policy applies.
49. WFP employees must promptly report any reasonably suspected case of fraud and corruption, or any attempts thereof, to the Office of the Inspector General and may do so on an anonymous basis using the [WFP hotline](#).¹⁴ WFP employees are strongly encouraged also to report to the Office/Division Director, as appropriate.
50. Cooperating partners, vendors and other contracted third parties must promptly report any reasonably suspected case of fraud and corruption, or any attempts thereof, in relation to any activities financed by WFP according to the clauses in the applicable signed agreement. They are strongly encouraged also to inform the Office/Division Director, as appropriate; the

¹³ WFP will not award a contract to any vendor that has been debarred as indicated in the United Nations Ineligibility List and as otherwise required by WFP procurement procedures. A contract may be awarded to an ineligible vendor only when that vendor has been rehabilitated or when the WFP Sanctions Committee considers that an exception should be granted in consideration of the specific circumstances of the procurement action.

¹⁴ Available at <https://secure.ethicspoint.eu/domain/media/en/gui/106255/index.html>.

WFP hotline¹⁵ and the local complaint and feedback mechanism are also available for this purpose.

51. Donors are encouraged to promptly report any reasonably suspected case of fraud and corruption, or any attempts thereof, to the Office of the Inspector General and, if appropriate, the relevant Office/Division Director.
52. Beneficiaries and host communities are encouraged to promptly report any reasonably suspected case of fraud and corruption, or any attempts thereof, via the WFP hotline¹⁶ and the local complaint and feedback mechanism, which are available for this purpose.
53. In cases where the WFP Office/Division Director receives a report from any individual or entity mentioned in the previous paragraphs, the WFP Office/Division Director must:
 - a) Firstly, ensure the matter has been duly reported to the Office of the Inspector General as required by paragraphs 49–52. The responsibility for evaluating allegations as to whether an investigation is warranted is determined by OIGI.
 - b) Secondly, within three working days, ascertain basic information about the suspected case and report *material* cases, including estimated impacts and planned remedial actions, to their regional or headquarters director, the ERM division director, and the Inspector General. OIGI or ERM may be contacted for assistance.
54. If allegations have been reported to OIGI and not to the Office/Division Director, OIGI will, at the earliest reasonable time after completion of its preliminary assessment, inform the Office/Division Director(s) affected and the Director of ERM of allegations of fraud and corruption deemed credible enough to warrant investigation.¹⁷ Once informed, the Office/Division Director must complete the materiality assessment as outlined in paragraph 53 b).
55. In the event of uncertainty as to whether any act or omission constitutes fraud and corruption, OIGI or ERM may be contacted for guidance.
56. Any WFP employee reporting in good faith pursuant to the policy will be protected from retaliation, in accordance with the WFP whistleblower protection policy.¹⁸ WFP employees should be aware that making a report or providing information that is intentionally false or misleading constitutes misconduct and may result in disciplinary or other appropriate action.

Investigation procedures

57. OIGI assesses all allegations reported under this policy in order to determine whether an investigation should be opened in accordance with OIGI's investigation guidelines and other relevant regulations, rules, policies and procedures.
58. All OIGI investigations are conducted impartially, independently and thoroughly, in accordance with the OIGI investigation guidelines and other applicable regulations, rules, policies and procedures.

¹⁵ *Ibid.*

¹⁶ *Ibid.*

¹⁷ OIGI will inform the necessary individuals subject to consideration of due process and confidentiality concerns, possible conflicts of interest, the risk to WFP employees and assets and the need to protect any related investigation.

¹⁸ See footnote 3.

59. The Office of the Inspector General reports its findings to the Executive Director and appropriate members of management. Permanent representatives accredited to the United Nations Rome-based agencies may request investigation reports in accordance with the procedures in the policy for disclosure of oversight reports.¹⁹ The requirements for reporting to donors (which are subject to WFP's legal framework) are governed by the agreements with the donors.

Remediation and implementation of lessons learned

60. The Office/Division Director must address any control weaknesses arising from fraud and corruption with the aim of remedying those weaknesses and preventing any potential incidents. Any remedial action taken during the preliminary assessment or investigation phase must be carried out in consultation with ERM and OIGI in order to ensure that it does not compromise any proposed or ongoing OIGI investigation. Any remedial action taken at the conclusion of an investigation should consider recommendations included in any management notification issued by OIGI.
61. Lessons learned from material incidents of fraud and corruption provide WFP with insight into control weaknesses and possible recurring patterns. ERM supports function and country office management in building understanding that prevents both the likelihood and the impact of recurrence. The handbook on fraud and corruption prevention includes examples of control weaknesses identified through WFP fraud investigations.
62. If at any stage of the investigation process OIGI determines that there is a potential or actual security risk or threat to individuals or WFP's interests the Office of the Inspector General may engage relevant parties to assist with mitigation measures. Action should then be taken to address the problems identified and prevent their recurrence.

Recovery

63. WFP will attempt, where feasible, to seek recovery of WFP resources and/or property lost as a result of breaches of the policy using all the means at its disposal, including legal action when appropriate.
64. For example, in respect of WFP employees WFP may make deductions from salaries, wages and other emoluments. In respect of cooperating partners and vendors, WFP would seek refund or recovery or withhold the relevant amount from subsequent disbursements, when legally feasible.

Sanctions and related measures

65. The Inspector General may recommend to WFP management that appropriate administrative, legal and/or disciplinary action be taken against any individual or entity that is found to have violated the policy. Any such recommendation will be included in the investigation report issued to management, in accordance with OIGI investigation guidelines and other relevant regulations, rules, policies and procedures.

¹⁹ WFP. 2012. Policy for Disclosure of Oversight Reports (WFP/EB.2/2012/4-A/1), available at <https://docs.wfp.org/api/documents/WFP-0000025043/download/>; and WFP. 2017. Policy for Disclosure of Oversight Reports (WFP/EB.A/2017/6-B/1), available at <https://docs.wfp.org/api/documents/WFP-0000037656/download/>.

66. Any recommended action in respect of WFP employees is referred to WFP management as set forth in the applicable regulations, rules, policies and procedures. WFP employees should be aware that fraud and corruption, once established, constitute serious misconduct and may lead to the imposition of disciplinary measures up to and including summary dismissal.
67. Any recommended action in respect of a vendor or cooperating partner (if applicable) is referred to the WFP Sanctions Committee. The Sanctions Committee is an internal body tasked with making recommendations on vendor sanctions, including with respect to vendors' continued eligibility to do business with WFP. If the Sanctions Committee finds that a vendor has been involved in fraud and corruption it can recommend sanctions, including debarment. Vendors and cooperating partners must be made aware that fraud and corruption, once established, may constitute grounds for the immediate termination of agreements.
68. The Inspector General may also recommend that cases involving criminal activity be referred to relevant national authorities. Any such referral will be made following consultation with the Legal Office and, if necessary, after applicable waivers of immunity have been obtained.

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ⁱ Within four to six years of implementation, the anti-fraud and corruption policy will be evaluated to assess its effectiveness, as required by the WFP policy formulation process (WFP/EB.A/2011/5-B) available at <https://docs.wfp.org/api/documents/WFP-0000025374/download/>.