

Detection and Prevention Strategies

The basic anti-fraud and corruption policies and procedures include:

- Ethics policy
- Conflict of Interest policy
- Gift policy
- Compliance policy
- Procurement Integrity provisions (most serious fraud occurs in procurement)
- Anti-fraud resources and expertise
- A designated fraud response team and response plan

Useful anti-corruption resources include:

- Well publicized, professionally managed confidential reporting system
- Risk assessments
- Internal fraud investigation team, capacity and expertise
- Regular fraud awareness training
- Other training for auditor and staff as appropriate on fraud prevention and compliance requirements
- Adequate insurance for fraud losses (fidelity bonds) and claims against management
- Fraud investigation budget and contingency planning

Standard fraud prevention measures, such as those listed above, while necessary, alone are insufficient to protect organizations in high risk environments. See the IACRC post on "[Combating Fraud in Difficult Times and Places](#)" for additional anti-fraud measures in high risk environments.

1. Transparency International: Preventing Corruption in Humanitarian Projects

["TI Handbook on Preventing Corruption in Humanitarian Projects."](#)

2. Sample anti-fraud policies

USAID OIG Fraud Prevention and Compliance Handbook

A pocket guide for program implementers [PDF](#)

https://oig.usaid.gov/sites/default/files/2018-08/OIG%20Fraud%20Prevention%20and%20Compliance_7.9.18.pdf

EDUCO Anti-fraud and corruption policies, Member Child Fund Alliance

Anti-fraud and corruption policy

<https://www.educo.org/Educo/media/Documentos/Incidencia%20Politica/Anti-fraud-and-Corruption-Policy .pdf>

IUCN

International Union for Conservation of Nature

Anti-fraud policy

https://www.iucn.org/sites/dev/files/import/downloads/anti_fraud_policy.pdf

Concern Worldwide Anti-fraud Policy

<https://admin.concern.net/sites/default/files/documents/2019-05/Concern%20Anti-Fraud%20Policy%202019.pdf>

3. Association of Certified Fraud Examiners (ACFE) fraud prevention materials

[ACFE Anti-fraud playbook.pdf](#)

https://www.acfe.com/uploadedFiles/ACFE_Website/Content/fraudrisktools/Antifraud-Playbook.pdf

[ACFE Fraud Prevention Checkup](#)

https://www.acfe.com/uploadedFiles/ACFE_Website/Content/documents/Fraud_Prev_Checkup_DL.pdf

Sample Policies

Clear and sound policies are a cornerstone of effective fraud prevention. The following sample policies provide a starting point for organizations in developing their own policies and compliance programs.

[Sample Anti-Fraud Policy](#)

[Social Media Policy](#)

[Right-to-Audit Clause](#)

Sample Engagement Proposals and Reports

To assist in all aspects of fraud examinations, we have prepared sample engagement proposals and reports for use as a resource or template.

[Fraud Examination Report \(short version\)](#)

[Fraud Examination Report \(long version\)](#)

[Fraud Policy Review Proposal](#)

[Fraud Policy Review Report](#)

Sample Consent Forms

[Consent to Record](#)

[Consent to Search](#)

[Customer Consent and Authorization to Financial Records](#)

[Telephone Recording Consent Form](#)

Sample Checklists and Tools

The following checklists and tools can assist in focusing the direction of the investigation.

[Fraud Examination Checklist](#)

[Evidence Control Log](#)

[List of Useful Websites](#)

<https://www.acfe.com/acfe-twocolumn.aspx?pageid=6764&terms=>

4. US DoD_Fraud Detection Resources for Auditors; Fraud Red Flags and Indicators

<https://www.dodig.mil/Resources/Fraud-Detection-Resources/Fraud-Red-Flags/>

5. Fraud detection and prevention measures from the [Guide to Combating Corruption and Fraud in Development Projects](#)

Detection

[How to Respond to a Complaint](#)

Most significant cases begin with a complaint and many cannot be proven without the cooperation of an insider, so it is important to know how to respond to a complaint. See initial [questions to ask a complainant](#), information on how to evaluate and follow up on a complaint, and basic but important information on [how to interview a cooperative witness](#).

[The Most Common “Red Flags” of Corruption, Bid Rigging, Collusive Bidding and Fraud](#)

This section lists the most common indicators or “red flags” of possible corruption, bid rigging, collusive bidding and fraud, organized according to the contract and procurement stages. You can match each indicator to the related scheme or schemes and learn how to follow up.

Also see the [“visible red flags”](#) of fraudulent practices in construction contracts and [“proactive,” computer-aided tests](#) for collusive bidding and other offenses.

[“Due Diligence” Background Checks on Firms and Individuals](#)

Learn how to conduct effective on-line and on-site background checks on firms and individuals to confirm their existence, ownership, affiliations and credentials.

Prevention

[Resources to Research and Mitigate the Risk of Corruption and Fraud](#)

See links to numerous anti-corruption websites with information on how to identify and reduce the risk of fraud and corruption.