

GLOBAL RISK ALLIANCE LTD

RISK ASSESSMENT PROJECT

Current risk management approach

Step 1	Internal controls framework	Initial assessment of the internal controls framework including current policies and procedures, systems and controls and expertise and capabilities in place to identify and mitigate procurement fraud and corruption risk including: <ul style="list-style-type: none">a. procurementb. financec. physical, ICT and data securityd. asset managemente. quality assurancef. recruitmentg. compliance and risk management
Step 2	Counter fraud policies and procedures	Review of organisation counter fraud policies and procedure including implementation. <ul style="list-style-type: none">a. counter-fraud policyb. counter-fraud strategyc. enterprise risk management policyd. conflicts of interest policye. ethics and/or codes of conductf. gifts, hospitality and expensesg. hotline reporting and whistleblowingh. use of contract clausesi. supplier due diligence information requested/recorded
Step 3	Risk management environment	Assessment of counter-fraud communication and engagement, ownership and responsibility within your organisation through interview of leadership, management and operational staff to determine whether ethical issues are openly discussed and communicated and determine the levels of awareness, integrity and risk within business operations.
Step 4	Current framework	Documenting steps 1 to 3 will aid the mapping of your organisations current approach to procurement fraud risk identification and mitigation and how risk information flows within the organisation to support its counter fraud response and culture.

Risk assessment approach

Step 5	Procurement fraud typologies and methodology	Interview of compliance teams on investigation findings, assessment of control measures and interview of leadership, management and operational staff to determine whether the organisation has adequate knowledge of procurement fraud typologies, how and where your organisation can be targeted and knowledge of control measures in place.
Step 6	Data sources	Identify the types of data sources that are created by your organisation in its operational activities and how data is collected and analysed including use of risk information to identify and mitigate procurement fraud.
Step 7	Procurement fraud risk assessment	Assess non-competitive procurement, pre-tender, tender, contract management, end of life and asset management and disposal processes for procurement fraud and corruption risk including functions and response and how this information is used to introduce control measures, organisation change management and a strategic approach to risk identification and mitigation.
Step 8	Risk assessment model	To support annual risk assessment, map out common areas of review that should include data sources, risk management approach and identify stakeholders that would be involved in creating your annual procurement fraud risk assessment.

Prevention and detection

Step 9	Risk register and risk matrix	How your organisation documents risk in risk registers, monitors and takes action on mitigation recommendations and how they are used in a decision making and change management process.
Step 10	Prevention approach	Assessment and verification of control measures that should be in place given the level or risk including finance, security, procurement, asset management and compliance.

Step 11	Detection and data analysis	Review of current proactive methods and techniques used to detect procurement fraud risk including data analysis and analytics, audit, monitoring of control measures and non-compliance with procedures and ethics policies.
Step 12	Decision making and change management	Assess the flow of information including the coordinated approach to prevention, detection, oversight and compliance decision making and change management where procurement fraud is suspected or identified.

Change management

Step 13	Fraud response plan	Documenting ownership and responsibility of leadership, management and operational staff in the counter fraud approach including decision making and change management process where procurement fraud risk is identified.
Step 14	Performance measurement	Assessing the performance of a new framework that includes counter-fraud culture, increased reporting, data collection, risk identification and response in areas such as non-compliance. Measuring total quality ownership within the anti-corruption environment to assess internal engagement.
Step 15	Strategy	From the data collected as part of the risk assessment, introduce long term risk identification and mitigation planning to support the implementation of systems and controls, policies and procedures and expertise and capabilities to counter procurement fraud.
Step 16	Education and awareness	As part of your organisation's response and increased awareness of policies and procedures—education of expertise and capabilities in the counter fraud approach and an individual's role in identifying and preventing procurement fraud risk.