

Anti-Fraud and Anti-Corruption (AFAC) Policy

Informal Consultation – 3 March 2021

(For EB Approval - Annual Session 2021)

AFAC Policy Update - Highlights

1. PURPOSE AND BASIS

2. GENERAL PRINCIPLES

- Fraud and Corruption against WFP core values
- **WFP highly risk averse (in line with risk appetite statement)**
- individuals and entities have duty to prevent, mitigate and report
- WFP will take action (i.e. **zero tolerance for inaction**)
- whistleblower protection exists

AFAC Policy Update - Highlights

3. SCOPE

- WFP Employees
- CPs, Vendors
- other third parties (ex: donors, beneficiaries)

4. DEFINITIONS

Fraud and Corruption

- including **theft**, collusive, coercive and obstructive practices
- **money laundering** and **financing of terrorism**

5. ROLES AND RESPONSIBILITIES

- WFP Employees
- **replacement of 'managers' with WFP Directors**
- CPs, Vendors

AFAC Policy Update - Highlights

6. PROCESS AND PROCEDURES

(inclusion of a **lifecycle view** for fraud risk management with alignment to risk appetite statement in Enterprise Risk Management (ERM) Policy)

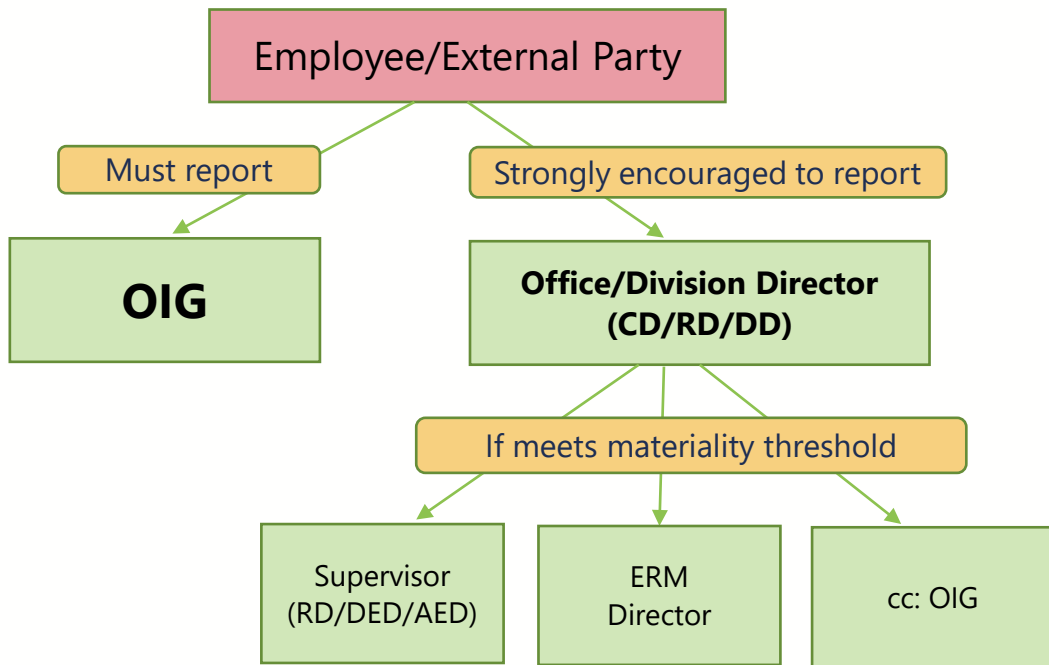
A: Identification and assessment of fraud and corruption risk

B: Prevention and deterrence of fraud and corruption

C: Response to fraud and corruption

- **Reporting Procedures: updated to include *key role of Office/Division Director with escalation of material suspected cases (in line with risk escalation responsibilities outlined in the ERM policy)***
- Investigation Procedures: no major change, but **a commitment from Inspector General and Oversight Office (OIG) to report back to the Office/Division Director after the preliminary investigation step, where due process and confidentiality allows**
- Remediation and implementation of lessons learned
- Recovery
- Sanctions and related measures: inclusion of WFP Sanctions Committee

AFAC Policy Update – KEY CHANGES



- Anonymous reporting can always be made to OIG only
- Whistleblower protection exists.

Management Reporting and Escalation (paras 48 to 53)

If Director receives a report of a suspected case, the Director must, within **three working days**,

- ascertain basic information about the suspected case
- report *material* cases, including estimated impacts and planned remedial actions, to their RD/HQ director; the ERM Director and OIG.

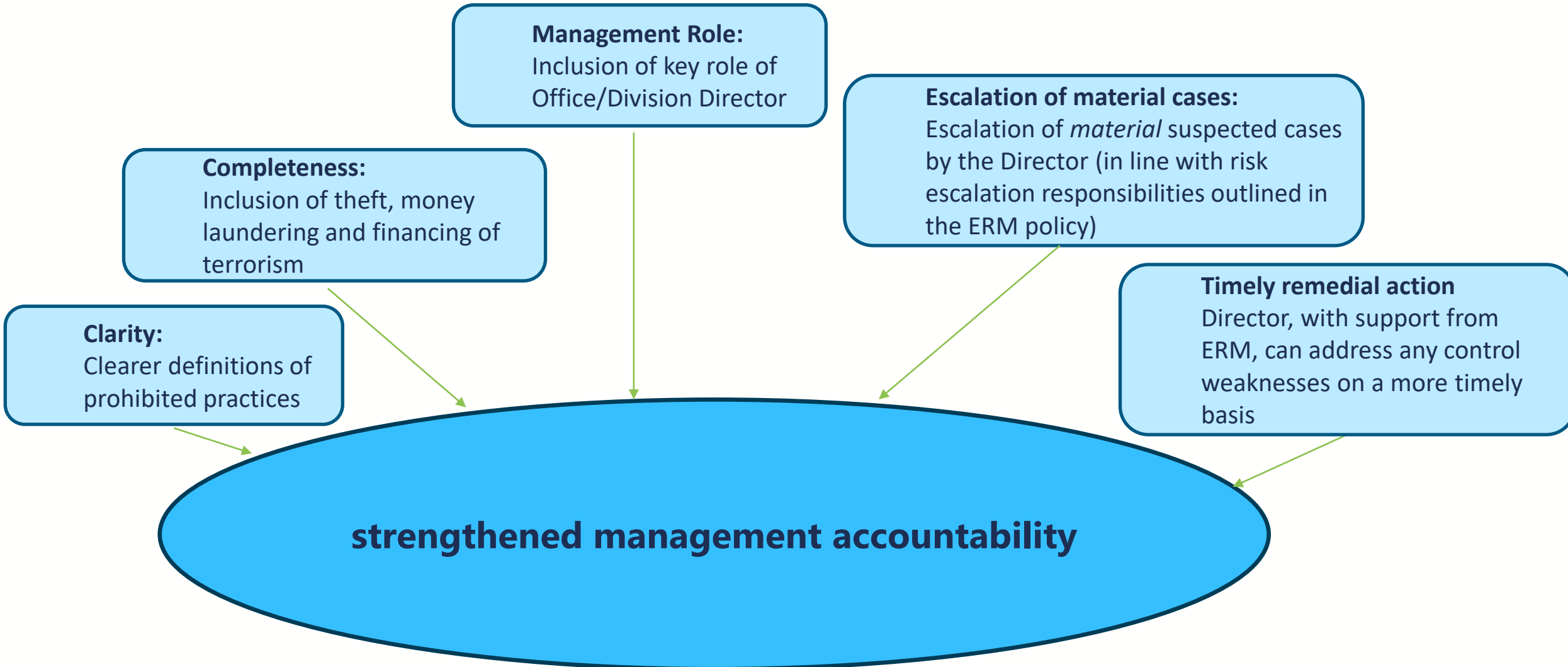
- Guidance will be provided, including reporting protocol.



Feedback Loop (para 54)

If allegation is reported to OIG and not to the impacted Director, OIG will, at the earliest reasonable time after completion of its preliminary assessment, **inform** the **impacted Director** and the **ERM Director** of allegations of fraud and corruption deemed credible enough to warrant investigation.

AFAC Policy Update – Improvements



AFAC Policy Update – Roll-out and Engagement Plan

July
2021

AFAC Policy is posted on the internal and external WFP sites
An ED Circular is sent to ALL to notify of policy update

July
2021



Planned Internal Communication will include:

- A global ED video message
- Engagement with all six regional bureaux and certain high-risk country offices
- Regional bureaux will, in turn, reach out to all their country offices
- Use of the RCA (Risk and Compliance Advisors) network around the globe to support dissemination and implementation
- Training update for all staff and senior management:
 - eLearning *mandatory* AFAC course and seminar-based training
- A companion guidance document on fraud reporting and escalation of *material* cases