

*Transparency International Workshop
on Preventing Corruption in
Humanitarian Assistance*

November 1st, 2008



Countering Corruption – A Case Study in Indonesia

State of Affairs



Transparency International Corruption Perception Index 2007:

DENMARK	rank	1
USA		20
COLUMBIA		68
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http://www.transparency.org/publications/annual_report



Save the Children®

Background

- Impact of December 2004 earthquake and tsunami: 300,000 people killed or missing, 500,000 injured, millions of homes and livelihoods destroyed in 12 countries.

- Save the Children/US: lead Alliance member in Indonesia.

1 December 2004

45 staff

\$3.5 million annual budget

1 June 2005

700 staff (1500% growth)

\$65 million annual budget (1850% growth)

- Largest and most complex program in the organization's history: a 5-year, \$178 million, emergency-to-development program working in five sectors with over 50 funding sources and involving 17 Alliance members.



POLICIES & PROCEDURES

HQ LEVEL

- Global Audit and Risk Services Department
- External Audit
- Minimum Operating Standards – management tool to ensure adequate governance
- Office of Stakeholder Accountability
- Agency-wide ‘Big 8 Policies’ of which the following directly address ethical behavior. All staff are oriented on and must attest to the acceptance and understanding of these policies:
 1. Child Safety
 2. Harassment/Sexual Harassment Prevention
 3. Code of Ethics and Business Conduct
 4. Use of Property and Electronic Technology
 5. Alcohol and Drugs
 6. Resolving Employee Grievances and Reporting Possible Agency Policy Violations or Other Misconduct

FIELD LEVEL

- Indonesia Internal Audit (IA) unit
- Ombudsman Committee (OC)
- External Audit
- Clear culture of zero tolerance to corruption and ethical indiscretion



POLICIES & PROCEDURES

FIELD LEVEL

- Indonesia Internal Audit (IA) unit established in April 2005
 - The unit reports to Regional Director/Country Representative.
 - The unit operates independently
- Ombudsman Committee (OC) established in August 2005
 - Investigation of fraud/corruption/misconduct is conducted by the Indonesia Country Office Ombudsman Committee
 - Regional Director/Country Representative, Chief of Party-Aceh Program and Senior Internal Auditor are members of Ombudsman Committee



Why and What's in a Name?

- Designed specifically to mitigate corruption risk
- Name of Committee



OC SCOPE OF WORK

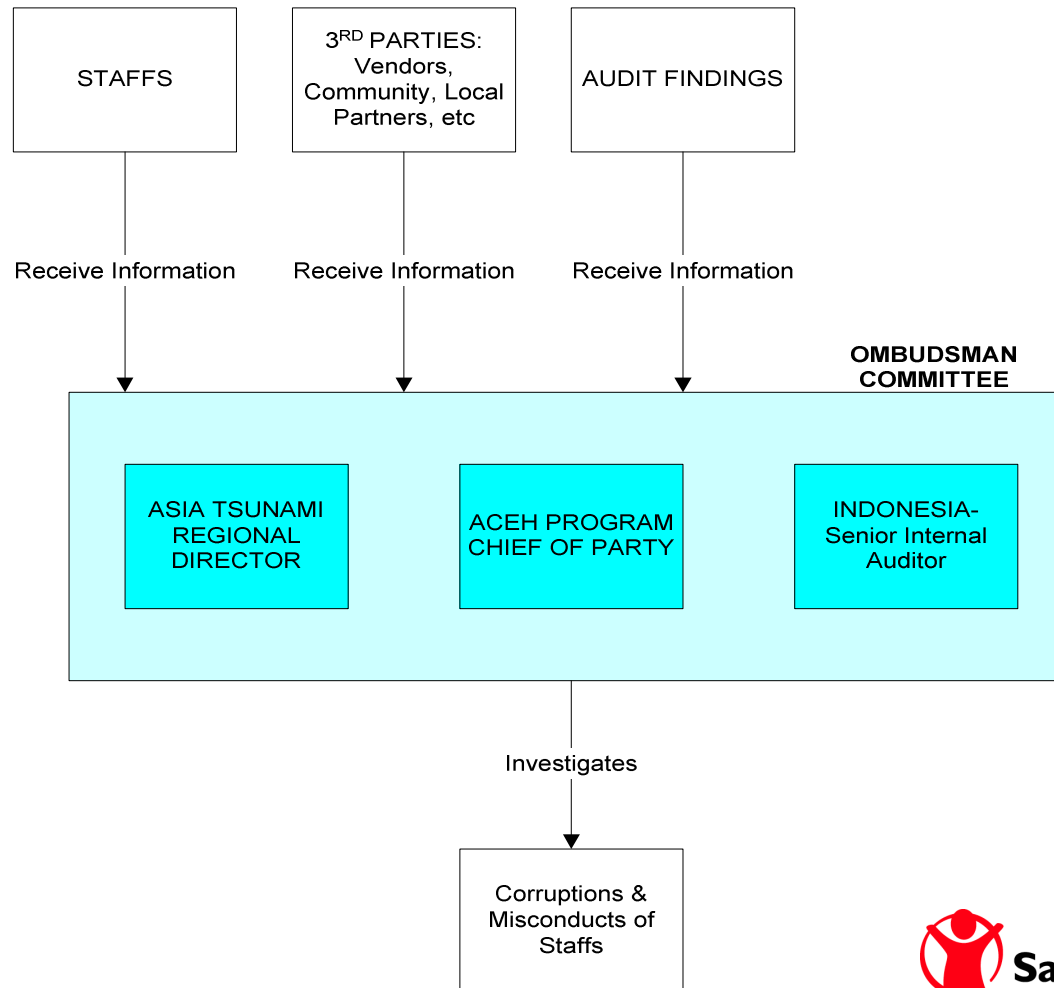


OC SPECIFIC AUTHORITIES

1. Informant protection.
 - Keeps persons names anonymous.
 - May move the person outside his/her original place of work if necessary to avoid harm to the person.
2. To summon and transport any Indonesia Country Office staffs to any location appointed by the Committee.
3. To order staff to provide the Committee with documents.



HOW IT WORKS



SO WHAT HAPPENS

WHEN A COMPLAINT IS RECEIVED ?

There are consequences:

- 100% of cases are investigated
- Staff are suspended pending investigation
- With evidence immediate termination
- If warranted police involvement



TOOLS BEING DEVELOPED

HQ LEVEL

- Policy violation/misconduct data collection system, with the purpose of providing the agency with a way to track the kinds of agency policy violations/misconduct are occurring and where, whether investigations are being conducted (and how promptly), and how the agency responds.
- The process would not change our current practices for reporting violations and/or misconduct, but would give management a way to identify trends, develop more effective solutions (e.g., tailor training to meet specific needs in specific locations), and strengthen implementation.



