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RESEARCH ARTICLE

# Looking for consistency in corruption risk assessment: How key guidance materials stack up[1]

Alex Petkov*

Consultant, Corruption and Economic Crime Branch, UNODC
PhD candidate, University of National and
World Economy, Sofia, Bulgaria.

* Email: alex.petkov@un.org

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## ABSTRACT

The risk-based approaches for fighting corruption are a trending topic in the contemporary anti-corruption field. They are often presented as useful tools to identify weaknesses and vulnerabilities within a system that may cause corruption. However, issues including lack of capacity, knowledge and expertise can affect their practical implementation. This paper discusses different corruption risk assessment methods with the aim to provide both practitioners and academics with a better understanding of the concept of corruption risk management. The study applies comparative methods to analyze five key corruption risk assessment guides, developed by different international organizations, in order to identify their strengths and weaknesses, which could facilitate experts in choosing the methodology that fits best their own needs and requirements. In addition, this paper argues that the most effective way to implement corruption risk assessment is as an organizational level assessment. This research is structured in four parts: the first part explains the concept of risk management and provides definitions of key terms. The second part describes the methodology used in the paper, while the third part presents the comparative analysis. Finally, all findings and results are discussed in the last part of the study.

***Keywords:*** Corruption, anti-corruption approaches, corruption risk, corruption risk assessment, corruption risk management; international standards

## ملخص:

ان شيوع المناهج التي تتبنى آلية التركيز على المخاطر في مجال مكافحة الفساد المعاصر. وغالبا ما يتم تقديمها كأدوات مفيدة لتحديد نقاط الضعف والقصور داخل الأنظمة والتي قد تتسبب في الفساد. ومع ذلك ، فإن الافتقار إلى القدرات والمعرفة والخبرة عادة ما يكون مشكلة في تنفيذها العملي. لذلك سوف تناقش هذه الورقة طرق تقييم مخاطر الفساد المختلفة بهدف تزويد كل من الممارسين والأكاديميين بفهم أفضل حول مفهوم إدارة مخاطر الفساد. تنفذ هذه الورقة هدفاها بطريقة الدراسة المقارنة لتحليل خمسة أدلة رئيسية لتقييم مخاطر الفساد، تم تطويرها من قبل منظمات دولية مختلفة، وذلك من أجل تحديد نقاط القوة والضعف لديها، والتي يمكن أن تسهل للخبراء مسألة اختيار المنهجية التي تناسب احتياجاتهم ومتطلباتهم الخاصة. بالإضافة إلى ذلك، تجادل هذه الورقة بأن الطريقة الأكثر فعالية لتنفيذ تقييم مخاطر الفساد هي التقييم على المستوى التنظيمي. واخيرا فإن هذا البحث يتكون من أربعة أجزاء رئيسية: فالجزء الأول يشرح مفهوم إدارة المخاطر ويقدم تعريفات للمصطلحات الأساسية. ويصف الجزء الثاني المنهجية المستخدمة في الورقة، بينما يقدم الجزء الثالث التحليل المقارن. وأخيرا، مناقشة جميع النتائج في الجزء الرابع والأخير من الدراسة.

**الكلمات المفتاحية:** الفساد، اساليب مكافحة الفساد، مخاطر الفساد، تقييم مخاطر الفساد، ادارة مخاطر الفساد، المعايير الدولية.

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## 1. INTRODUCTION

In recent years, the possibility of applying risk management as an instrument to fight corruption has received considerable attention from the international anti-corruption movement. The idea behind this concept is that the risk of corruption exists in all kind of activities undertaken by both public and private sector organizations. Thus, to effectively prevent corruption, these organizations should address and respond to the risks that threaten their businesses.

The benefits and reasoning behind the need for organizations to adopt and apply corruption risk assessments and risk management plans have been widely discussed in literature. Many international organizations have also developed their own guides or methodologies to further encourage their members to adopt and incorporate risk management into their anti-corruption strategies. Despite these efforts, the enforcement of risk-based approaches for corruption prevention is still met with confusion in many countries. I assume that one of the main reasons behind this issue is that the available materials are often too complicated, include inconsistent methods and approaches, and are full of jargon terminology. This, in combination with a lack of capacity, knowledge, and training, may create further confusion among the staff responsible for risk management and can obstruct its practical implementation.

Additionally, very little attention has been paid to the role of corruption risk management by the academia, and thus anti-corruption practitioners have not received much theoretical support in the establishment of necessary tools for anti-corruption risk management. Previous studies on the topic have noted that the existing literature on corruption risk assessment is not sufficient to assist organizations in successfully implementing these methods (Sharma et al, 2016). Furthermore, there is a lack of reliable data on the enforcement of corruption risk management by countries and organizations which indicates that there might be certain gaps between the existing theoretical frameworks and their practical implementation.

This paper aims to fill some of these gaps in corruption risk management. It contributes to the existing literature by analyzing four key corruption risk assessment guides and manuals developed by organizations at international and regional levels, as well as NGOs – United Nations Office on Drugs and Crimes, Council of Europe, Transparency International, the United States Agency for International Development, and the Regional Anti-Corruption Initiative. For this purpose, a comparative technique known as casual analysis based on systematic qualitative comparison is employed with the aim to use limited variables to compare the aforementioned corruption risk assessment guides and the different types of corruption risk assessment which they distinguish. The goal of the analysis is to identify the strengths and weaknesses of the different approaches to corruption risk management, which will eventually facilitate experts in implementing them into their practice.

This paper argues that the most efficient way to apply corruption risk assessment is at an organizational level. This method of assessment has the potential to deliver better results compared to the other risk assessment approaches and could help organizations to successfully identify and respond to corruption risks, even in the event of limited human and financial resources.

The research addresses this argument in four parts. The first part provides an explanation of corruption risk assessment approaches and discusses the definitions of key terms such as 'risk' and 'risk factor'. The second part is concerned with the methodology used in this study. In the third part, all variables are compared, before finally presenting and discussing the findings, recommendations and conclusions in the final part.

In light of the above, this study is designed to provide practitioners from both the public and private sector with a better understanding about the corruption risk assessments and help them to find the best way to implement these methods in their organizations.

## 2. WHAT IS CORRUPTION RISK ASSESSMENT?

Before conducting the comparison of key components of the selected anti-corruption guides, it is necessary to determine what is meant by the term "corruption risk assessment" in this paper. This section briefly summarizes some of the main concepts for CRA in the existing literature.

### 2.1. Defining risk management

One of the major documents in the field is the International Standards Organization's ISO 31000 "Risk Management – Principles and Guidelines", which provides guidance on how to conduct a risk assessment in different sectors and activities by all types of organizations. ISO 31000 defines risk management as a process of applying "coordinated activities to direct and control an organization with regard to risks, affecting the achievement of the organization's goals".[2] This broad definition includes the monitoring of all kinds of threats and vulnerabilities that have a negative effect on a single organization or a process, which allows organizations to tailor this risk management approach to specific risks such as corruption or fraud.

### 2.2. Corruption risk management

One of the first attempts in this direction was initiated by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) which, in its efforts to strengthen organizations' internal control mechanisms, issued an Internal Control-Integrated Framework in 1992. In one of COSO's follow-up guides, corruption risk assessment is defined as a "dynamic and iterative process for identifying and assessing fraud risks relevant to the organization".[3] Since then many other organizations have acknowledged the benefits of such an approach and have further developed the concept of risk management. According to some of the most authoritative definitions, CRA is an instrument "which seeks to identify weaknesses and vulnerabilities, within a system, which may present opportunities for corruption to occur" [4] and "estimates the likelihood of these threats to materialize as well as the harm for the system if they materialize".[5] What distinguishes this approach from other anti-corruption measures is that it focuses on the potential for corruption instead of the actual existence of corruption, i.e. CRA aims to prevent corruption from happening rather than to pursue corrupt acts after they occur. This paper emphasizes that a full and comprehensive CRA is not limited only to risk identification and evaluation, but includes also a risk mitigation part, which consists of recommendations for measures and activities that the organization has to take to minimize the corruption risks.

2 ISO, ISO 31000: Risk Management – Guidelines (2018), https://www.iso.org/iso-31000-risk-management.html.
3 D. L. Cotton et al., Committee of Sponsoring Organizations of the Treadway Commission, Fraud Risk Management Guide (2016), https://www.coso.org/Documents/COSO-Fraud-Risk-Management-Guide-Executive-Summary.pdf
4 A. McDevitt, Corruption Risk Assessment: Topic Guide, 1 (2011), https://knowledgehub.transparency.org/assets/uploads/kproducts/Corruption_Risk_Assessment_Topic_Guide.pdf
5 U.N. Global Compact, A Guide for Anti-Corruption Risk Assessment (2013), https://www.unglobalcompact.org/library/411.

### 2.3. Corruption risks

Risks are usually defined as the possibility of something to occur and to affect, most likely in a negative way, the achievement of an organization's objectives.[6] ISO 31000 uses a similar explanation of risk – "the effect of uncertainty on objectives".[7] Despite the existing definitions of risk, finding a universal definition of corruption risk is difficult simply because there is no such definition for the phenomena of 'corruption' itself and it is hard to define corruption risk without entering into the debate on what is corruption. Some scholars describe corruption risk as an event facilitating "appearance, development, realization, and spreading of corruption practice in service and professional activity", [8] while others refer to the likelihood of corruption that might occur due to specific conditions or practices (vulnerabilities) prevalent in a system.[9]

### 2.4. Risk Factors

As we will see in the following pages, most of the CRA manuals do not clearly distinguish risk and risk factors, although they are slightly different. Risks are the direct consequences of certain risk factors, while the latter are concrete parts of a process or characteristics of an organization that can provide an opportunity for corruption. Hence, successful risk assessment requires identification of both risk and risk factors and experts should, therefore, be able to differentiate between both terms.

## 3. CORRUPTION RISK ASSESSMENT AND SDG 16

When the 2030 Agenda for Sustainable Development was adopted by the United Nations General Assembly in 2015, corruption was clearly defined as a global threat to sustainable development.[10] Through Goal 16, the Agenda promotes the building of effective, accountable and inclusive institutions at all levels and in all countries. In other words, one of the main purposes of SDG 16 is to ensure the quality of the public sector and its capability to deliver better service to citizens. Corruption is a great obstacle in achieving this goal. According to the latest Sustainable Development Goals Report of the U.N., one out of five firms in the world has been asked to pay bribes to government officials at least once in the past year.[11] Therefore, Goal 16, by calling for transparent and accountable institutions, recognizes also the need for effective tools, which could build corruption free entities.

In regard to this, the CRA could be seen as an adequate response to the needs emphasized by SDG 16. As explained above, its purpose is to identify weaknesses and vulnerabilities within organizations that may lead to corruption. The biggest advantage of CRA methods is that they do not only disclose all types of corruption risks but also provide substantive knowledge and understanding about the nature of the concrete corruption risks in each organization, thus helping the responsible authorities to eliminate those risks in an effective and sustainable manner even before they materialize and harm the organization. Therefore, the CRA methodology is directly connected with Goal 16, in particular with its target 5, which is to "substantially reduce corruption and bribery in all their forms".[12] Moreover, the role of corruption risk assessment for establishing transparent and accountable institutions has been already recognized by the U.N. anti-corruption agenda as Article 9 of the United Nations Convention against Corruption requires state parties to ensure "effective and efficient systems of risk management and internal control".[13]

The inclusion of risk management methods in an important international treaty such as UNCAC further emphasizes the impact that CRA could have on reducing corruption in both public and private sectors and its relation to Goal 16 of the Sustainable Development Agenda. However, many countries are still reluctant to use these methods for a variety of different reasons discussed in the present paper.

## 4. METHODOLOGY

I do not intend with this comparative analysis to point out the best among all CRA guides. Such an exercise would require the comparison of their practical implementation and not their theoretical frameworks; in other words, assessing the different results achieved by organizations which use the selected guides. Since there is a lack of empirical evidence for this, such a task would be difficult, if not impossible. Instead, this study offers a comparison which will provide a better understanding about the contents of each guide in the study and will facilitate experts and practitioners in choosing the one that fits best their own needs and requirements.

Here, a qualitative comparison is used to get insights into the different components of the main CRA guides and to examine them. This method is particularly useful for "discovering empirical relationships among variables" when the number of cases available for analysis is small.[14] Hence, it offers a good framework for analyzing the limited number of guides and manuals on corruption risk assessment. Yet, many scholars indicate that the comparative method has its limitations, mainly concerning the so-called "many variables, small N" problem, describing the possibility of having more rival explanations to assess than cases to study.[15] However, if these limitations are considered before conducting the research, the comparative method is still a preferable tool for studying small N. According to Lijphart, there are several approaches to minimize "the many variables, small N" problem and, in this research, I apply two of them. First, the focus is on cases that are similar due to a variety of important characteristics which are used as controlled variables. Second, I compare a limited number of key variables that are most important for testing the paper's hypothesizes. Thus, by selecting cases with many constant variables and reducing the number of operative variables, I expect to provide reliable and valid results with this technique.

The first step of the analysis is to select the controlled variables, which will justify the choice of guides that are compared. I am helped in this task by the fact that there is a limited number of published CRA guides, hence there is no need to have a long list of controlled variables to validate this choice. First, I decided to compare guides developed by international organizations at a regional and global level, excluding those published by private companies or consulting firms because they differ on many significant aspects. Secondly, I have chosen to focus on guides that provide advice in applying corruption risk assessments in

6 S. K. Sharma et al., *Corruption Risk Assessment Methods: A Review and Future Directions for Organizations*, ELC Asia Pacific Journal of Finance and Risk Management, 1 (2016).
7 ISO, supra note 2.
8 M. Buromensiky et al., Corruption risk in Criminal Process and Judiciary, 11 (2009), https://rm.coe.int/16806edf53.
9 See S. K. Sharma et al., supra note 6 at 4.
10 See U.N. General Assembly Res. 70/1, in Transforming our World: the 2030 Agenda for Sustainable Development, A/RES/70/1 (Oct. 21, 2015).
11 United Nations, The Sustainable Development Goals Report (2018).
12 See Sustainable Development Goal 16, target 16.5, https://sustainabledevelopment.un.org/?menu=1300
13 U.N. Convention Against Corruption, art. 9, G.A. Res. 58/4 (Oct. 31, 2003). See: UNITED NATIONS OFFICE ON DRUGS AND CRIME, UNITED NATIONS CONVENTION AGAINST CRIME (Oct. 31, 2003), https://www.unodc.org/unodc/en/treaties/CAC/
14 A. Lijphart, *Comparative Politics and the Comparative Method*, 65, The American Political Science Review, 682 (1971).

both public and private sector organizations, as one of the goals is to emphasize the benefits of using CRA in both sectors. Most of the existing tools, while offering great methodologies, present CRA only as a private sector instrument. The third variable that I have selected looks at the comprehensiveness of the guides. I analyze CRA methodologies that are not limited only to one type of corruption such as bribery or to one sector/process, such as public procurement. Finally, I decided to focus on CRA methodologies that step on the International Standards Organization's ISO 31000 *Risk Management – Principles and Guidelines*, as this standard is a major milestone in risk assessment and management.

The set of controlled variables assisted in identifying five guides that match the above criteria. These guides are written by: the United Nations Office on Drugs and Crime (UNODC); the Regional Anti-Corruption Initiative in South East Europe (RAI); the Council of Europe (CoE); Transparency International (TI); and the United States Agency for International Development (USAID). The specific guides are:

- UNODC (forthcoming). **A Practical Guide to Corruption: Risk Assessment and Management in Public Sector Organisations**[16]
- RAI (*2015*). **Corruption Risk Assessment in Public Institutions in South East Europe**
- CoE (*2010*). **Project Against Corruption in Albania Technical Paper: Corruption Risk Assessment Methodology Guide**
- TI (*2015*). **Corruption Risk Assessment and Management Approaches in the Public Sector**
- USAID (*2009*). **Anticorruption Assessment Handbook**

In the following pages, I compare these guides using the following variables:

***A. Terminology*** – Understanding the language of the methodology is significant for its successful implementation. Therefore, it is important for experts to know how the different guides define key terms such as risk management, risk and risk factors. I also compare the definitions of corruption that they provide; as previously discussed, this is important for the understanding of the corruption risks.

***B. Steps of the process*** – Although all selected guides follow the structure of ISo 31000, the specific steps of the assessment may differ in the different tools. I compare whether some of them include additional steps or combine two steps in one according to the purposes of the concrete risk assessment guide.

***C. Techniques for the collection of information –*** There are various instruments for collecting information during the process of risk assessment and I analyze the recommendations for how to organize the data collection process in each of the guides.

***D. Methods for analyzing the information –*** This is an essential phase for the entire risk assessment process and here practitioners can also choose among several options. Thus, I compare the best practices for data analysis according to the selected guides. Here I also include the risk evaluation techniques and the presentation of the results (whether they are presented as maps emphasizing red flags or as a risk matrix that prioritizes certain risks etc.).

***E. Types of CRA –*** The current literature distinguishes several types of corruption risk assessment according to their scope (organizational, sectoral, national), the experts involved (internal or external), and their generalization (public vs. private sector risk assessment). For the purposes of the analysis, this is perhaps the most important variable: it will compare the information that the four guides provide on the different types of CRA, and thus will test the hypothesis that the most efficient way to conduct CRA is to apply it at an organizational level.

***F. Resource requirements –*** With the last variable, I compare the human and financial resources needed for the implementation of each of the CRA methodologies analyzed in this article. This information could help experts to choose the most appropriate approach for risk management in accordance with the resources they have.

## 5. COMPARISON OF THE CRA GUIDES

### 5.1. Terminology

I first start by comparing the terminology used in the selected guides, which mainly concerns the terms 'risk management', 'corruption', 'corruption risk' and 'risk factor'.

*Risk management* – Most of the manuals explain risk management or assessment in various but similar ways. The risk assessment guide, developed by the Regional Anti-Corruption Initiative, defines the corruption risk assessment as 'a preventive tool for identification of corruption, integrity risk factors, and risks in public sector with the purpose of developing and implementing measures for mitigation or elimination of those factors and risks'.[17] According to the UNODC's guide, CRA is a scientific method to think systematically about the chances corruption may occur and how this can be prevented in public sector organizations.[18] All Transparency International's materials on CRA refer to the definition, used by McDevitt, which was discussed in the first part of this paper.[19] USAID offers an approach that captures the breadth of issues that affect corruption and anticorruption prospects in their 'Anti-Corruption Assessment Handbook' from 2009. As opposed to the concepts above, the Council of Europe uses a totally different approach and suggests that the risk assessment should be used not only for risk identification but also for assessment of the actual incidence of corruption, which also differs significantly from the general concept of risk management, explained in the first part of the analysis.[20]

*Corruption* – The concepts of corruption are also different in the examined guides. USAID's guide follows the widely accepted abuse of office for private gain,[21] while the RAI, in addition to the undue advantages for public officials, includes also breaches of integrity and other unethical practices that are usually considered as corruption in the public sector.[22] For the purposes of corruption risk assessment, both Transparency International and the Council of Europe favor the identification of concrete practices within an

15 Id. at 686; D. Collier, *The Comparative Method*, *in* Political Science – The State of the Discipline II 105 – 118 (A. W Finifter ed. 1993).
16 This guide is to be published in 2018. Permission to use the draft was given by UNODC.
17 RAI, *Corruption Risk Assessment in Public Institutions*, 11, South East Europe: Comparative Research and Methodology (2015).
18 UNODC, A Practical Guide to Corruption: Risk Assessment and Management in Public Sector Organisations, 4 (forthcoming).
19 See supranote 4.
20 See CoE, Technical Paper: Corruption Risk Assessment Methodology Guide (2010).

institution that are considered as corruption rather than following universal definitions or legal approaches for explaining the phenomena.[23] On the other hand, UNODC, adhering to the UN Convention Against Corruption, does not go into the definitional debate on corruption.

*Corruption risk and risk factors* – Surprisingly, only one of the five guides selected for this research provides a definition of these two terms – the tool developed by the RAI, which uses the ISO 31000's "the effect of uncertainty on objectives" for corruption risk and defines the risk factors as "any attribute, characteristic or exposure of an individual, institution or process that increases the likelihood of corrupt behaviour, breach of integrity, unethical behaviour or other conduct that can have negative effects on objectives and goals of a public sector institution."[24] USAID, for example, does not use the term 'risk' in their manual as they call the process anti-corruption assessment instead of risk assessment.[25] The UNODC does not discuss what corruption risk or risk factor are because they prefer to focus on the practical steps of the process rather than on its theoretical framework.[26] The TI and the Council of Europe also do not explain what risk or risk factors are.

### 5.2. Types of corruption risk assessment

The current literature distinguishes several types of risk assessment according to a couple of factors. In general, the main distinction is between private and public sector CRA and all guides, including those reviewed here, make remarks to it by default if they provide a methodology for risk assessment in one of the two sectors.

The most comprehensive guide in terms of types of CRA is the one developed by the RAI as, further to the private and public sector assessments, it differentiates between approaches for assessing the risks at national, sectoral, and organizational levels, as well as assessments conducted by the staff of the organization or by external advisors.[27]

The UNODC's guide advocates particularly for CRA in public organizations; thus, it does not include sectoral or national level assessments, but also acknowledges the possibility of conducting the assessment either by internal or external experts.[28]

The Council of Europe discusses both external and internal approaches in their tool. They also mention opportunities for assessment of a whole sector or a single organization.[29]

Transparency International's guidelines notice three levels of assessment – national, sectoral and organizational, and do not distinguish other types of CRA.[30]

The USAID similarly follows the TI's approach and provides a methodology for assessment of corruption practices, particularly at a national and sectoral level, but does not exclude the opportunity for assessing single organizations as well.[31]

### 5.3. Steps of the process

As already mentioned, some of the guides examined in this paper use the ISO 31000's model[32] for CRA as a basis to develop their own structure of the process (UNODC and RAI, for instance) while others such as USAID and TI introduce their own methodology for conducting CRA. The Council of Europe's guide is the only one which does not split the process into different phases or steps as it prefers to focus on the concrete techniques and instruments for collecting and analysing information. Table 1 presents the different approaches to organizing the assessment process that were identified in the five guides.

**Table 1. Different approaches to the Corruption Risk Assessment.**

| Guide developed by: | RAI | UNODC | TI | CoE | USAID |
|---|---|---|---|---|---|
| **No of steps** | **5** | **6** | **3** | **-** | **2** |
| **Structure of the assessment** | 1. Planning, scoping and mobilisation of resources | 1. Consider environment | 1. Diagnostic phase | | 1. Early activities |
| | 2. Identification and analysis of risks | 2. Identify corruption vulnerabilities | | | |
| | 3. Measurement, evaluation and ranking of identified risks | 3. Risk evaluation | 2. Risk assessment phase | | |
| | 4. Risk management plan and risk register | 4. Prioritize vulnerabilities | | | 2. In-country activities |
| | 5. Programme for monitoring and follow-up | 5. Review control's effectiveness | 3. Risk management phase | | |
| | | 6. Prepare plan | | | |

21 B. Spector, Anticorruption Assessment Handbook, 4 (2009).
22 RAI, supranote 13.
23 See McDevitt, supranote 4; and CoE, supranote 16.
24 RAI, supranote 13 at 18.
25 See B. Spector, supranote 17.
26 See UNODC, supranote 14.
27 RAI, supranote 13.
28 UNODC, supranote 14.
29 CoE, supranote 16.
30 McDevitt, supranote 4.
31 B. Spector, supranote 17.
32 For more information about all phases of the ISO's risk management process see: ISO, supranote 2 or A. Petkov, *A Brief Introduction to Corruption Risk Assessment*, XVIII, ACAlumnus Magazine, 38 (2018).

### 5.4. Techniques for collecting data

There are various tools for collecting relevant information and experts can choose and combine them to gather the data they need. Most of the guides recommend using a combination of primary sources (information obtained through interviews, brainstorming sessions etc.) and secondary sources (usually collected through desk research and document review). The techniques that they offer for collecting these two types of data are presented in Table 2 below:

**Table 2. Techniques for collecting relevant information.**

| Guide developed by: | RAI | UNODC | TI | CoE | USAID |
|---|---|---|---|---|---|
| **Secondary Sources** | 1. Document review of internal information such as audit reports, existing mechanisms and procedures etc. | 1. Background research for identifying external factors such as relevant laws and regulations, cultural, social, and political aspects that affect the organization's performance | 1. Analysis of the laws and other regulations that apply to the institution | 1. Document review of the existing reports, relevant legal norms, statutes, internal rules and guidelines as well as procedures and processes | 1. Legal-Institutional Framework Analysis |
| | 2. Legal analysis | | 2. Cases analysis | | 2. Initial analysis of political-economic dynamics and stakeholders |
| | 3. Analysis of experiences of similar institutions, sectors, projects or working processes | 2. Document review of the internal factors such as governance, organizational structure, roles, job descriptions, procedures etc. | 3. Review of the institution's organizational structure (job descriptions, work processes and procedures) as well as its codes of ethics and conflict of interest policies | | 3. Analysis of the existing corruption indicators for the country |
| **Primary Sources** | 3. Personal interviews | 3. Brainstorming sessions | 4. Focus group discussions | 2. Interviews | 4. Interviews |
| | 4. Surveys and questionnaires | 4. Interviews with agency colleagues | 5. Interviews | 3. Institutional risk questionnaires | |
| | 5. Focus groups | | | 4. Surveys | 5. Focus groups with major stakeholders |
| | 6. Brainstorming sessions | 5. Focus groups | 6. Analysis of the perception or the experience of corruption | 5. Proxies | |
| | | | | 6. Direct observation | |

### 5.5. Methods for analysing and presenting data

The collected data allows experts to identify the risks within the system and to move to the next stage of the assessment, which requires proper techniques for evaluation and prioritization of the existing risks. Therefore, I decided to examine also what approaches the different guides recommend for analysing the data.

The guides by UNODC, Transparency International and the Regional Anti-Corruption Initiative advise applying the same evaluation approach. First, they suggest a two-step evaluation that first assesses the likelihood of occurrence of each risk and the potential harm for the organization if the risk occurs, and secondly prioritizes all risks according to their likelihood and impact.[33] The most common way to visualise this process is through a risk matrix, a model of which is presented below. The aim of the risk matrix is to show which are the highest risks that need urgent response.

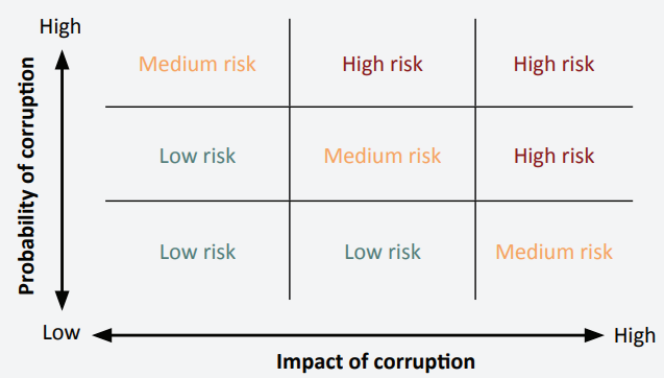


**Figure 1. Basic risk matrix.**
*Source: Johnsøn (2015)*

33 RAI, supranote 13 at 93; UNODC, supranote 14 at 25; McDevitt, supranote 4 at 3.

The Council of Europe and the USAID guides do not provide such detailed instruments for analysing the data. They both focus more on the previous steps for collecting information and emphasize the importance of this information for the final conclusions of the assessment.[34] For example, the USAID explains that during the process of in-depth diagnosis the experts will obtain enough information to help them to understand and identify the key weaknesses and vulnerabilities within sectors or processes.[35]

### 5.6. Resources requirements

by comparing the different approaches to CRA, two factors that determine the costs of the process were identified. The first one is the level of the analysis – national, sectoral or organizational- and the second one is the experts involved – internal or external.

The institutional approaches offered by the Council of Europe and UNODC allow organizations to conduct self-assessment by using their own staff, which will reduce significantly their costs. Of course, if they have the need and the necessary resources, they can also use external advisors to support the assessment. Depending on the resources they have, organizations can also choose whether to do a full-scale analysis to assess all processes within the entity or to conduct a problem-based assessment to identify the risks only in particular parts of the system.[36]

The Transparency International guide favours the mixed approach where both internal and external experts are involved and, although their guide does not particularly discuss the potential costs, it is easy to assume that the national and sectoral level assessments will require more resources than the organizational ones, due to their complexity.

The Regional Anti-Corruption Initiative guide provides a discussion of the pros and cons of self- versus external assessment, but also does not discuss potential costs of risk assessments beyond stressing the need of adequate human and financial resources.[37]

USAID guidance does not clearly discuss the costs of the process either. Its approach has been developed to assess the corruption risks in countries, receiving funds from USAID, and hence it suggests that the assessment should be conducted by USAID experts in cooperation with the national institutions.[38] Therefore, the resources required for the process will depend on the size of the sector or project under assessment and the competence of the national authorities.

## 6. DISCUSSION OF THE RESULTS

The findings of this paper suggest that there are different concepts of risk management because there is no universal approach for CRA that can be directly applied to all organizations or sectors due to various factors, explained in some of the guides.[39] According to these observations, corruption risk management or assessment can be generally defined as a process of identification, evaluation and response to risks (vulnerabilities and weaknesses) that may cause corruption. This approach can be adapted to the specific needs and goals of organizations of all sizes and sectors.

The lack of a one-size-fits-all approach is also the reason why most of the guides are inconsistent in using the terminology and defining the terms 'corruption risk' and 'risk factors' (or the lack of such definitions). This inconsistency can be further explained as the efforts of all organizations that have developed CRA methodologies to give flexibility to the experts to define these terms according to the specific case or context. However, inconsistent terminology can lead also to confusion, especially among less experienced and trained staff and it can be an issue for the successful implementation of the CRA methods. Therefore, organizations that aim to promote CRA should make more effort to explain what these terms mean. On the other hand, organizations which aim to apply it should carefully define corruption risk and risk factors before the beginning of the assessment to avoid mistakes and vague results at the end of the process.

The comparison showed that all guides offer similar techniques for collecting data from both primary sources (focus groups, interviews and surveys) and secondary sources (document reviews and background researches). Thus, experts can easily obtain sufficient knowledge in this area. However, not all manuals provide guidance on how to proceed with this data. Only UNODC, TI and RAI recommend concrete steps for analysing data and presenting results.

Another issue in the corruption risk management guides concerns the resources required to apply CRA within sectors or organizations. Although this approach could be less time and resource consuming than other anti-corruption measures, there is little discussion about the financial requirements in the existing CRA literature.[40] Only the UNODC's guide explains in detail the possible costs of the process; the other manuals examined in this paper either do not discuss the costs at all or briefly mention them. Thus, it might be hard for practitioners to understand that the CRA methods are flexible and applicable to organizations differing in size and resource availability.

Besides the above issues, all materials agree on the benefits that CRA methods offer for reducing corruption. First, they allow stakeholders to manage corruption risks on all levels and to create realistic plans for response based on the prioritization of risks and threats. The identification of concrete vulnerabilities within the system also facilitates the development of tailored anti-corruption measures that could be more efficient than general or mainstream ones in particular cases. Furthermore, the CRA approaches could be the key to fighting widespread systematic corruption as they aim to prevent corruption from happening rather than investigating and sanctioning corruption cases already committed. Therefore, political bodies and senior level management could be less reluctant to implement these types of anti-corruption measures within their institutions.

Finally, the findings of this comparative analysis show that corruption risk assessment is most effective if it assesses the risks within a single organization, rather than a whole sector or country.

The first argument in support of this hypothesis is that the national and sectoral assessments could lead to results that are too general or vague – for example, to the conclusion that there are corruption risks in public procurement in the healthcare system. However, such a conclusion might be not very helpful because there might be different reasons for the risks in the procurement in the different organizations within the sector. In

34 CoE, supranote 16; B. Spector, supranote 17;
35 Id.
36 See UNODC, supranote 14; CoE, supranote 16.
37 RAI, supranote 13 at 67.
38 B. Spector, supranote 17 at 14.
39 See for example: RAI, supranote 13 at 14.
40 A. Petkov, supranote 18.

contrast, the organizational CRA narrows down the scope of the assessment and, therefore, can provide a better understanding of the specific processes in each entity within the whole sector. Thus, the experts would be able to understand why there is a corruption risk in the public procurement in a given hospital for instance – weak procedures, employees not doing their job, a lack of integrity or incompetence, etc. It is hard to come up with such concrete answers if you assess the whole sector without going into the details of every single organization.

Moreover, organizational level assessments could significantly reduce the costs of the fight against corruption by bringing the focus onto those types of corruption that require an urgent response. This can save time and resources for the institutions' management, which makes this type of CRA a good opportunity for organizations or companies with limited resources, especially in developing countries. On the other hand, national and sectoral assessments are more time consuming and usually require bigger financial and human resources.

## 7. CONCLUSIONS

The Corruption Risk Assessment is a relatively new instrument and yet, it is not well recognized by governments and public institutions, despite the efforts of different international organizations to promote it. The growing number of materials on CRA aim to offer various tools for conducting risk assessment but it also creates confusion among practitioners in terms of selecting the right CRA approach. Therefore, scholars can facilitate the process of implementing CRA by examining different approaches and discussing their pros and cons.

This paper emphasized that, if conducted properly, CRA could reduce corruption of different forms and sizes in both public and private organizations. Moreover, it could help them to improve their structures, regulations and to deliver better their functions to the people. In the long term, CRA could support the achievement of the Sustainable Development Goal 16 and particularly its target to significantly reduce corruption across the world.

This research has tried to emphasize why organizations should apply CRA methods by providing an overview of the key CRA methodologies and discussing the differences between them. It also emphasized that there is no 'one-size-fits-all' approach for corruption risk assessment and therefore organizations should adapt the existing methodologies according to their own needs and requirements in order to achieve optimum results. Finally, this research suggested that corruption risk assessments are most effective if they are applied at an organizational level.

Further research into this area would look at how specific organizations are applying the methods proposed in the risk assessment guides for the 'on the ground' issues that arise from applying self-assessment. There is a need for more empirical evidence regarding the practical implementation of CRA and both researchers and experts would have an important role in collecting such data.

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