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The United Nations Convention against Corruption  
**Safeguarding against Corruption  
in Major Public Events**

**LESSON 5: Risk assessment, the foundation  
of risk management**



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- It is absolutely crucial for the Authority responsible for a major event to proceed **as soon as possible**, and regularly thereafter, with a proper assessment of the risk of corruption it faces.
- Every Authority faces a variety of risks from external and internal sources.
- A risk assessment involves a dynamic process through which the authority can identify and assess the risks to the achievement of its objectives, including the risk of corruption and fraud, as well as its own level of exposure to these risks.



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## In this lesson, we will:

- ✓ Discuss the importance of conducting a corruption risk assessment exercise as a basis for corruption prevention planning;
- ✓ See how such assessments should ideally be conducted, with the active involvement of all major stakeholders;
- ✓ Familiarize ourselves with UNODC's Corruption Prevention Checklist.



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## The importance of a proper risk assessment

- A corruption risk assessment is what forms the basis for identifying the various corruption risks to which an organization is exposed, evaluating the nature and extent of the organization's potential exposure to them, and determining how risks will be mitigated and managed.
- An assessment is the foundation of a risk mitigation strategy or risk management plan.



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- A responsible and collaborative approach to assessing and mitigating the risk of corruption should be favoured.
- The Authority must seek to assess not only the likelihood that corruption may occur, but also the cost of corruption if it does occur.
- Risk assessments should be periodically updated to identify any persisting, unmitigated or emerging risk.
- A newly established Authority can benefit from a systematic corruption prevention readiness review exercise.



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## Conducting an assessment

- Given the particular objectives and focus of a corruption risk assessment, it can be beneficial to conduct such an assessment as a stand-alone exercise.
- It may also be efficient or expedient to conduct a corruption risk assessment as part of a broader risk assessment and mitigation exercise, including
  - the risk of various liabilities,
  - uncontrolled cost escalation,
  - fraud, and
  - delays in delivering the infrastructure or equipment needed for the event.



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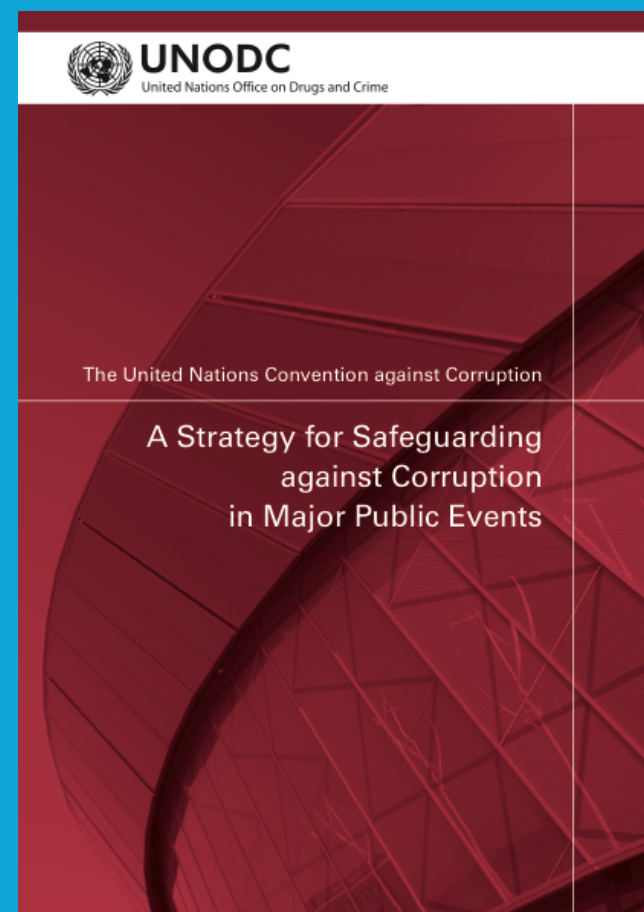
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## Merits of integrated risk assessment exercises

- An integrated risk assessment exercise can help identify how corruption may itself render other aspects of the major event more vulnerable.
- For example, corruption in the procurement of security services may render some security arrangements inoperable and corruption in the procurement process may lead to the procurement of below-standard or even dangerous equipment or facilities.
- Integrated and comprehensive risk management strategies and processes can be very efficient.

## UNODC's Corruption Prevention Checklist

- ✓ The Checklist is an appendix to UNODC's Handbook.
- ✓ It supports a self-administered process-based in assessing their readiness to organize a corruption-free event.
- ✓ It is designed to assist in developing a comprehensive approach to corruption prevention.







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## The Checklist is divided into nine main sections:

1. General corruption prevention measures
2. Personnel and human resources management
3. Financial management
4. Public procurement
5. Major infrastructure and construction
6. Security infrastructure and arrangements
7. Private sector involvement
8. Detection of corruption and enforcement
9. Post-event activities



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## How we will use the Checklist in this workshop

- Each section is subdivided into a number of key areas and, for each one of these, a number of specific assessment questions are listed and suggestions are offered concerning relevant good practices.
- In the Checklist, when appropriate, a “red flag” warns about factors and observations that may signal an enhanced or specific risk or vulnerability in relation to corruption (based on your own experience, you may be able to think of other red flags).





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## Key points to remember

- ✓ It is very important to conduct a corruption risk assessment as a basis for corruption prevention planning.
- ✓ Such an assessment may involve a fairly complex, and potentially costly process. It can be integrated with other risk identification, management and mitigation process.
- ✓ A corruption risk assessment process should ideally be conducted in manner that involves and engages all major stakeholders.
- ✓ UNODC's Corruption Prevention Checklist can help structure the assessment process.