IFRC’s ‘triple defence’ fraud prevention framework: Strengthening IFRC’s three lines of defence against fraud and corruption in high-risk settings

IFRC has zero tolerance for fraud and is committed to full transparency and accountability to our partners and the communities we stand with.

Following investigations into fraud in its Ebola operations, IFRC has significantly strengthened fraud and corruption prevention, detection and investigation in line with industry-best practice in high-risk operations. IFRC is putting in place a ‘triple defence’ fraud prevention framework to strengthen its three lines of defence – operations, compliance and internal investigation.

First line: Strengthening operational management in the field

The first line of defence against fraud and corruption is the emergency operations in which financial transactions occur. Trained, experienced and competent front-line staff supported by robust management processes are the most critical elements to preventing fraud and corruption in high risk settings. New measures at the first line include:

- New surge requirements whereby first-wave operational management and financial officer positions are covered by experienced, senior IFRC staff
- A rapid risk assessment requirement in emergencies that will trigger cash spending limits for settings considered high risk, thereby materially reducing cash at risk
- Tightened procurement procedures and approval processes

Second line: Strengthening risk management and compliance

The second line of defence is to ensure that fraud and corruption prevention procedures and policies are in place and appropriately enforced. New measures at the second line include:

- Revised financial controllership oversight tools to improve fraud detection
- Bolstered financial analysis capacity in priority settings to improve the timeliness of fraud detection
- New systems of control that require high-value transactions to be verified in regional offices prior to payment
• Compulsory fraud prevention training compulsory for all staff deployed to high risk operations, and as a mandatory element of all emergency response training curricula
• Strengthened background checks of new recruitments in high risk settings
• Roll out of a three-year Fraud Prevention Programme (2018/20) for IFRC and National Societies.
• Strengthened oversight at governance level through the creation of an Audit and Risk Commission
• New guidelines on cash disbursements and intra-account transfers to strengthen internal controls on currency trades
• New foreign exchange risk management policy to further extend controls.

Third line: Establishing and empowering a proactive and independent internal audit function

The third line of defence to prevent fraud and corruption is to support and strengthen proactive and independent investigations of high risk operations. Measures at the third line include:

• Increased investment in IFRC’s internal investigation function, sitting within the Office of Internal Audit and Investigations that reports directly to the Secretary General
• Early deployment of auditors to high risk emergency operations
• Roll out of a new whistle-blower protection policy

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