Anti-Corruption 2024

Report by Digni

June 2025

Digni and its member organisations continued the strong focus on anti-corruption in 2024. This report gives an overview of Digni's work on prevention, handling, and learning.

The first full year of the new agreement period with Norad (2023-2027) has been characterized by strategic anti-corruption work by Digni, member organisations, and their partners.

Preventive work

Our principles from Digni's anti-corruption policy launched in 2022 have been guiding the work towards zero corruption and financial irregularities. Prevention is cheaper than the cure. Therefore, Digni works strategically towards a vision where we spend more resources on prevention than handling cases of financial mismanagement. Below we will give some highlights from this work in 2024:

DIGNI FACTS

89 projects

53 partners

28 countries

Partner and Member Assessment

The Partner Assessment tool has been used to follow up on risks identified in the assessments carried out in 2022 and 2023. The tool assists member organisations in following up their partners in a strategic and systematic way, as well as it gives Digni an overview of the overall risks in the partner portfolio.

In 2024 the Member Assessment tool was launched. Developed on the basis of the Partner Assessment tool, the tool is aimed at identifying risks and developing capacity within the member portfolio. The Member and Partner Assessment will together give Digni the opportunity to analyse risks across the portfolio, helping us focus our resources where we see that there is need of strengthened capacity and competence. All members will be assessed by external consultants in 2024 and 2025.

Both member organisations and their partners regard the assessments as valuable. Partners appreciate the comprehensive assessment which gives time for building strong relationships with their Norwegian partners, and members report more equality in the relationship when being assessed in the same way as the partners through the Partner Assessment.

Spot checks

As part of our objective to spend resources more effectively, we have strengthened the risk-based approach in our workflows. This entails that the finance department does comprehensive spot checks of partner's budgets, revised budgets, and financial reports. In addition, the annual physical spot check to a partner has been conducted, both as a preventive measure, but also to strengthen financial management.

Empowerment of members and partners

In 2024 we have used opportunities such as the annual Digni Member Days and the Finance Forum for sharing information and emphasizing important topics related to anti-corruption and financial management with members. We informed about the revised Digni grassroots training on anti-corruption which has been launched in English and French.

We emphasized the Norad Agreement's General Conditions, paragraphs 15, 16, 17, and 18 (see the box to the right), as well as the Part III Procurement Provisions. Especially the new paragraph 16 about Sexual Exploitation, Abuse, and Harassment (SEAH) was highlighted. While there is zero-tolerance for financial irregularities and corruption, the Agreement states that there is "zero tolerance for inaction" related to SEAH issues.

ZERO-TOLERANCE

As defined in the Agreement with Norad

§ 15 Financial irregularities

§ 16 SEAH

§ 17 Conflict of Interest

§ 18 Breach of the Agreement

Part III Procurement Provisions

In November, members and partners joined Digni's network meeting in Benin for partners in French speaking countries. In this meeting, anti-corruption was one among several topics discussed.

Digni in the Norwegian civil society organisation's Anti-Corruption network

Since 2023, Digni has had the leadership position in the Norwegian civil society organisation's Anti-Corruption network. This leadership position gives Digni a unique opportunity to have impact beyond the Digni fellowship. Among other, Digni shared experiences in a SEAH seminar, as well as facilitated three seminars aimed specifically at Controllers. Controllers from Digni's member organisations also participated in these seminars. The seminars contained lessons about detecting red flags, reporting and handling cases of financial irregularities, and preventive actions.

In December, 2024, The Norwegian General Auditor (Riksrevisjonen) concluded their audit (in which Digni was interviewed) with the report "The risk of financial irregularities in the administration of development aid". The report criticizes Norad and the MFA's work to reduce the risks of financial irregularities in the administration of development aid. In this regard, Digni has through the network advocated towards Norad and the MFA to speed up the process of the follow-up of their internal Zero-Tolerance report from 2021. During 2024 there has been very little progress. Both reports will be followed up in 2025 by Digni through the anti-corruption network.

Reporting and handling cases

A substantial part of Digni's anti-corruption work has, during the last years, been handling cases of financial mismanagement. In 2024, the time spent on handling mismanagement cases has been reduced. This is due to more effective case handling, both thanks to the member and partner organisations responding with qualitative information and documentation, more knowledge of case handling in the Digni Secretariat, but also good communication and constructive dialogue with Norad's Internal Audit.

The time it takes from a case is reported to it is closed[1] varies a lot, due to difference in the complexity of cases, but also because of delay in deliveries one or several places in the chain. Most cases take less time to close than experiences from previous years, with an average of 175 days from the day it is reported to the day it is closed. Four cases took less than 100 days to conclude, the fastest 14 days (theft case), while two cases took just about 450 days to conclude.

Overview of cases reported and closed

In 2024, Digni handled 16 cases of financial irregularities reported to Norad. 11 of these cases were reported in 2024, and the rest (5) were transferred from 2023. Altogether, 11 cases were closed in 2024: the five cases from 2023 and 6 cases reported in 2024. Five cases are still open by the end of 2024. Through the year, Digni also receive information where the action group consider the suspicion not to be substantiated.

The development in number of cases reported and closed in the period 2018 to 2024 can be seen in Figure 1[2]. A higher number of cases has been reported to Digni than the previous three years, however, by looking at the six previous years, there is no pattern detected.

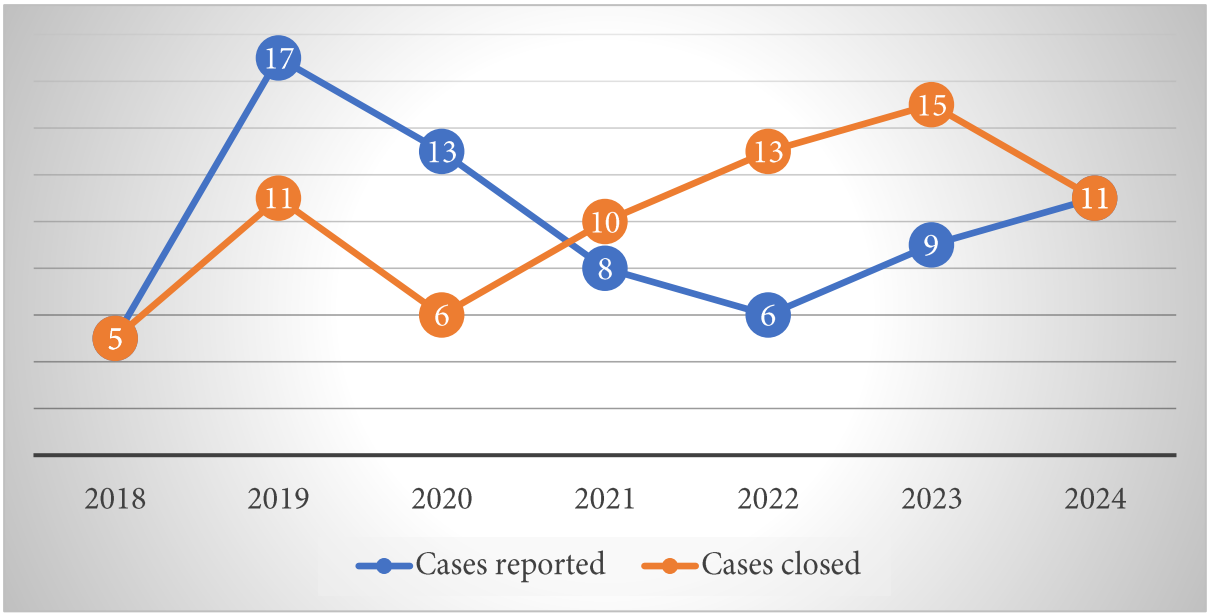

Figure 1: Cases reported and closed, 2018-2024

[1] A case is closed when the mismanaged amount is repaid to Norad or the project, and formally closed by Norad

[2] For comments to the period 2018-2023, se Digni's Anti-Corruption report 2018-2023. The year 2023 in this report includes the entire year 2023, not only the present agreement period starting May 2023.

As shown in Figure 2 below, all cases reported in 2024, except for one case that was reported directly to Norad, were reported from the member organisation to Norad. The cases concluded in 2024 were reported by eight different member organisations and concerned ten different countries.

External reporting	Internal control	Directly to Norad	Directly to Digni	Via member to Digni	Internal control Digni	Internal control member	Internal control partner
1	10	1	0	10	0	5	3

Figure 2: How cases were reported in 2024

What was the mismanagement?

Figure 3 below shows the category of mismanagement[3]. The cases varied widely in type of mismanagement, complexity, how it happened, and where in the organisation they took place. No cases concerned sexual exploitation, abuse, or harassment (SEAH).

It is noteworthy that in 2024, five cases were thefts at local partner. When theft is carried out by a third party, there is a police report, and the internal control is not significantly to blame, the case is closed without reaction. These cases take, in general, less time to handle. However, the stolen items need to be replaced if they are deemed central to further progress and achievement of the program's objectives.

There has been very limited use of freeze of funding. However, when funding is suspended, decisions are generally made in consultation with the grant management section and the Internal Audit of Norad, and the grant recipient (Digni/member). The purpose of suspending the funding is to ensure public funds are safeguarded. The suspension of freeze takes effect if the internal control exercised by the grant recipient or the implementing partner is deemed insufficient.

Category of mismanagement	2023	2024
Number of cases reported	9	11
Financial irregularities (intentional)	4	11
Sexual abuse of power/harassment (SEAH)	0	0
Breach on ethical norms or HSE (power abuse)	4	2
Theft	0	5
Deviations/unintentional mistakes	5	0
Procurement	4	3
Systemic	3	4
Single event	6	7
Danger of life and health	2	1

Mismanagement relates to all kinds of breaches on the Agreement with Norad as well as internal procedures.

All kinds of corruption and financial irregularities is mismanagement; however, not all mismanagement constitutes a financial irregularity.

Figure 3: Cases reported and category of mismanagement (each case can have several categories)

[3] One reported case can include several categories of mismanagement. The table gives an estimation as the categories are not perfectly matched with the reality. In addition, there will in some cases be deviations between what is reported, and findings in the investigations. This is not reflected.

What was the reaction in concluded cases?

According to Digni's agreement with Norad, and also reflected in the member and partner agreements, mismanaged funds must be repaid when the mismanagement is considered to be material. The conclusion of the materiality is made by the Internal Audit, often in line with Digni's suggestions. Figure 4 shows the reaction from Norad, as well as other consequences, often decided by Digni's member.

Reaction in closed cases	**2023**	**2024**
Cases closed	15	11
Reaction from Norad		
Repaid to Norad	11	3
Funds repaid to project	3	7
Closed without consequences	1	1
Other consequences		
Project closed	5	1
Stopped working with organisation/in country	5	1
Employee(s) dismissed	1	3
Reported to police/legal action	0	3

Figure 4: Reactions and consequences in cases closed

Figure 5 shows the distribution of repayment of funds to Norad and to the project[4]. It is a positive sign that 10 out of 11 cases were detected either by member's or partner's internal control. This is one of the criteria for repayment to project. Though a substantially higher amount has been repaid to Norad than to the project, 70 % of the closed cases are concluded with repayment to the project. According to Figure 6 on the next page, the total repaid amount is less in 2024 than each of the years 2018 to 2023.

Repaid amounts (NOK)	**To Norad**	**To project[5]**	**Description**
Case 1, Uganda	517 997		Systemic financial irregularities
Case 2, Bangladesh	58 393		Several questionable expenditures
Case 3, Nepal		121 531	Miscalculation of tax between partner/project
Case 4, Kambodsja		29 734	Single breach of internal procedures
Case 5, Bangladesh		2 542	Private loan from project funds
Case 6, Liberia		460	Irregularity in use of fuel
Case 7, Vietnam	3 692		Falsification of invoices
Case 8, Madagaskar		1 403	Vehicle use not according to guidelines
Total (NOK 735 752)	**580 082**	**155 670**	

Figure 5: Mismanaged amount in cases with reaction, repaid to Norad and to projects

[4] https://www.norad.no/aktuelt/varslingstjeneste/tilbakebetaling-av-misligholdte-bistandsmidler/

[5] According to Figure 4 above, eight cases were repaid to the project, while Figure 5 shows five cases. This is due to theft cases being included. These have in reality no repayment.

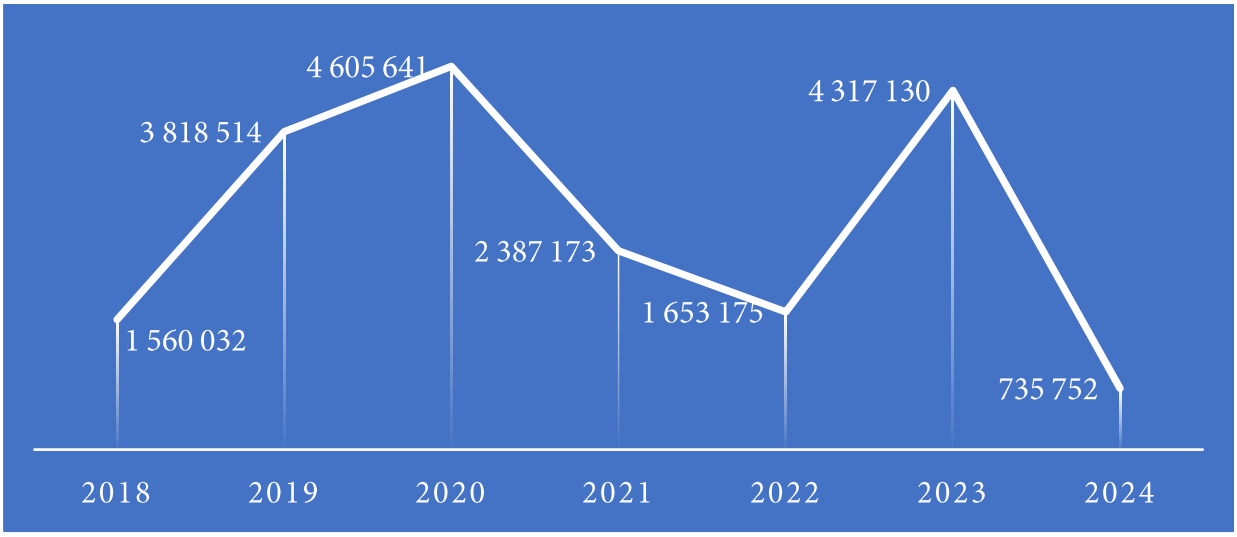

Figure 6: Mismanaged amount repaid to Norad and project

More resources

More useful information about anti-corruption work can be found in the yearly report about mismanagement cases for 2024, published by the Internal Audit of Norad.

Resources can also be found on Digni's learning hub on Fabo. Click on the pictures below for access.

Financial Integrity in Digni

Expected duration: Not available
Shared by DIGNI

Access site

Digni grassroots training on anti-corruption

Expected duration: Not available
Shared by DIGNI

Access site

Learning from cases

Each case of mismanagement gives valuable opportunities for learning, both from the case handling and from discovery of potential weaknesses in the financial management. Some learnings from 2024:

1. Physical spot checks are important: Digni joined one member organisation on a field visit. It was useful to see how the organisation strategically performs spot checks to their partners/projects to to strengthen financial management and preventmismanagement from happening. Field visits are important both for verification and learning purposes: Understanding context and organisational setup helps identifying red flags and thus mitigate risks. Also, members and partners are encouraged to increase the use of spot checks or monitoring visits to projects. Time should be set aside for undertaking one-on-one interviews with staff members and financial procedural checks.
2. Desktop spot checks are also important: Doing in-depth review of budgets and financial reports gives insight to partner's financial management and can reveal deviations and irregularities.
3. Updated and relevant guidelines: Based on internal experiences and learning from cases, Digni has seen the importance of clear guidelines. In 2024, Digni revised the guidelines for handling cases of financial irregularities and SEAH as well as updating the financial manual with more specific and clear guidelines on procurement in the Digni Secretariat.
4. Immediate reporting: There is a need to emphasize the requirement of immediate reporting of any suspicion of financial irregularities. Several instances in 2024 underline this. Digni will follow this up through the Member Assessment process. Guidelines for reporting and investigation of suspected mismanagement of project funds or assets need to be known by all relevant parties.
5. Procurement is high risk: Several cases from 2024 are about procurements. Having good routines for larger, occasional, procurements as well as smaller daily procurements such as gasolines and equipment for project activities is essential. Make sure that documentation is clear and includes necessary information such as date and signatures, price, purpose, quanta of supplied goods/services and contact details to the supplier.
6. There has been an increase in theft cases: There is no evidence that this is a pattern, however, it shows the importance of having updated assets registers and paid insurance. In addition, thefts should be reported to the local police and police report submitted as part of the case handling.
7. Exit of staff members comes with opportunities and risks. When project staff quit their job, exit clearance conversations with project participants should be held. This could reveal financial irregularities or other kind of mismanagement.
8. Investigations conducted with internal resources are effective to state mismanagement in cases that are not too comprehensive. Use of external resources for investigation has been reduced but external consultants are contracted when necessary and appropriate.
9. Learning notes are made after each concluded case of mismanagement.