IRMG PHASE 2 FRAUD AND RISK MANAGEMENT TRAINING FOR NGO'S – POST TRAINING REPORT

Acknowledgement

This training report is an output from the phase 2 training activity that was carried in the Kampala, Arua and Moroto from 26th May, 2021 to 29th June, 2021 for the face-face training and from 19th July, 2021 to 21st July, 2021. The training aimed at raising awareness and building the capacity of the IRMG member organizations with technical skills on internal risk management.

The phase 2 training was carried out by MAT ABACUS Business School, supported and supervised by the IRMG Project Team and kindly funded by the Swedish International Development Agency (SIDA). This report has been prepared to enrich the readers with information regarding the success of the training, some of the gaps identified during the training and also facilitate improved learning for similar future training exercises in internal risk management.

We would like to thank the MAT ABACUS Team of Consultants that shared their wealth of knowledge, experience and rich understanding on the update of best practices on Internal Risk Management. The team that was led by Prof. Samuel Sejjaaka and supported by Aguma Mpairwe, Wamala Freda, Henry Semwanga, Michael Kagugube, David Kamukama, Daniel Nimusiima and Sam Ayesiga.

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List of Acronyms

CoP   Community of Practice

GRC   Governance, Risk and Control

IRM   Internal Risk Management

IRMG   Internal Risk Management Group

IT   Information Technology

JD   Job Description

NGO   Non-Governmental Organization

RFP   Request For Proposal

SIDA   Swedish International Development Agency

ToT   Training of Trainers

1. Introduction

Between 26th April and 29th of May 2021, MATABACUS Business School conducted Phase 2 of the fraud and corruption risk management training for a total of 238 participants with 149 trained in Kampala, 50 in Arua and 39 in Moroto. The training reached out to 49 IRMG member organizations, 5 Non-IRMG member organizations and 5 partner organizations. Thereafter, a three-days training was conducted from the 19th of July to 21st of July 2021 as a continuation of the face-to-face training for 15 participants from 6 member organizations by the IRMG staff. A total of 12 sessions were held for this training exercise (7 in Kampala, 2 in Arua, 2 in Moroto and 1 for the virtual training). *Please find the detailed list of the organisations that were represented in <u>Annex 1</u> and the details of the participants for both the face-face and the virtual training in <u>Annex 2</u>.*

Phase 2 built on what had been done under phase 1 guided by the objective of further developing the capacity of IRMG members and their partners in building internal risk management (IRM) capabilities. Particular focus was placed on fraud and corruption risks, and ensuring sustainability of capacity building. This phase also achieved higher organizational reach as compared to Phase 1 where staff from 32 organizations were trained as compared to 65 in phase 2, representing a 103% increase.

The objectives of the Phase 2 training were: -

1) To continue create in depth awareness on Internal Risk Management broadly among the existing IRMG members, partner organizations and non-IRMG members.
2) To Ensure the sustainability of capacity building through subsequent training, technical risk skilling and training of trainers.
3) To enhance a deeper understanding on the basic concepts of fraud and corruption risks in all thematic areas of the organisations.

The training for Phase 2 was informed by an Impact Assessment, Accountability and Practices Document and the Post Training Evaluation for Phase 1, and like the phase 1 training, was to provide an informed response to challenges in the areas of fraud and corruption, among others, that had been increasingly observed by NGO's operating in Uganda and beyond. These challenges were undermining program effectiveness and had the potential to compromise the safety and protection of program participants or staff and erode the trust of the populations being served by specific NGO agencies and the sector as a whole.

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2. Training Coverage

The training curriculum for phase 2 covered mainly seven (7) thematic areas including governance and stakeholder management, risk management, fraud and corruption, the procurement process in NGO programming, internal controls, establishing Communities of Practice (CoP) and Training of Trainers (ToT) on technical risk skilling. *The detailed training program delivered is contained in Appendix 3.*

In contrast to phase 1 however, more emphasis was placed on allowing participant contribution and sharing of experiences around the areas discussed. This led to highly interactive sessions with plenty of sharing and cross learning between organizations and among the participants on issues surrounding fraud and corruption as well as risk management in general. Each of the thematic areas highlighted and identified prevailing challenges faced by the member organizations as well as opportunities to adopt practices (both technical and structural) that were important in supporting organizations build more mature systems as detailed in the subsequent sub-sections.

2.1.   Governance in Risk Management in the NGO Sector

In this session, the discussion was about how areas of accountability, management and mitigation of risk within the NGO sector has a critical component relating to governance, hence the justification for discussing Governance in the training. The importance of governance in risk management was clearly stated and as such, all the organisations were advised to have effective governance structures in order to support and streamline decision making in the NGO fraternity.

A more detailed discussion on what governance is in the NGO sector i.e. (structures, systems, policies, managing the organisation at strategic level), what is entailed in it, and how important it is was to system strengthening. An explanation of how the eco-systems of stakeholders (donors, beneficiaries, local government, partners, media, public, central governance, fellow NGOs and local communities) affect or are affected by governance was elaborately demonstrated. Additionally, details regarding the eco system of stakeholders and how they influence governance or are influenced by governance in NGOs as a whole was shared with the participants.

Furthermore, the importance of governance and the negative impacts like (reputational risk, loss of funding, theft of finances or diversion of project activities, risks of facing sanctions, criminal liability, law suits and mandate drift) when governance fails were addressed in this session including the schemas of the INGO impact on stake holders.

The key elements of an effective enterprise risk management (ERM) framework summarized in the 2017 COSO ERM model (governance and culture, strategy and objective setting, performance and implementation, review and revision and information, communication and reporting) were equally explained.

The three lines of defense control model and the roles of all those involved in monitoring and oversight of organizational control systems that is to say, line management, internal control functions, internal audit and the governing body/board/audit committee and the senior management was elaborately explained with demonstrations.

2.2. NGO Program/Project Lifecycle (Key Processes and Risks Overview)

In this session, an over view of the NGO program or project life cycle was presented and explained with the help of presentations. Participants were then asked to give their views on the topic before the trainer could go further to explain the topic in detail. Risk was then defined and explained with examples of how they could occur or manifest in the program or project life cycle.

The NGO value chain i.e., infrastructure, human resource development, technology and development and procurement were defined citing what they are, the risks involved in each and examples of what risks can appear in each of them. Participants were introduced to the reference model and asked to go and read it in their free time for more information.

The stages/phases/processes of the project life cycle i.e., conceptualization, design, planning, implementation and closure were clearly defined and explained giving examples of the risks involved in each phase, how they manifest and how to mitigate those risks. Detailed discussion was held on each of the phases and participants were required to discuss some of the fraud and corruption cases they encountered in their programs and projects as organisations, which they did. Queries too were asked and responses were given.

2.3. Managing Corruption in the NGO Sector – The Environment in Uganda

Participants were taken through the topic of corruption in the NGO sector (global and local context, the common problem areas, the root causes of corruption, the role of government agencies and implementing partners in facilitating and preventing corruption).

An explanation of what corruption really is and all the relevant definitions that amount to corruption, different forms of corruption like bribery, extortion, kickbacks, misappropriation of assets, tribalism, nepotism, conflict of interest amongst others were clearly presented to the participants. Organisations were encouraged to fight and curb the vice of corruption because of how negatively it can impact an organisation and end up leading to closure of the organisation.

In this session, the root causes of corruption were explained in three dimensions that is (the individual, the organisational factor and the societal factor). A detailed explanation of how these factors can cause corruption was given. Some of the individual root causes of corruption that were mentioned included greed, lack of integrity, pressures from within and out, desire for materialistic things, unnecessary competition, low income and urgent necessities of life, a lot of debt among others. The organisational causes mainly included loopholes in the management and control systems, weak management systems, poor organisational culture, inadequate systems of reviews and referrals while the societal

causes included pressures from the society, eroded society cultures, weak societal laws and tribalism.

The sessions also threw more light about the role of government and implementing partners in facilitating and preventing corruption tendencies. Some of the roles discussed included policy formulations, organisational culture development, good leadership and governance, reprimanding culprits and public awareness. Furthermore, preventive measures on how the individual organisations could mitigate corruption were also shared such as strengthening the rule of zero tolerance to corruption, checking the highly risky areas and prioritizing corrective measures, employee procedures to curb down this risk, conducting due diligence as well as establishing penalties for breaching the policies.

2.4. Fraud (Red flags and Basic Concepts)

A deeper discussion on fraud (misrepresentation, concealing a material fact, anything from bad intent to criminality) among other definitions that amount to fraud entailed this session including discussion of the components that contribute to increased risk of fraud i.e., **pressure, rationalization, capability and opportunity** (elements of the fraud triangle and fraud diamond models). The fraud triangle was used to elaborate more on the causes of fraud in the organisation and how they come about. Examples of the motivating factors for fraudulent behavior in organisations that were mentioned included weak control systems, motivation, absence of a capable guardian and a suitable target.

The components of the fraud triangle were explained in detail that is to say opportunity such as weak management and approval system, lack of segregated rules, weakness in policies, weaknesses in recruitment policy and weak controls; pressure such as giving people unrealistic targets and goals to meet and bad personal vices like drug taking and gambling as well as rationalisation as an element of fraud was explained with scenarios and examples to the participants.

Other types of fraud identified included inventory and check misappropriation, expense reimbursements, procurement fraud, compensation fund fraud, personal use of company cars,and vendor fraud among others.

Additionally, there were discussions surrounding red flags. Red flags were defined as a set of circumstances that are unusual or vary from the normal norm, something that is out of the ordinary. The red flags were categorized by type i.e. **individual red flags** (say recurrent financial problems), **behavioral red flags,** (constant debts, gambling, drug addicts, living beyond means, refusal to take leave, Isolation from others), **employee red flags** (manifested in lifestyle changes), organisational **red flags** (excessive desire to achieve organizational targets, frequent disputes with auditors, questionable related party transactions, among others) and **payroll system red flags** (over charge in the slack period, overcharging the cost Centre, duplicate social security funds). Preventive measures to these fraud and red flags were also discussed in detail with the participants through a presentation. Participants were encouraged to put in place fraud control measures by (implementing a risk-based controls monitoring framework guided by theorganisation's risk register, categorising residual risk by significance, and then determining key risk areas for frequent controls testing across processes, departments and systems. This could be supported by data analysis).

2.5.   Procurement and Supply Chain Risk and Fraud

In this session, a detailed definition of what constitutes procurement risks was explained and a brief overview about procurement processes and stages was also given. A further explanation of where and how fraud could surface in procurements was given using the three phases of the procurement i.e., the pre-tendering phase, tendering and post tendering phase.

In defining procurement fraud, the facilitators focused on describing it as dishonestly gaining something while taking advantage over other competitors or service providers participating in the procurement process. The types of frauds that could exist in each of the phases of the procurement processes were also explained in detail.

The processes entailed in the three phases were also elaborately explained with examples on how these processes could be manipulated for fraud i.e. the Pre-tendering phase that constitutes of a needs assessment and market analysis, planning and budgeting, development of specifications and requirements and choice of procurement procedure; the tendering phase that constitutes the request for bid proposal, bid evaluation, and contract award and finally the post tendering phase that constitutes contract management/ performance and order and purchase.

A discussion on what the different organisations can do to mitigate the procurement risks, frauds and corruption and also identifying red flags for each of the three phases of the procurement process was carried out. Organisations were required in this regard, to identify mitigation measures, assigning ownership of the measures to be undertaken to manage risks, update the risk register and monitor progress in order to deter these risks. Furthermore, a detailed explanation on how to mitigate these dangers of risks, fraud and corruption was given including understanding the procurement principles.

2.6.   Establishing Internal Controls in NGOs

2.6.1.   Maintaining an Effective Control Environment

In this session, internal control mechanisms that organisations can put in place to deter, risks, fraud, corruption and also identifying red flags was given. The trainers also explained that the role of a risk manager / department in an organisation is not just to do investigations but is about, prediction, detection, prevention and response. The control measures that organisations need to put in place such as, (an effective control environment, and other elements of the COSO framework for internal control, including audit as an oversight tool in the NGO business) was elaborately explained giving examples and explaining each component of the control measures and how to avert any risks involved.

2.6.2.   Codes of Conduct and Audit Effectiveness

In this session a continuation of internal control was given in regards to code of conduct to manage and mitigate risks in the NGO organisations. The codes of conducts issues were talked about with examples of how they surface. Organisations were also asked to ensure that they constantly or periodically review their internal codes of conducts controls, the

rules and regulations governing their organisations. Challenges to internal controls/codes of conduct were mentioned and elaborately explained.

2.7.   Developing Effective IRMG Led Community of Practice

The community of practice (CoP) was clearly defined for the participants and also its importance was clearly given. The presenter further explained to the participants the reason for forming an IRMG Community of practice some of which reasons included sustainability, continuous engagement, collaborations with other members, and sharing of ideas and knowledge among others. The characteristics and purpose of the community of practice was also talked about in detail including brainstorming on how to effectively establish CoP working groups.

2.8.   Skilling for Risk Training

In this session, participants were trained on how to pass on knowledge acquired from the two days training onto the other staff in the various organisations. A specific organizational maturity models developed specifically for internal risk management was shared in a presentation in order to help participants reflect on how well developed their current organizational risk management capabilities and systems were and what future improvements could be made . Members were advised to be equipped with knowledge on what exactly risk is before conducting a training. The details of what risk is, risk management, history, context and principles (using the ISO 31000 risk standard), as well as why risk needs to be managed was discussed in detail.

Types of risks within organisations were identified including strategic risks, funding risks, regulatory risks, legal risks, financial risks, environmental and operational risks. Participants were also tasked to consider their businesses and see how risk can impact their organisation. It was further noted that risk is coherent and can happen anytime so participants were challenged to reflect on ways of mitigating them.

Key aspects of the ISO 31000 risk framework that organisations may need to adopt to improve their risk management processeswere discussed including; understanding the principles of risk management, the elements of a risk management framework and the risk management process.. Various approaches as to hisks can be identified were mentioned. The risk management process was further explained in detail step by step to help in skilling. An elaborate discussion on the risk management committees, risk culture, risk profiles, risk monitoring was elaborately explained to the members. Other areas discussed included understanding and appreciating the training cycle which involves identifying training needs, designing the training, delivering the training and concluding and evaluating the training. A detailed explanation on training preparation, environment, materials, tools, training aids with examples, training evaluation and reporting with examples of conducting the training was provided to the participants.

3. Training Methodology

The methodology applied involved a range of standard approaches and tools to achieve maximum participant engagement and contribution. These included: -

- Facilitator led discussions with prompting to participants to share related experiences.
- Case studies related to the thematic areas discussed.
- Group discussions to review case studies prepared and carry out the final risk self-evaluation.
- Multiple Choice exercises to assist recap of key concepts covered.
- Subject matter videos to stimulate reflection and hear experiences of expert practitioners.
- Energizers to allow for participant mental engagement and stimulate concentration following long sessions or after long breaks.

3.1. Alignment to Stated Objectives

The training as delivered provided an opportunity for the following IRMG objectives to be met.

3.1.1. Training program objective 1: Raising awareness and increasing capacity of IRMG members and partners to manage internal risks

Awareness of the problems faced by the sector was raised by exposing more participants to the thematic areas from first principles and providing for reflection benchmarked against their own and other participant experiences. This was then reinforced with exposure to current best practice frameworks, technical skilling on risk management and practical demonstration of how each organisation could construct a risk register summarizing business process, risk and controls review and overall measurement of gross and residual risk. *Selected examples of the approaches used to engage participants as part of the raising of awareness and impartation of improved skills are discussed below.*

As part of raising awareness, for example, participants were required to identify specific fraud and corruption risks that their organizations faced. This discussion was conducted early on in the training following the introductory session on contextual issues. The feedback received across various groups is summarized below.

Some of the fraud and corruption risks identified: -

i.   Colluding with suppliers to inflate prices
ii.   Staff Recruitment i.e., lack of transparency in the recruitment
iii. Use of unqualified suppliers and breach of contracts
iv.   Bribes/ Kickbacks from other partners or stake holders

v. Misrepresentations in reporting e.g., inflating program achievements
vi. Too much power delegated to an individual to make decisions
vii. Noncompliance with policies e.g., inequality or favoritism in applying policies
viii. Direct Pilferage of funds i.e., theft from petty cash
ix. Hiring of incompetent staff
x. Inflating of payrolls/ Payments to ghost employees
xi. Misuse of organizational assets forex example cars, computers
xii. Poor staff attitude towards preventive fraud controls
xiii. Diversion of materials or funds during program implementation
xiv. Lack of internal controls or weak of internal controls

In addition to the above, participants were asked to individually reflect on the concept of risk maturity, that is the level to which their risk practices compared against a chosen four level risk improvements framework (illustrated below). This was done initially at individual level during training day 2 and repeated in more detail as part of a group exercise with the objective of further embedding the concept, considering: -

i. Reasons for justification of their current ratings
ii. Improvements required to increase organizational risk maturity
iii. Potential challenges they would face on the journey to the highest level of maturity
iv. The number of years they anticipated would be required to reach the final rating

The participants were informed that the maturity model used was indicative but not prescriptive and the time taken to attain the highest maturity would differ given individual organizational contexts. _The model is indicated below in figure 1._

FURTHER DEVELOPING RISK MANAGEMENT SYSTEMS FOR YOUR NGO

Level 1
IS THERE A CO-ORDINATED IDENTIFICATION, ANALYSIS, RESPONSE AND MONITORING FRAMEWORK IN PLACE?

Level 2
IS IT MEASURABLE — SINGLE OR MULTIPLE VARIABLES THAT BOARD CAN TRACK OVER TIME — RISK DASHBOARDS?

Level 4
ARE STRESS AND CONTINGENCY SCENARIOS BUILT IN AND TRACKED - INTEGRATED WITH DATA ANALYSIS - TO FORESTALL DANGER EARLY?

Level 3
IS ALL THE ABOVE CLEARLY ARTICULATED AND CO-ORDINATED IN AN ENTERPRISE-WIDE APPROACH WITH CLEAR DOCUMENTATION, WITH STAFF UNDERSTANDING AND PARTICIPATION?

Figure 1: A representation of the level of internal risk

Following the self-assessment exercise, responses were analyzed in the following 4 areas: -

1) Current Risk Maturity Rating

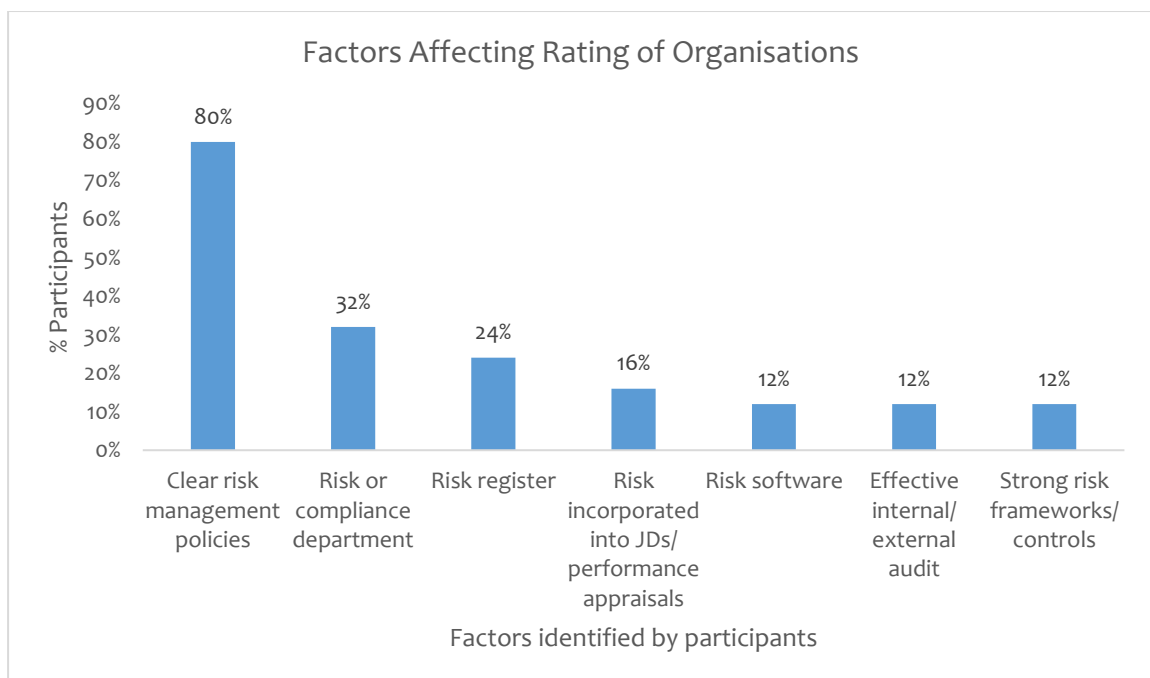On average, the respondents ranked their level of risk maturity at 1.88 which could be interpreted as implying that the organizations were generally between level 1 and level 2 risk maturity of the rating framework used above.

2) Reasons justifying the assessed rating

The following top 5 factors were identified as being the main influences for the assessed level of rating (*see Graph 1 below*): -

- 80% of respondents indicated that clear risk management or risk related policies were the key reason for their ranking;
- 32% indicated the presence of a risk or compliance department as the basis for the ranking;
- 24% were influenced in their ranking by the existence of a risk register;
- 16% by the fact that risk is incorporated in either all staff JD's or the performance appraisal framework; and
- 12% **jointly ranked** the use of risk software, effective internal/external audit and strong risk frameworks/controls as the basis for their ranking.

Graph 1: Reasons for risk maturity rating based on the Four level Risk Maturity framework

Graph title: Factors Affecting Rating of Organisations

| Factor	% Participants
Clear risk management policies	80%
Risk or compliance department	32%
Risk register	24%
Risk incorporated into JDs/ performance appraisals	16%
Risk software	12%
Effective internal/ external audit	12%
Strong risk frameworks/ controls	12%

Factors identified by participants

3) Risk management improvements required to attain the highest level of risk maturity.

The following aspects were identified as being the main improvements required to attain the highest level of risk maturity (*see graph 2 below*):

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- 84% of respondents indicated that continuous risk training for all staff, board and partners would be required to improve risk maturity to the highest level;
- 48% indicated that improved risk and security policies would be necessary to enable higher risk maturity to be attained;
- 44% cited the need for improved risk identification, analysis and monitoring as necessary for the attainment of the highest level of maturity;
- 40% indicated broadening risk management participation to more staff would be required to attain the highest level of maturity; and
- 28% indicated that improved maturity would be achieved through capacity building Initiatives.

Graph 2: Risk management improvements required to attain the highest level of risk maturity
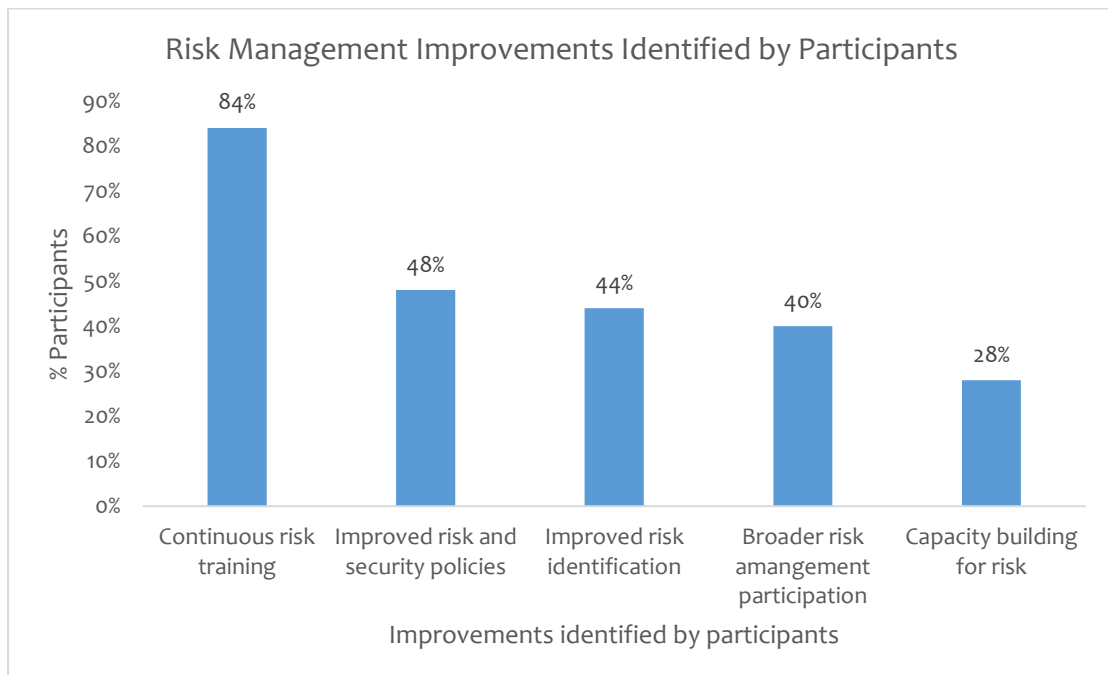

4) Hindrances or challenges that might impact the improvement of the risk maturity

The analysis as indicated in *graph 3 below* shows a summary of the most common challenges faced by the member organizations.

- 84% of respondents indicated that the key hindrance to improved maturity would be lack of funding;
- 36% jointly indicated poor staff attitude, as well as, high staff turnover would undermine achievement of the highest level of risk maturity;
- 28% **jointly ranked** 3 factors; lack of commitment/appreciation of risk from senior management/Board of Directors, inadequate skills/tools, and absence of a risk department as being hindrances;
- 20% ranked donor partner limitations as a hindrance; and
- 16% identified lack of a risk register or risk dashboard as a limitation.

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Graph 3: Hindrances or challenges that might impact the improvement of the risk maturity

Challenges to Improving Risk Maturity
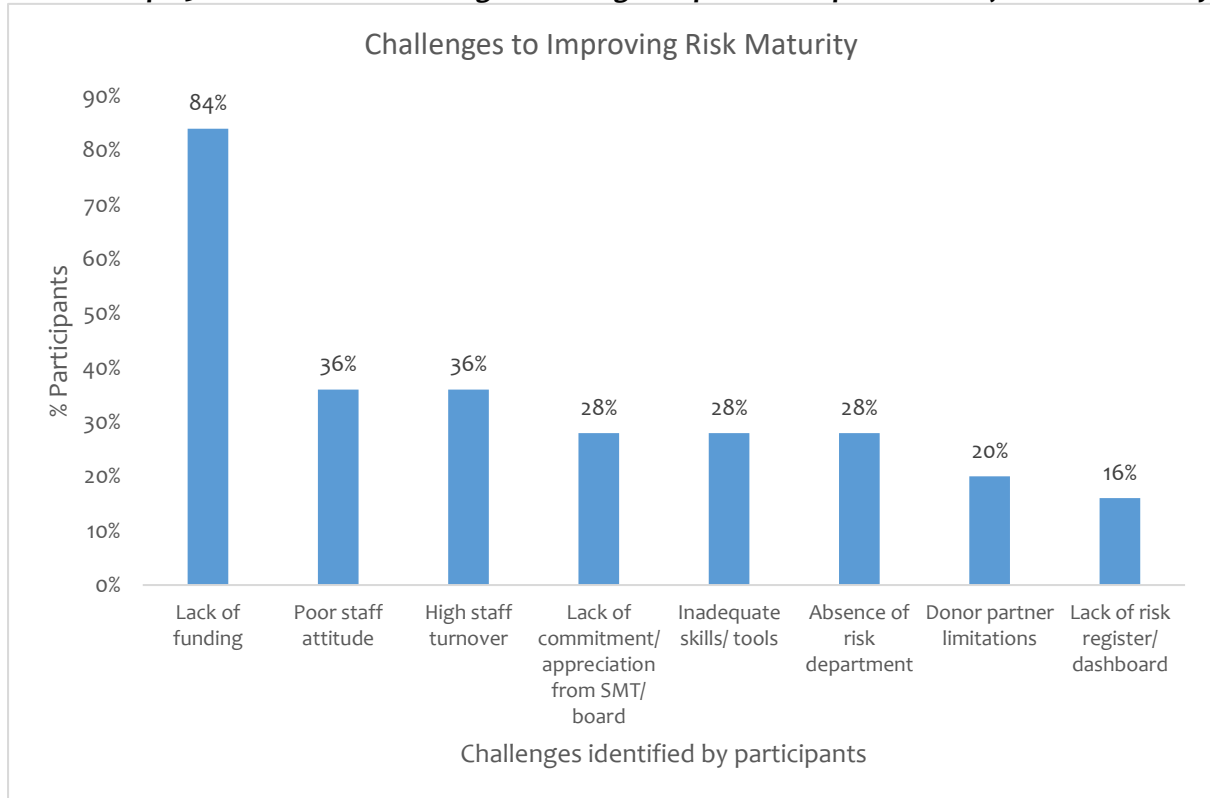
While the respondents shared their perspectives on where the challenges were and what needed to be done, it needs to be noted that these perspectives may be different from those of the Executive Management of the NGO's or the expert opinions of risk specialists. Further to the risk self-assessment exercise, a tool for practical risk assessment was demonstrated to support identifying, analyzing and grading risks by department as illustrated below: -

Figure 2: Extract of the Risk Assessment and grading model (illustrative departmental assessment)

	A	B	C	D	E	F
1	**BUSINESS PROCESS**	**RISK**	**CONTROL**	**PROBABILITY**	**IMPACT**	**RISK**
2	RECRUITMENT	WHAT COULD GO WRONG?				-
3	Define Job	Job Poorly defined	Review and approval, Use experts	0.30	0.80	0.24
4	Recruitment request	Approved Job Description not in line with job advert	Independent review and approval of advert before going to press by comaprison with approved description	0.40	0.75	0.30
5	Advertise					-
6	Receive Responses					-
7	Interview					-
8	Decide on candidate					
9	Background Check					
10	Receive & Onboard					
11						
12					RISK SCORE	0.54
13						

At the end of the risk assessment, an overall risk assessment score that consolidates the different operational areas/departments was generated as illustrated below:

Figure 3: Extract of the Risk Assessment and grading model (Illustrative overall grading)

3.1.2. Training program objective 2: Ensuring the sustainability of capacity building through the first and subsequent phases of training.

To ensure sustainability, facilitators were required to develop a Training of Trainers (ToT) curriculum that was divided in to 2 parts: -

1) A general ToT that reflected on factors to take into consideration when training adults as well as good practices in conducting a ToT.
2) The other was a ToT that was specific to risk skilling.

Participants were introduced to the proposed IRMG Community of Practice (CoP) which included the characteristics of CoP's, the purpose of the IRMG proposed CoP and a discussion on: -

1) What needs to be done for an enabling strategic support framework.
2) What needs to be done to develop an effective IRMG CoP needed to change to facilitate an effective CoP.

Suggestions for an enabling strategic support framework included the following based on the feedback received from the participants: -

- Sharing the IRMG risk management manual.
- Identifying a focal person from each I/NGO as a representative to the CoP.
- Creating regional CoP's to fit into the broader CoP.
- Developing a platform for information sharing on corruption, fraud and risk and encouraging. IRMG members to share openly while maintaining an agreed degree of confidentiality.
- Building rapport among members through frequent communications, telephone calls, emails, and meetings.

- Developing CoP policies and creating awareness among the members.
- Setting the right Tone at the Top within the organizations about sharing information without fearing consequences.
- Exchanging learning on how fraud and corruption has been handled in their organizations.
- Establishing synergies to avoid duplication of work.

Suggestions for creating an enabling strategic support framework included the following based on the feedback received from the participants: -

- Developing clear Terms of Reference, vision, and values of purpose for the IRMG CoP.
- Establishing clear guidelines and creating clear communication, documentation, learning, feedback and accountability mechanisms.
- Identifying the key strategic issues that guide the CoP.
- Receiving support from the heads of the organisation, to give time to staff to be part of the CoP.
- Creating a non-judgmental environment where people feel valued and feel that their opinions are valued.
- Payment of annual membership fees by each member organisation to support meetings and other CoP activities.
- Establishing a Technical Assistance desk that conducts periodic capacity building to address common issues identified.

Suggestions on how the IRMG structure needed to change to facilitate an effective COP included:

- A Chairperson at the top of the structure with the next level consisting of specialized Board Committees (e.g., Education, Health, Children, Finance, Agriculture, Risk/compliance/Audit).
- Harmonizing Standard operating Procedures and policies.
- Sharing and learning based on context and experience.
- Constitution of sub departments e.g., HR, Logistics, Procurement, Finance, programs, Admin.
- Creating a Steering Committee voted for by member organizations.

4. Challenges and Opportunities

The facilitators recorded some challenges that were both administrative and structural in nature. While these did not negatively impact the training exercise, it is of importance that considerations are put towards averting them for effective programming for future trainings.

4.1. Administrative/Schedule Challenges

A range of challenges were faced during the training as indicated below: -

- Time constraints: Although the content had been designed to meet the allotted training plan time, participants did not come in on time for virtually all sessions conducted. This led to between 1 to 1.5 hours cumulative time lost by day 3 of the training program.
- The traffic problems following the end of the day's sessions from the training location to onward areas through the city and, to a lesser extent, existence of a curfew arising from COVID restrictions meant that closure of sessions had to be targeted for 4 - 4:15 p.m. putting further pressure on delivery or discussion.
- Some participant's feedback sessions took longer than planned and this could not be stopped as it was a critical part of the learning. This resulted in shorter feedback sessions for subsequent participants.
- One session in Kampala was cancelled due to the presidential Inauguration public holiday which resulted in combining sessions 5 and 6. This created a large number of participants for this new session leading to time constraints and shorter than desired feedback sessions.

Other challenges identified **by the participants** are included in the Pre and Post training evaluation report in *Appendix 4 to this report.*

4.2. Structural Challenges and Capacity Gaps

Given that drivers for fraud, corruption and unethical practice could include Opportunity, Pressure and Rationalization, we identified potential problem areas in the NGO sector which, when compared to other sectors and best practices, **_may_** present the potential for undermining effective Governance, Risk and Control (GRC) interventions necessary to effectively deal with these problems and other sector specific risks.

Discussions were held with participants around these areas and their opinions heard. **_We however note that these are not applicable to ALL NGO's represented and caution is required in making interpretations of the issues presented._**

The issues included: -

- Absence of effective regulatory oversight by the sector regulator in the areas of requiring minimum standards for effective GRC practices.

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- Absence of dedicated staff to champion risk management in many participant NGOs.
- Combination of risk management with other functions, predominantly internal audit but also compliance, and in one instance HR, potentially undermining its effectiveness and ability to mature, but also, when combined with internal audit, undermining effective independent audit of risk management practices.
- Lack of appreciation of the importance of risk management thus absence of dedicated resources to finance improvements in risk management.
- Challenges sourcing funding allowing discretionary use which could be applied to improvements in risk management and improvement in employee terms of service.
- Limited opportunities for career growth particularly for senior management and the **_perception,_** valid or otherwise that a 'glass ceiling' existed beyond which local staff could not progress in terms of promotion.
- Significant disparities in terms of service between local and expatriate staff, potentially presenting grounds for rationalization of unethical practice by staff.
- Perceived underpayment of procurement staff in relation to amount of money they have responsibility to manage.
- Limited knowledge of information systems risks and control processes and limited attention paid to these matters by audit functions.
- Non-resident Internal Audit functions in some NGOs.
- Non-resident Boards of Directors in some NGOs.

As emphasized above, the interpretation of these issues needs to be considered in the context of specific compensating controls and arrangements which may be present in individual NGO's, it being understood that a "one size fits all" approach cannot be encouraged. MAT ABACUS consultants shared potential solutions that could be adopted to deal with some of these challenges and would be happy to further share with the IRMG or Country Directors forum experiences that have worked in other sectors that had to deal with similar problems.

4.3. Opportunities

Most participants indicated they had identified areas for improving their organization's risk management capabilities when benchmarked against the risk maturity framework, including those that felt they had fairly mature risk management frameworks. This presents opportunities for the IRMG Community of Practice to have practical impact in guiding the sector towards improved overall practices from a point of informed perspectives of what needs to be achieved. Most organizations expressed the need to have their senior management exposed to similar risk management training as it would support their efforts in having entity-wide risk management improvements.

Additionally, based on our observations however, we propose the following improvements for future versions of this training program: -

- Early circulation of the RFP to potential consultants to allow for early completion of the training curriculum and appropriate acceptance and clearance procedures by the IRMG.

- Better time management on the part of the participants. This could be partially assisted by training at a location out of the city avoiding movement in and out of the location by participants.
- Conducting the training over 4 training days but held on successive weeks (2 training days per week) to allow for less time pressure on program coverage.
- Inclusion of or separate sessions for Country Directors to candidly discuss the aspects raised in the "Challenges" section of this report. In our view this is where some of the root causes of the NGO sector specific problems, manifesting as symptoms of fraud and corruption, may lie.

Participants also mentioned the need to be trained on additional areas including:

- Fraud detection, investigation and mitigation
- Risk management, at a more granular (department specific or functional) level
- Improved understanding of risk mitigation strategies
- Improved understanding of building a risk register
- IT security risks and vulnerabilities relevant to the NGO sector
- The role of IT in Internal Risk Management
- Developing Effective Controls/Systems
- Risks in the Recruitment Process
- Risks in the Procurement and Warehousing Process
- Culture, Values, Ethics and Tone at the Top
- Documentation, Communication and Knowledge Retention (Risk Framework, Register, Policy, Mandate)

4.4. Achievements

The achievements below may be identified as resulting from the training: -
- Better mobilization by the project team for this training phase thus achieved higher organizational reach as compared to Phase 1 where staff from 32 organizations were trained as compared to 65 in Phase 2, representing a 103% increase.
- The increased number of participants per session and the mix of both local and international NGOs as compared to the Phase 1 training presented better opportunities for participants to meet, network and learn from each other's individual and organizational experiences both formally and informally (including lively informal discussions over break and lunch in the cafeteria!).
- Practical illustration of risk models and frameworks as well as risk management training material was shared which would enable faster turnaround time for participants to create customized training courses for their institutions.
- Cross industry experience on developing an effective Community of Practice (CoP) was shared by MAT ABACUS risk consultants from practical experience they had in the Banking sector. This presented a reference frame against which participants discussed modifications to the current IRMG structure and made proposals for what they felt could be a workable CoP for the NGO sector.

5.Assessments, Evaluations and Conclusion

Participants were provided with pre and post training assessment forms that included both technical and qualitative questions. *The detailed report is attached as Appendix 4 of this report.*

The assessment centered on three main aspects namely: -

1) A technical evaluation gauging participants' level of knowledge on general risk management concepts.
2) A qualitative evaluation assessing the participants perspectives on risk management effectiveness in the participants' organizations; and
3) Feedback on the general quality of the training experience.

The results on each of these aspects are presented hereunder.

5.1. Technical Evaluation on Risk Management Knowledge

The participants were assessed using questions were set around the major topics that were covered in the training. These generally covered;

a) Responsibilities for preventing fraud and corruption in the organization,
b) Internal control mechanisms,
c) Elements of the national legal framework to deter fraud and corruption;
d) Triggers of fraud and corruption; as well as
e) Severity of the fraud and corruption risk in organizations

Comparative analysis of the pre and post training responses revealed that there was improvement in the participant knowledge about the core areas that were covered in the assessment. There is a notable improvement in the percentage of the participants who demonstrated knowledge of the correct answer in the post training assessment compared to the pre-training (*see the detailed assessment report in Appendix 4*).

5.2. Qualitative Evaluation on Participant Perspectives on Risk at their NGO

The pre-training qualitative assessment captured participants' opinions on the general risk management environment in their respective organizations with particular focus on:

a) Challenges faced from fraud and corruption risk at their NGO organizations;
b) The effectiveness of their risk management and control systems;
c) The effectiveness of their board and other oversight mechanisms;
d) The level of their staff awareness about risk management; as well as
e) The participants' expectations from the training.

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The results indicate that the majority (61 or 35.3%) ranked the challenges faced by their organizations at 3 (moderate) on a scale of 1-5, with 1 being the lowest and five the highest. The majority who ranked these challenges as very low were from Kampala while a considerable bigger percentage (15.2%) of the participants in Moroto ranked these challenges at 5.

The effectiveness of the risk management and control systems was ranked by the majority at 4 (39.3%) and 3 (34.7%) implying high and moderate respectively. Participants that gave a lower rank of 1 and 2 were mostly from Moroto and Arua.

The effectiveness of the Board and other oversight mechanisms in various organizations was ranked at 4 and 3 by the majority (40.6% and 30.0% respectively) of the participants. Similarly, the majority of the participants that ranked the effectiveness of their Board and other oversight mechanisms at 3 and above were from Kampala.

A majority of the participants (35.3% and 31.2%) ranked staff awareness about risk management in their organizations at 3 and 4 respectively. Almost 25% of the participants considered staff awareness about risk management in their organizations as low. Perhaps, drawing from the prevailing fraud and corruption risks in the NGO sector.

With regard to expectations from the training collected at the pre-assessment stage, the following were raised:

- Acquisition of skills in a number of risk management areas such as fraud detection, investigation, prevention and management. This was the overriding expectation from the training.
- Others expected to build capacity in developing risk management frameworks drawing on best international and national practices.

The extent to which the participants' expectations were met, or otherwise, is presented in the analysis of the post training feedback summarized hereunder.

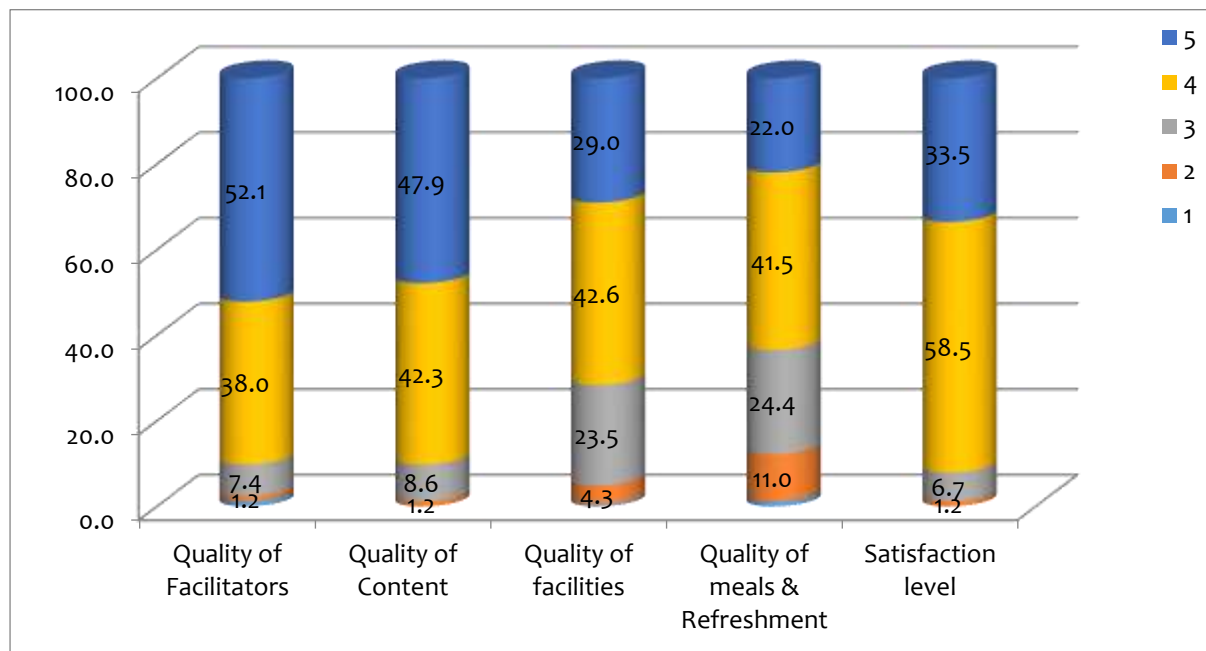## 5.3. Feedback on General Quality of The Training Experience

The post training assessment obtained feedback from participants on the general quality of the training with particular focus on the quality of: -

a) The facilitators;
b) The training content covered;
c) The training facilities (training rooms, washrooms and general environment); and
d) The refreshments and meals provided.

The assessment forms also required the participants to express their satisfaction over the extent to which they felt that their expectations at the start of the training had been met. This formed the basis of the recommendations that were provided by the participants as contained in the detailed pre and post training evaluation report in Appendix 1.

On the scale of 1-5 (lowest – highest) the quality of these variables was ranked 4 and 5 by the majority of the participants and so was their satisfaction as shown in the figure below.

Despite the high ranks apportioned to various variables assessed under the general quality of the training, a majority of the participants expressed dissatisfaction over the limited time allocated to the training and subsequently recommended for extended time for such trainings.

Other recommendations made were: -

- The need for inclusion of localized case studies;
- Provision of transport refunds
- The need to incorporate adequate health breaks during the training sessions
- The need to share training materials ahead of the training
- Designing of customized and specific trainings targeting different organizational functions such as finance, M&E, procurement etc.;
- Support supervision at their workplaces to ensure application of the skills and knowledge acquired;
- The need to provide the training to all staff members of their member organizations.

5.4. Conclusion

In conclusion, MAT ABACUS Business School wishes to appreciate the opportunity given to it by the IRMG to share its experiences, and knowledge with the participant organizations, which we believe was beneficial to both the IRMG and the participants and is keen to partner further with the IRMG, its individual members and the industry as a whole, to provide any necessary support in line with our capabilities across Academic Education, Professional Training, Executive Education and Consultancy service lines. We wish the IRMG every good fortune for the future.

Annexes

Annex 1: List of NGOs Represented for Phase 2 IRM Training

List of NGOs Represented for the Face-to-Face Training (26th May, 2021 – 28th April, 2021)			
Member Organizations			
1	Farm Africa	27	Diakona
2	SNV Netherlands	28	Malteser International
3	ADRA	29	Finish Church Aid (FCA)
4	Jhpiego	30	Give Directly
5	Population Services International (PSI)	31	AVSI Foundation
6	Farm Radio International	32	Self Help Africa
7	Food for Hungry	33	Dan Church Aid (DCA)
8	Protos	34	International Rescue Committee (IRC)
9	Norwegian Refugee Council (NRC)	35	TechnoServe
10	Tutapona	36	International Republican Institute
11	Avocats Sans Frontières	37	Medical Teams International
12	Plan International	38	War Child Canada
13	Catholic Relief Services (CRS)	39	Samaritan's Purse
14	Save the Children	40	ACTED
15	International Justice Mission (IJM)	41	Caritas International Belgium
16	World Vision International	42	Caritas Arua Diocese
17	Humanity & Inclusion	43	Transcultural Psychosocial Organization (TPO)
18	Welthungerhilfe (WHH)	44	Joint Effort to Save the Environment (JESE)
19	Restless Development Uganda	45	Multi Community Based Development Initiative (MUCOBADI)
20	Mercy Corps	46	Reach Out Mbuya Parish HIV/AIDS Initiative
21	Action Against Hunger (ACF)	47	Community Empowerment for Rural Development (CEFORD)
22	Danish Refugee Council (DRC)	48	Child I Foundation (CiF)
23	Lutheran World Federation	49	Soroti Rural Development Agency (SORUDA)
24	CARE International in Uganda	50	Center For Health, Human Rights and Development (CEHURD)
25	Oxfam	51	Chapter Four Uganda
26	GOAL	52	Community Volunteer Initiative for Development (COVOID)
Partners to Member Organizations			
1	Swedish International Development Agency (SIDA)	5	Karamoja Development Agency (KDA)
2	Karamoja Integrated Development Programme (KIDEP)	6	African Youth Development Link (AYDL)
3	Civil Society Budget Advocacy Group (CSBAG)	7	Integrated Community Development Fund (ICDF)
4	Gulu Women Economic Development and Globalisation (GWED-G)	8	Cooperation and Development (C&D)
Non-Member Organizations			
1	Terre des Hommes Netherlands	4	KiBO Foundation
2	SOS Children's Village Uganda	5	The AIDS Support Organization (TASO)
3	AWO International Uganda		
List of NGOs Represented for the Virtual Training (19th July, 2021 – 21st July, 2021)			
Member Organizations			
1	LifeNet International	4	Action Against Hunger
2	Farm Africa	5	Trocaire
3	Finnish Refugee Council	6	Agritech Talk Africa

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IRMG Internal Risk Management Group

Annex 2: List of Staff Members Represented for Phase 2 IRM Training

Kampala Training (Mon, 26th April – Thur, 27th May, 2021))			
Session 1 (Mon, 26th April – Wed, 28th April, 2021)		Session 2 (Thur, 29th April – Mon, 3rd May, 2021)	
Florence Andicia	AVSI	Veronica Mbabazi	AVSI
Lydia Murungi	AVSI	Faith Regina Mbabazi	AVSI
Florence Nakanwagi Matovu	CEHURD	Nakku Stellah	SNV
Francis Serunjogi	CEHURD	Assumpta Nalukwago	CEHURD
Apollo Amanya	MUCOBADI	Lydia Nanono	Mercy Corps
Odyek Steven	Farm Radio	Elizabeth Mirembe	Mercy Corps
Sarah Byamugisha	Chapter Four	Dr. Bakunzi David	ADRA-PARTNER
Lillian Nanteza	AYDL	Eunice Kembabazi	ADRA
Choda Amos Omara	TASO	Patrick Komakech	DAIKONIA (CSBAG)
Joanita Babihuga	Self Help Africa	Adrian Dungu	CEHURD
Gloria Byensi	Self Help Africa	Lilian Ajio	DRC
Deborah Atala	Self Help Africa	Caroline Kanyiginya	DRC
Julius Okoboi	Self Help Africa	Godwin Nuwabine	Finn Church Aid
Jude Okeria	TPO	Mwesigwa Simon	Finn Church Aid
Grace Nayiga	TPO	Muhammad Asif Mukhtar	Finn Church Aid
Christine Nakabugo	Save The Children	Jacob Acialu	DCA
Alysious Okiror	Save The Children	Susan Joy Amot	DCA
Francis Kadaplackal	Caritas Belgium	Roseline Alweny	MUCOBADI
Joe Musana	Caritas Fort Portal	Frank Bogere	MUCOBADI
Francis Magezi	Caritas Hoima	Patrick Kabenge	Childs I Foundation
Okwii Faith	TASO	Sarah Baryayanga	Childs I Foundation
Sarah Babita	MUCOBADI	Malagala Magret	ADRA
Cila Chesang	Fin Church Aid	Denis Kasigwa	TPO
Dallen Muhanuzi	Fin Church Aid		
Peter Mungufeni	ACTED		
Session 3 (Tue, 4th May – Thur, 6th May, 2021)		Session 4 (Fri, 7th May – Tue, 11th May, 2021)	
Ainebyona Faith,	PROTOS	Bwambale George	PROTOS
Ampumuza Shiela	TUTAPONA	Alfred Mwebaze	LWF
Joshua Gatto	TUTAPONA	Melissa Acar	LWF
James Ocola	DAIKONIA	Collins Otimgui	Mercy Corps
Phiona Abangiirwe	COVOID	Irene Babirye	CRS
Allen Agaba	LWF	Obina Stephen	War Child Canada
Okot Geofrey	FH	Micheal Kintu	PSI
David Mutesasira	FH	Christopher Baguma	CEHURD
Irene Nabalende	PSI	Lillian Ssengooba	SOS
Judy Bamanyiraho	CiF	Amanya Joselyn	SOS
Charity Christine	COVOID	Dorcas Mulelengi	SOS
Annabel Ogwang	DAIKONIA	Pamela Kimera	SOS
Maureen Mutuzo	CiF	Cliare Kizito	CEHURD
Nobert Turyamuhaki	Jhpiego	Juliet Tumuhairwe	Jhpiego
Martin Ndifuna	Jhpiego	Drake Rukundo	Consultant
Tobbi Ojok	Plan International	Alimas Okello	Plan International

Zaituna Asio	Plan International	Suzan Nanteza	Plan International
Susan Wanjala	CiF	Patrick Hillary Opio	CRS
		Akech Catherine	War Child Canada
		Esther Mary Mbattude	PROTOS
		Robinah Ntonde	Oxfam
		Hope Beatrice Acheng	Oxfam
		Hope Opio	LWF
Session 5 (Mon, 17th May – Wed, 19th May, 2021)		**Session 6 (Thur, 20th May – Mon, 24th May, 2021)**	
Gorret Namyalo	CEHURD	Caleb Tumusiime	TechnoServe
Adrine Nuwasima	WVI	Job Menue	Samaritan Purse
Allan Obore	IJM	Julian Orikiriza	ROM
Matthew Ocaya	IJM	Michael Pius Buwembo	ROM
Naomi Hodges	Mercy Corps	Okwi Samuel Opeet	ROM
Ibrahim Nsereko	CEHURD	Charles Nkonge.	GOAL
Esther Natindi	AWO	Dorothy Amuron	CEHURD
Arthur Nkubito	Oxfam	Erick Okello	IRC
Hebert Dramiga	Oxfam	Rosemary Kemirembe	Welthungerhilfe
Patrick Jacamunga	Gwed (Daikonia)	Bridget Onubia	IRC
Mukago Brian.	Mercy Corps	Grace Opio	Welthungerhilfe
James Esagala	GOAL	Flavia Majorie Nabanoba	IRC
Ritah Kisaka	GOAL	Juliana Namatovu	Kibo Foundation.
Susan Alero	Malteser International	Tumukugize Vincent Mwebesa	GOAL
Basit Ahmady	Malteser International	Agnes Lydia N. Tusiime	Restless Development
Haidy Wijaya Sung	WVI	Edson Buwuna	Restless Development
Robert Mulyalya	WVI	Juliet Naome Namusoke	CEHURD
Patrick Mugalu	IJM		
Abubakar Karungi	War Child Canada		
Concy Ayet	Give Directly		
Andrew Mubanda	CRS		
Elizabeth Mbambazi	War Child Canada		
Rose Otim Obita	War Child Canada		
Joanita Sewagudde	Welthungerhilfe		
Christian Schniepper	Welthungerhilfe		
Session 7 (Tue, 25th – Thur, 27th May, 2021)			
Grace Kenganzi	CEHURD	Bright Wamara	JESE
Mugabi Duncan	TASO	Susan Basemera	TASO
Esau Mujuni	Medical Teams	Sagula Festo	JESE
Sandrah Owembabazi	Medical Teams	Isaac Wokou Makabayi	TechnoServe
Jimdeen Ankunda	Medical Teams	Jonathan D Miller	Samaritan Purse
Derrick Baguma	JESE	Patriciah Aketch	TASO
Arua Training (Mon, 17th May – Sat, 22nd May, 2021)			
Session 1 (Mon, 17th May – Wed, 19th May, 2021)		**Session 2 (Thur, 20th May – Sat, 22nd May, 2021)**	
Betty Anek	AVSI	Gloria Alesi	LWF
Mildred Adong	AVSI	George Okello	DCA
Lydia Mutuwa	ADRA	Elias Yanga Lagu	DCA
Sam Businge	ADRA	Drileonzia Omvia Simon	DCA

Mary Kevin Alitubeera	Mercy Corps	Awich Benard	Caritas Arua Diocese
John Paul Ochiti	Mercy Corps	Alini B. Victor	Caritas Arua Diocese
Stephen Lumumba	Malteser International	James Raymond Alionzi	Humanity & Inclusion
Kevin Atimango	WVI	Moges Tamene. T	DCA
Eric Uromcamu	WVI	Mirriam Businge	LWF
Asipkwe Jean Christabel	CEFORD	Charity Eyoru	Save The Children
Adralia Robert	CEFORD	Charity Tushemereirwe	Save The Children
Okaya John Bosco	CEFORD	Kevin Aciro	Save The Children
Simon Modi	LWF	William Obella	Humanity & Inclusion
Alfred Okema	LWF	Norman Mugabe	Humanity & Inclusion
Iranya Dominic Eruaga	DRC	Sharon Awachango	NRC
Irene Namagera	DRC	Jane Abolo	FH
Lilian Aciro	Self Help Africa	Opio Godfrey	FH
Ariong Godfrey	Self Help Africa	Noreen Nampewo	IRC
James Otim.	FCA	Levi Byaruhanga	IRC
Anthony Nambobi	FCA	Flora Aber	IRC
Judith Kasangaki	FCA	Caroline Exile	IRC
Babra Awori	FCA	Filder Apiyo	Plan International
Ronald Odrua	Caritas Arua Diocese	Collin Mutinda	Plan International
Otenya Alex Oloya	Caritas Arua Diocese	Petrine Namugabwe	CRS
James Odongo	Care International	Tomasi Asindu	CRS
Nolah Anderu	Care International	Odong Patrick	Oxfam
Peter Jander	Welthhungerhilfe	Okot Peter	Oxfam
		Asipkwe Jean	CEFORD
		Adralia Robert	CEFORD

Moroto Training (Mon, 24th May – Sat, 29th May, 2021)			
Session 1 (Mon, 24th May – Wed, 26th May, 2021)		**Session 2 (Thur, 27th May – Sat, 29th May, 2021)**	
John Michael Koluo	Self Help Africa	Asekenye Catherine	SORUDA
Henry Losur	Self Help Africa	James Peter Olupot	KIDEP
Gerald Tikol Lobolia	Mercy Corps	Okudi Obua James	SORUDA
Patricia Lokot	Self Help Africa	Nicolas Odoi	C&D
Julius Lwegaba	Welthungerhilfe	Magadelena Ederu	Mercy Corps
George William Kiberu	ADRA	Suzan Audo	Mercy Corps
Pascal Lango	ADRA	Immaculate Nango	KDF
Faustine Kocho	Welthungerhilfe	Kul Chandra	C&D
Innocent Rubangakene	Mercy Corps	Emmy Okwerede	Mercy Corps
Santina Akot	Welthungerhilfe	Stella Aleper	FH
Session 2 (Thur, 27th May – Sat, 29th May, 2021)		Joseph Lolek	KDF
Alex Odongo	FH	Jane Francis Narika	WHH
Sarah Agiro	SORUDA	Gloria Akori	KDF
Lukoo Mbambu Mangolopa	WHH	James Sagal Loporon	Mercy Corps
Emmanuel Akol	KIDEP	Joseph Adaktar Lokong	Mercy Corps
Sheila Ada Ikinyomo	WHH	Barbra Nalweyiso	Mercy Corps
Dennis Okello	WHH	Simon Peter Losike	C&D
Alfred Lokwang	WHH	Francis Xavier Birikadde	Mercy Corps
Stephen Elilu	WHH	Jennifer Alungat	SORUDA

Carl Peters Agen	Save the Children	George Musobo	FH
Virtual Training Training (Mon, 19th July – Wed, 21st July, 2021)			
Hope Agaba	Finnish Refugee Council	Jannet Opio	Life Net International
Grace Akello	Finnish Refugee Council	Everlyn Mande	Life Net International
Julius Ogwang	Finnish Refugee Council	Alice Akello	Farm Africa
Kakande Godfrey	Kabarole Research and Resource Centre (KRRC)	Irene Akello	Farm Africa
Phiona Mbabazi	Kabarole Research and Resource Centre (KRRC)	Adyang Alice	Farm Africa
Beatrice Apeso	Trocaire	Margaret Nagawa	Action Against Hunger
Geoffrey Onen	Trocaire	Moses Lukwago	Action Against Hunger
Joan Aryampa	Agritech Talk Africa		

Annex 3: Phase 2 Internal Risk Management 3-Days Program

TIME	ACTIVITY/TRAINING THEME	TOPIC
DAY 1		
8:00 – 8:15 A.M	Arrival of participants, registration, and receipt of training material.	
8:15 – 8:35 A.M	Formal opening of training with remarks from IRMG representatives, Donor Representative and MAT ABACUS Team Leader.	
8:35 - 8:45 A.M	Pre-Training Expectations Assessment.	
8:45 - 8:55 A.M	Participant Introductions.	
8:55 - 9:45 A.M	Governance, Risk Management and Control in the NGO sector – Contextual Issues 1.	• The NGO stakeholder universe. • NGO governance and oversight. • Unethical practice in the NGO sector – counting the cost and impact. • Stakeholder classification.
9:45 –10:20 A.M	The NGO Program/Project Lifecycle – Key processes and risks overview.	• What is risk? • The NGO Program/Project Lifecycle-What could go wrong? • **Group Discussion – What are the key fraud and corruption risks you are facing?**
10:20 – 10:45 A.M	**BREAK**	
10:45 – 11:50 A.M	Best practice standards for Risk Management (COSO, ISO 31000).	• IRMG Risk Best Practices- Key elements of an effective policy and procedures framework. • Risk identification, analysis, response and monitoring. • Responsibility for effective risk management in NGO's. • Assessing organizational Risk Maturity.
11:50 -12:00 P.M		**MCQ self-test 1: MCQ's on NGO Governance and Risk.**
12:00 -1:00 P.M		**Case Study 1 – NGO Risk.**
1:00 – 2:00 P.M	**LUNCH BREAK**	
2:00 – 2:40 P.M	Managing corruption in the NGO – The environment in Uganda.	• **Corruption in the NGO sector – global and local perspectives – participant led discussion.** • Root causes of corrupt practice. • Common problem areas – Conflict of Interest, Bribery, Kickbacks, Double funding, Nepotism. • The response - Fighting corruption with transparency – breaking the culture of silence. • **Video clip – Anti-corruption message from an INGO CEO.**
2:40-3:15 P.M	Legislative safeguards.	Anti-corruption legislation in Uganda – Selected Acts. • Anti-Corruption Act • The Whistleblower Protection Act.
3:15 – 3:30 P.M	**BREAK**	
3:30 – 4:00 P.M	Group exercise.	**Mini Gap Analysis – Your organization compared with IRMG best practices framework.**
TIME	**ACTIVITY/TRAINING THEME**	TOPIC
DAY 2		
8:00 – 8:15 A.M	Arrival of participants, registration and Day 1 Assessment.	
8:15 – 9:00 A.M	Discussion of major case study, **(AED/USAID)**	

Time	Topic	Content
9:00 – 9:45 A.M	Fraud - basic concepts and red flags.	• Fraud – the basics, what it is and what it is not. • Fraud triangle or fraud diamond? – Pressure, Opportunity, Capability & Rationalization. Red Flags • Financial (for the individual). • Behavioral. • Organizational. • Practical preventive strategies.
9:45 – 10:20 A.M	Programs Fraud.	**Common Frauds in NGO's 1 - Participant experience sharing session.** • Program funding frauds. • Beneficiary disbursement frauds. • Expenses frauds (inflated expenses backed by false receipts). • Program supplies diversion. • Unauthorized personal use of program assets.
10:20 – 10:45 A.M	**BREAK**	
10:45 – 11:40 A.M	Procurement and Supply chain Fraud.	**Common Frauds in NGO's 2 - Participant experience sharing session.** • Bid Rigging and Collusion. • Supply chain process frauds (e.g., quantities alteration, packaging lists fraud, origin of supplies fraud, unit cost alterations). • Use of non-pre-qualified suppliers. • Bribery and Corruption in Procurement. • Effective Vendor Management – a useful mitigant. **Case Study 3 – Procurement Fraud.**
11:40 – 12:20 P.M	Financial Fraud.	**Common Frauds in NGO's 3 – Participant experience sharing session.** • Accounting Fraud. • Asset Fraud. • Budgeting Fraud. • Tax Fraud. • The ACFE Fraud Tree.
12:20 -12:25 P.M		**Video - Fraud dynamics (real world example).**
12:25 – 1:00 P.M	Internal Controls 1 - Maintaining an effective Control Environment.	• Mitigating fraud and malpractice risk - the role of an effective control framework. • Elements of effective controls in an NGO. • The Control Environment and "Tone at the Top" - Board, Management and Executive Officer responsibilities.
1:00 – 2:00 P.M	**LUNCH BREAK**	
2:00 - 2:35 P.M	Internal Controls 2 – Codes of conduct and audit effectiveness.	• Internal Codes of Conduct. • Roles of local and global risk and audit mechanisms. • **MCQ self-test 2 - MCQ's on fraud and control concepts (followed by participant discussion).**
2:35 – 3:15 P.M	Contextual Issues 2 – Critical assessment of NGO oversight & Whistleblowing mechanisms.	NGO Governance – What works best? – **Participant debate.** • NGO Bureau, NGO Boards and Audit Effectiveness. • Senior management fraudulent and unethical practice - Factors undermining effective whistleblowing.

TIME	ACTIVITY/TRAINING THEME	TOPIC
3:15 – 3:30 P.M	**BREAK**	
3:30 – 4:15 P.M	Developing an effective IRMG led Community of Practice.	The IRMG Forum – the agent for behavioral change - **Participant group discussion.** - IRMG facilitating a Community of Practice. - Developing the right culture – open to sharing. - Enabling strategic support framework.
TIME	**ACTIVITY/TRAINING THEME**	**TOPIC**
DAY 3		
8:00 – 08:15 A.M	Arrival of participants & Day 2 Assessment.	
08:15 – 08:25 A.M	Introduction to the training.	
08:25 – 09:15 A.M	Training and the adult learner.	- How adults learn. - An overview of adult learning styles.
09:15 – 09:50 A.M	Training Aids, presentation skills and event management.	- Presentation and Communication skills. - Use of modern training aids. - Training cycle, evaluation and reporting.
09.50 – 10.20 A.M	Skilling for Risk Training 1.	- Conceptualizing the organizational Risk improvement project – Scope, time, and cost. - IRMG Risk best practices – Key Elements Recap. - Conducting a risk framework Gap Analysis. - Designing/improving risk tools for an effective risk management cycle – identification, analysis, mitigation, monitoring.
10:20 – 10:45 A.M	**BREAK**	
10.45 – 11.40 A.M	Skilling for Risk Training 2.	- Creating/improving the policy and procedures framework. - Testing the revised risk framework. - Documenting Lessons learned & Revision of draft framework. - Approval and adoption of revised framework.
11.40 – 1.00 P.M	**Participants get into groups to review adoption of IRMG risk framework and preparation of action plans for improvement of organizational risk maturity.**	
1:00 – 2:00 P.M	**LUNCH BREAK**	
2:00 - 3:40 P.M	Group Work: From Training to Practice.	4 group presentations **(15 minutes presentation, 10 minutes feedback).**
3:40 - 3:50 P.M	**BREAK**	
3:50 - 4:00 P.M	**Post -Training Assessment**	
4:00 - 4.20 P.M	**AWARD OF CERTIFICATES AND CLOSING**	

Annex 4: Detailed Pre and Post Training Evaluation Report

PARTICIPANT PRE-AND POST EVALUATION FEEDBACK REPORT

As required by the terms of the contract between the IRMG and MAT ABACUS Business School, pre and post training evaluation tools, both technical and qualitative, were designed and administered as part of the training.

The following sections summarize the results of the evaluation.

SECTION A) TECHNICAL EVALUATION

The technical evaluation consisted of a set of 10 questions selected to represent the breadth of the curriculum of the course and were identical for both the pre and post assessment. The question-by-question analysis follows here below.

1. Who is ultimately responsible for setting the organizational culture at your organization?

   a) *Program Manager.*
   b) *Senior Management.*
   c) *All staff.*
   d) ***The Board of Trustees/Directors.***

The significance of organizational culture in building effective internal controls cannot be overstated. This calls for a strong 'tone at the top'. Whereas the responsibility of entrenching an organizational culture lies with various stakeholders, ultimately responsibility setting this culture lies with the Board of Trustees/Directors'. Participants' knowledge about the ultimate responsibility for setting organizational culture before and after the training considerably varied as shown in the figure below.
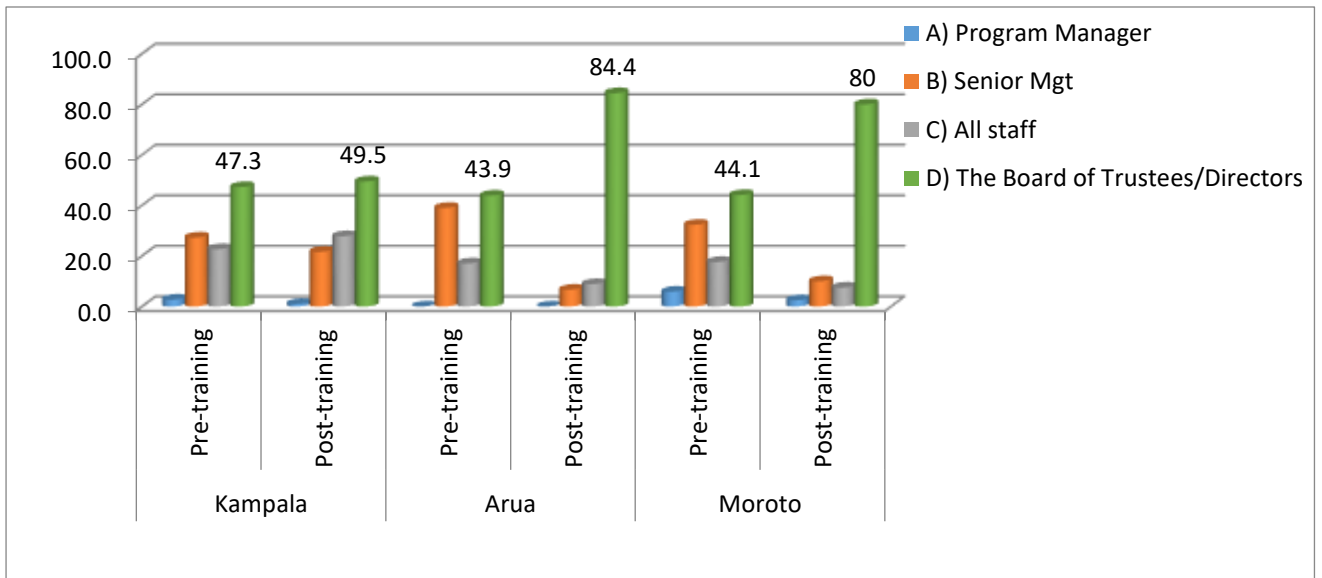
Overall, there was notable improvement in the participants' knowledge about the ultimate responsibility holder for setting the organizational culture. The majority (54.1%) of the participants who filled in the pre-training assessment forms lacked knowledge of the correct answer compared to only 35.2% in the post-training assessment as shown in the figure below.
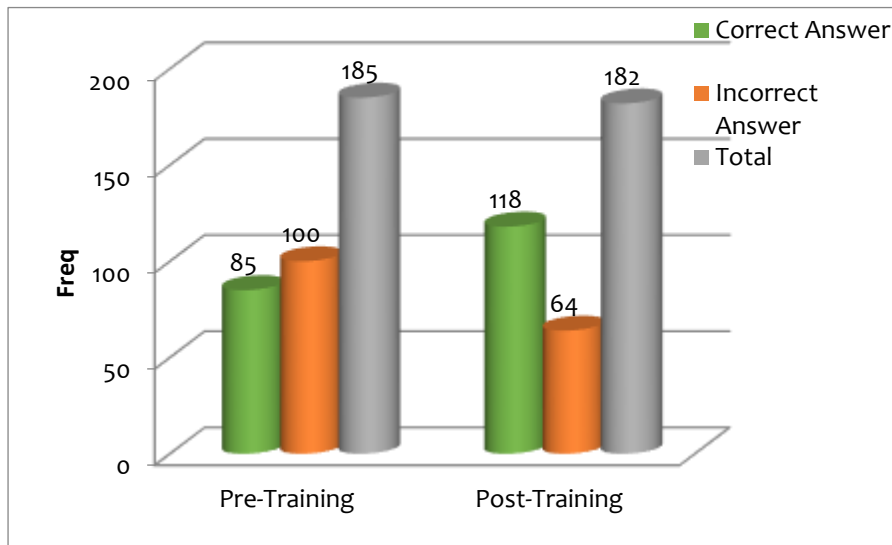
This improvement is noted more among the Arua and Moroto participants than those in Kampala. Despite the improvement in knowledge, the proportion (35.2%) of the participants that still got the answer wrong in the post training assessment is still significant. This notwithstanding, the governance issues in the NGO sector were discussed in all the training sessions and perhaps a follow-up training would be necessary for further inculcation of the knowledge herein among the targeted training participants.

2. Who is ultimately responsible for Risk Management in your organization?

   a) *All staff.*
   b) *Head, Risk function.*
   c) *Internal Auditors.*
   d) ***The Board of Trustees/Directors.***

Related to the above, participants' knowledge on the ultimately responsible for Risk Management in their respective organizations was also assessed before and after the training. A majority of the participants got the answer wrong as they pointed to other stakeholders such as all staff, head of risk function and internal auditors as having the ultimate responsibility for risk management, yet the correct answer was the Board of Trustees/Directors as shown in the figure below.

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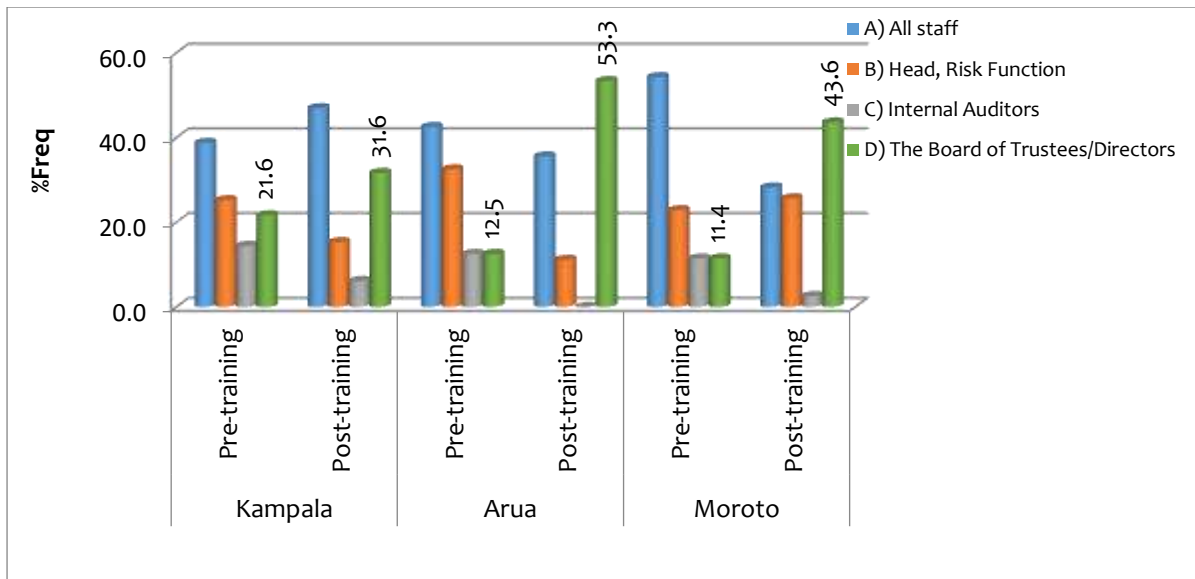
Participants' knowledge on the ultimate responsibility holder (The Board of Trustees/Directors) for risk management in their organizations notably improved after the training as the percentage of the participants who answered the question correctly increased from 17.7% (pre-training) to 39.6% (post-training) as shown in the figure below.
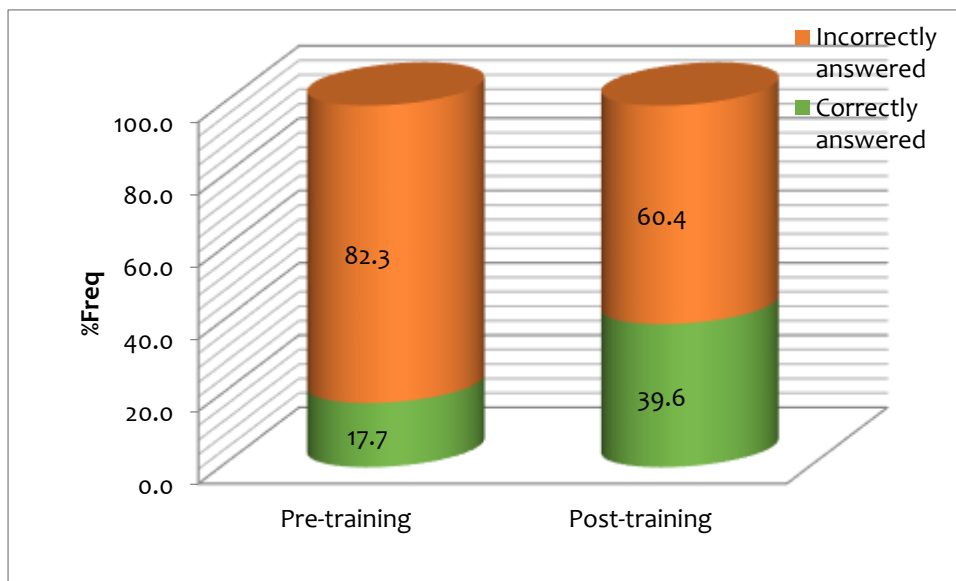
Much as there was improvement in knowledge among the participants about the ultimate responsibility holder (Board of Trustees/Directors) of risk management, the significant majority could not get the answer correct even after the training. This calls for continuous engagements and discussions on internal risk management if the desired knowledge levels are to be attained.

3. Which of the following risks could prove fatal to your organization's ongoing operations?

    a) *An IT Data breach.*
    b) *Disgruntled staff.*
    c) *a) Above only.*
    d) **Both a) and b) above.**

Occurrence of any risk can be fatal to the operations of an organization. The participants were to indicate which of: IT Data breach and disgruntled employees could prove fatal to your organization's ongoing operations (Qn 3). Majority of the participants in both pre and post training assessments reported that both risks can be fatal as shown in the figure below. Although the variation in the responses in the pre and post training assessment was small, it is apparent that the training made a contribution to the level of participants know about this phenomenon.
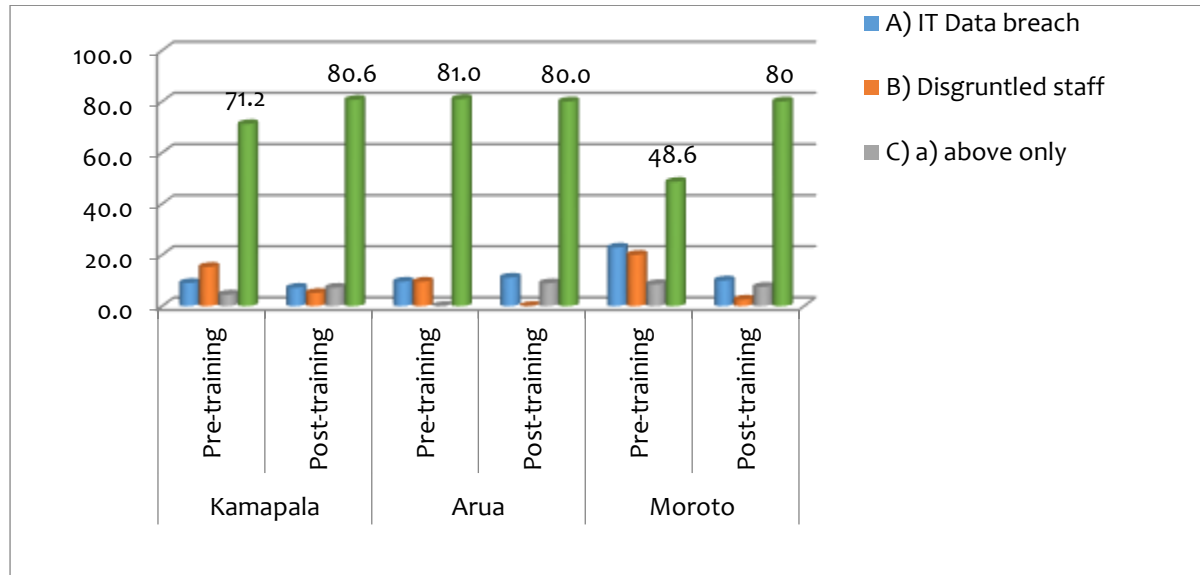
It is apparent that a significant majority was well knowledgeable that IT Data breach and disgruntled staff were fatal risks that could potentially affect their respective organization's ongoing operations.

4. Which of the following is an example of an internal control mechanism in your organization?

  a) *Staff or HR policy.*
  b) *Management's operating style.*
  c) *Passwords to access the organization's IT systems.*
  d) *a) and c) only.*
  e) **All of a), b) and c) above.**

Coupled with the fatality of risks in the organisation's operations, the participants were further assessed on their knowledge on the internal control mechanism by asking them to identify which of; a) staff or HR Policy; b) Management's operating style; and c) Passwords to access the organization's IT systems is an example of an internal control mechanism in your organization. Both pre and post training assessment results indicate that knowledge about internal control mechanisms fairly improved after the training as shown in the figure below.
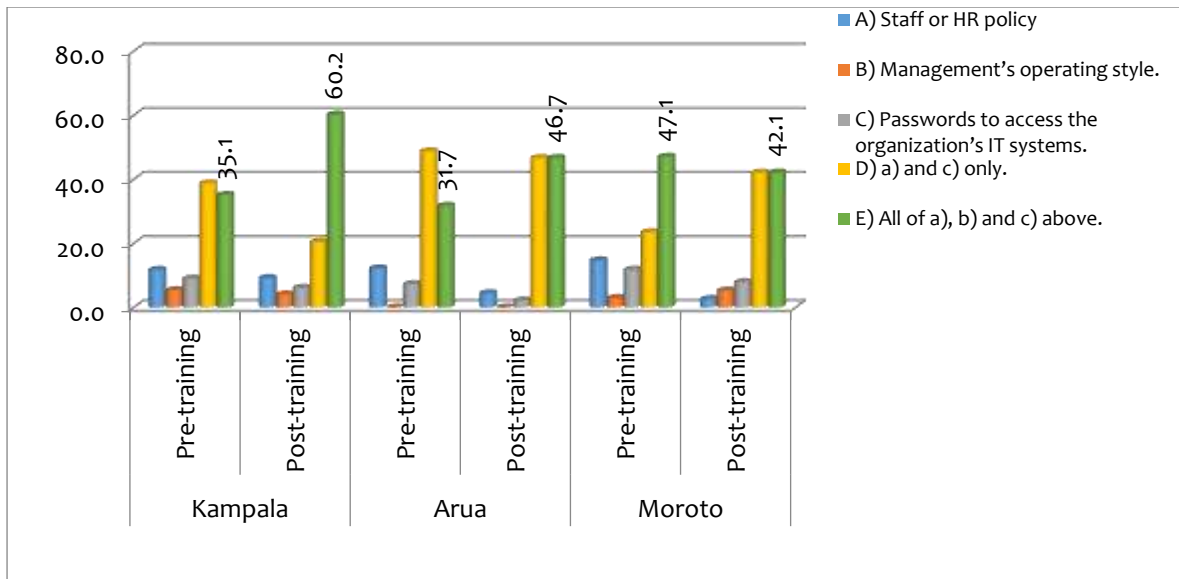
 However, with exception of Kampala training centre, the majority of participants that attended from Arua and Moroto could not get the question right even after the training. This implies that the knowledge about components of an internal control mechanism still needs to be developed further.

*5. Which of the following parties are **MOST** responsible for detecting fraud in an NGO.*

   a) *The Country Director.*
   b) *The NGO Chief Finance Officer.*
   c) ***The NGO internal audit function.***
   d) *All staff of the NGO.*

Importantly also, the training covered aspects of fraud detection in the NGO sector. Thus, in the pre and post training assessments, participants were asked to mention the party that is most responsible for fraud detection. Results indicated that participants had limited knowledge about this aspect prior and even after the training across all the training centres as shown in the figure below.
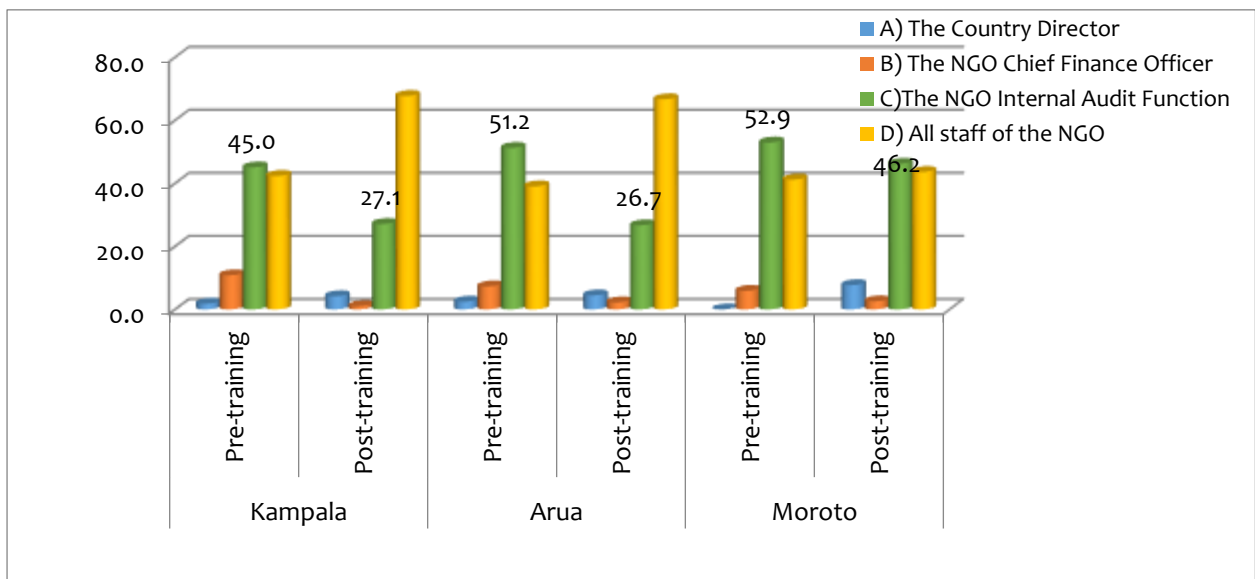
Across all centres, the percentage of the participants that had knowledge of the correct answer significantly dropped after the training. This is because the percentage of participants who answered the question correctly dropped from 47.8% (pre-training) to 31.1% after the training as shown in the figure below.
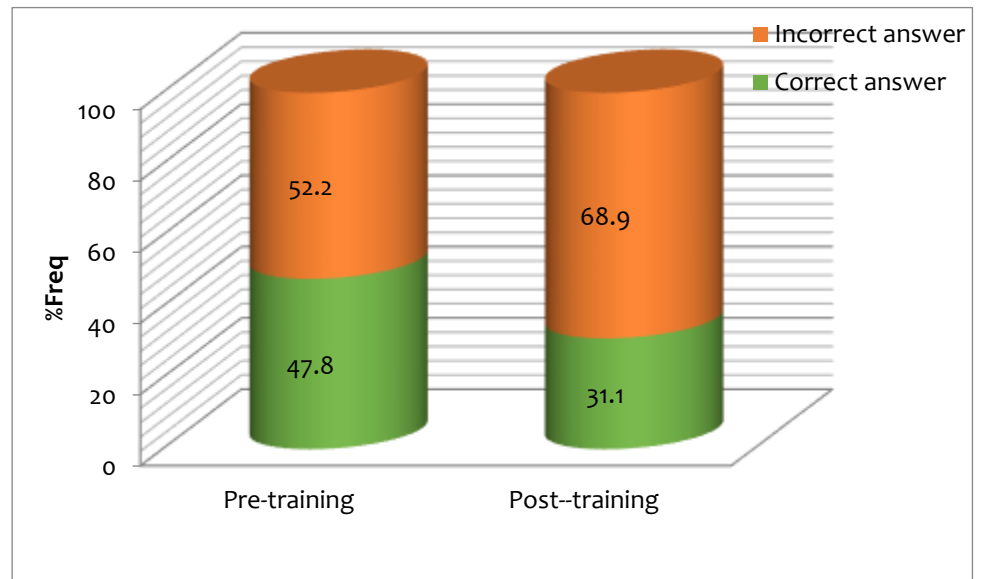
The results of the pre and post training assessments continue to suggest the need for follow up engagements across all stakeholders of IRMG if thorough knowledge about risk and fraud is to be holistically built.

6. Which of the following organizations are responsible for the fight against NGO corruption in Uganda?

1. *Uganda Police Force.*
2. *Inspectorate of Government.*
3. *Directorate of Ethics and Integrity.*
4. *Directorate of Public Prosecutions.*

a) *1, 3 and 4 only.*
b) **All of 1, 2, 3 and 4.**
c) *1 and 4 only.*
d) *1, 2 and 4 only.*

More specifically, the training covered fraud and corruption in the NGO sector. As such, it was deemed necessary to assess the participants' knowledge on the organizations are responsible for the fight against NGO corruption in Uganda. The multiple choices given under this question (6) were: 1) Uganda Police Force; 2) Inspectorate of Government; 3) Directorate of Ethics and Integrity; and 4) Directorate of Public Prosecutions.

The majority of the participants across the training centres had knowledge of the correct answer (All the above organizations). Even after the training, the percentage of the participants that ably pointed out the correct answer increased across the training centres as shown in the figure below.
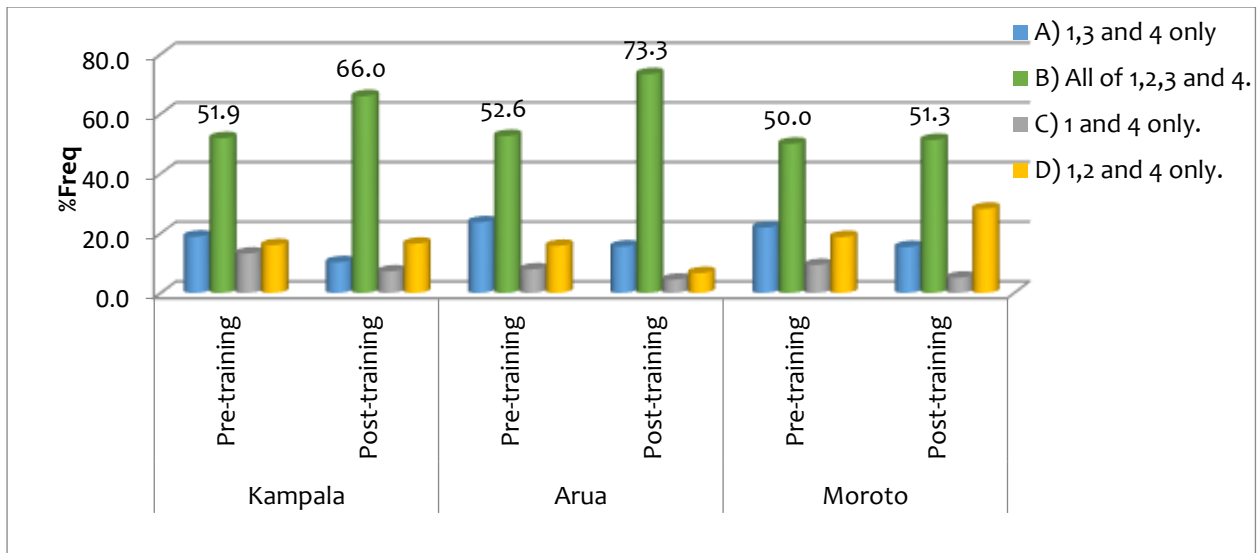
Although more than half of the participants in all the training centres expressed knowledge of the organizations responsible for the fight against NGO corruption in Uganda, the proportion that expressed limited knowledge is still significant. This is based on the percentage that could not get the answer correctly even after the training as shown in the figure below
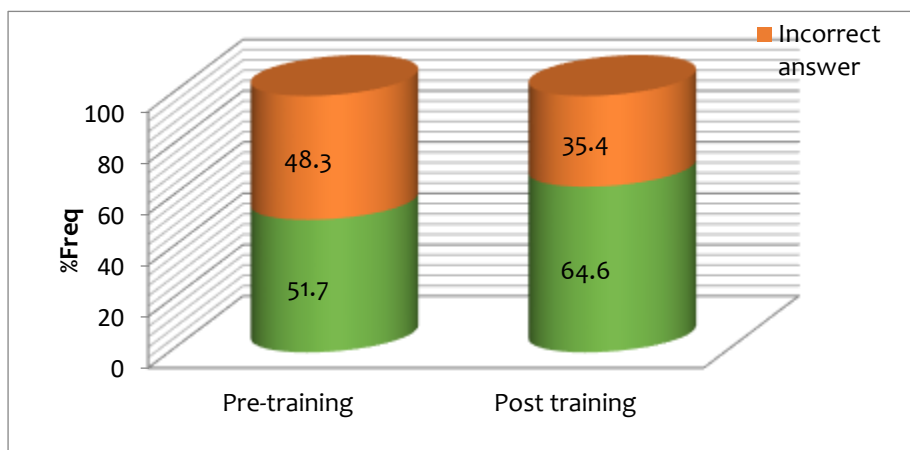
Much as there was some improvement in the participant's knowledge, the proportion that showed lack of knowledge of the correct answer even after the training is still significant. This calls for further engagement on aspects of fraud and corruption.

7. What are the elements of the "Fraud Triangle" – an indicator of 3 elements usually present that influence the decision of an individual to commit fraud?

    a) **Pressure, Rationalization and Opportunity.**
    b) *Need, Opportunity and Greed.*
    c) *Motivation, Opportunity and Ability.*
    d) *Greed, Dishonesty and Ability.*

In articulating the key factors that fuel fraud, the training covered the core elements of the fraud triangle and fraud diamond. Before the training, majority of the participants lacked knowledge about the elements of the fraud triangle which was noted across all the training centres as shown in the figure below.

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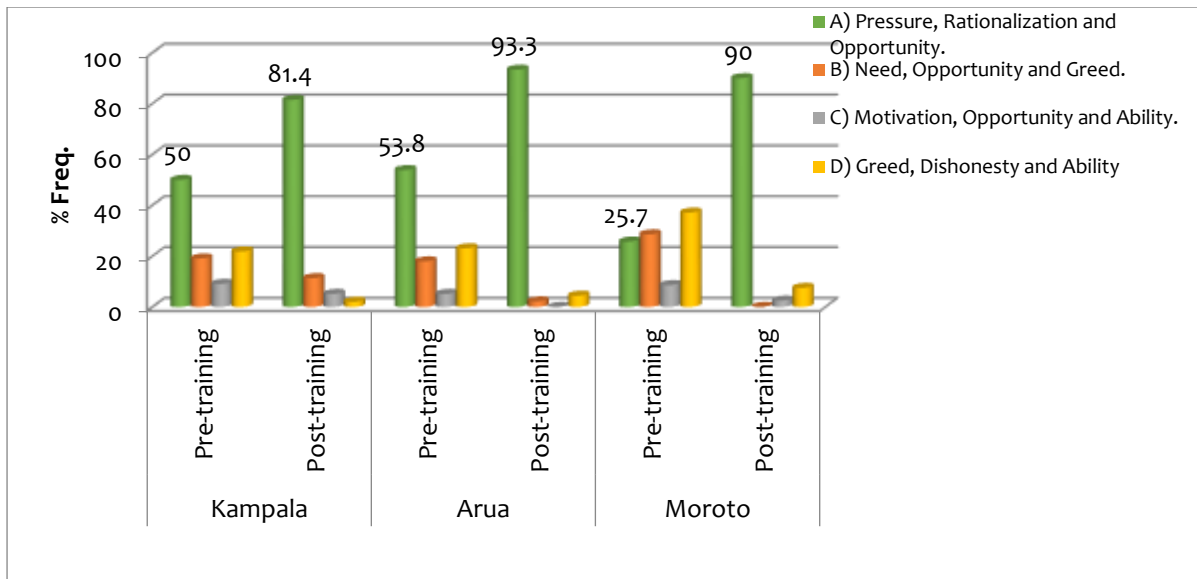
Across all the training centres, participants' knowledge about the elements of a fraud triangle has notably improved basing on the percentage increase of the participants that ably provided the correct answer after the training as further illustrated in the figure below.
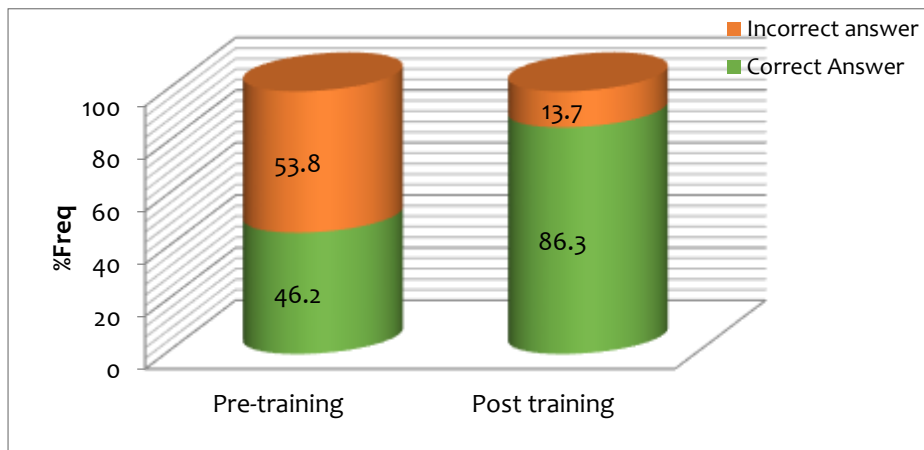
There was a tremendous improvement in the percentage of participants who exhibited knowledge about the fraud triangle at the end of the training. Although 13.7% of the participants still exhibited limited knowledge about the concept, with sustained intra and inter NGO stakeholder discussions about the subject matter (fraud and corruption) more knowledge is envisaged to be generated and developed overtime.

8. Which of the following is an offence under the Whistleblower Protection Act (2010) of Uganda?

1. *Disclosure by recipients of Whistleblower Reports of the identity of a whistleblower.*
2. *Victimization of Whistleblowers.*
3. *Making false whistleblower reports.*
4. *Failure by an authorized officer under the act to take action on receipt of a report.*

a) *1 and 2 only.*
b) *1, 2 and 4 only.*
c) ***All of 1-4 above.***
d) *None of the above.*

Central in the fight against fraud and corruption in the NGO sector is thorough knowledge of the relevant legislative safeguards. Among the legislative instruments that was covered under the training was the 2010 Whistleblower Protection Act of Uganda. Results of the pre and post training

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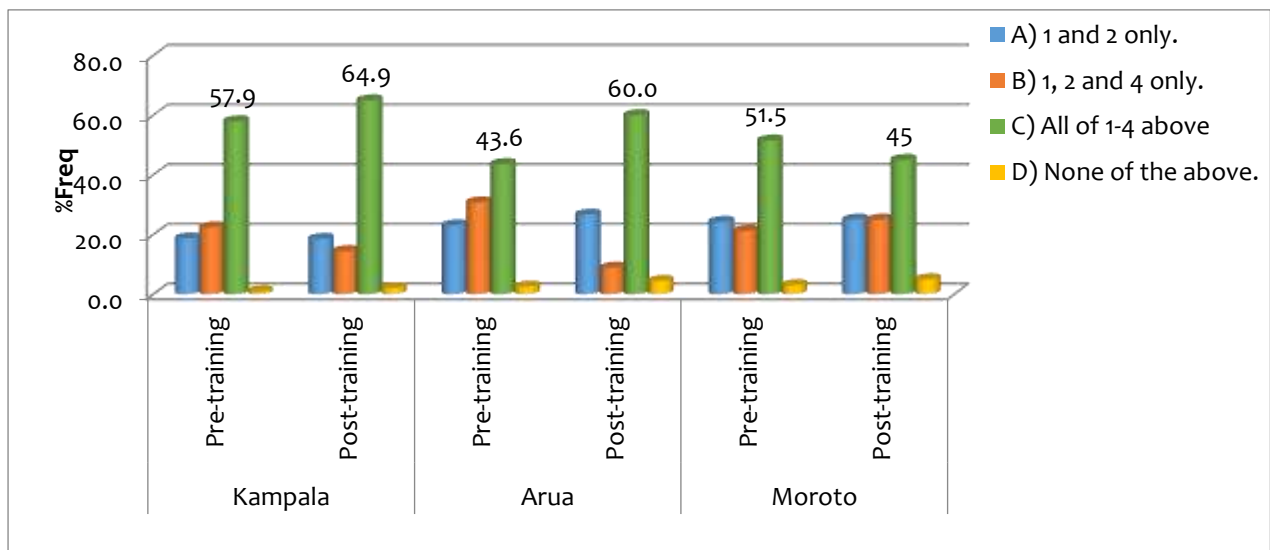IRMG
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assessment indicate that participants' knowledge about this Act was slightly improved. This is because there was a small percentage increase (before and after the training) of the participants who ably pointed out correctly the various offences under the Act from the multiple choices given which included:

- Disclosure by recipients of Whistleblower Reports of the identity of a whistleblower.
- Victimization of Whistleblowers.
- Making false whistleblower reports.
- Failure by an authorized officer under the act to take action on receipt of a report.

Correct answer was all the four multiple choices constitute offences under the Whistle Blower Protection Act. However, this knowledge was exhibited by more than half of the participants as illustrated in the figure below.

Despite the slight percentage increase of the overall participants who exhibited knowledge of the correct answer after the training, in Moroto there was a decline in the percentage after the training as shown in the figure below.

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It is apparent that more enlightenment about the legislative safeguards against fraud and corruption be undertaken among the IRMG in order to strengthen the commitment against these vices.

9. *Who of the following is most likely to commit fraud at your NGO?*

1. *Senior staff.*
2. *Entry level staff.*
3. *Interns.*
4. *Program Directors.*
a) *2 and 3.*
b) *1 only.*
c) *1, 2 and 3.*
d) **All of 1-4 above.**

Effective control of fraud and corruption requires detailed understanding of vulnerabilities of different duty bearers in an organization. This was an embedded message throughout the training. It was thus important to assess the participants' knowledge on the likelihood of various duty bearers in their respective organization to commit fraud.
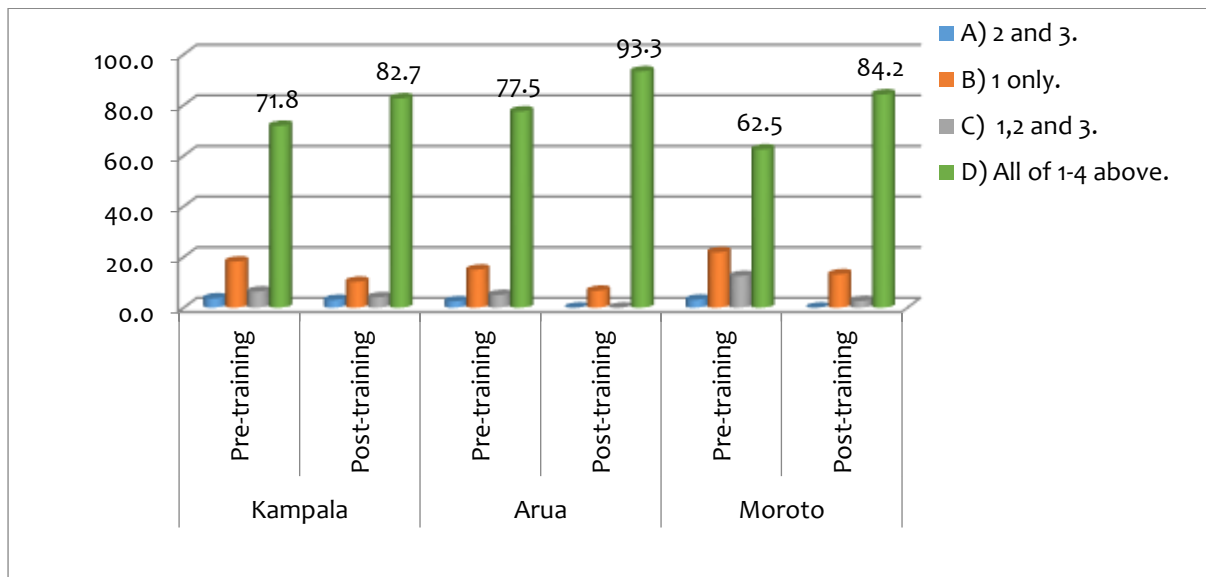
Participants' knowledge on the vulnerability of all staff irrespective of their caliber is a key asset in the fight against fraud and corruption in organizations. However, this knowledge still requires to be spread further as some participants did not consider universal vulnerability even after the training as shown in the figure above.

10. *John, a staff member working in the procurement department has been suspected of committing a fraud in collusion with other colleagues who were dismissed. The staff member is only still employed because the Program Director did not have sufficient evidence to conclusively confirm John's role in the fraud. To minimize risk to the NGO, which one of the following departments would you recommend John be transferred to?*

a) *HR department.*
b) *Finance Department.*
c) *Operations Unit.*
d) *IT department.*

e) None of the above.

In light of the universal vulnerability to fraud by all organizational staff, participants were asked to mention a department where someone who has been implicated in fraud can be deployed. In both pre and post training assessments, majority of the participants indicated that a staff who has been implicated in fraud should not be deployed in any of the departments of the organization as shown in the figure below.
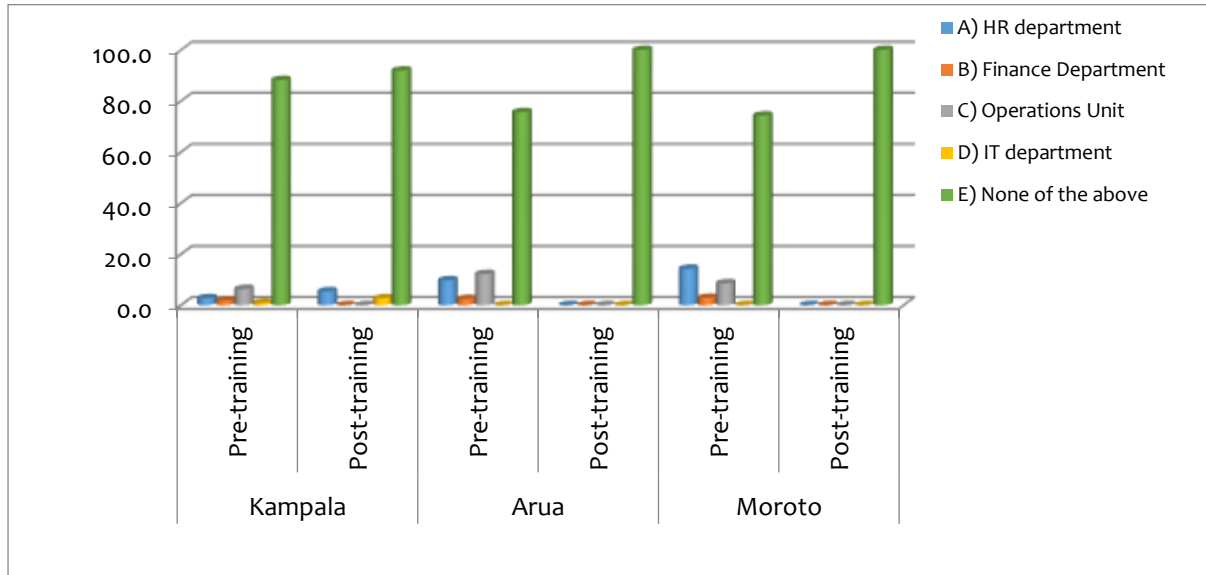

SECTION B) QUALITATIVE ASSESSMENT

The qualitative assessment consisted of a set of questions relating to perceptions about aspects of the participant's organizational preparedness to manage fraud and corruption risk, and risk management effectiveness in general. Opportunity was also provided to state training expectations (pre-training) and training satisfaction (post training). The analysis of responses is provided here below.

2.1 Challenges faced by your NGO organization from fraud and corruption risk

Majority of the participants ranked the level of challenges faced by their respective organizations from fraud and corruption as medium (3) as shown in the figure below. All participants revealed
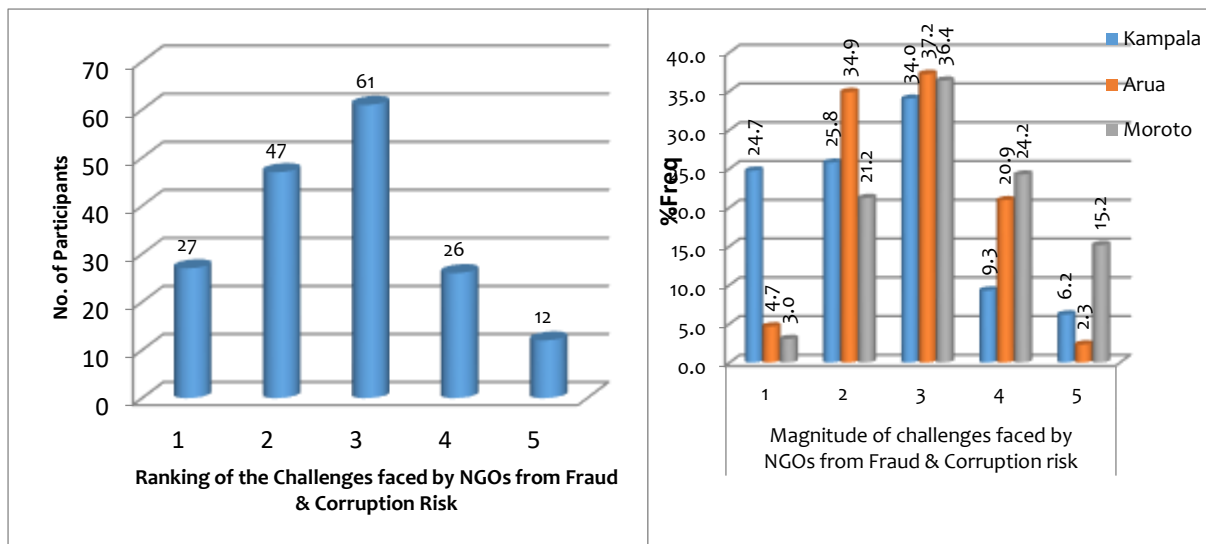
that their organizations were facing challenges from fraud and corruption although in varying magnitude as also seen in the figure below.

2.2 Effectiveness of the Risk Management and Control system

With the magnitude of the challenges faced by organizations from fraud and corruption risks, the participants were also asked to rank the effectiveness of the risk management and control system in their respective organizations. Results show that the majority (39.3%) ranked the effectiveness of their risk management and control system at 4 as shown in the figure below.
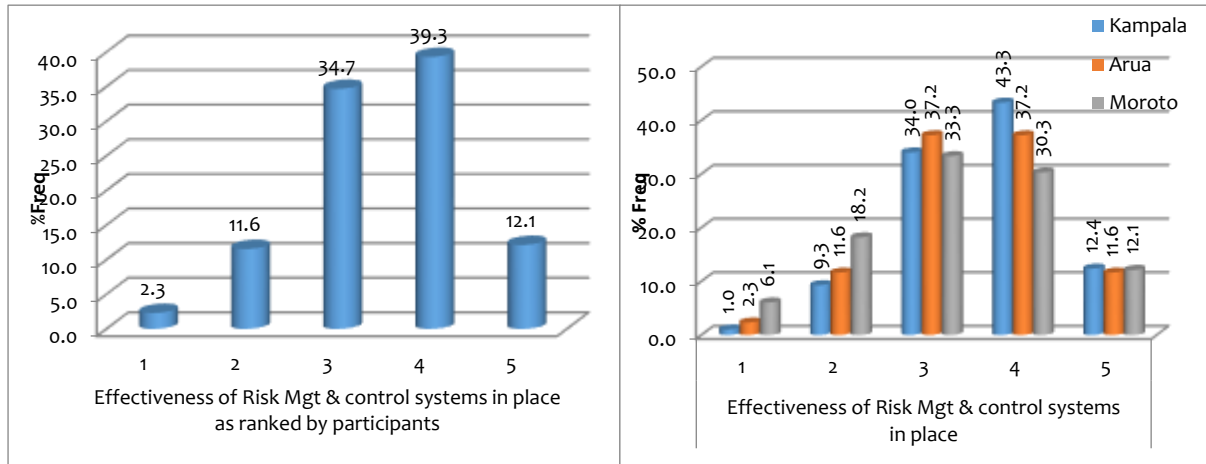
2.3 Effectiveness of the Board and other oversight mechanisms

The role of the Board and other oversight mechanisms build and/or strengthening internal Risk Management Framework cannot be over stated. It was against this backdrop that the participants were asked to rank the effectiveness of the Board and other oversight mechanisms in their respective organizations. The results indicated that majority (40.6%) of the participants ranked the effectiveness of their boards and other oversight mechanisms at 4 as shown in the figure below.
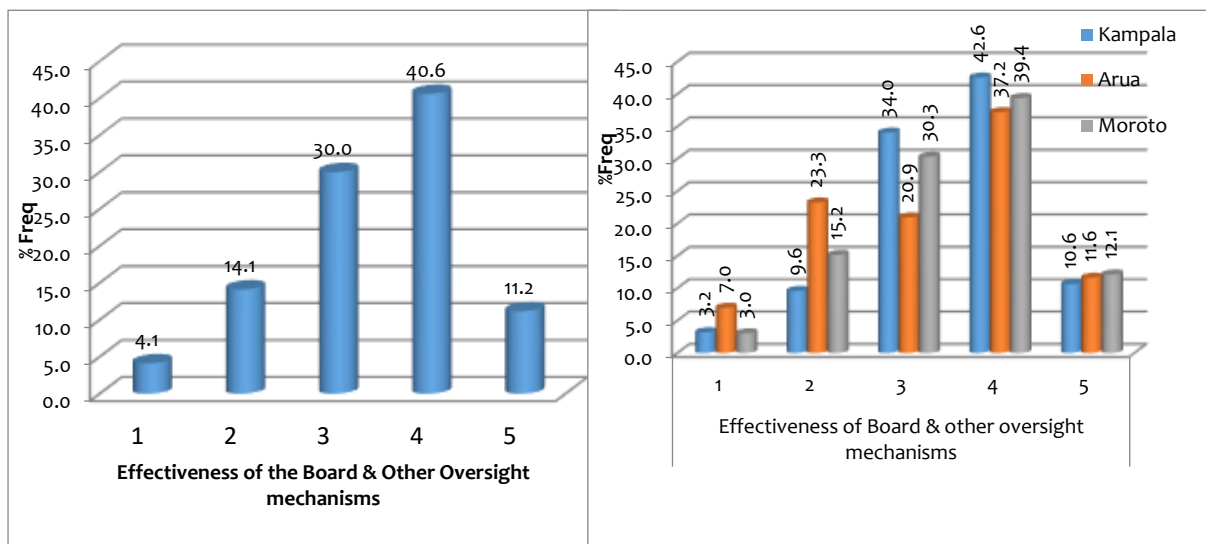

The results presented above indicate that majority of the participants considered their Boards and other oversight mechanisms as having some gaps that inhibit their effective functionality to the highest levels.

2.4 Staff awareness about risk management

Furthermore, the level of awareness among staff about risk management is fundamental in building and effective Risk Management Framework. It was on this ground that participants were asked to rank the awareness of their organization's staff on aspects of risk management.

Assessment results indicate that majority (35.3%) ranked staff awareness about risk management at 3 (medium). This was fairly cutting across all the training centers as shown in the figure below.
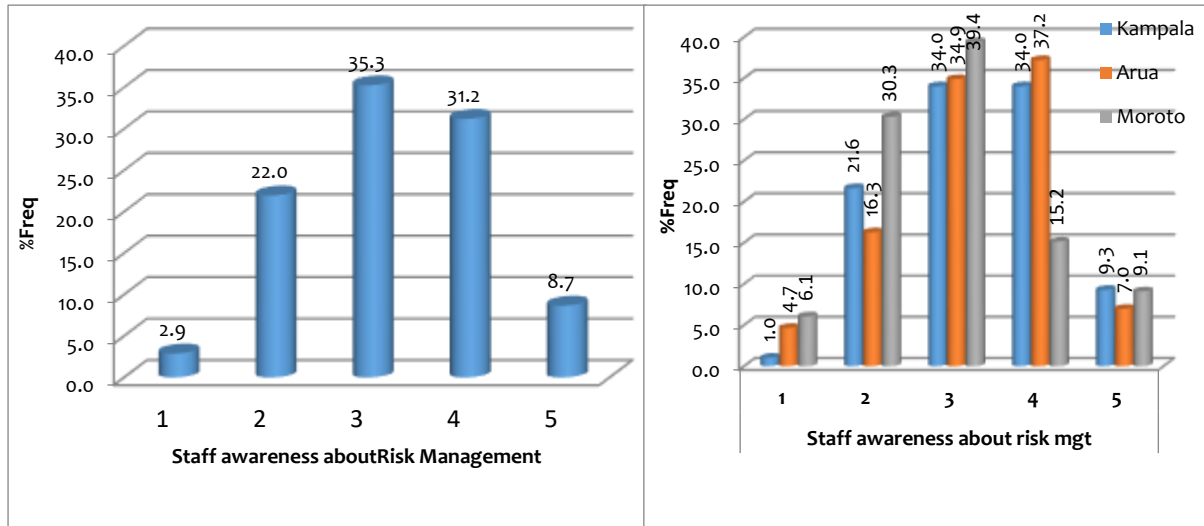
**2.5 Participants' expectations from the training**

Participants were asked to share their expectations on the most significant benefits from the Fraud and Corruption training. This was an open-ended question which attracted many responses which have been categorized under major themes. Thematic analysis of the responses reveal that the participants expected to acquire skills in a number of areas in risk management. Significant of these were in respect to: Fraud detection, investigation, prevention and management. Others expected to build capacity in developing risk management frameworks drawing on best international and national practices.

3. Qualitative post training assessment feedback on the general quality of the training

At the end of the training, the participants were asked to provide feedback on a number of aspects pertaining to the general quality of the training. These included; the quality of the facilitators, content, training facilities, meals and refreshments. In a way of conclusion, participants were asked to express their satisfaction levels with the training and also provide recommendations for consideration in the subsequent trainings. Below are the responses.

The majority of the participants ranked all these variables 4 & 5 indicating that they were appreciative of the quality as shown in figure below.

Phase 2 Internal Risk Management End of Training Report (August, 2021)
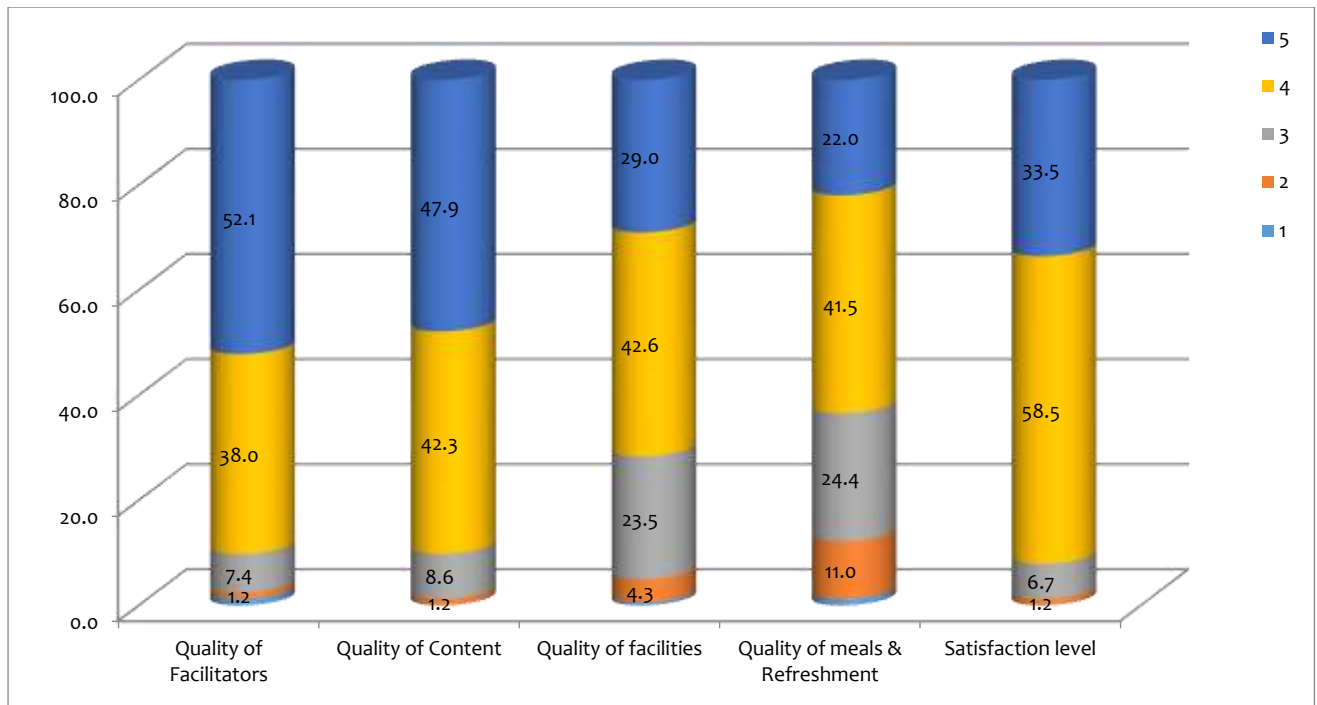
Despite the high scores assigned to various variables assessed under the general quality of the training, the majority of the participants expressed dissatisfaction over the limited time allocated to the training and subsequently recommended for extended time for such trainings.

Other recommendations made were:

- Inclusion of localized case studies.
- Provision of transport refund.
- Incorporation of adequate health breaks.
- Sharing of materials ahead of the training.
- Designing of customized and specific trainings targeting different organizational functions such as finance, M&E, procurement etc.
- Support supervision to ensure application of the skills and the knowledge acquired; and
- Training to be provided to all staff members of the member organizations.