

Report

Annual report on Norad's investigation cases

2023

By Internal Audit and Investigations Unit, Norad



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Introduction

Zero tolerance for corruption and other types of financial irregularities is a general principle within Norwegian development aid. Spending development aid funds on things other than the agreed purposes will reduce the hoped for progress and thereby undermine our joint efforts to achieve the Sustainable Development Goals. Norad endeavours to mitigate risk and prevent financial irregularities in all of its development aid.

Norad grant recipients are responsible for ensuring that all public funds are spent in line with the grant agreement, including the implementation plan and budget, and that the use of funds can be documented as required by the agreement. Good prevention and risk management will reduce the probability of funds being misused. In the event of suspected irregularities, grant recipients and employees that administer development aid funds must immediately report the matter.

Any failure to comply with stipulated conditions and requirements for the use of public funds will result in sanctions. Norad's agreements with grant recipients include provisions concerning sanctions that require full or partial repayment of aid in cases involving irregularities or breaches and/or termination of agreements in cases involving material breaches of agreements.¹

All cases where financial irregularities or sexual exploitation, abuse or sexual harassment are suspected that have links to Norad's funding in some way are received and reviewed by Norad's Internal Audit and Investigations Unit. This annual report presents some of the results of this work in 2023. The overarching purpose of the report is to raise awareness of the risk of irregularities in the administration of development aid funds. The annual report includes a section on how accounting information should be used to follow up projects that receive support.

Whistleblowing

Suspected unlawful, unethical or unacceptable situations can be reported either openly or anonymously to Norad via email: varsling@norad.no

In collaboration with the Norwegian Ministry of Foreign Affairs, the Norwegian Ministry of Climate and Environment, Norfund and Norec, Norad has an external whistleblowing channel administered by the consultancy firm EY. This external channel provides employees and external partners with an alternative channel for contacting Norad, and anonymous reports are also accepted. Further information about the external whistleblowing channel can be found at:

<https://www.norad.no/aktuelt/varslingstjeneste>.

¹ Separate agreements have been entered into with multilateral institutions, funds and development banks. For further details, see the section entitled "Location of irregularities in 2019-2023".

Investigations

If Norad's Internal Audit and Investigations Unit finds grounds for suspecting irregularities linked to Norad funds, an investigation case will be opened. In such cases, Norad will notify the Norwegian Ministry of Foreign Affairs, or the Norwegian Ministry of Climate and Environment if the funds were allocated to the Climate and Forest Initiative. Consideration will be given to suspending payments to the recipients in question until the matter has been investigated or until sufficient risk mitigation measures have been implemented. As far as possible, decisions on freezing financial support will be taken in consultation with the Norad grant recipient and the Norad department responsible for the agreement. The purpose of suspending financial support is to protect public funds. Suspensions will come into effect if the internal control performed by the grant recipient or implementing partner is considered to be inadequate. In 2023, support was frozen in around half of the whistleblowing cases that were opened, and Norad's agreement partners had themselves introduced suspensions in half of these.

Norad may also temporarily freeze payments to the partner or terminate the grant agreement if the organisation fails to deal with SEAH cases as required by the agreement.

Norad's Internal Audit and Investigations Unit is responsible for ensuring that all cases are adequately investigated. In many cases, external expertise will be brought in to conduct a special audit. If the grant recipient wishes to investigate the matter itself or initiates external investigations, the suspicion must nevertheless be reported immediately and before the recipient's own investigations are commenced. Investigations conducted by grant recipients must be performed in consultation with Norad's Internal Audit and Investigations Unit. In 2023, the Internal Audit and Investigations Unit published a document containing the [criteria that must be considered when conducting investigations](#). Such special audits are not conducted in line with established global or national standards, so preparation of the terms of reference and compliance therewith play a crucial role in a good investigation.

In Norad's agreements, the term "financial irregularities" is used as a collective term for financial circumstances that are unlawful or involve the misuse of Norad funds. Examples include corruption, embezzlement, fraud, theft, favouritism/nepotism or other abuses of position, deliberate misrepresentation of financial or non-financial matters, and any use of project funds not in line with the implementation plan and budget. The cases reported to Norad's Internal Audit and Investigations Unit cover all of these categories.

Sexual exploitation, abuse and sexual harassment (SEAH)

Sexual exploitation, abuse and sexual harassment have constituted breaches of Norad's grant agreements for many years, as Norad's contractual partners are required to report incidents that could have significant consequences for the grant agreement. Grant recipients are also required to have a code of conduct in place that sets out minimum standards, including "strict provisions relating to sexual exploitation, abuse and sexual harassment."

In 2023, a separate provision establishing Norad's zero tolerance for "passivity" in the fight against sexual exploitation, abuse and sexual harassment was added to several grant agreement templates. Inadequate compliance with the activity requirements set out in the new agreement clause (Clause 16) may be considered a material breach of the agreement.

The abovementioned new Clause 16 tightens the requirements to actively fight such abuse and harassment. The fight against SEAH has thereby become a goal in itself, irrespective of any consequences for the grant agreement. Norad grant recipients are now obliged to do their utmost to prevent, detect and follow up on SEAH in Norad-funded projects. This applies throughout the entire project chain.

The Internal Audit and Investigations Unit is responsible for Norad's work on following up SEAH related reports. However, the unit does not normally investigate individual cases of SEAH itself. This is the responsibility of the employer and a task for the grant recipient or their implementing partners. The Internal Audit and Investigations Unit's responsibility primarily consists of assessing whether the grant recipient's handling of the report and its internal measures to combat SEAH comply with the agreement with Norad. If the organisation does not deal with SEAH cases as required by the agreement, the matter will be included as part of the institutional dialogue between Norad and the organisation, and may result in Norad freezing payments to the partner or terminating the grant agreement.

In 2023, Norad received nine reports about sexual exploitation, abuse or sexual harassment, and closed five such cases. Norad reports the annual number of SEAH cases to the London Summit/FCDO and statistics on closed SEAH cases. In two of the five SEAH cases closed in 2023, the finding was that the allegations had no merit. One of the cases concluded that an employee had sexually exploited a woman in the target group. In two cases, employees of organisations had sexually abused minors outside the target group. In these two cases, the abusers were dismissed from the organisation, and the victims were offered psychosocial support. In these five cases, Norad grant recipients complied with their own guidelines and no breaches of their agreement with Norad were found. Therefore, the cases did not result in any sanctions being imposed by Norad.

Norad also records social safeguarding reports (such as violence against children and other non-sexual misconduct). Such situations do not, however, fall under the definition of SEAH and are thus

not handled by the Internal Audit and Investigations Unit. Nevertheless, safeguarding cases can have consequences for grant recipients if the event represents a breach of agreement.

See also the [Norwegian Ministry of Foreign Affairs SEAH Guidelines](#).

Financial irregularity cases reviewed in 2023

Norad received 108 reports of financial irregularities in 2023. A total of 65 new cases were opened, and 55 cases were completed and closed. In 41 of the closed cases, Norad demanded that funds be repaid as a result of financial irregularities and/or material breaches of the grant agreement.

A total of NOK 16,667,668 was repaid, of which NOK 15,254,407 went to Norad, while NOK 1,413,261 went to the affected projects.

The “repayment to project” sanction can be applied if a specific set of criteria is met, including that a report must be submitted immediately in the event of any suspicions and that the grant recipient’s internal control was not at significant fault. The grant recipient must have ensured that the internal control prior to and during the period in which the irregularities occurred was satisfactory. The conditions for “repayment to project” can be found [here](#).

The smallest sum to be repaid in a single case in 2023 was NOK 675, while the largest sum amounted to NOK 4,675,482. An overview of all of the cases can be found here: [Report on financial irregularity cases](#).

Three of the closed cases involved irregularities by Norad’s agreement partners (grant recipients), while 49 cases involved their local partners.

Overview: 2023	
Cases reported to Norad	108
Opened cases	65
Closed cases	55
Cases closed with sanctions	41
Number of cases of repayment to Norad	31
Number of cases of repayment to project	10
Total NOK repaid to Norad	15,254,407
Total NOK repaid to projects	1,413,261

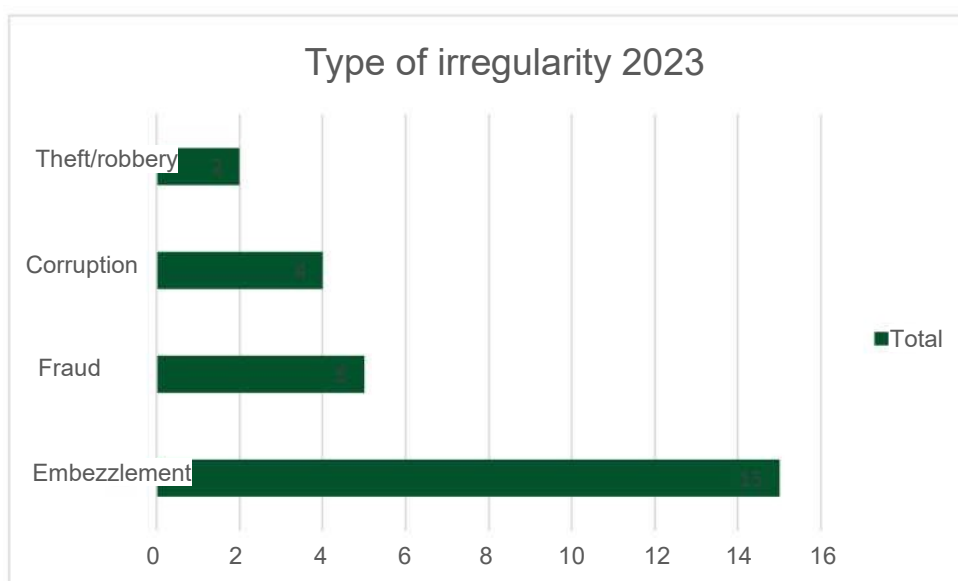
Overview: 2011-2023	
Cases reported to Norad	967
Opened cases	579
Closed cases	510
Cases closed with sanctions	382
Number of cases of repayment to Norad	340
Number of cases of repayment to project	42
Total NOK repaid to Norad	80,013,869
Total NOK repaid to projects*	3,875,342

*The possibility of "repayment to project" was introduced in 2019.

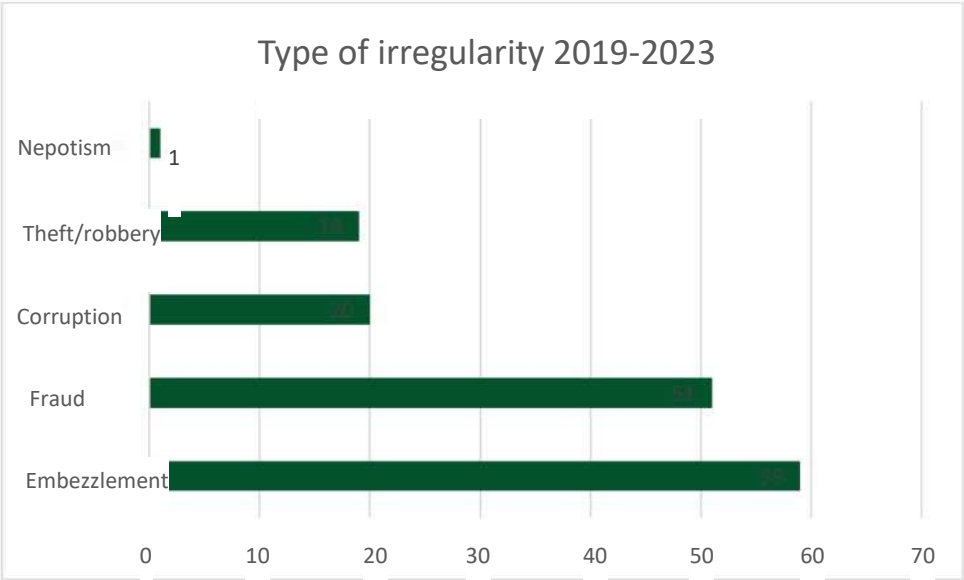
Types of irregularities

Even after a comprehensive investigation, it is not always possible to determine whether any actions were intentional. Nevertheless, breaches of contract can often be proven, e.g. breaches of procurement rules, inadequate/insufficient documentation of costs and other circumstances that can easily conceal more extensive irregularities. This type of breach of agreement provides grounds for sanctions from Norad, even if no financial irregularities have been proven.

In the 55 investigations closed in 2023, breaches of agreement were found in 41 cases. Financial irregularities were found in 26 cases. Some types of irregularities are easier to detect than others. Corruption will often be harder to detect and even more difficult to prove than embezzlement, fraud and theft. Evidence of certain types of financial irregularities can be ambiguous.



There were fewer cases of fraud in 2023 than in previous years. Of the 254 closed cases reported between 2019 and 2023, irregularities were confirmed in 150. The table below shows that most cases involved embezzlement and fraud.



More detailed explanations of the terms used above:

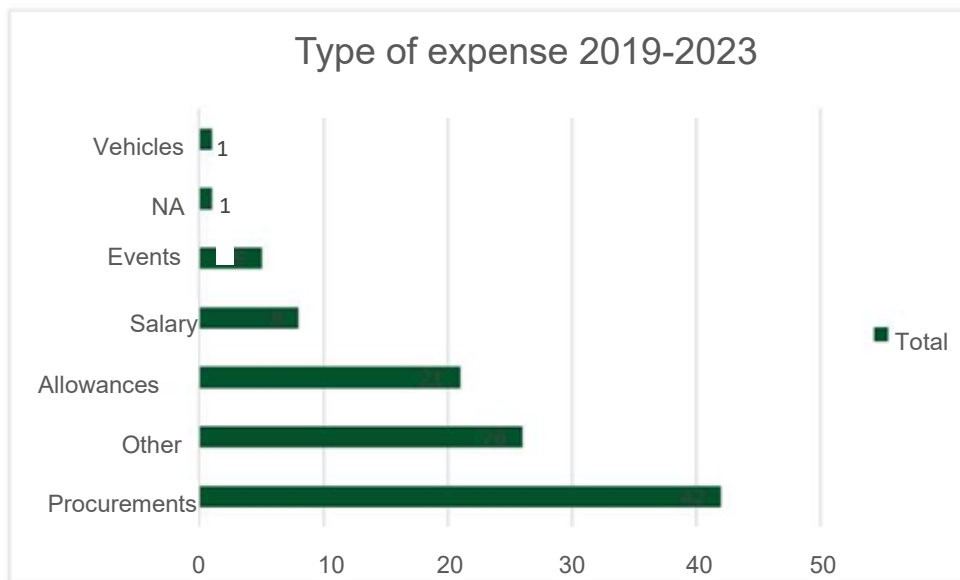
Corruption – abuse of power for personal gain in a trusted position by paying or receiving bribes in the form of money, gifts or services

Theft/robbery – unlawful appropriation of other’s property/obtaining unlawful gains for oneself or others through the use of violence or threats

Embezzlement – obtaining unlawful gain through the acquisition of assets that are at one’s disposal but belong to someone else

Fraud – obtaining unlawful gain by deliberately provoking and exploiting ignorance of the law

Nepotism – extending unlawful advantages to relatives or close acquaintances (“cronyism”)



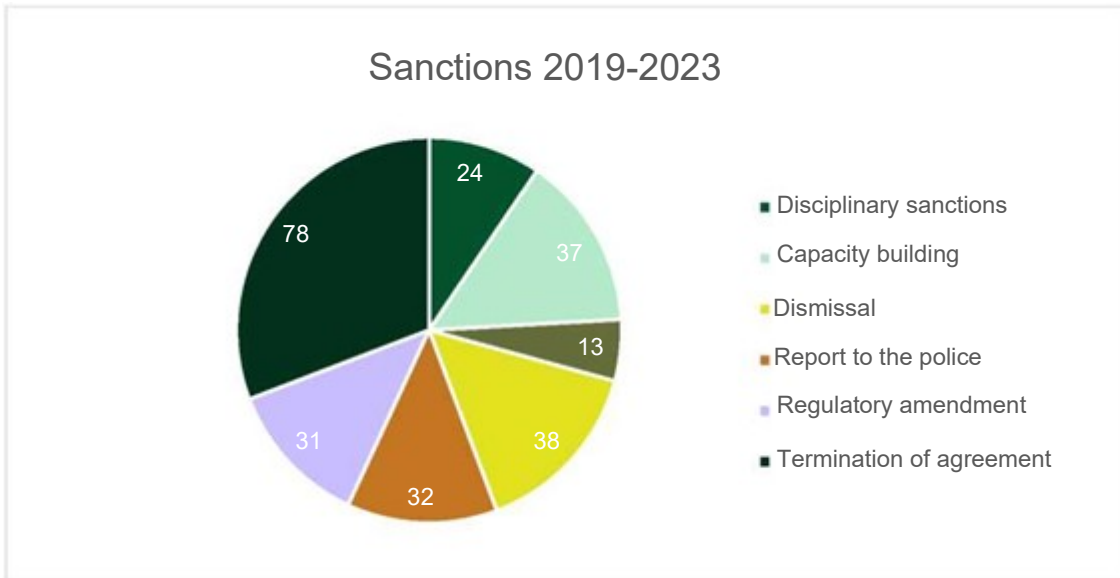
The type of expense most affected by fraud over the past five years was procurement: irregularities in connection with the purchasing of goods or services. The "Other" category includes the theft of physical assets, currency fraud, the intentional manipulation of accounts or accounting records and pay-to-play incidents (e.g. employees of organisations receiving kickbacks from target groups or other forms of conspiracies). The situation in 2023 was similar to that in the previous year.

Failures on the part of grant recipients

In 2023, many of the cases involved weaknesses linked to Norad grant recipients failing to adequately monitor the implementing partner. Grant recipients and many of their local partners have adequate written procedures and internal guidelines in place, although *compliance* with these is sometimes inadequate. In most of these cases, shortcomings in the internal control environment of the implementing partner were the main reason why irregularities were able to occur.

Sanctions

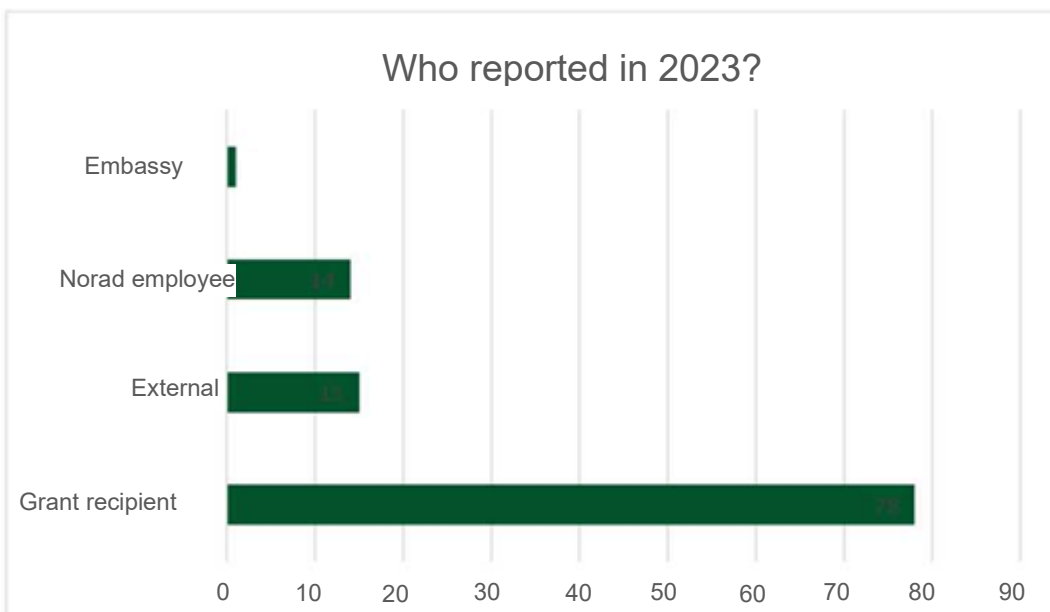
The figure below shows an overview of the sanctions that Norad's grant recipients, or their partners, implemented or were instructed to implement as a result of the outcome of investigations during the period 2019-2023. Norad and grant recipients often require the internal control of implementing partners (where failures are most often identified) to be strengthened before development aid payments can resume. Norad is not involved in the implementation of internal sanctions, e.g. disciplinary action against employees. The table shows cases where it was concluded that a material breach of agreement had taken place. Multiple sanctions can be imposed per case. The figure only highlights the main sanction for each case. The most common sanction involves the grant recipient terminating the agreement with the implementing partner.



In 2023, the main sanctions were termination of agreements with grant recipients and implementing partners (19 cases). Other sanctions included dismissal (9 cases), regulatory amendments (6 cases), reported to police (5 cases), training (4 cases), and disciplinary sanctions (4 cases).

Who submitted the reports received in 2023?

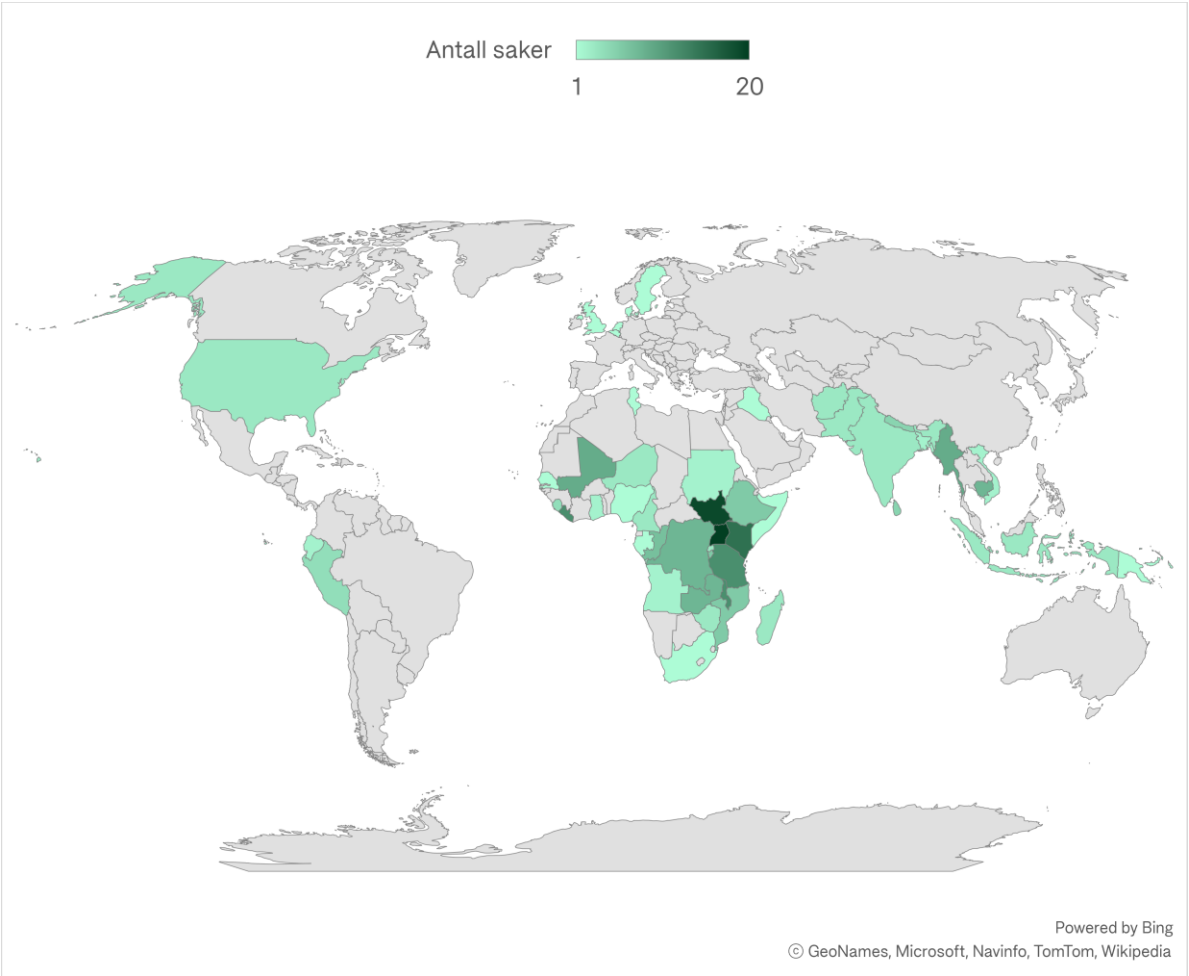
Reports on the misuse of funds are generally submitted to Norad by grant recipients in line with their contractual obligations. Additionally, the Internal Audit and Investigations Unit receives reports directly from external whistleblowers, including those who opt to remain anonymous. In some cases, Norad receives reports from other donors. The Internal Audit and Investigations Unit also receives reports of suspected financial irregularities from Norad grant administrators and identifies irregularities as part of its own investigations. In 2023, 78 of the reports came from grant recipients, while 15 came from external sources.



Location of irregularities in 2019-2023

The Internal Audit and Investigations Unit considered cases from 22 different countries in 2023. It would be unreasonable to draw any conclusions about the incidence of irregularities in a country based on the number of cases in each country. Chance plays a major role, as well as the proportion of Norad funds channelled to the country in question.

The majority of cases in 2023 were related to foreign NGOs, and the majority of these were partners of Norwegian NGOs. Below are the 52 countries that the Internal Audit and Investigations Unit has dealt with cases from during the last five years.



A high proportion of Norad's support goes to multinational organisations and funds. Multinational organisations and many global funds follow up reports themselves and investigate thousands of potential cases of financial irregularity every year. These organisations' websites contain specific reports on whistleblowing cases, as the examples below from the World Bank, a UN organisation and a global fund demonstrate:

[World Bank Sanctions system annual report 2023](#)

[WFP Annual report of the Inspector General](#)

[GAVI Report from Audit and Investigations 2023](#)

Spot checks

Norad's Internal Audit and Investigations Unit conducts spot checks on grant recipients and on their implementing partners who receive Norad funding. The spot checks include the testing of agreements, financial management and internal controls relating to corporate governance and key support activities for the core business. The main purpose of the spot checks is to contribute to good internal control concerning Norad support at every stage through to the end recipient. Prevention is far cheaper than the cure; the spot checks are designed to identify weaknesses before they can develop into serious shortcomings that impede goal achievement or entail the misuse of Norad funds.

Norad funds must be spent in line with approved work plans and budgets. Agreements with Norad require grant recipients to perform ongoing risk management by identifying risks that could impede project fulfilment, and by taking appropriate measures to reduce risks to an acceptable level. Norad grant recipients must establish internal control systems that prevent and detect any misuse of Norad funds.

During the spot checks, Norad checks compliance with the agreement and the organisation's internal framework in areas that experience has shown are vulnerable to the misuse of aid funds. During spot checks and in the subsequent reports, Norad recommends measures designed to reduce vulnerability and the risk of misuse.

In 2023, the Internal Audit and Investigations Unit conducted 19 spot checks on Norad grant recipients and their partners, organisations, companies and universities; six in both Ethiopia and Indonesia and seven in Uganda.

The spot checks in Ethiopia identified weaknesses in the distribution of overheads based on budgets instead of time spent, weak whistleblowing procedures, inadequate follow-up of reported weaknesses in numbered letters from the auditor and unsatisfactory documentation of costs.

The spot checks in Indonesia identified a number of red flags, including in relation to accounts and financial reporting, procurement procedures, reporting of payroll costs, reporting of administration costs, and weaknesses in agreements with subcontractors/other parts of the aid supply chain.

The spot checks in Uganda identified failures in relation to, for example, accounts and reporting, procurements, and payroll and administration costs.

Topic: Quality of accounting reporting

Below, Norad's Internal Audit and Investigations Unit shares some of its experiences and tips relating to circumstances of significance to the quality of financial reporting from grant recipients and their implementing partners. Inadequate accounting and controls were recurring themes in the spot checks and in investigation cases. Some of these are easy to remedy and help to significantly strengthen internal control.

From Norad's perspective, financial reporting has two main purposes:

1. Enabling assessments of progress and goal attainment in relation to the various projects and initiatives
2. Checking that all of the funds have been spent on the intended purpose

Accounts provide information about levels of activity, financial position and liquidity. This is used to make informed decisions about operations, investments and funding.

Accounts provide a basis for the preparation of budgets and plans for the future, the setting of goals, allocating resources and the identification of potential challenges, as well as the analysis costs and the identification of areas requiring improvement. The quality of accounts is therefore of great importance, extending beyond just controls and reports on how funds have been spent.

Some of the Internal Audit and Investigations Unit's past experiences

Recording of accounting information

One crucial prerequisite in ensuring high quality accounting is ensuring that the accounting information is recorded accurately and in a timely fashion. For some organisations, this may mean daily updates, while for others with lower levels of activity, less frequent updates may be sufficient.

Regardless of the frequency of updating, the information must be recorded with a level of detail sufficient to enable you to easily access the information you will need at a later date. In many of the investigation cases and spot checks, the Internal Audit and Investigations Unit found that accounting is largely activity-based, where various expenses such as allowances, fuel and office supplies are entered as a single transaction using the same cost centre in the accounts. This practice makes gaining an overview of how much of the funds have been spent on the various types of expenses in total a very labour-intensive job. It increases the risks associated with controls and also diminishes the ability of the management to carry out targeted cost controls.

The Internal Audit and Investigations Unit recommends that a "chart of accounts" be obtained which lists all of the account codes/cost centres that are used and how these cost centres are linked to the

respective accounting items in reported financial statements. As a minimum, there should be specific cost centres for wages, allowances and other payroll payments, as well as specific cost centres for operating costs such as fuel, office supplies, etc.

In order to check that the accounting is up-to-date, bank accounts and petty cash boxes should be reconciled correctly and on an ongoing basis (at least once a month) and checks made to ensure that there are no "open items", i.e. withdrawals that have not been recorded in the accounts. Such open items may mean that the accounts are not up-to-date or that funds have been improperly withdrawn from the bank.

Use of accounting systems

The Internal Audit and Investigations Unit has come across instances where systems are used that are not designed to be used for accounting for the activities in the organisation in question. Microsoft Excel is a typical example of this. It lacks the functionality of accounting software. In other cases, we have seen that, although accounting software is being used, few of its functions are used because people do not possess the skills required to use the software properly. This, combined with a lack of quality assurance and controls such as ongoing reconciliations, results in mistakes which are not being discovered. When monitoring and following up grant recipients and partners, checks should at least be performed to ensure that they are using accounting software with the requisite functionality and that the people responsible for the accounts have had sufficient training to use the most important functionality that such software offers.

Project accounting versus consolidated accounting for organisations as a whole

The Internal Audit and Investigations Unit has come across instances where organisations keep specific project accounts or donor accounts without it being possible to reconcile these against the organisation's accounts. This practice increases the risk of expenses being recorded twice against multiple projects/donors without Norad being able to detect this. Ideally only one set of accounts should be recorded for all of the organisation's activities and projects should be identified within these using project codes.

Financial manuals and testing compliance

Most organisations have financial handbooks and manuals. As a rule, such instructions contribute to good accounting quality. Nevertheless, in almost every spot check we have carried out, we have still found that certain aspects of the procedures have not been followed. This is especially true in connection with procurements and the ongoing updating of accounts. In connection with the assessment of organisations with which we plan to work and as part of organisational reviews, checks must be carried out to test compliance.

Documentation of costs

Inadequate or missing documentation of costs has been an issue in many of the cases which the Internal Audit and Investigations Unit has dealt with. This is commonly due to inadequate archiving and filing practices, such as not assigning a document number or failure to attach receipts in every instance. The latter is often seen in relation to reimbursements of expenses. In on-site inspections of a project's financial management, checks should be made to ensure that a system and practice have been established for storing, organising and filing all statutory accounting information. All relevant

documentation should be stored together and with clear references between the accounting system and the documentation.

Advance payments

The Internal Audit and Investigations Unit has found that it is common practice to pay advances for travel and field visits or for events where participant allowances are paid. In a number of projects, these types of activity can account for most of the project's costs. Experience shows that many of these organisations lack procedures for following up the way in which advances are spent and ensuring that the necessary receipts and documents are submitted as part of the settlement of advances. In many cases, the original withdrawal from the bank has been accounted for, but not the subsequent use of the funds. Failing to return unspent funds constitutes a misuse of funds and results in the project accounts being charged higher costs than what is actually the case. The employee has received an improper payment when there is no requirement to return such money. On-site inspections should include the checking of procedures and practices for advance payments.

Checking of accounting documentation

Unfortunately, fake receipts and other fake accounting documents are sometimes identified during checks on how development aid funds have been spent. Examples include fake receipts for purchases of goods and services, fake participant lists, manipulated tender records, etc. Fake documentation is a huge red flag and necessitates further checks on the accuracy of recorded transactions. Simple checks of accounting documents against contact details, dates, signatures, etc. and the performance of third-party checks² can reveal forged documentation and manipulated processes.

Keywords for checking the quality of accounts

- What sort of accounting software is being used for accounting purposes?
- How often are the accounts updated?
- How often are reconciliations performed and what is reconciled?
- Is there a chart of accounts?
- Segregation of duties in the finance department – who checks the quality and who approves it?
- How often are reports produced?
- How often are partners monitored?
- Are accounts prepared for the entire organisation?
- Who is the auditor? (And has the signature been approved for the year concerned?)
- Has the auditor addressed important matters in numbered letters? Have the situations been remedied?
- Are there any indications of manipulated processes and/or false documentation in the accounting information?

² Examples of simple and effective third-party controls include comparing documents in the accounts with the existence of suppliers and the documentation in their possession and contacting recipients of payments to verify their correctness (such as participation and scope).

Topics from previous annual reports that remain relevant in 2024

2022: Spot checks: The Internal Audit and Investigations Unit started conducting spot checks on implementing partners in 2022. The report provides some details about the methods and overall findings from spot checks that took place in 2022. [Link to 2022 report.](#)

2021: Annual report on Norad's investigation cases with a look back to 2011: In this report, we looked at all cases considered by the Fraud and Integrity Unit/Internal Audit and Investigations Unit since the Fraud and Integrity Unit was established in 2011. [Link to 2021 report.](#)

2020: COVID-19 and IT security. During the COVID-19 pandemic, we saw examples of delays or prevention of regular project monitoring and of grant recipients or external auditors being unable to conduct control measures due to the infection risk and associated travel restrictions. Reduced control activities entail an elevated risk of the control not detecting significant discrepancies (control risk) and the same applies to audits (audit risk). The pandemic also resulted in investigations becoming more complicated and time-consuming.

In 2020, Norad prevented an attempted theft of a significant amount. A similar case of fraud targeting Norad did, however, succeed. Around USD 10 million was transferred in good faith to a bank account that had been opened by fraudsters and the money disappeared. On 1 September 2020, Norad arranged a webinar on online fraud together with the Norwegian Ministry of Foreign Affairs and Norfund. These cases of fraud were described at the webinar and the topic was discussed by a panel of experts. A video recording of the webinar can be found on Norad's [website](#). [Link to 2020 report.](#)

2019: Encouraging early reporting of suspicions. Agreements entered into with Norad stipulate that grant recipients must immediately notify Norad of any indication of financial irregularities relating to the project. The term "immediately" has been used with good reason and is interpreted strictly by Norad. "Immediately" means as soon as there are signs of irregularities and before any special investigations are initiated.

Such notifications are of great importance to Norad's management of development aid funding. Such notifications provide grounds for the immediate suspension of scheduled payments and the securing of any aid funds that have already been paid until the situation and associated risk factors have been identified. Early notification also provides Norad with the opportunity to provide effective assistance in highlighting the matter sufficiently and preventing evidence from being destroyed.

Immediately notifying Norad is also a precondition e.g. for permitting abused funds to be returned to the project instead of to Norad. In cases where the other criteria have been met, the delayed notification may be enough to preclude funds from being repaid to the project.

An adequate early notification system can also help to ensure a continuous focus on risk and discrepancy management and stimulate the establishment of effective whistleblowing channels for internal and external partners that are aware of information that would otherwise not have been reported.

Early notification will be advantageous not only to Norad, but also as regards reducing potential damage to the organisation exposed to the discrepancies. Furthermore, other agencies that support the organisation should also be made aware of the matter, so that they can protect their resources against losses. [Link to 2019 report.](#)

2018: Red flags. Anyone who manages development assistance funding should learn to be vigilant with regard to discrepancies and matters that could indicate financial discrepancies, known as 'red flags'. Certain red flags, such as ambiguity, minor discrepancies and lack of transparency, need not be significant in themselves, but could provide grounds for a more detailed investigation when combined with other factors. The 2018 report describes a number of red flags that have been observed in cases relating to funding from Norad.

A list of typical red flags for various sectors can be downloaded from the internet. [Link to 2018 report.](#)

2017: Audit reports do not detect irregularities. The 2017 report discussed the fact that external audits constitute the most common control measure relating to development assistance funding. Audits absolutely have a preventive effect as regards shortcomings and irregularities. However, financial irregularities are rarely detected in account audits. Statistics show that only three to four per cent of all irregularities detected globally are detected through external audits.

Norad's experiences are consistent with these global statistics. Approved audit reports were available for all cases investigated by Norad in 2017, even though the legal investigations later identified grave irregularities.

Norad's Internal Audit and Investigations Unit has found that controls performed by commissioned third parties should be incorporated as an additional component in the annual audits conducted on projects that have received funding from Norad. Investigations have uncovered a significant number of falsified accounting documents, including tenders, invoices and receipts, bank account statements, timesheets and travel documents. It may be financially prudent to carry out extensive risk-based control procedures (ISRS 4400), both to strengthen prevention and to detect irregularities. Further information about this topic can be found in [the 2017 report.](#)

2016: Coordination of donors and transparency regarding total income and expenses. The coordination of donors is about transparency and is a fundamental instrument in the fight against financial irregularities. When an organisation has multiple sources of income/donors, the organisation should present consolidated accounts showing all income and expenses, as well as the distribution of income and expenses between the various donors, as required under the agreement. Every year, a number of cases of multiple donors being charged the same expenses are uncovered. In a third of the cases from 2016, coordination of donors and stakeholders at several levels could have played a major part in strengthening financial control. Further information about this topic can be found in the [2016 report.](#)

2015: Background checks. The strengths and weaknesses of the recipient's internal control and management must be considered before a grant agreement is entered into and must be monitored for the duration of the funding period. Norad has a number of instruments in place that can be used for partner due diligence to identify the grant recipient's expertise and capacity. Special challenges arise when more complex financial arrangements are established, such as the transfer of funds – and thus responsibility and authority – through several levels and various stakeholders. Knowledge of cash flow, agreements with partners and the audit hierarchy provides a good starting point for verifying responsibilities throughout the entire aid chain. Further information about this topic can be found in [the 2015 report](#).

The Norwegian Ministry of Foreign Affairs' quarterly overview of cases

The quarterly reports containing overviews of cases that resulted in sanctions in 2023 have been published on the [government's website](#) and include cases that have been closed by the Norwegian Ministry of Foreign Affairs, Norec (formerly FK Norway) and Norad.

Internal Audit and Investigations Unit