CGIAR Integrity Report for 2018 calendar year

This document provides CGIAR’s Funders with information on the matters reported to the CGIAR System Organization that occurred during the 2018 year.

Version history: A pilot version of this report was produced in late-2018 based on matters reported during the year. This report is that ‘pilot’ document now updated based on the Center Board letters of assurance for the 2018 calendar year, and subsequent updates on event management and resolution.
Contents

1. Recapping current disclosure provisions
2. Analysis of matters reported
3. Lessons learned and ongoing strengthening measures
1. Current disclosure provisions under Financial Framework Agreement in regard to implementation of CGIAR Research

7.2 Requirement to Inform in Respect of Financial Irregularities.

7.2.1. Participating Centers will **promptly inform** the System Organization and the relevant Lead Center(s), and will require Program Participants to promptly inform them, *if there is a credible concern of Financial Irregularities and of the corrective measures initiated.*

7.2.2. Lead Centers will **promptly inform** the System Organization, and will require Program Participants to promptly inform them, *if there is a credible concern of Financial Irregularities and of the corrective measures initiated.*

Methodology adopted from early-2018* by the System Management Board to ensure that accurate information is shared:

I. **What is known:** what has been discovered; status of any investigation

II. **What the potential financial implications are** for the Center and Funder/s concerned

III. **What corrective actions were taken regarding the specific event** and what additional measures will be taken to strengthen systems

*As discussed with the System Council Assurance Oversight Committee in August 2018.*
Section 2: Matters reported that occurred in 2018 calendar year
Analysis of matters reported
2. Overview – Nature and number of events reported

Sub-type of cases reported

- Fraud: 6
- Unethical behaviour (financial): 1
- Sexual harassment: 1
- Conflict of Interest: 1
- Policy matters: 1
Of 10 total cases reported:

- **System weakness addressed (no individual malfeasance)**
- **Legal case brought (ongoing)**
- **Internal disciplinary**

*FIG. 43 How often is litigation pursued against occupational fraud perpetrators?*

*Taken from “Report to the Nations: 2018 Global Study on Occupational Fraud and Abuse”*
2. Overview – Recovery of funds (for financial cases)

Of 7 financial cases as a subset of those 10 cases:

- **Recovered from perpetrator(s):** 4 cases
- **Repaid from reserves:** 3 cases
2. Overview – Position of perpetrators within organization

Of 9 (of the 10) cases involving wrongdoing by individual(s):

- **Senior Management**: 1 case
- **Mid-level/Junior**: 8 cases

Of 7 financial cases (of the 10):

- **Senior Management**: 100,000
- **Mid-level/Junior**: 300,000

### Relative size of events

- **Senior Management**: $100,000
- **Mid-level/Junior**: $300,000

### Seniority of staff involved

- **Senior Management**: 1 case
- **Mid-level/Junior**: 8 cases
2. Overview – Location of events and section of organization

Of the 9 cases involving wrongdoing by individual(s):

- Sub-Saharan Africa: 4 cases
- South Asia: 2 cases
- Middle East: 1 case
- Latin America: 0 cases

<table>
<thead>
<tr>
<th>Location of events (region)</th>
<th>Section/functional area of Center</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sub-Saharan Africa</td>
<td>Programs: 4</td>
</tr>
<tr>
<td>South Asia</td>
<td>Research: 2</td>
</tr>
<tr>
<td>Middle East</td>
<td>Finance: 1</td>
</tr>
<tr>
<td>Latin America</td>
<td>Procurement/Ops: 1</td>
</tr>
<tr>
<td></td>
<td>Project Management: 1</td>
</tr>
</tbody>
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Section 3: Lessons learned and ongoing strengthening measures
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- CGIAR Ethics Framework developed by a working group made up from members of the HR Community of Practice, in consultation and to be presented for System Council approval in November 2019 (Business Plan Action 4.2)
- Development of proposal for establishment of System-wide Ethics Function
- Sharing lessons learned from individual cases on where policy gaps might exist and oversight can be strengthened (including through Risk Community of Practice and Center Audit Committee Chairs group) (Business Plan Action 7.1)
- Risk Notification and Reporting process streamlining and strengthening undergoing final consultations

Leadership support from Funding Partners

- Recognize value of sufficient investment in professional program support functions (overhead)
- Contribution to risk management and compliance functions/expertise in Centers (Business Plan Action 7.2)
- Funding Center Internal Audit teams (Business Plan Action 7.3)
- Support fraud and whistleblowing reporting mechanisms