

**Dilemmas on Corruption:**

# **WHAT IS OK? AND WHAT IS NOT?**

Use these examples as part of workshops and discussions about accountability and financial management structures in your organization



## How to ensure participation?



Your team is preparing a budget proposal for a workshop in Tanzania targeting local government officials and representatives of different organisations.

The team is made up of representatives from a Tanzanian NGO and its international NGO partner funding the workshop.

In addition to covering the costs of accommodation, meals and transport, you discuss whether you should include a budget line of 50 USD per person in "sitting allowance".

### What to do?

- You are told that this is common practice in Tanzania, and frankly, the best way to secure good attendance.
- Do you think the sitting allowance enhances active participation? What's your experience?

## Whose understanding is the right one?



The salary of the manager of a Ugandan NGO is paid through a project funded by a Danish NGO. The salary package includes school fees for the children of the manager of the Ugandan NGO.

During a project visit a representative from the Danish NGO learns that the manager has no children of his own even though the school fees of three children have been paid for. It turns out that the children are the children of the manager's late brother and – according to his understanding – his responsibility.

Though, this is not in line with the contract formulated according to Danish understanding, this is common practice in Uganda, you are told.

### What to do?

- Do you shut up and follow the 'informal rules', or do you find another solution?
- What is your suggestion to find a solution?

## Pay or Stay?



A group of representatives from a Kenyan NGO is going to visit their partner NGO in Denmark. Everything has been arranged for, and plane tickets have already been purchased. The only thing pending is the passports of the members of the group.

The migration office has received the required documents long ago, but nothing has happened. Now, they – very informally – let you know that in return for “a small present” the passports can be ready in no time.

### What to do?

- What do you think the Kenyan NGO should do to solve the problem?
- What do you think the Danish NGO should do to solve the problem?

# Messy Accounts



You are working for an NGO in Europe, and during a monitoring visit to India you go through the project accounts with the bookkeeper and the head of a local NGO.

It turns out that the accounts are rather messy. It is hard to grasp an overview of consumption, there are errors in the entries, and the budget lines are not clear. The day is almost over your plan is to fly home the day after, knowing that you are not likely to return back within the next six months.

**What do you do?**

## Supporting local business?



One of your donors has decided not to accept receipts from items bought at markets where vendors cannot issue proper receipts - not even for even small purchases. It will make the project much more expensive and much more time consuming for you if you have to buy your products somewhere else.

### What do you do?

- How do you answer your colleague?

## They will never find out



A colleague of yours suggests that you should add a few extra participants at the next workshop which you are facilitating together. Nobody will ever be able to detect it and it really isn't that much money - really just a little extra pocket money for the two of you.

### What do you do?

- How do you answer your colleague?

## Zero Tolerance!



The only driver in your organisation has always been very reliable. However, recently it was discovered that he has cheated with the fuel accounts. Your manager has decided to sack him on the spot. The driver has seven children and one has been seriously ill for the last six months.

### **What do you do?**

Has your manager made the right decision?

## Do we really need this among friends?



The organisation you work for is part of an advocacy coalition of 15 organisations, which is extremely important for your work area. Every organisation contributes to the operation (rent and three employees), and had previously presented financial accounts every year at an annual "members meeting."

However, in the past two years, these meetings were not held and therefore no financial statements were presented to the members.

**What do you do?**

## Low capacity or smart guys?



In one of your projects ten local branches of your organisation are awarded funding to conduct operations entirely locally. There are guidelines for reporting and accounting, but as the project is coming to an end it turns out that three of the ten branches are not following the guidelines – in fact it is impossible to determine whether there has been abuse or not. The accounts are very imprecise and impossible to confirm.

It is now time to report to your donor partner about the issue.

**What do you do?**

## David Against Goliath



You are working as project officer for an NGO. By accident you discover that your director has misused funds for personal purposes, at least once, if not more often. Facts are that your director and the chairman are closely linked, and frequently have important meetings alone.

### What do you do?

- What do you do with your suspicion and who do you address it to?

## We are all equal!



You work as project officer in a smaller organisation. You discover that there are rules that apply to some, but not everyone. For example, all trips are recorded in the organisation's car logbook. However, there are no records made when your director uses it. Rumours go that she even uses it to drive her children to and from school.

### What do you do?

- What do you do with your suspicion, and where do you address it?

## Fake reporting



You are the director of a women's organisation which organises many workshops around the country - more than 100 a year. You suspect that some of your employees are cheating with the reporting, for instance by reporting more participants than actually present.

You also suspect that they make arrangements with venue owners who increase prices, and afterwards share the left-over between the made-up price and the price reported.

### What do you do?

- What step do you take to prove your suspicions?

## A one (wo)man show!



Your organisation is cooperating with a partner organisation, which was established by a charismatic personality that is absolutely essential for the NGO in every way.

Now you hear "through the grape vine" rumours of abuse. If you choose to bring it up, the consequence can be that the NGO loses its founding person and collapses.

**What do you do?**