

Corruption Risk Management

Corruption Risk Management (CRM) is a simple in-house tool (Korean Model) to deal with corruption risk in an organization. By using this tool, organizations not only can identify and assess corruption risks and their causes, but also help bring about potential treatment strategies to prevent each corruption risk in a proactive way. This tool can also help agencies bring about institutional improvements by identifying loop holes in the systems with respect to infrastructure, institutions, society and culture. The tool entailing six basic steps can be adapted and used by any organization.

The following are the six basic steps to guide through a process of identifying specific corruption risks and their management process:

Organizational Health Check

There are also tools in the form of simple check list to assess whether or not fraud and corruption prevention system exists in the organization. Such an assessment tool also can be developed based on the vulnerabilities of the organizations. The first and the foremost thing for an organization to understand are its vulnerabilities. A sample of Risk Assessment format adapted from Crime and Misconduct Commission (CMC), Australia us as follows:

Risk assessment worksheet

IDENTIFICATION		ANALYSIS			EVALUATION	RISK TREATMENT
Area being assessed	Specific risks	Risk degree			Current controls or mitigating factors	Control improvements
		Likelihood	Consequence	Risk rating		

Likelihood

Consequences

Risk Exposure

A=Almost certain

B=Likely

C=Moderate

D=Unlikely

E=Rare

I=Insignificant

II=Minor

III=Moderate

IV=Major be specified

V=Extreme

VH=Very high risk-immediate action required

H=High risk-senior management attention required

M=Medium risk-management responsibility must

L=Low risk-Manage by routine procedures