



# OFFICE OF INTEGRITY, COMPLIANCE AND ACCOUNTABILITY

ANNUAL REPORT  
2016



# TABLE OF CONTENTS

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## **5 STATEMENT FROM HEAD OF THE OFFICE OF INTEGRITY, COMPLIANCE AND ACCOUNTABILITY**

## **6 OVERVIEW**

- 6 The Strategic Framework and ICA
- 6 Key policies
- 6 Phased operationalisation
- 7 Principles and pillars
- 9 Tone from the top
- 10 What do we mean by zero tolerance?
- 10 Alignment and refinement of the Strategic Framework
- 10 Scope of application of the Strategic Framework to activities
- 10 Scope of application of the Strategic Framework to persons
- 11 The three lines of defence to ICA-related risks
- 11 The role of an independent ICA at the second line of defence
- 12 An outline of ICA's implementation and change management strategy
- 13 Risk assessments: ICA's risk radar 2016

## **14 STATUS OF ALL ACTIVITIES, POLICIES AND PROCEDURES**

## **15 PILLAR I: WHISTLEBLOWING, ETHICS AND INTEGRITY**

- 15 Whistleblowing
- 15 Whistleblower system: status of procedures
- 16 Whistleblowing: intake
- 16 General intake statistics
- 18 Institutional integrity: procedures
- 18 Institutional integrity: prevention
- 18 Prevention: internal advisories for institutional integrity and ethics
- 19 Investigations: preliminary assessments

# TABLE OF CONTENTS

---

<b>20</b>	<b>PILLAR II: COMPLIANCE</b>
20	Compliance: procedures
20	Compliance: presentations on global AML/CFT issues
20	Compliance: ICA's contribution to finding solutions to de-risking
22	Institutional integrity and compliance: conferences, meetings and training
23	Compliance: presentations on international AML/CFT standards
<b>23</b>	<b>PILLAR III: ACCOUNTABILITY</b>
23	Accountability: procedures
<b>23</b>	<b>PILLAR IV: COLLABORATION</b>
23	Collaboration - cooperation and information sharing
<b>24</b>	<b>TRAINING AND CONSULTATIONS</b>
25	Training effectiveness – staff survey
<b>25</b>	<b>CDB'S ANTI-CORRUPTION WEEK 2016</b>
<b>26</b>	<b>CHALLENGES</b>
<b>26</b>	<b>OUTLOOK FOR 2017</b>
<b>27</b>	<b>REPORTING FRAUD, CORRUPTION AND ETHICS VIOLATIONS</b>

# LIST OF FIGURES

---

- 7 **Figure 1** - Strategic Framework for ICA
- 8 **Figure 2** - ICA's Strategic Pillars
- 9 **Figure 3** - Tone from the top
- 11 **Figure 4** - The three lines of defence to ICA related risks
- 13 **Figure 5** - ICA's risk radar 2016
- 14 **Figure 6** - Status of all 105 key activities, policies and procedures
- 16 **Figure 7** - General intake statistics
- 17 **Figure 8** - Sources of intake contacts during 2016
- 17 **Figure 9** - Number and form of intake contacts during 2016
- 24 **Figure 10** - Staff attendance at ICA consultations and training in 2016
- 25 **Figure 11** - Sample of response from staff survey on ICA training



## Statement from Head of the Office of Integrity, Compliance and Accountability

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This inaugural Annual Report marks a major milestone in the evolution of the 46 year old internal governance architecture at the Caribbean Development Bank (CDB).

CDB has always worked to embed adherence to the highest principles of institutional integrity in our organisational DNA. We observe our fiduciary obligation to ensure that our development proceeds are used only for their intended purposes. However, more is required to meet the demands of the dynamic and rapidly evolving global environment in which the Bank operates, as we work to maintain our relevance and safeguard our development effectiveness.

The nature of the evolution of risks inherent in modern development banking demands a broad, forward-looking and enhanced approach to internal governance. Modern governance frameworks must promote stewardship of development resources and confront a wider array of risks than ever faced before, through robust preventive and investigative functions. At minimum, they should cover whistleblowing, ethics, fraud, corruption, money laundering, terrorist financing, financial sanctions monitoring, and accountability for any environmental and social harm from the projects we finance. They must also be designed to evolve dynamically, to meet the challenges posed by new risks.

CDB has responded to the challenges of this modern environment with strategic structural enhancements to its internal governance architecture. In May 2015, the Bank's Board of Directors (BOD) approved: a management-proposed Strategic Framework for Integrity, Compliance and Accountability (Strategic Framework); the establishment of the Office of Integrity, Compliance and Accountability (ICA) as an independent office into which five governance functions are converged; and a suite of relevant policies.

ICA commenced phased operationalisation of the Strategic Framework in December 2015 and submitted its Implementation Strategy and Work Plan in its first report to the BOD in March 2016. This Annual Report marks ICA's first year. It lays an important cornerstone in the foundation of ICA's future.

### **Toussant Boyce, PhD.**

Head - Office of Integrity, Compliance and Accountability



**Toussant Boyce, PhD.**  
Head - Office of Integrity,  
Compliance and Accountability

# OVERVIEW

## The strategic framework and ICA

On May 18, 2015, the BOD of the Caribbean Development Bank (CDB), approved the Strategic Framework for Integrity Compliance and Accountability and the establishment of the Office of Integrity, Compliance and Accountability (ICA).

ICA is mandated to operationalise, manage and refine the Strategic Framework, which the BOD oversees through its Oversight and Assurance Committee (OAC). It is an independent office, and the Head reports administratively to the President of CDB, and functionally to the BOD through OAC.

When fully operationalised, ICA will be a robust, independent, effective, credible and cost- efficient office. Among international financial institutions (IFIs) generally, and multilateral development banks (MDBs) in particular, ICA is a relatively unique office model because it is a convergence of five typically distinct governance offices or functions, which, by their nature, are capable of being merged.

## Key policies

The strategic framework articulates an internal governance strategy pursuant to which the BOD approved four policies to enhance the Bank's internal governance. The policies are:

- (a) An Integrity and Ethics Policy;
- (b) A Whistleblower Policy;
- (c) A Compliance Policy; and
- (d) A Projects Complaints Mechanism Policy.

## Phased operationalisation

ICA commenced phased operationalisation of the Strategic Framework on December 1, 2015, immediately upon the appointment of its Head.

Work completed during 2016 included consultations, training, prevention exercises and investigations, but was dominated by the drafting of procedures required for phased operationalisation of three of ICA's five functions, namely the:

- (a) Institutional integrity function
- (b) Ethics function; and
- (c) Whistleblower function.

2017 is expected to be dominated by the drafting and implementing of procedures.



# The Strategic Framework for Integrity, Compliance and Accountability



Figure 1 - Strategic Framework for ICA

In addition, operationalisation of two other functions will commence this year:

- (i) Compliance function; and
- (ii) Accountability function, which will operate through a Projects Complaints Mechanism.

## Principles and pillars

The Strategic Framework is founded on four core principles: integrity; accountability; excellence; and transparency, along with four strategic pillars as illustrated on the following page.

The principles and pillars of the Strategic Framework provide the foundation for the suite of policies and procedures that emphasise building and strengthening the Bank's internal capacity in key governance areas.



Figure 2 - ICA's Strategic Pillars

## Pillar I

*Institutional integrity, ethics and whistleblowing (fraud and corruption)*

This pillar covers the promotion of institutional integrity (integrity), ethics, whistleblowing and the protection of whistleblowers from retaliation through an internal independent mechanism (whistleblower system). It covers the prevention, detection, and investigation of alleged violations and sanctions, and the imposition and enforcement of sanctions against wrongdoers.

When pillar I of the Strategic Framework is fully operationalised, ICA will effectively function in a manner similar to a typical:

- "Intake office" or "whistleblower function" for the: (a) confidential intake, secure handling, assessment and independent investigation of all allegations of violations of the policies and procedures of the Strategic Framework; (b) protection of whistleblowers from retaliation;
- "Integrity" or "investigative office" to promote integrity and work to deter, detect, investigate and recommend sanctions for all integrity violations, including fraud, corruption, collusion, coercion (prohibited practices) and other corrosive practices; and
- "Ethics office" that together with other functions like the Human Resources Division, works to promote ethics, prevent and investigate violations and recommend disciplinary action for violations of the Bank's Code of Conduct i.e. misconduct or ethics violations.

## **Pillar II**

*Compliance (anti-money laundering/countering the financing of terrorism (AML/CFT) and financial sanctions)*

When pillar II of the Strategic Framework is fully operationalised ICA will effectively function as a typical “Compliance Office”, overseeing the Bank’s compliance with standards, policies and procedures for AML/CFT, monitoring of financial sanctions and other compliance-related risks.

## **Pillar III**

*Project accountability*

When pillar III of the Strategic Framework is fully operationalised, ICA will, through its Projects Complaints Mechanism (PCM), effectively function as an “Independent Accountability Mechanism” (typically used by IFIs), to receive, respond to and work to resolve citizen-driven complaints of environmental and social harm allegedly caused by projects it finances.

## **Pillar IV**

*Collaboration*

Collaboration with other IFIs, development partners and other stakeholders to develop international best practices and to enhance the effectiveness of the Strategic Framework and ICA.

## **Tone from the top**

The Strategic Framework seeks to promote a top-down culture. This is manifested through a “tone from the top” which reinforces the principles and pillars of the Strategic Framework.



Figure 3 - Tone from the top

## **What do we mean by zero tolerance?**

The Strategic Framework seeks to balance the prevention of violations of the relevant policies and procedures with a 'zero tolerance' approach.

Zero tolerance means that the Bank will assess and pursue every credible allegation of a violation of the policies and procedures issued pursuant to the Strategic Framework. It refers to the Bank's practical and risk-based application of the Strategic Framework to wrongdoing, particularly, the assessment and investigation of allegations and the sanction and enforcement of violations.

It does not mean that the Bank aims only for "zero risk" and will avoid projects, interventions and work environments that are vulnerable to fraud and corruption. Rather, it describes the Bank's approach to ensuring, through its policies and procedures, that it can mitigate and respond promptly to relevant risks, as well as protect itself and its stakeholders from the consequences of any manifestation of those risks. This approach requires the Strategic Framework to be dynamic, and evolve in terms of its nature and scope to cover any new external risks that will arise in the future.

## **Alignment and refinement of the Strategic Framework**

The Strategic Framework is aligned as far as possible with international best practices. It is not static. It is intended to be refined continually to be consistent with modern best practices of IFIs and as appropriate to the Bank's operating environment, needs, size, risks and resources.

## **Scope of application of the Strategic Framework to activities**

The policies and procedures issued pursuant to the Strategic Framework are applied in the broadest possible manner to cover all relevant risks and violations related to CDB's internal and external activities, and systems and operations. These include projects financed by the Bank, the Bank's internal or corporate procurement and external or project-related procurement.

## **Scope of application of the Strategic Framework to persons**

The Strategic Framework applies to and for the benefit of:

- (a) Directors;
- (b) Staff;
- (c) borrowers, contractors, sub-contractors, consultants, vendors, suppliers, service providers, project promoters, sponsors, beneficiaries and, in general, relevant persons or entities dealing with the Bank in its own internal or corporate procurement or in external or project procurement, or otherwise involved in activities financed by the Bank;
- (d) counterparties and other organisations or entities with which the Bank deals in its borrowing, lending, grant-financing, equity, treasury or accessing of donations and similar activities;

- (e) parties not mentioned above but otherwise bound by special provisions, including integrity clauses, in the Bank's contracts and technical cooperation or assistance agreements; and
- (f) complainants who submit complaints to the Bank's whistleblower system but who do not otherwise fall within any of the categories listed above.

## The three lines of defense to ICA-related risks

BOD adopted the following three lines of defense as an approach to be applied to the Strategic Framework:

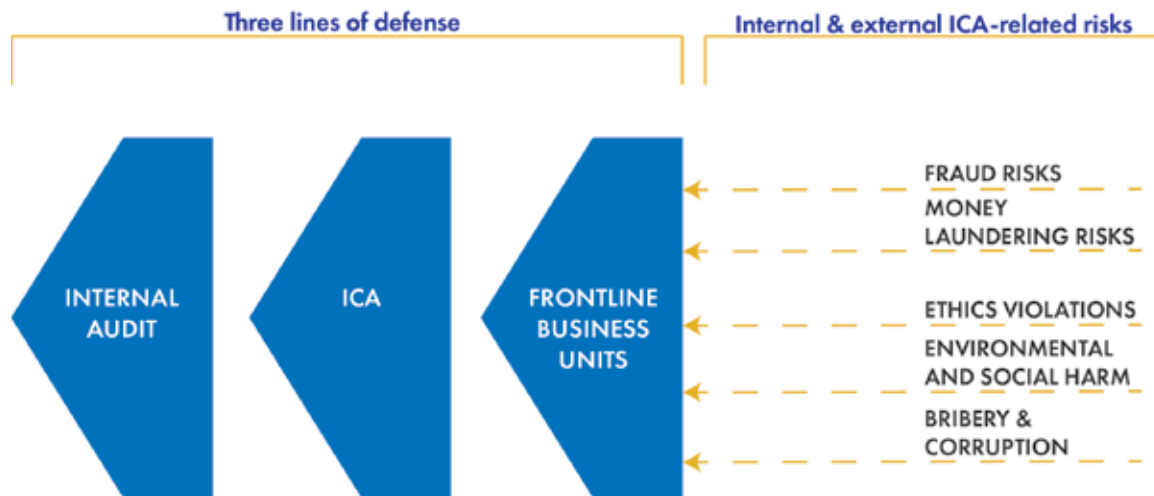


Figure 4 - The three lines of defense to ICA-related risks

- (a) **First Line** - relevant business line units, divisions, departments and offices of the Bank, working to prevent, detect, and report relevant risks and violations by relying on written policies and procedures, their knowledge of the Bank's counterparties and the particular circumstances of each activity being undertaken by the Bank;
- (b) **Second Line** – ICA as a dedicated internal independent office with preventive and investigative functions and necessary powers and authority; and
- (c) **Third Line** - internal and external auditors who review the Bank's compliance with the relevant policies and procedures issued pursuant to the Strategic Framework.

## The role of an independent ICA at the second line of defense

ICA plays a critical role at the second line of defense. Independence is fundamental to ICA's work, particularly: the effectiveness of its powers; authority to manage the Whistleblower System; and its broad investigative role under the integrity, ethics, compliance and accountability functions.

In this context, independence means operational independence; that the core work of ICA is functionally independent from management and the other units, divisions, departments and offices of the Bank. This operational independence enables the office to carry out its responsibilities, particularly its handling of whistleblower complaints, investigations, compliance activities and projects complaints, without the perception of interference, or any actual direct or indirect interference from any person.

ICA's specific powers and authority to carry out its work include unrestricted access to staff, records of the Bank and assets in the custody or control of the Bank. These powers are used only as necessary and appropriate for the conduct of its work, particularly investigations. Any such information accessed by ICA is subject to strict confidentiality and the Bank's standards for prudent management of information. Investigative work is done confidentially, so that all allegations, investigations and communications to persons who are subjects of, or interested parties, in investigations are treated with strict confidentiality.

ICA's procedures for investigations will aim as far as possible to be coherent and consistent with international best practices of other IFIs, including the Uniform Guidelines for Investigations but adopted as appropriate to suit among other things, the Bank's risks and resources<sup>1</sup>. ICA's strategy is to work expeditiously and collaboratively, as it deems necessary, with due regard to the need for optimisation of the Bank's human and financial resources, to advance the mission of CDB and protect its reputation.

When appropriate, ICA works with other IFIs for the conduct of due diligence and investigations on joint engagements at project level and agreements (typical among investigative offices) for collaboration and the sharing of information.

## **An outline of ICA's implementation and change management strategy**

ICA's change management and implementation strategy is fundamentally: (a) risk-based and proportional; (b) strategic, to emphasise the prevention of violations which will help to reduce investigation-related activity; (c) incremental; and (d) phased.

The strategy is to operationalise each pillar of the Strategic Framework in a phased and streamlined manner as appropriate to the Bank's operating environment, needs, size, risks and resources. ICA will conduct as many investigations as necessary in a prompt and fair manner, but does not measure its success only by the number of investigations conducted.

The success of the Strategic Framework is fundamental to: CDB's reputation and internal governance; stewardship of development resources; protection of its own assets from wrongdoing; ability to access finance; relevance to all of its stakeholders; and its overall development effectiveness.

To give the Strategic Framework the best chance to succeed and to measure its own effectiveness, ICA strategically prioritises effective prevention as a measure of its success over costly, time-consuming and potentially ineffective investigations.

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<sup>1</sup> As endorsed by the 10th Conference of International Investigators held on June 10-12, 2009 at the Dead Sea in Jordan.

## Risk assessments: ICA's risk radar 2016

The policies and procedures issued pursuant to the Strategic Framework are being designed to emphasise the use of a risk-based approach to the operationalisation of each pillar of the Strategic Framework. This covers the work of ICA, collaboration with other independent offices in the Bank as necessary, and the need to optimise the Bank's resources.

ICA works with BOD and the Bank's management to identify and proactively mitigate vulnerabilities to global Integrity, Ethics, Compliance and related risks that may also arise in the Bank's internal systems and external operations.

These are risks that may arise particularly from staff-related conduct and external client-related conduct, which may disrupt the Bank's mission, damage its reputation, and give rise to financial losses from fraud, corruption, money laundering and terrorist financing, and violation of financial sanctions. Some of these risks apparent during 2016 are illustrated below.



Figure 5 - ICA's risk radar 2016

## STATUS OF ALL ACTIVITIES, POLICIES AND PROCEDURES

Figure 6 shows of the status of all key activities to be undertaken and policies and procedures to be drafted for ICA's operationalisation of the Strategic Framework and its establishment and operation as a new office, as at the end of 2016.

All of the key polices issued pursuant to the Strategic Framework are in place and will be refined as necessary to address the evolution of the ICA-related risks faced by the Bank. The policies are:

- (a) Integrity and Ethics Policy;
- (b) Whistleblower Policy;
- (c) Compliance Policy;
- (d) Projects Complaints Mechanism Policy.

Procedures include documents used for planning and resourcing ICA, conducting risk assessments, reporting, training, accessing information, information sharing, and internal and external communications.

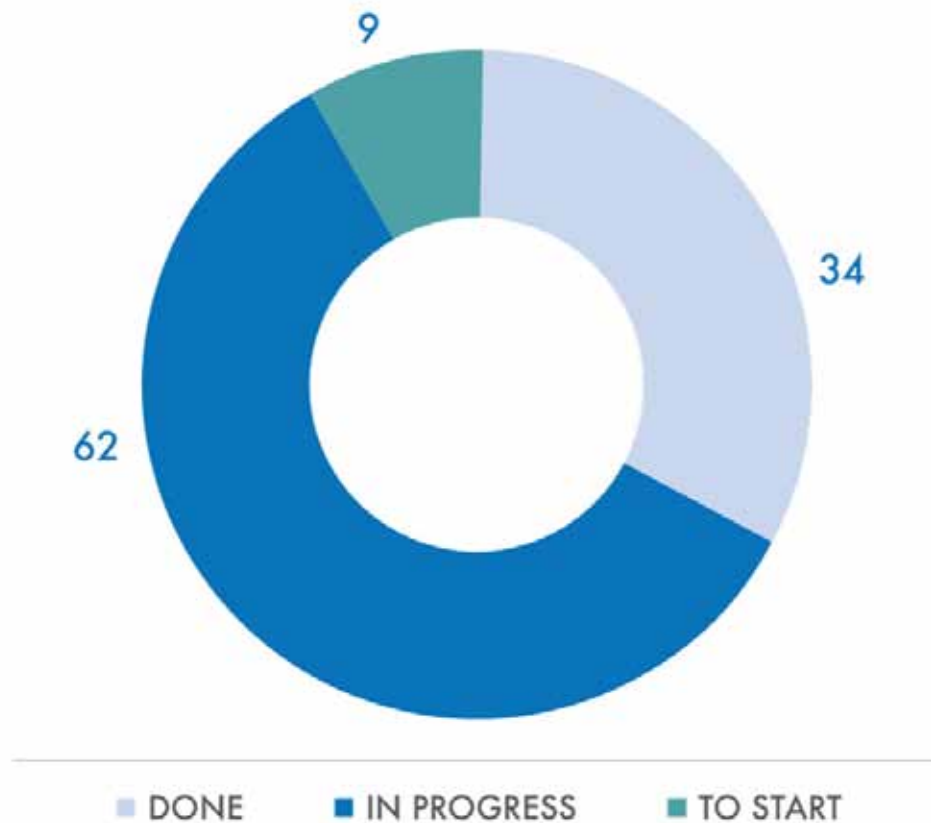


Figure 6 - Status of all 105 key activities, policies and procedures



# PILLAR I: WHISTLEBLOWING, ETHICS AND INTEGRITY

## Whistleblowing

ICA manages a whistleblower system, which provides complainants with multiple secure, confidential internal and external channels to report any suspected wrongdoing. Anonymous reports are also accepted. Reports are reviewed by ICA, which is able to provide whistleblowers (as far as possible and appropriate) with protection from retaliation. Information on how to reach the globally accessible system is prominently displayed on CDB's website.



ICA's contact information on CDB's website

Among the reporting channels available are a hotline and web form, both managed by an independent external third party provider.

## Whistleblower system: status of procedures

During 2016, ICA drafted procedures and took steps to fully operationalise and conduct training and limited outreach for the whistleblower system. At the end of 2016, drafts of eight procedures for intake mechanisms like the hotline and web form had been completed, together with internal procedures for handling complaints.

## Whistleblowing: intake and resolution statistics

### General intake statistics

The following charts illustrate general statistics on the number of contacts made with the whistleblower system from various sources and how matters relevant to ICA's work were resolved.

"Contacts" means every communication or enquiry made through the various reporting channels. The email system was the most heavily used but most of the communication received were unrelated to the Bank's work.

During 2016, 1026 contacts were received through the whistleblower system, as illustrated below.



Figure 7 - Sources of intake contacts during 2016

Figure 8 displays the raw intake contact statistics for the whistleblower system during 2016. Most of the contacts received (including those filtered for spam) did not concern matters related to CDB or ICA's mandate.

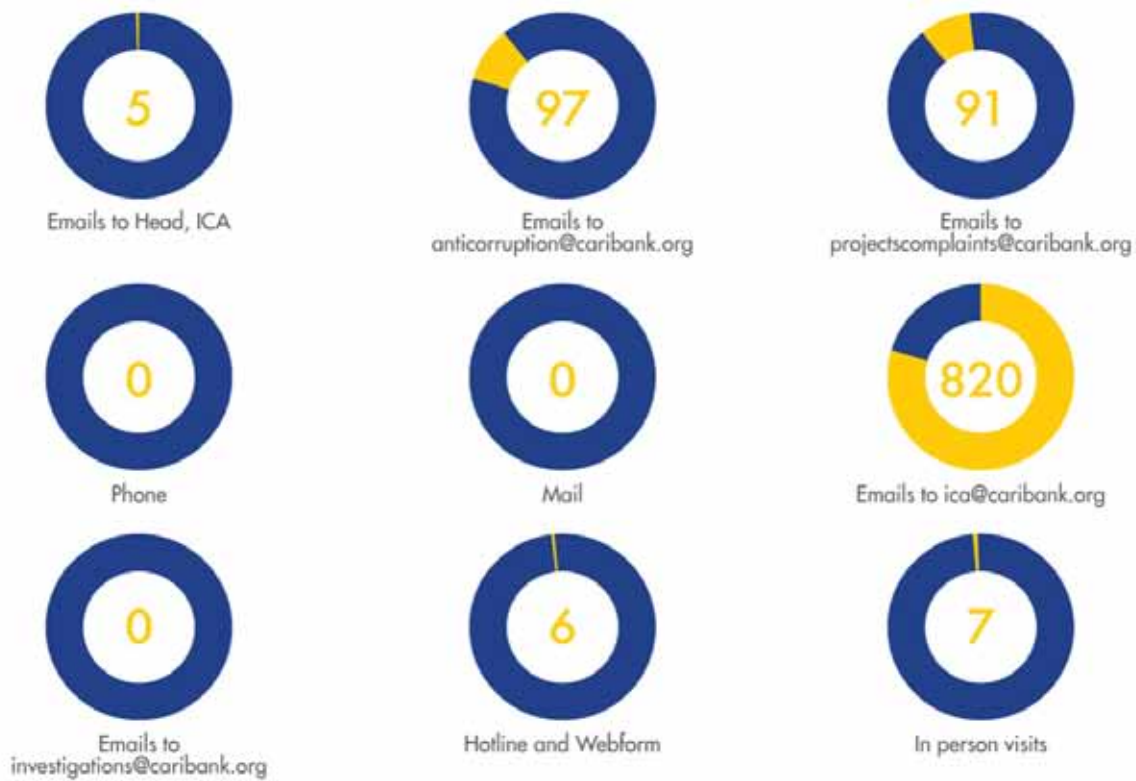


Figure 8 - Number and form of intake contacts during 2016

## General statistics on resolution of matters

The chart below illustrates matters resolved successfully in 2016. It is important to note that: (a) the investigation, sanctions and enforcement mechanisms under pillar I are not yet fully operationalised; (b) the accountability function under pillar III is not yet operationalised; and (c) formal outreach has not yet commenced.

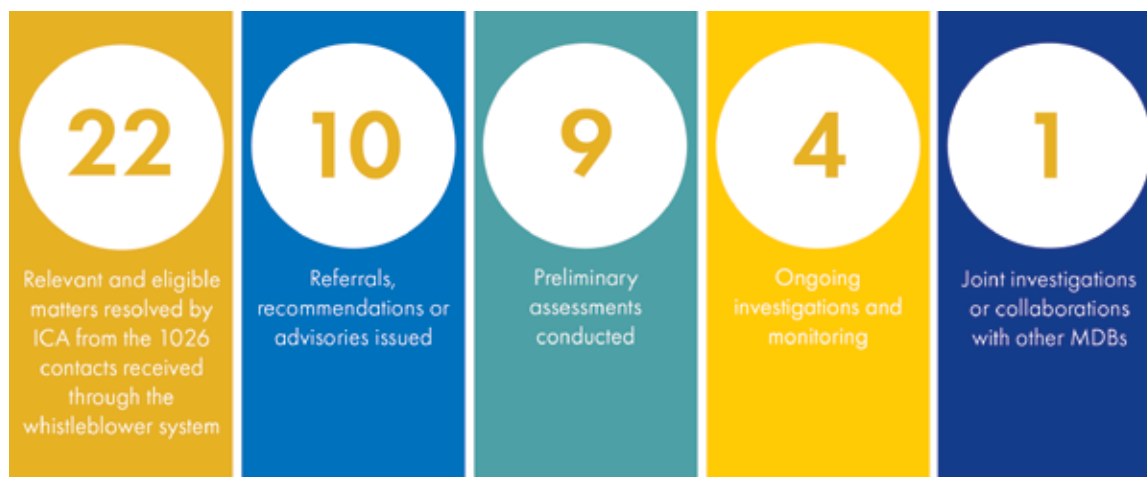


Figure 9 - General resolution statistics in 2016

## **Institutional integrity: procedures**

ICA is drafting procedures and taking steps to fully operationalise the Integrity and Ethics functions under pillar I. As at December 2016, drafts of 14 procedures were completed. Five groups of procedures are currently being drafted, including an investigation manual of standard operating procedures for all ICA integrity and ethics investigations, training aids and outreach.

## **Institutional integrity: prevention**

In addition to intake and investigative work, ICA conducted consultations and training exercises in 2016, aimed at promoting prevention of fraud, corruption and other corrosive conduct in the Bank's internal systems and external operations.

## **Prevention: integrity due diligence (IDD)**

ICA has drafted guidelines and a 'red flags' checklist for public and private sector IDD. These guidelines are intended to:

- (a) provide written guidance to Bank staff;
- (b) provide a mechanism to enable staff at the first line of defense to identify red flags;
- (c) ensure that the appropriate scrutiny and levels of controls are in place for potential and ongoing engagements with the Bank's counterparties; and
- (d) enable the conduct of appropriate integrity due diligence in the Bank's public and private sector operations to mitigate and manage any potential integrity risks, to protect the Bank generally and to enable better decision-making during the course of those operations.

## **Prevention: internal advisories for institutional integrity and ethics**

During 2016, ICA took proactive steps to prevent the occurrence or recurrence of integrity and ethics violations. These steps included consultations, training, engagements with internal personnel involved in financial management and procurement processes, provision of specific guidance, and general advice on controls and the use of other tools like internal advisories.

## Sample case study 1:

### **Integrity– fraudulent documents (internal fraud advisory)**

A firm, through its representatives, submitted fraudulent bid documents (fake financial resources and audited financial statements) during procurement processes for two related CDB-financed projects.

The attempted fraud was identified by the country office and reported internally by Bank Staff. ICA commenced immediate investigative steps and preventive steps to avoid a recurrence of this attempted fraud. This included issuing an Internal Fraud Advisory (IFA) regarding the entities involved in the attempted fraud. The IFA included the names of all parties directly and indirectly involved with a request that if they are encountered, Staff should immediately suspend the activity or operation and notify ICA.

## **Investigations: preliminary assessments**

Procedures and mechanisms for investigations, sanctions and enforcement of sanctions are being drafted and this includes the establishment of a sanctions function and sanctions appeal function. In the interim ICA continues to conduct investigative work, particularly screening and preliminary assessments.

## Sample case study 2:

### **Ethics– conflicts of interest**

ICA received a complaint from a senior member of staff which raised concerns primarily about conflicts of interest, undue influence, undermining of CDB's supervision and diligence arising from an engagement by the Bank with a company.

ICA conducted a preliminary assessment of the complaint and made a determination that the complainant was credible and reliable but the complaint and evidence in support of the concerns raised did not satisfy the criteria necessary to warrant an investigation. Key concerns were non-specific, non-verifiable, relatively immaterial and not actionable. It was also determined that there were other more appropriate and cost-effective means available, other than an investigation, to resolve some key concerns raised by the complaint, and two recommendations were provided to management to mitigate and address the concerns raised. ICA will continue to monitor the concerns raised and intervene as necessary in the future.

## **PILLAR II: COMPLIANCE**

### **Compliance: procedures**

ICA is drafting procedures and taking steps to fully operationalise the compliance function under pillar I. During 2016, three sets of draft procedures and questionnaires for the conduct of customer due diligence on Bank counterparties were completed. In accordance with the phased operationalisation plan, drafts of thirteen compliance procedures have commenced and are expected to be completed during 2017. This includes procedures related to investigations, onboarding counterparties, wire transfers and training aids.

### **Compliance: presentations on global AML/CFT issues**

In addition to work on the compliance procedures ICA has been involved in activities with external parties to advance and sharpen international best practices related to matters covered by the compliance function, including:

- (a) presentations on corruption and the laundering of the proceeds of corruption at annual and other chapter meetings of the Association of Certified Anti-Money Laundering Specialists (ACAMs), and the Association of Certified Fraud Examiners (ACFE);
- (b) a presentation at the Internal Auditors Association of Barbados on the role of the compliance function; and
- (c) various fora (as illustrated below) with other IFIs, regulators, banks and other stakeholders related to de-risking and the decline in correspondent banking relationships, financial inclusion and the economic and social impacts on banks and countries being excluded from the global financial system due to money laundering concerns.

### **Compliance: ICA's contribution to finding solutions to de-risking**

ICA's mandate includes providing guidance to management on correspondent banking relationships. The Office has contributed significantly to the Bank's response to the global challenges and regional impacts of de-risking and the decline in correspondent banking relationships.

Among various written contributions, in May 2016, the Head, ICA drafted the Bank's Staff Discussion Paper titled *"Strategic Solutions to De-risking and the Decline of Correspondent Banking Relationships in the Caribbean"*, which has been cited in the international press and a June 2016, study on the subject conducted by the IMF, and co-drafted with the Economics Department, the Bank's Policy Brief on the subject *"Decline in Correspondent Banking Relationship: Economic and Social Impact on the Caribbean and Possible Solutions."* Both papers are published on the Bank's website.



*CDB Staff Discussion Paper: "Strategic Solutions to De-risking and the Decline of Correspondent Banking Relationships in the Caribbean"*

The Head, ICA, attended many fora to represent the Bank on the issue of de-risking including the World Bank/ACAMS Stakeholder Dialogue Meeting on De-risking, held in Washington, D.C. from May 31 to June 1, 2016 and the plenary of the Caribbean Financial Action Task Force (CFATF).



*(L-R) Toussant Boyce, Head, ICA, CDB, Je-Yoon Shin, President of the Financial Action Task Force (FATF) and The Hon. Faris Al-Rawi, the Chairman of CFATF.*

## **Institutional integrity and compliance: Conferences, meetings and training**

The following is a sample of ICA's speaking engagements and active collaborations with its IFI partners and global stakeholders during 2016:

- ACAMS and ACFE Annual and Chapter Meetings on Money Laundering and Financial Crime
- MDBs Private Sector Integrity Meeting
- CFATF Plenary – Session on De-risking
- World Bank/IMF/FSB Roundtable on De-risking
- CAPri/JN Meeting and Roundtable on De-risking
- World Bank/ACAMS Stakeholder Roundtable on De-risking Solutions
- Institute of Internal Auditors Barbados Chapter on AML/CFT National Risk Assessments
- Caribbean Association of Bankers CEO Meeting on De-risking
- Annual Conference of International Investigators
- ECCB Annual Conference with Commercial Banks



*Toussant Boyce (L), Head, ICA receiving a certificate from Martin Kreutner, the Dean and Executive Secretary of International Anti-Corruption Academy (IACA) at the Annual Conference of International Investigators in Vienna, Austria.*



## **Compliance: presentations on international AML/CFT standards**

The Head, ICA was invited to deliver presentations and contributions on international AML/CFT standards at various events, including to a global audience of AML/CFT professionals for the enhancement and advancement of international standards. These activities are consistent with pillars II and IV of the Strategic Framework.

## **PILLAR III: ACCOUNTABILITY**

### **Accountability: procedures**

ICA has commenced limited work on the procedures for the pillar III accountability function which is phased for operationalisation in 2017. As at December 2016, seven draft procedures were in progress, including operational guidelines for the Projects Complaints Mechanism and complaints handling procedures for eligibility of complaints. Also started were procedures for dispute resolution, compliance review and investigations together with frequently asked questions and training aids.

## **PILLAR IV: COLLABORATION**

### **Collaboration - cooperation and information sharing**

ICA has entered into an Agreement for Cooperation and Information Sharing with a strategic international financial institution.

The Agreement will facilitate prompt, efficient and reliable exchange of information for the detection, substantiation and prevention of fraud and corruption. It will also enable both institutions to, among other things: undertake joint investigative activities; engage in activities of common interest; refer to each other enquiries and recommendations pertaining to investigations and actions; facilitate the effective and confidential transmission of information exchanged; and arrange meetings to identify possible priority areas for cooperation on common strategic or operational objectives.

This Agreement is aligned with ICA's strategy under the implementation plan to collaborate, cooperate with and learn from other institutions with robust and mature integrity offices. ICA will pursue and negotiate similar agreements and memoranda of understanding with other integrity offices and, ultimately, will seek to learn from and demonstrate our ability to work with credible investigative counterparties.

Further collaboration efforts included the holding of discussions with the Caribbean Financial Action Task Force and collaboration with the World Bank-led Drivers of Corruption Forum held annually in Washington, D.C. USA

## TRAINING AND CONSULTATIONS

Consistent with its strategy to emphasise prevention, ICA delivered effectively on its mandate to consult with and conduct mandatory and voluntary training and awareness for management and staff during 2016.

There were three general consultations and six targeted consultation sessions on proposed ICA procedures which were attended by 61 staff members.

ICA also conducted three mandatory and voluntary training sessions on the Whistleblower System, Institutional Integrity and Ethics functions.



*CDB staff attending an ICA training session in 2016.*

Attendance and participation, at these training and awareness sessions was very high, with a 93 percent attendance rate. ICA conducted a short 'Orientation and Training' session for the Board in March 2016 and a Training Session for OAC in December 2016. A special training session for management was also completed, consistent with ICA's mandate of promoting a top-down approach to enhancing CDB's culture of ethics and integrity.



*Figure 10 - Attendance at ICA consultations and training in 2016*

## Training effectiveness – staff survey

Figure 11 below illustrates sample responses from a staff survey on ICA training. Importantly, they help ICA and OAC to assess the overall effectiveness of training delivered in 2016 <sup>2</sup>.

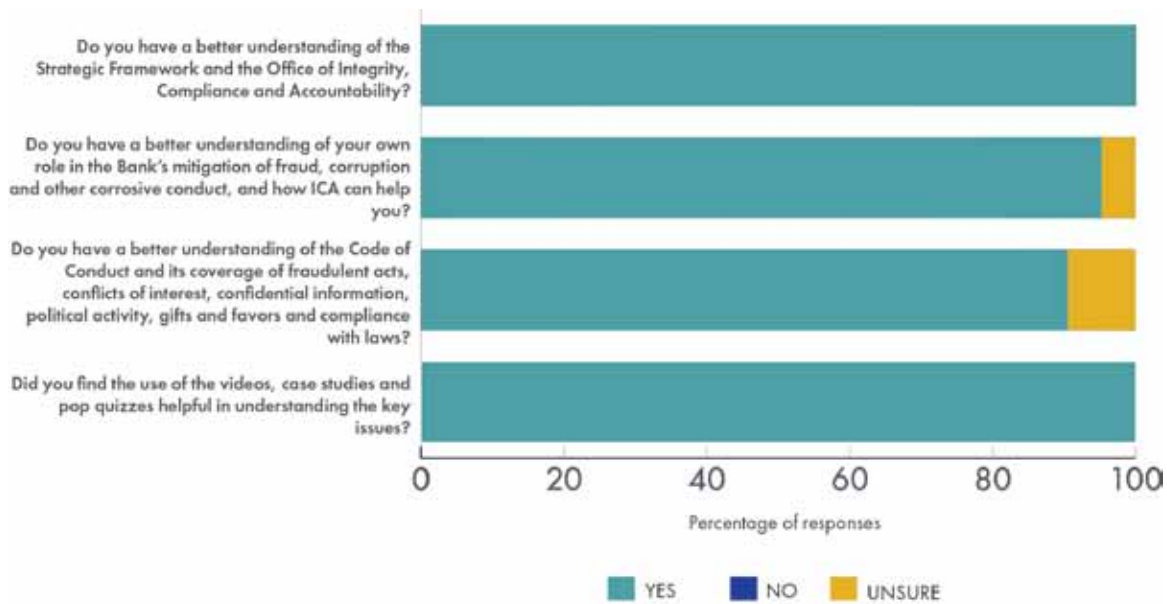


Figure 11 - Sample of response from staff survey on ICA training

## CDB's ANTI-CORRUPTION WEEK 2016

Corruption is the single greatest obstacle to economic and social development around the world, according to official data from the United Nations and its anti-corruption partners. In observance of International Anti-Corruption Day on December 9, 2016, ICA launched the first ever observance of an “Anti-Corruption Week” at CDB.

CDB's Anti-Corruption Week coincided with the week of the December 2016 Meeting of the BOD. This provided an opportunity for OAC and the Board to be notified of the observance and for ICA to conduct training for OAC.

The Week's observances included slide show displays and mandatory and voluntary training for all staff.

<sup>2</sup> a sample of 32 responses.



## CHALLENGES

ICA is cognisant of, and actively engaged in, managing the following challenges:

1. **The relatively embryonic state of the Office and novelty of its model.** There is a need to carefully manage the convergence of five functions into a single office while dealing with embedded culture, systems and practices within the Bank. This challenge places great pressure on ICA to operationalise the Strategic Framework while continually educating stakeholders about the Office's existence and role. Stakeholders and observers (within and outside of the Bank) who are unfamiliar with the specifics of ICA's model and strategy tend to base some of their expectations and to make comparisons with more mature offices that manage single functions (e.g. integrity investigations) in larger MDBs. This challenge can only be resolved over time and with more education and awareness, including through in-reach and out-reach exercises;
2. **Difficulty in measuring success of an Office like ICA.** This challenge takes into consideration that ICA's strategy during operationalisation of the Strategic Framework is not to measure success only by the number of preliminary assessments and investigations it conducts but rather, by an approach that emphasises the prevention of violations.

## OUTLOOK FOR 2017

ICA's Implementation and Change Management Strategy will yield great benefits to the Bank, by enhancing pursuit of its mission, and particularly its ability to remain relevant to its borrowing member countries. It will also enable the Bank to enhance governance of its internal systems, fulfil its fiduciary obligation to ensure that its funds are used only for the purposes intended and to fulfil its other general obligations, including to deliver projects that do not cause social and environmental harm.

Despite the challenges during 2016, ICA successfully advanced its phased, accelerated and risk-based operationalisation of the Strategic Framework. ICA expects to continue delivering successfully on its work plan in 2017, in accordance with its operationalisation strategy, while incorporating lessons learned during 2016.

# REPORTING FRAUD, CORRUPTION AND ETHICS VIOLATIONS

Complaints about suspected fraud and / or corruption may be submitted to ICA through / by:

1. Telephone: The globally accessible Whistleblower Hotline at 770-409-5029;
2. The online Whistleblower Webform;
3. Email to ICA at [ica@caribank.org](mailto:ica@caribank.org);
4. In-person visits to ICA and
5. Mail (whether posted or hand delivered marked Strictly Confidential) to ICA at the following address:

*Head, Office of Integrity, Compliance and Accountability  
Building A  
Caribbean Development Bank  
Willey  
St. Michael  
BARBADOS*





CARIBBEAN DEVELOPMENT BANK  
P.O. Box 408, Wilkey, St. Michael, Barbados  
Tel: (246) 431-1600 Fax: (246) 426-7269  
E-mail [info@caribank.org](mailto:info@caribank.org)