

Conflict of Interests – Red Flags

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Red flags





Q8



Red flags

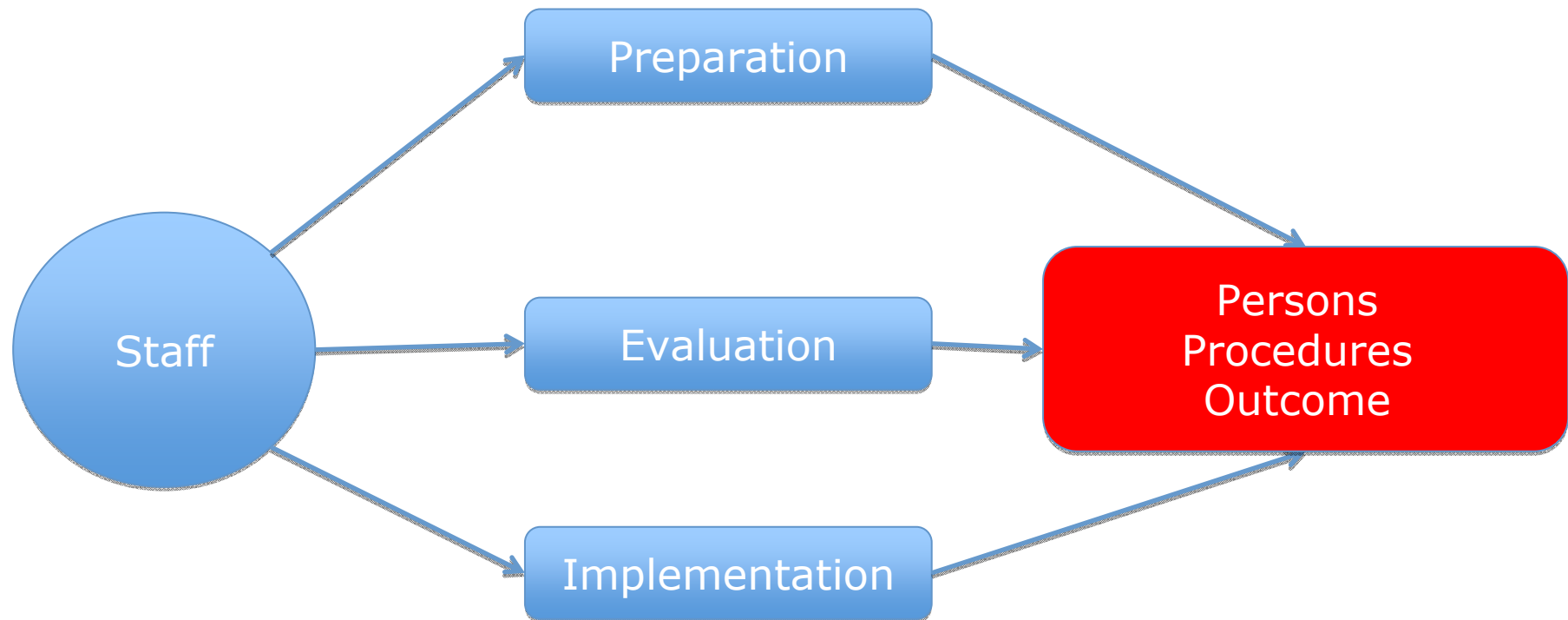
Red flags **are:**

warning signals, hints, indicators of possible fraud!

The existence of a red flag does **not** mean that fraud exists but that a certain area of activity needs extra attention to exclude or confirm potential fraud.

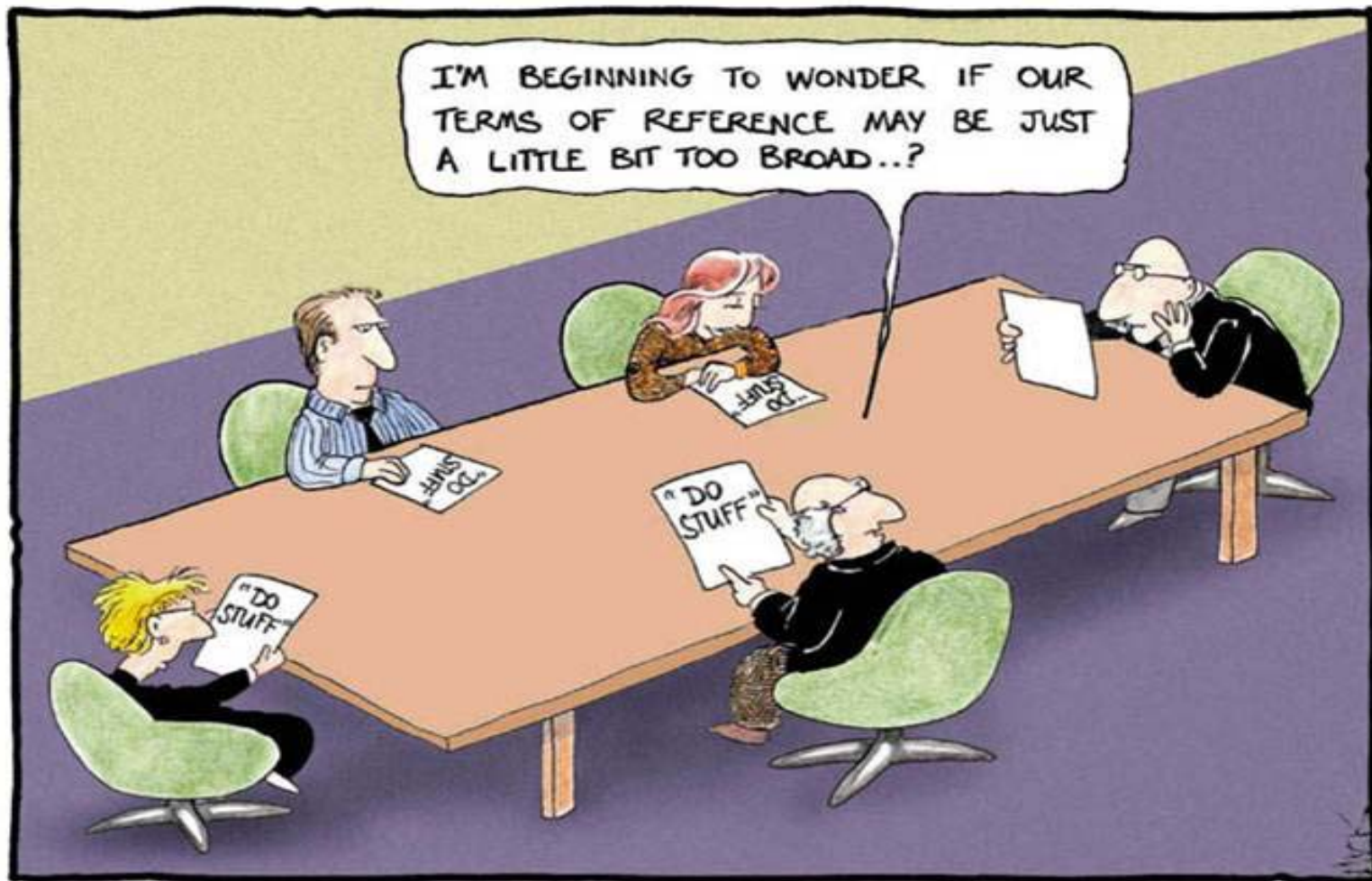
Some patterns, practices and specific forms of activity are red flags that **could signal** irregularities or fraud.

Red flags



Red flags

Preparation





Red flags

Preparation

Persons

Procedure

Outcome

- Relatives
- Former employments
- Unusual questions
- Choice of procedure
- Strange criteria
- Short deadlines
- Smurfing
- Decoupling



Red flags

Evaluation





Red flags

Evaluation

Persons

- Lack of expertise
- Monopolisation

Procedure

- Subjective elements
- Limited response
- Unknown companies

Outcome

- Modification in documents
- Missing obligatory information
- Incomplete address



Red flags

Implementation





Red flags

Implementation

Persons

Procedure

Outcome

- Questionable changes
- Unusual behaviour
- Changes to clauses
- Changed legal status
- Delays
- Lack of methodology
- Changes in terms of reference
- Reduced quality
- Lack of supporting documents



Red flags

Verification





Red flags

Verification

Persons

Procedure

Outcome

- Verify CoI declaration
- Check open sources
- Confirm expertise
- Adequate training
- Procedures followed
- Require independent review
- Verify controls
- Verify physical existence of deliverables
- Site visits



Q9

COUNTERTHINK

