



Bank Guidance

Integrity Audits

Bank Access to Information Policy Designation

Public

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Content

This Guidance describes the cooperation between the Integrity Vice-Presidency and those subject to the World Bank's Inspection and Audit Rights.

Applicable to

IBRD, IDA

Issuer

Managing Director and WBG Chief Administrative Officer,
MDCAO

Sponsor

Senior Vice President and General Counsel, LEGVP; Vice
President of Integrity, INTVP

SECTION I – PURPOSE AND APPLICATION

1. This Guidance on Integrity Audits relates to the expected cooperation between INT and those subject to the World Bank's Inspection and Audit Rights. — *i.e.*, the firms, NGOs, or individuals upon whom INT invokes the Bank's Inspection and Audit Rights.
2. This Guidance applies to Integrity Audits in the framework of IBRD and IDA.

SECTION II – DEFINITIONS

As used in this Guidance, the capitalized terms and acronyms have the meaning set out in: (a) the WBG Policy: Sanctions for Fraud and Corruption; (b) the Anti-Corruption Guidelines, the Consultant Guidelines, the Procurement Guidelines, and the Procurement Regulations; (c) the Sanctions Procedures; and (d) below:

- i. **Anti-Corruption Guidelines:** refers to the Bank Directive: Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants.
- ii. **Bank or World Bank:** IBRD and IDA, or both, as applicable (whether acting in its own capacity or as administrator of trust funds funded by other donors).
- iii. **Bank-Financed Activity:** an investment project or operation, for which IBRD or IDA (as the case may be), whether acting for its own account or in the capacity as administrator of trust funds funded by donors, has provided financing in the form of a loan, credit or grant, and governed by the Procurement Guidelines or Anti-Corruption Guidelines.
- iv. **Consultant Guidelines:** refers to the Bank Policy: Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers.
- v. **Inspection and Audit Rights:** right of the Bank to inspect all accounts, records and other documents relating to the procurement process, selection and/or contract execution, and to have them audited by auditors appointed by the Bank (pursuant, *inter alia*, to the Procurement Regulations, the Consultant Guidelines, the Procurement Guidelines, the Anti-Corruption Guidelines, Bank-standard procurement documents, and Bank-financed contracts).
- vi. **INT:** Integrity Vice Presidency of the World Bank Group.
- vii. **Integrity Audit:** fact-finding reviews that apply the Inspection and Audit Rights found in the Procurement Guidelines, the Consultant Guidelines, the Procurement Regulations, the Anti-Corruption Guidelines, Bank-standard procurement documents, and Bank-financed contracts.
- viii. **Obstructive Practice:** a sanctionable practice, as defined in the Procurement Guidelines, the Consultant Guidelines, the Procurement Regulations, the Sanctions Procedures and the Anti-Corruption Guidelines.

- ix. **Procurement Guidelines:** refers to the Bank Policy: Guidelines: Procurement of Goods, Works and Non-Consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers.
- x. **Procurement Regulations:** refers to the World Bank Procurement Regulations for IPF Borrowers.
- xi. **Sanctions Procedures:** refers to the Bank Procedure: Sanctions Proceedings and Settlements in Bank Financed Projects.

SECTION III – SCOPE

A. Background

1. IBRD's and IDA's Articles of Agreement require the Bank to make arrangements to ensure that the proceeds of Bank financing are used only for their intended purposes, with due attention to considerations of economy and efficiency. The Bank's investigative and sanctions systems are integral parts of these fiduciary arrangements.
2. INT is responsible for identifying, investigating, deterring, and preventing fraud and corruption affecting Bank-Financed Activities. As part of this work, INT conducts fact-finding reviews (Integrity Audits) that apply the Inspection and Audit Rights.

B. What Is an Integrity Audit?

1. Integrity Audits are forensic in nature. They form an integral part of INT's fact-finding activities, and may be conducted by INT, or by persons appointed by INT to address specific aspects of an INT review.
2. Consistent with Procurement Regulations Annex IV, Integrity Audits include, but are not limited to, accessing, examining, evaluating, and verifying—in hard copy or electronic format, and through inquiry and interview testimony—financial information, books and records, supporting documents, correspondence, bids, bid preparation documents and calculations, and any other documents, data or information deemed relevant by INT. Integrity Audits also may include performing physical inspections and site visits, and/or obtaining third party verification of information, as deemed necessary by INT.

C. The Integrity Audit Process

1. Consistent with *inter alia* the Procurement Regulations, the Procurement Guidelines, the Consultant Guidelines, the Anti-Corruption Guidelines, Bank-standard procurement documents, and Bank-financed contracts, INT may invoke the Inspection and Audit Rights, and commence an Integrity Audit, at any time in respect of entities and persons who are subject to Inspection and Audit Rights.
2. To prepare for an Integrity Audit, INT may provide the subject of an Integrity Audit with an initial list of the documentation and information required by INT at the beginning of the Integrity Audit. INT may, in its discretion, expand or modify this list during the Integrity Audit.

3. Integrity Audits may continue until INT is satisfied that the information collected is complete and accurate. “Complete and accurate” takes into account that:
- a. The subject of the Integrity Audit has: (i) provided INT with all requested information that INT deems relevant to the matters that INT is reviewing; (ii) permitted INT to make and take copies of that information as INT deems relevant; and (iii) not omitted or withheld information from INT. The full performance or conclusion of a contract does not exempt that contract from an Integrity Audit, and does not provide a basis for withholding related information from INT.
 - b. The subject of the Integrity Audit has enabled INT to: (i) understand and document the source of provided information; (ii) test, verify and analyze any and all transactions and records that INT deems relevant; (iii) independently verify provided information through means that may include but not be limited to: reviewing additional hard copy or electronic information, and/or interviewing the subject’s employees; and (iv) verify the completeness of the subject’s information production to INT, which may require a review of information and records that the subject did not initially classify as related to the Integrity Audit.
 - c. The subject of the Integrity Audit has enabled INT to interview its staff, which includes management, employees, contractors, agents, or other individuals empowered to act on the subject’s behalf.
 - d. If requested by INT, the subject of the Integrity Audit prepares a letter that: (i) describes the process it undertook to preserve, collect and produce information; (ii) identifies the individuals involved in this process, the people and places from which information was collected, and the criteria used to determine whether information should be produced to INT; and (iii) states that the subject of the Integrity Audit has provided complete and accurate information to INT.
 - e. If the subject of the Integrity Audit believes that the Inspection and Audit Rights may conflict with its contractual obligations with third parties, or with applicable national laws regarding privacy, confidentiality, data protection, state secrecy, or analogous issues, it cooperates with INT to find a way to fulfill both its Integrity Audit obligations and any other legal obligations that apply to it.
 - f. Like Integrity Audit subjects themselves, parties that act on behalf of Integrity Audit subjects—including their legal counsel—are expected to cooperate fully with INT regarding the Integrity Audit. Should such parties choose to attend an Integrity Audit, the Bank expects their attendance to not delay, impede or otherwise obstruct the conduct of the Integrity Audit.

D. Integrity Audits and Obstructive Practice

As stated in the Sanctions Procedures, the Bank has established “obstructive practice” as a Sanctionable Practice and basis for imposing Sanctions. If INT deems that an Integrity Audit subject’s failure to cooperate during an Integrity Audit, either directly or through a representative, is intended to materially impede the exercise of the Inspection and Audit Rights, then INT may seek to initiate sanctions proceedings against the subject, and/or its representatives subject to the jurisdiction of the Sanctions System, for that obstructive practice as set forth in the Sanctions Procedures. Acts intended to materially impede the

exercise of Inspection and Audit Rights may be considered an aggravating factor when a sanction is imposed in accordance with the Sanctions Procedures.

SECTION IV – OTHER PROVISIONS

This Guidance provides information to those subject to Integrity Audits. It does not, and is not intended to, bind the Bank or confer, impose, or imply any duties or obligations on the Bank. Nothing herein should be interpreted as affecting the Bank's rights and obligations under its rules, policies and procedures, or the Bank's privileges and immunities.

SECTION V – EFFECTIVE DATE

This Guidance is effective as of the date on its cover.

SECTION VI – ISSUER

The Issuer of this Guidance is the Managing Director and Chief Administrative Officer.

SECTION VII – SPONSORS

The Sponsors of this Guidance are the Senior Vice-President and General Counsel, and the Vice-President of the Integrity Vice-Presidency Unit.

The Integrity Vice-Presidency Unit is responsible for the day-to-day implementation of this Guidance, and the Legal Vice-Presidency of the interpretation of this Guidance.

SECTION VIII – RELATED DOCUMENTS

1. World Bank Group Policy: Statute of the Sanctions Board
2. World Bank Group Policy: Sanctions for Fraud and Corruption
3. Bank Directive: Sanctions for Fraud and Corruption in Bank Financed Projects
4. Bank Directive: Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants
5. Bank Procedure: Sanctions Proceedings and Settlements in Bank Financed Projects
6. Bank Guidance: Sanctions for Fraud and Corruption in Bank Financed Projects
7. Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers
8. Guidelines: Procurement of Goods, Works and Non-Consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers

9. Senior Vice President and General Counsel, Advisory Opinion On Certain Issues Arising In Connection With Recent Sanctions Cases, No. 2010/1, November 15, 2010
10. The World Bank Procurement Regulations for IPF Borrowers

Questions regarding this Guidance should be addressed to the Sponsors.
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