

Annual Report on Norad's Investigation Cases 2025

By The Internal Audit and Investigations Unit, Norad

Internal Audit and Investigations Unit



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2025

The Internal Audit and Investigations Unit, Norad

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Introduction

Zero tolerance for corruption and other types of financial irregularities is a fundamental principle within Norwegian development aid. Spending development aid on things other than the agreed purposes will reduce the hoped for progress and thereby undermine our joint efforts to achieve the Sustainable Development Goals. Norad endeavours to mitigate risk and prevent financial irregularities in all its development aid grants.

Norad grant recipients are responsible for ensuring that all public funds are spent in accordance with the grant agreement. This includes ensuring that the use of funds complies with the approved implementation plan and budget, and that the expenditure can be documented. Effective prevention and risk management will reduce the likelihood of funds being misused. In the event of suspected irregularities, grant recipients and employees in development aid administration must immediately report the matter to Norad.

Any failure to comply with stipulated conditions and requirements for the use of public funds will result in sanctions. Norad's agreements with grant recipients include provisions for sanctions in cases of irregularities or violations, in the form of full or partial repayment of grants and/or termination of the agreement in cases involving material breaches of agreement.¹

Norad's Internal Audit and Investigations Unit receives and processes all cases of suspected financial irregularities or sexual exploitation, abuse, or sexual harassment (SEAH) related to Norad's funds. This annual report presents some of the results of this work in 2025. The purpose of the report is to raise awareness about the risk of irregularities in the management of development aid.

How to Report

Suspicious of illegal, unethical, or unacceptable conditions can be reported openly or anonymously to Norad via email: varsling@norad.no.

In collaboration with the Norwegian Ministry of Foreign Affairs, the Norwegian Ministry of Climate and Environment, Norfund, and Norec, Norad has an external whistleblowing channel managed by the consultancy firm EY. This external channel provides employees and external partners with an alternative means of contacting Norad and also accepts anonymous reports. More information about the external whistleblowing channel can be found at <https://www.norad.no/aktuelt/varslingstjeneste>.

¹ There are separate agreements for multilateral institutions, funds, and development banks. Multinational organisations and several global funds follow up on notifications themselves, and they investigate many thousands of potential cases of financial irregularities each year. These organisations' websites contain specific reports on whistleblowing cases.

Investigations

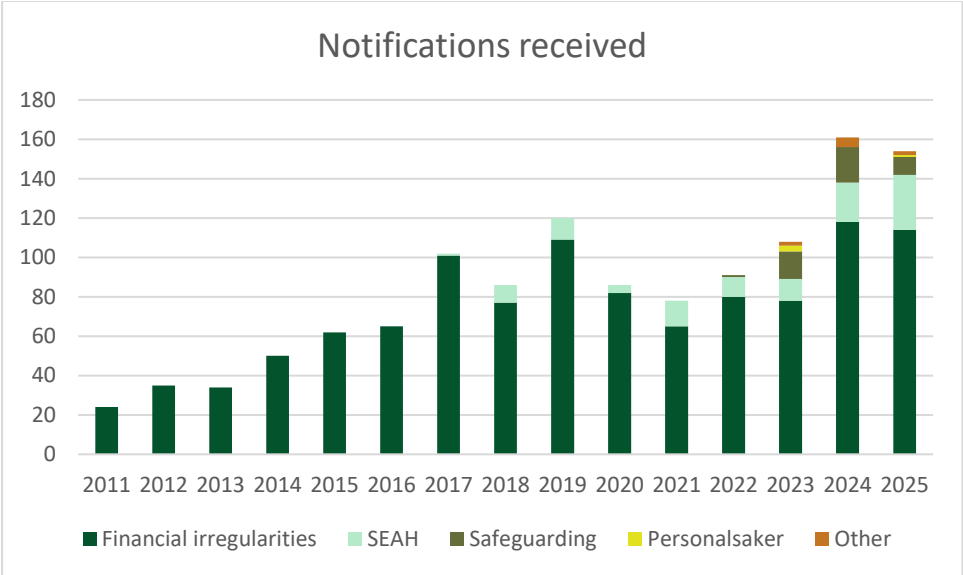
When Norad’s Internal Audit and Investigations Unit finds grounds for suspecting irregularities involving Norad’s funds, an investigation is opened. Consideration will be given to suspending payments to the recipients in question until the matter has been resolved or sufficient risk mitigation measures have been implemented. Decisions to suspend (freeze) funds are made, as far as possible, in consultation with the Norad grant recipient and the Norad department responsible for the agreement. The purpose of suspending financial support is to protect public funds. Suspension will come into effect if the internal control systems of the grant recipient or implementing partner is deemed inadequate. In cases concluded in 2025, funds were frozen in about 15% of them. Often, the grant recipient themselves has frozen funds to their local partner when the matter is reported to Norad.

In SEAH cases, Norad may also temporarily freeze payments to the partner or terminate the grant agreement if the organisation does not handle the incident as required by the agreement.

Norad’s Internal Audit and Investigations Unit is responsible for ensuring that all cases are adequately investigated. In some instances, external expertise is brought in to conduct a special audit. If the grant recipient wishes to investigate the matter themselves or initiates an external investigation, the suspicion must still be reported immediately before any internal investigations are commenced. Investigations conducted by the grant recipient themselves must be carried out in consultation with Norad’s Internal Audit and Investigations Unit. In 2023, the Internal Audit and Investigations Unit published a document outlining [considerations for conducting investigations](#). Such special audits are not performed according to established global or national standards, so the preparation of the Terms of Reference and adherence to them play a crucial role in delivering a useful report.

The term “financial irregularities” is used in Norad’s agreements as a collective term for financial matters that are unlawful or involve the misuse of Norad funds. Examples include corruption, embezzlement, fraud, theft, favouritism/nepotism, or other abuses of position, deliberate misrepresentation of financial or non-financial matters, and any use of project funds not in accordance with the implementation plan and budget. The cases reported to Norad’s Internal Audit and Investigations Unit encompass all of these categories.

Financial Irregularity, SEAH and Safeguarding Cases Processed in 2025

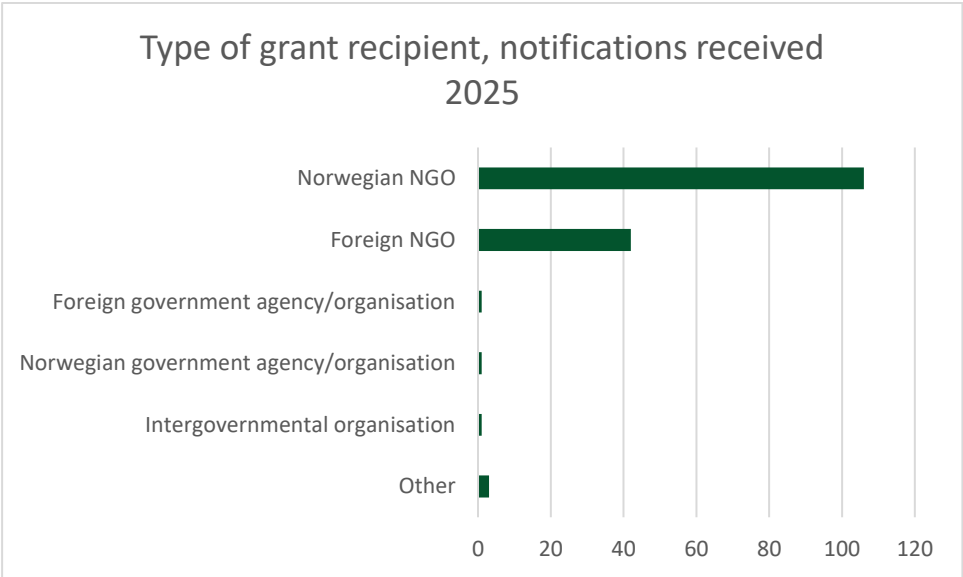
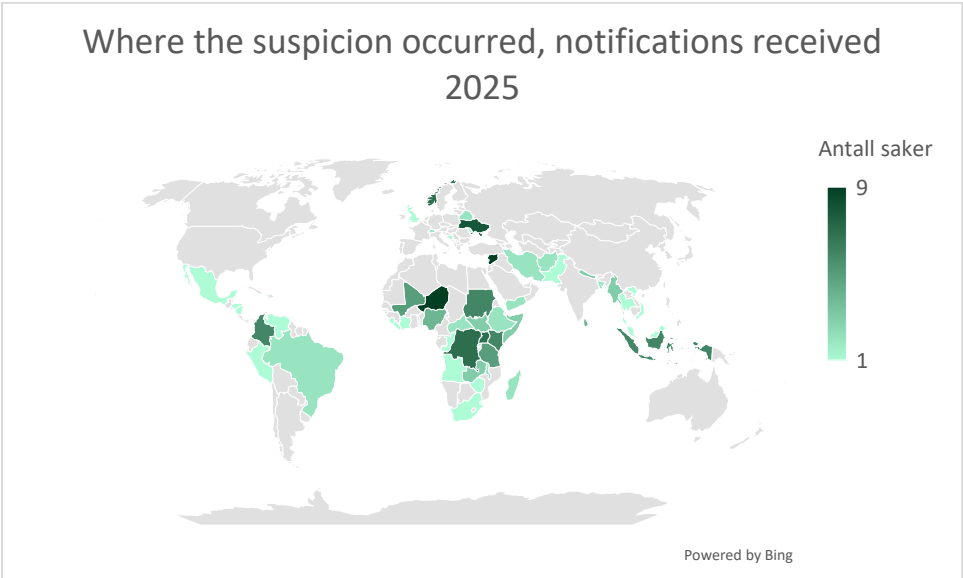


The Internal Audit and Investigations Unit is mandated to investigate suspicions of financial irregularities and handle SEAH cases. Safeguarding cases are registered and reported to the responsible departments within Norad but are not processed by the Internal Audit and Investigations Unit. Of the 154 notifications reported to Norad in 2025, 28 involved suspicions of SEAH, and 9 involved suspicions of safeguarding.

SEAH: abbreviation for sexual exploitation, abuse, or harassment

Safeguarding: term used for concerning conditions that are not necessarily financial irregularities or SEAH cases, such as non-sexual harassment and violence against children.

Before a decision is made to establish a case, received notifications have the status of preliminary notification. At this stage, the Internal Audit and Investigations Unit assesses what the notification pertains to. A formal case is opened when it is likely that the suspicions are linked to financial irregularities and that Norad funds are affected. Cases concerning SEAH and safeguarding are registered with Norad and followed up by the grant recipient themselves (except where the whistleblower has reported directly to Norad). Preliminary notifications where no investigation case is opened, together with notifications regarding SEAH and safeguarding, are categorised by the Internal Audit and Investigations Unit as “non-cases”.



In 2025, 84 new cases concerning financial irregularities were established, some of which were reported in previous years. 74 open investigation cases concerning financial irregularities were concluded. In addition to these 74, the Internal Audit and Investigations Unit concluded 28 cases categorised as SEAH or safeguarding cases. In 37 of the concluded investigation cases, Norad demanded repayment of funds due to proven financial irregularities and/or other significant breaches of the grant agreement.

Grant recipients repaid a total of NOK 7,899,095, of which NOK 7,110,912 was returned to Norad and NOK 788,183 was returned to the affected projects.

The sanction “repayment to project” was changed in December 2025 to become the main rule when sanctioning repayment. Previously, the main rule was that repayment should be made to Norad. There will, however, still be exceptions where repayment to Norad will continue to be required. This applies when one or more of the following criteria are met:

1. The support period has expired, so there is no longer an active project to repay to.
2. The grant recipient has actively attempted to conceal financial irregularities.
3. The grant recipient’s top management has been involved in the irregularities.
4. The grant recipient has failed to act, despite repeated warnings of possible irregularities.

This change will result in a larger proportion of funds being repaid to projects from 2026 onwards. In 2025, as in previous years, repayment to Norad was demanded in most cases. Unused funds shall, as before, be repaid to Norad at the end of the project period. Misappropriated funds that have been repaid to the project following a sanction will, at the end of the project period, be required to be repaid to Norad as unused funds, unless reallocation or other use has been approved by Norad.

The smallest sum repaid in a single case in 2025 was NOK 1,404, while the largest amounted to NOK 1,828,105.

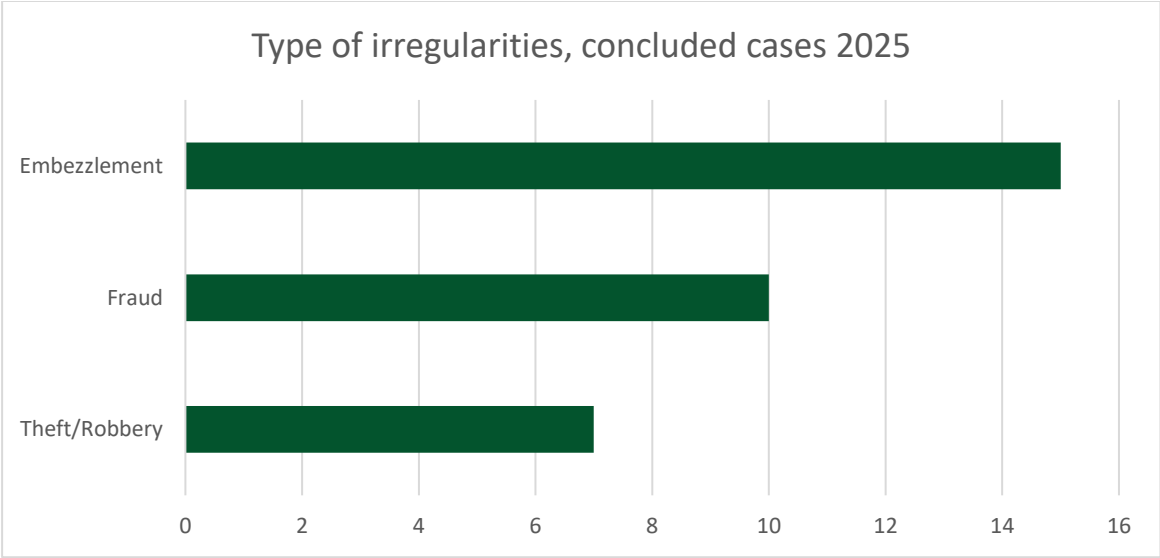
Three of the concluded cases involved irregularities or breaches committed at Norad’s agreement partners (grant recipients); the rest concerned the grant recipients’ implementing partners.

Overview 2025	
Cases reported to Norad	154
Opened cases/investigations, financial irregularities	84
Concluded cases total (incl. SEAH, safeguarding and non-cases)	135
Concluded cases/investigations, financial irregularities	74
Concluded cases/investigations without sanctions	37
Concluded cases/investigations with sanctions	37
Number of cases of repayment to Norad	28
Number of cases of repayment to project	9
Total NOK repaid to Norad	NOK 7 110 912
Total NOK repaid to projects	NOK 788 183

Types of Irregularities

Even after a thorough investigation, it is not always possible to determine whether actions were intentional. Nevertheless, breaches of contract can often be proven, e.g. breaches of procurement rules, inadequate/insufficient documentation of costs and other circumstances that can conceal more extensive irregularities. This type of significant breach of the agreement provides grounds for sanctions from Norad, even when no financial irregularities have been proven.

In the 74 investigations concluded in 2025, financial irregularities were established in 32 instances. In 37 cases, Norad concluded there was a breach of agreement even though no financial irregularities were uncovered. 37 cases were closed without sanctions. Some types of irregularities are easier to detect than others. Corruption is often more challenging to identify and even harder to prove than embezzlement, fraud, and theft.



More Detailed Explanation of the Terms

Misconduct – breach of the agreement’s provisions, e.g. funds not used in accordance with the agreement, violation of the procurement provisions, or equivalent. *Financial irregularities* are a type of misconduct, i.e. a breach of the agreement.

Financial Irregularities – fraudulent financial activities and illegal acts such as corruption, embezzlement, or other forms of financial crime. Financial irregularities involve deliberate actions taken to unlawfully obtain financial benefits.

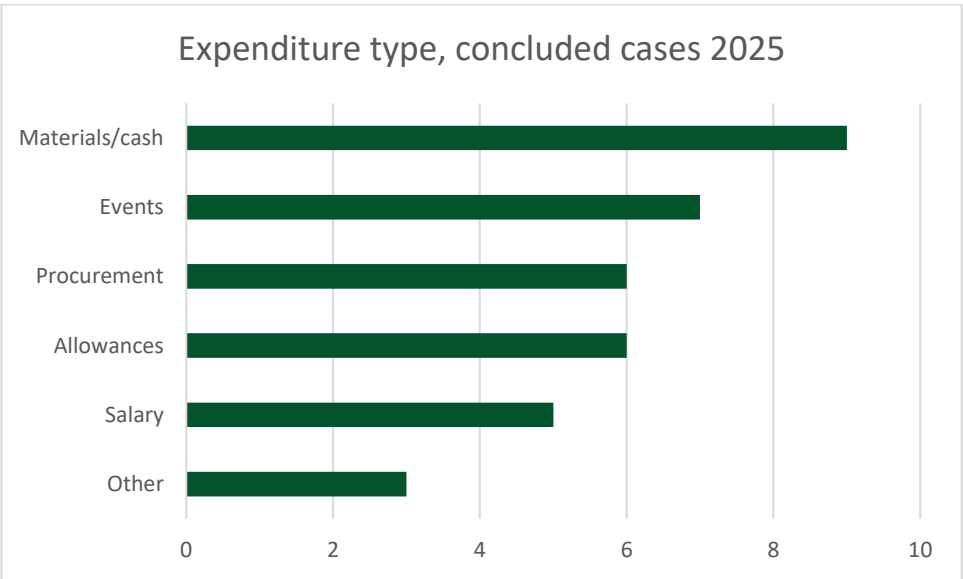
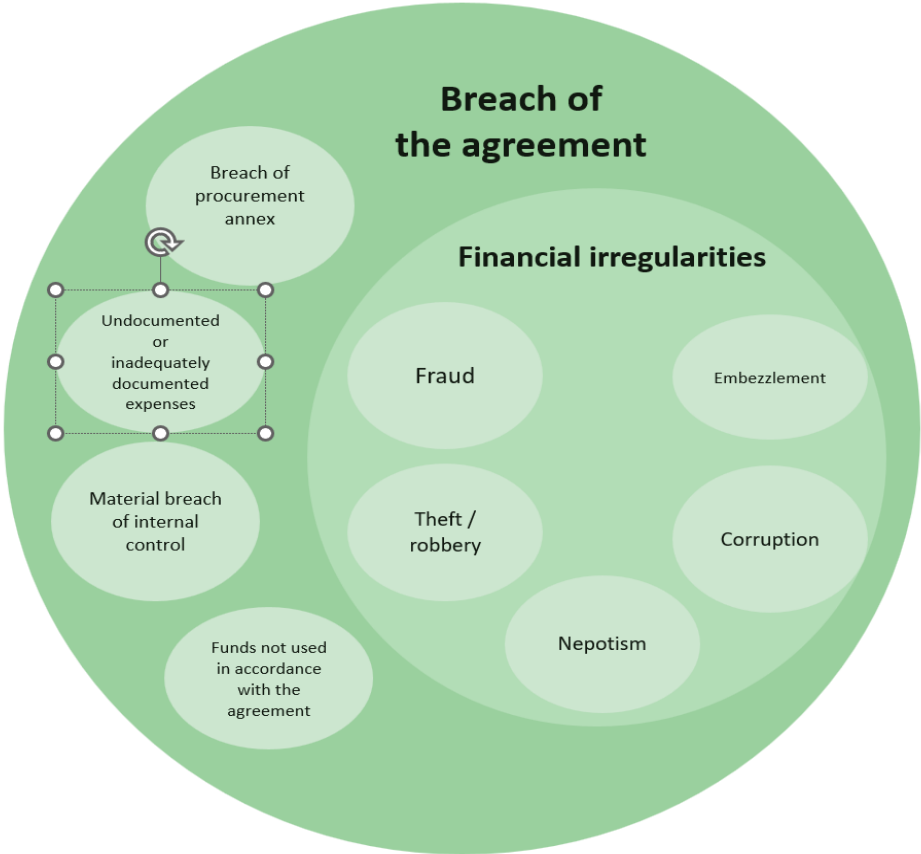
Corruption – the abuse of power in trusted positions for personal gain through the payment or receipt of bribes in the form of money, gifts, or services. An example of this is kickbacks: a hidden portion of a payment for goods or services that is returned from the supplier to the person who secured a favourable deal.

Theft/Robbery – unlawful appropriation of another’s property / obtaining unlawful gain for oneself or another through the use of violence or threats

Embezzlement – obtaining unlawful gain through the acquisition of assets that one has at their disposal but belong to someone else

Fraud – obtaining unlawful gain by deliberately provoking and exploiting ignorance of the law or a misunderstanding. Common examples of fraud include the use of fake timesheets, fake invoices, or overbilling.

Nepotism – extending unlawful advantages to relatives or close acquaintances (colloquially: “cronyism”)



In 2025, the expenditure category “materials/cash” was the most prevalent among the concluded investigation cases. This was followed by events (e.g. fraud with participant lists). The expenditure category procurement is also prevalent and has been so in previous years as well. This category can include both misconduct (breach of agreement) and financial irregularities (e.g. kickbacks).

Failures on the Part of Grant Recipients

Experience from cases in 2025 showed that Norad’s grant recipients often failed to adequately monitor their implementing partners. Grant recipients, along with many of their local partners, had adequate written procedures and internal guidelines in place, but *adherence* to these was often lacking. In most cases, shortcomings in the internal control environment of the implementing partner were the main reason why financial irregularities occurred.

Sanctions

The figure below provides an overview of the sanctions that Norad’s grant recipients, or their partners, initiated or were instructed to initiate as a result of the outcomes of the investigations. Norad and the grant recipient often require a strengthening of internal control systems in the implementing phase (where failures are most frequently identified) before development aid payments can be resumed. Internal sanctions are carried out without Norad’s involvement, e.g. disciplinary action against employees. The table shows cases where a significant breach of contract was established. There may be multiple sanctions per case, but the figure highlights the most severe one per case.

Sanctions initiated by grant recipient, concluded cases 2025

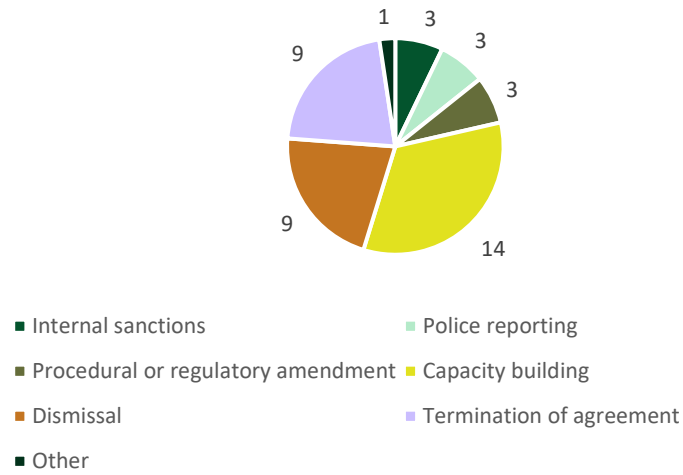
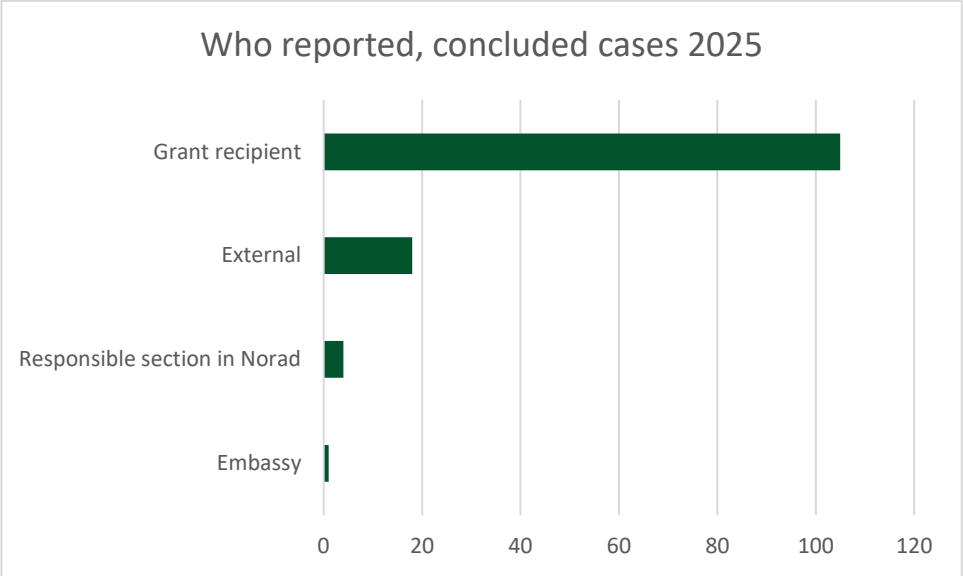


Figure 1 *Note that each case may have received more than one type of sanction

For 2025, capacity building (14 cases) was the most common measure. Other sanctions in 2025 included dismissal (9 cases), termination of the agreement (9), internal sanctions (3), police reporting (3 cases), and strengthening of internal procedures and routines (regulatory amendments) (1 case).

Who Submitted the Reports Received in 2025?

Reports on the misuse of funds primarily come to Norad from grant recipients, in accordance with their contractual obligations. Additionally, the Internal Audit and Investigations Unit receives reports directly from external whistleblowers, including anonymous ones. In some instances, Norad is notified by other donors. The Internal Audit and Investigations Unit also receives reports of suspected financial irregularities from other sections within Norad or identifies them as part of its own investigations. Of the 154 notifications received in 2025, 118 came from grant recipients, while 21 came from external sources.

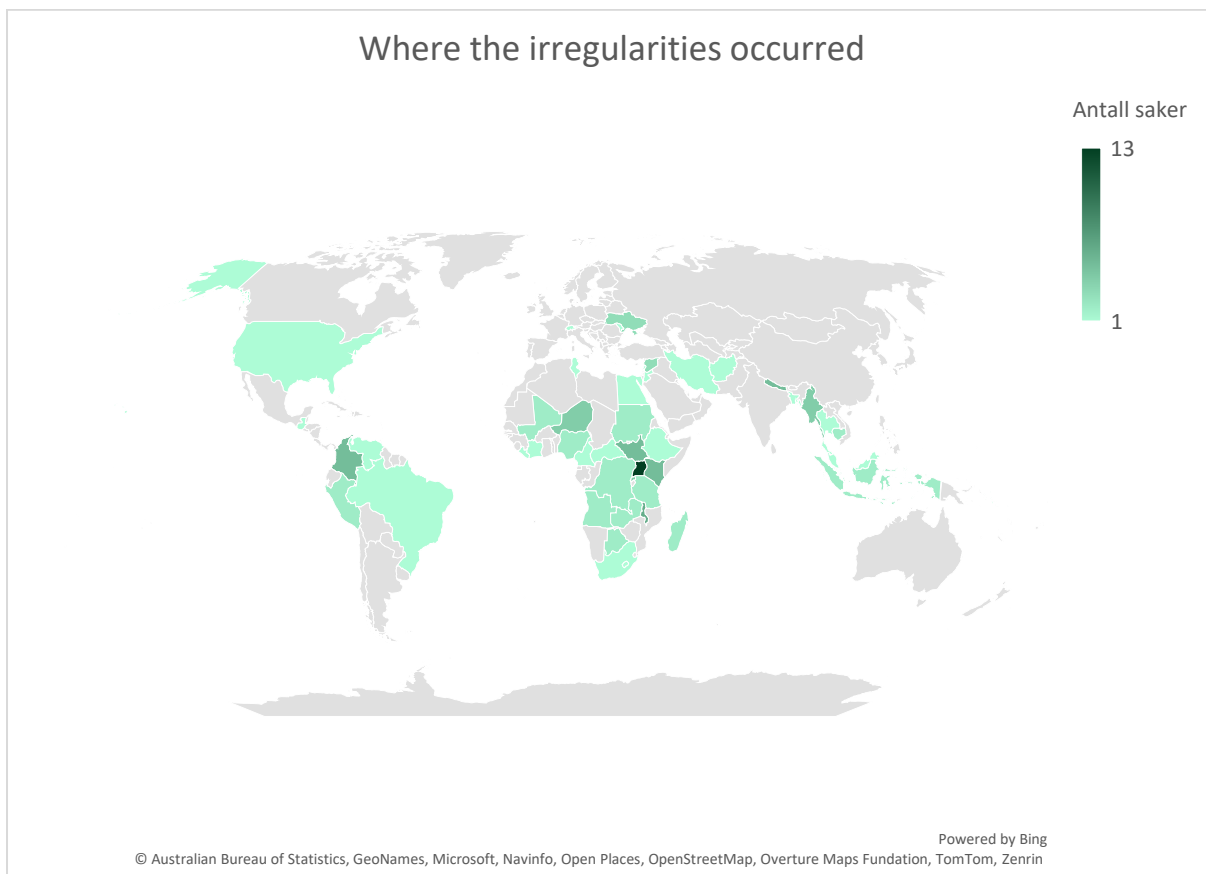


Location of Financial Irregularity cases in 2025

The Internal Audit and Investigations Unit handled cases in 29 recipient countries in 2025.

It would be unreasonable to draw any conclusions about the risk of financial irregularities in a country based on the number of cases received by Norad. Chance plays a significant role, as well as the proportion of Norad funds channelled to the country in question.

The majority of investigation cases in 2025 occurred in foreign NGOs, and most of these were partners of Norwegian NGOs. Below are the 29 countries where the financial irregularities took place in the cases that were concluded in 2025. SEAH cases are not included here.



As shown on the map, Uganda was the country where the most concluded investigation cases in 2025 occurred (13).

Sexual Exploitation, Abuse, and Harassment (SEAH)

Norad has zero tolerance for passivity in the fight against sexual exploitation, abuse, and harassment (SEAH). In accordance with the agreement, grant recipients must take all reasonable measures to prevent, detect, and respond to SEAH in or related to projects supported by Norad funds. This requirement applies across all stages and levels of the project implementation process.

Grant recipients should promptly inform Norad of any suspicions of SEAH incidents that might affect the partnership with Norad, if such suspicions justify further investigation. They are required to have ethical guidelines that specify minimum standards. For more information, please see [the whistleblowing pages](#) and the document “Handling of reports of sexual abuse, sexual exploitation and sexual harassment”.

The Internal Audit and Investigations Unit is responsible for Norad’s efforts to follow up on alerts and reports concerning SEAH. The unit does not normally investigate individual cases of SEAH. This is the responsibility of the employer and a task for the grant recipient or their implementing partners. The Internal Audit and

Investigations Unit's responsibility primarily consists of assessing whether the grant recipient's handling of the report and its internal measures to combat SEAH comply with the agreement with Norad. If the organisation does not deal with SEAH cases as required by the agreement, this may result in Norad temporarily suspending payments or, in the most serious cases, terminating the grant agreement.

In 2025, Norad received 28 notifications regarding SEAH and concluded 12 such cases. In nine of the 16 concluded SEAH cases in 2025, the allegations were confirmed. One case involved a partner employee suspected of having committed abuse against minors outside the partner organisation. Another concerned an employee at a partner organisation who sexually harassed two adults in the project's target group. Seven cases concerned sexual harassment between employees at the partner organisation.

In these nine cases, the perpetrators were dismissed, and the victims were offered psychosocial support. Norad's grant recipients followed their own guidelines in these cases, and no breaches of the agreement with Norad were established, with one exception. In that case, the grant recipient terminated the partnership with the partner organisation.

Norad also receives notifications concerning "social safeguarding" (such as violence against children and other non-sexual misconduct). These matters do not fall under the SEAH definition and are therefore not handled by the Internal Audit and Investigations Unit. However, the matters may still have consequences for grant recipients if the event represents a breach of other parts of the agreement.

See also [the Ministry of Foreign Affairs' guidelines on SEAH](#).

Spot Checks

Norad's Internal Audit and Investigations Unit conducts spot checks on grant recipients and their implementing partners who receive Norad funding. These spot checks include the testing of agreements, financial management, and internal controls. The main purpose of these spot checks is to ensure good internal control regarding Norad support at every stage through to the end recipient. Prevention is far more cost-effective than repair; the spot checks are designed to identify weaknesses early, preventing them from escalating into serious issues that hinder project success or lead to the misuse of Norad funds.

Norad funds must be used in accordance with approved work plans and budgets. The agreement with Norad requires grant recipients to continuously identify and assess risks that could hinder the attainment of the project's objectives, and to implement necessary measures to mitigate those risks to an acceptable level. Grant recipients must also establish internal control systems that prevent and detect misuse of funds from Norad.

During spot checks, Norad checks compliance with the agreement and the organisation's internal framework in areas that experience has shown are vulnerable to the misuse of development aid. During the spot checks and in the subsequent report, Norad provides recommendations for measures that can reduce vulnerability and the risk of misuse.

In 2025, the Internal Audit and Investigations Unit conducted 11 spot checks on Norad's grant recipients and their local partners in Colombia and Zambia. The spot checks in Colombia revealed, among other things, deficiencies in financial manuals, inadequate documentation of advance payments, deficiencies in procurement procedures, and a lack of whistleblowing procedures. The spot checks in Zambia revealed, among other things,

deficiencies in travel regulations, inadequate documentation of advance payments, and deficiencies in procurement procedures.

The Internal Audit and Investigations Unit began conducting spot checks on grant recipients and their implementing partners with Norad funding in 2022. More information about the purpose, selection criteria, and methodology, as well as findings from the spot checks conducted in 2022 and 2023, can be read in [the Internal Audit and Investigations Unit's annual report on cases in 2023](#). Below is a summary of the Internal Audit and Investigations Unit's spot checks by country:

- Zambia: 5 checks (June 2025)
- Colombia: 6 checks (January 2025)
- Kenya: 5 checks (April 2024)
- Uganda: 7 checks (October 2023)
- Indonesia: 6 checks (June 2023)
- Ethiopia: 6 checks (March 2023)
- Malawi: 7 checks (November 2022)
- Tanzania: 5 checks (September 2022)

Deep-dive Topics from Previous Annual Reports

2024: Internal Control – Requirements for and Expectations of Grant Recipients. [Link to the 2024 report](#)

2023: Quality in accounting reporting. [Link to the 2023 report.](#)

2022: Spot Checks: The Internal Audit and Investigations Unit started conducting spot checks on implementing partners in 2022. The report delves somewhat into the methodology and overarching findings of the spot checks undertaken in 2022. [Link to the 2022 report.](#)

2021: Ten-year retrospective: In this report, we looked at all the cases handled by the Whistleblowing Team/Internal Audit and Investigations Unit since the Whistleblowing Team was established in 2011. [Link to the 2021 report.](#)

2020: Covid-19 and IT security. Reduced ability to conduct control activities and audits during the Covid-19 pandemic entails an elevated risk that the controls do not detect significant discrepancies (control risk and audit risk). The pandemic also made investigations more complicated and time-consuming. [Link to the 2020 report.](#)

2019: Encouragement for early reporting of suspicions. Agreements with Norad stipulate that grant recipients must immediately notify Norad of any indication of financial irregularities related to the project. The term “immediately” is used for good reason, and Norad interprets it strictly. “Immediately” means as soon as there are signs of irregularities and before any special investigations are initiated. [Link to the 2019 report.](#)

2018: Red flags. Everyone who manages development aid should learn to be vigilant of discrepancies and conditions that may indicate financial irregularities, known as ‘red flags’. Certain red flags, such as ambiguity, minor discrepancies, and lack of transparency, may not be significant in themselves, but when combined with

other factors, may warrant a more detailed investigation. The 2018 report describes a number of red flags that have been observed in cases investigated by Norad. [Link to the 2018 report.](#)

2017: Audit reports do not detect financial irregularities. The 2017 report discussed the fact that external audits are the most common control measure for development aid. Audits certainly have a preventive effect against errors and irregularities. However, financial irregularities are rarely detected in account audits. Statistics show that only three to four percent of all financial irregularities detected globally are discovered through external audits. [Link to the 2017 report.](#)

2016: Coordination of donors and transparency regarding total income and expenses. Coordination of donors is about transparency and is a fundamental instrument in the fight against financial irregularities. Every year, several cases are uncovered where multiple donors are charged the same expenses. More information on this topic can be found in [the 2016 report.](#)

2015: Background checks. The strengths and weaknesses of the recipient's internal control systems and management must be assessed before a grant agreement is signed and must be monitored throughout the entire funding period. Norad has a number of tools that can be used for partner reviews aimed at mapping the grant recipient's expertise and capacity. More information on this topic can be found in [the 2015 report.](#)

The Ministry of Foreign Affairs' quarterly overview of cases

The quarterly reports containing an overview of cases that have been met with sanctions are published on [the government's website](#) and include cases that have been concluded by the Ministry of Foreign Affairs, Norec (formerly FK Norge), and Norad. The Ministry of Foreign Affairs' annual report on financial irregularity cases can be read [here.](#)

Internal Audit and Investigations Unit