



Don't Get Bitten by the FCPA

Leveraging data analysis for compliance testing

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Introduction

WHILE THE *FOREIGN CORRUPT PRACTICES ACT* (FCPA) HAS BEEN AROUND FOR DECADES, ENFORCEMENT HAS ONLY RECENTLY STARTED TO PICK UP - AND THE PENALTIES ARE GROWING. IF YOU'RE INVOLVED IN AUDIT, FINANCE, LEGAL, RISK MANAGEMENT OR COMPLIANCE IN A US COMPANY DOING ANY BUSINESS IN FOREIGN MARKETS, YOU'RE PROBABLY UNDER A LOT OF PRESSURE TO ADDRESS FCPA COMPLIANCE.

You may already know that you need to establish an FCPA compliance program. Maybe you've started monitoring FCPA compliance manually, and are realizing that emailing spreadsheets isn't cutting it as a sustainable compliance program.

So, how do you become efficient and effective at addressing FCPA requirements? The direct answer: develop an audit analytics strategy for FCPA testing as an integral part of your compliance program.

But without a strategic approach to leveraging data analytics and a structured issue remediation process,

the effectiveness of your compliance program will be compromised and your efforts will fall flat. And you and your company can't afford to miss the mark.

Inside this eBook, you'll find tips, practical advice and real-life examples of how organizations are applying risk and control data analysis to automate FCPA compliance testing and advance beyond inefficient manual reviews. Also provided is an FCPA compliance assessment questionnaire to give you a quick snapshot of your organization's FCPA landscape and help you determine your next steps.

For further insights, consider watching our free webinar on FCPA at www.acl.com/FCPA – or call us with any questions at 1-888-669-4225.

Now are you ready to move ahead from manual testing? Here's what you need to know to build your data analytics strategy right and assure your company's FCPA compliance...

Note: This eBook is intended to provide you with insight on leveraging data analysis to assist you with FCPA compliance, and should not be construed as legal advice on the part of ACL. The FCPA is complex. You are cautioned to obtain independent, qualified legal and accounting advice regarding the FCPA if you have specific FCPA questions or concerns.

FCPA: The goods...

The *Foreign Corrupt Practices Act* (FCPA) of 1977 is a US Federal Law primarily intended to prohibit payments of bribes to foreign officials and political figures (also know as the Anti-Bribery Provision). The second provision requires that companies maintain transparency requirements for business accounting as outlined by the Securities Exchange Act of 1934 (also know as the Accounting Provision).

The FCPA applies to:

- Both Public & Private US Companies
- Non-US Companies
 - » If a non-US company has a US subsidiary, under specific conditions the subsidiary can be subject to the FCPA.

Breaking it down

Under the FCPA's Anti-Bribery Provision:

- It's unlawful to make a corrupt payment to a foreign official (official, political party, political official, or candidate for political office) for the purpose of obtaining business, retaining business, or directing business to any person.
 - » This includes ordering, authorizing, or assisting others to violate or conspire to violate these provisions.
 - » This applies not only to a successful corrupt payment—the offer or promise of such payment can also cause violation.

And, under the Accounting Provision:

- Corporations must make and keep books and records that accurately and fairly reflect the transactions of the corporation.
- Corporations must devise and maintain an adequate system of internal accounting controls.

FCPA: The Bad & the Ugly

WHY CARE? ENFORCEMENT HAS TEETH, AND CRIMINAL PENALTIES ARE INCREASING.

Organizations found in breach of the FCPA risk criminal penalties, including corporate fines of up to \$2 million per violation of the Anti-Bribery Provision and \$25 million for each violation of the Accounting Provision.

Civil actions may also be imposed against the firm or individuals within the firm. Company officers, directors, stockholders and employees who willfully violate the Anti-Bribery Provision can face personal fines up to \$100,000 and imprisonment for up to five years. Individuals who willfully violate the Accounting Provision may be imprisoned for up to 20 years and personally fined up to \$5 million.

And, as if that's not enough:

- The US Department of Justice may assign an on-site monitor and charge for it (costing approximately \$1 million per month in some cases).
- Fined organizations can lose their right to receive export licenses.
- Indictment alone can lead to suspension of the right to do business with the US federal government.
- Organizations face exposure to competitor litigation under the *Racketeer Influenced and Corrupt Organizations Act* (RICO) – subject to treble damages.
- The *Dodd-Frank Wall Street Reform and Consumer Protection Act* now richly rewards whistle-blowing employees who report violations.
- FCPA violations have consistently garnered tremendous media attention in the last three years.
- Firms fined by the FCPA have seen a significant drop in share value after public announcement.

FCPA Top Ten Fines (2007 – 2010)

1. **Siemens: \$800 million** in 2008
2. **KBR / Halliburton: \$579 million** in 2009
3. **BAE: \$400 million** in 2010
4. **Snamprogetti Netherlands B.V. / ENI S.p.A: \$365 million** in 2010
5. **Technip S.A.: \$338 million** in 2010
6. **Daimler AG: \$185 million** in 2010
7. **ABB Ltd: \$58.3 million** in 2010
8. **Baker Hughes: \$44.1 million** in 2007
9. **Willbros: \$32.3 million** in 2008
10. **Chevron: \$30 million** in 2007

Ouch...and there's even more:

These fines are imposed by the US only and do not include fines imposed by the other governments that may have been involved. For example, Siemens actually paid out \$1.6 Billion in fines – the other \$800 million went to a similar European law which is not reflected here.

Source: FCPA Blog

What is the best protection against an FCPA violation?

The best protection against an FCPA violation is an “**effective compliance program.**” Having one in place can result in significant penalty reductions for companies, according to the US Federal Sentencing Guidelines. The penalty reductions vary from company to company and depend on how well the compliance program is constructed and implemented throughout the company.

Lanny Breuer, Assistant Attorney General, Criminal Division of the US Department of Justice (DOJ) outlined what he believed are elements of an effective FCPA compliance program in a recent speech, citing as a benchmark the Organization for Economic Co-operation and Development’s [Good Practice Guidance on Internal Controls, Ethics, and Compliance](#) (Source: Russ Berland quoted in [FCPA Compliance and Ethics Blog](#)). Here’s the list:

- A culture of compliance with the appropriate “tone at the top.”
- Clearly articulated and visible policy against bribery and corruption.
- It must be the duty of every employee to comply with a company’s anti-bribery program.
- One or more senior officers in charge of the compliance program who must report directly to the Board or appropriate Board Committee.
- Design the compliance program to prevent and detect bribery and corruption.
- Make the program applicable to third party business partners.
- Have a system of internal financial controls in place to ensure that bribery and corruption cannot be hidden.
- Have periodic communications and training on the compliance program.
- Provide positive support for employees to comply with the compliance program.
- Consistently discipline employees for violations of the compliance program.
- Provide guidance and advice for employees on the compliance program.
- The compliance program should be periodically re-assessed and re-evaluated to take into account new developments.

= Does your program add up?

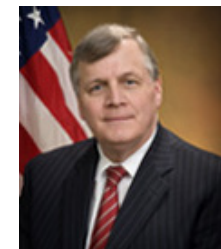


Lanny A. Breuer
Assistant Attorney General for the Criminal Division
U.S. Department of Justice

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“YOU DON'T GET A FREE PASS BY SAYING, 'WE'RE DOING BUSINESS IN A COUNTRY WHERE WE BELIEVE BRIBERY IS RAMPANT,'" BREUER [CRIMINAL DIVISION ASSISTANT ATTORNEY GENERAL] SAID IN RESPONSE TO AN AUDIENCE QUESTION. "IF YOU'RE IN A COUNTRY THAT POSES GREATER CHALLENGES, I'M GOING TO WANT TO KNOW WHAT DID YOUR COMPLIANCE PROGRAM DO TO DEAL WITH THAT IF IT'S STATE-OF-THE-ART AND YOU TRULY WERE PREPARED FOR THE ENVIRONMENT YOU WERE IN, THAT WILL BE HELPFUL TO YOU.”

“DoJ Warns on Heightened Fraud Enforcement,” *Compliance Week*



Gary Grindler
Acting Deputy Attorney General
U.S. Department of Justice

“

MEANWHILE, GRINDLER [ACTING DEPUTY ATTORNEY GENERAL] REASSURED COMPLIANCE EXECUTIVES IN THE ROOM THAT “HAVING AN EFFECTIVE COMPLIANCE PROGRAM WILL BE TAKEN UNDER CONSIDERATION WHEN YOU TALK TO THE GOVERNMENT ABOUT A CRIMINAL VIOLATION. WE TAKE IT SERIOUSLY, AND IT WILL HAVE A POSITIVE IMPACT ON NEGOTIATIONS.”

“DoJ Warns on Heightened Fraud Enforcement,” Compliance Week

At a glance, where does data analysis fit in?

A TECHNOLOGY-ENABLED STRATEGY USING DATA ANALYTICS IS A KEYSTONE OF AN EFFECTIVE AND EFFICIENT FCPA COMPLIANCE PROGRAM. IT'S RISKY TO RELY ON "POLICIES" ALONE - COMPANIES NEED TO ACTIVELY MONITOR TRANSACTIONS TO ENSURE COMPLIANCE WITH POLICIES.

A data analytics strategy can help assure compliance with both provisions in the following ways:

Anti-bribery:

- Look for 'red flags'
- Develop an early warning system

This contributes to creating a culture where employees know they will be questioned – a proven method for strengthening internal compliance.

Accounting Provision:

- 100% transaction testing to validate completeness and accuracy of books and records
- Continuous monitoring of key internal accounting controls

*Over time, use of data analysis combined with a process to follow-up and resolution of **red flags** may itself become a control and provide evidence of compliance with the accounting provision.*

No analysis is like a home with no alarm system... You won't know about the burglar until you notice your jewelry is gone.

Get an alarm!

Drilling down with data analysis

What?

DATA ANALYTICS WILL ALLOW YOU TO PERFORM DETAILED ANALYSIS OF YOUR BUSINESS TRANSACTION DATA AGAINST RED FLAG SCENARIOS AND ENABLES REPEATABLE TESTING - ESSENTIAL STEPS IN CREATING AN EFFECTIVE COMPLIANCE PROGRAM.

Why?

DATA ANALYTICS CAN HELP DRIVE COMPLIANCE BY CREATING A CULTURE WHERE EMPLOYEES KNOW THEY WILL BE QUESTIONED FOR THEIR ACTIONS.

THOROUGH ANALYSIS CAN ENABLE BOTH PREVENTATIVE AND DETECTIVE MEASURES.



It's important to be able to look for both **discrete activities** as well as **suspicious trends**.

How?

Anti-Bribery Provision Analytics

USING DATA ANALYTICS DESIGNED TO TEST COMPLIANCE WITH THE ANTI-BRIBERY PROVISION ALLOWS YOU TO EFFICIENTLY SORT THROUGH YOUR ORGANIZATION'S INFORMATION TO HELP IDENTIFY POTENTIAL FCPA "RED FLAGS."

These red flags require additional follow up and due diligence from the company to ensure they are valid records or transactions. Data analysis also helps develop an early warning system via a system of internal financial controls.

Typical analyses can compare individuals or vendors in your database against known parties on government watch lists to help flag individuals or vendors who are classified as government contractors or foreign officials. Other analyses can help flag abnormal transaction types that may be considered suspicious or may constitute a bribe. These transactions need to be followed up to ensure they fall under the allowable "Exceptions" to the Anti-Bribery Provision.

These example tests identify potential bribery and help ensure you're not doing risky business with the wrong individuals:

Example tests for gifts, entertainment and charitable contributions

- ✓ Identification of multiple gifts to a single individual
- ✓ Identification of entertainment of government affiliated individual
- ✓ Identification of Segregation of Duties violations: E.g., Submitter vs. Approver (Travel & Entertainment)
- ✓ Identification of unauthorized Travel & Expense cards
- ✓ Identification of charitable contributions to organizations affiliated with the government

Example tests for suspicious activities

- ✓ Identification of bonuses or commissions of unusual quantity or timing
- ✓ Identification of vendors where alternate payee names have been flip-flopped within X days
- ✓ One-time vendor analysis: Identification of payment more than the threshold value

Example tests for general indicators

- ✓ Identification of payments to “Risky” vendors / partners in high risk jurisdictions
- ✓ Identification of checks made to “cash”
- ✓ Identification of high volume of cash transactions
- ✓ Identification of payments made from out of country bank accounts or sent outside the country of operation
- ✓ Identify vendors where bank accounts have been flip-flopped within X days

Example tests for payments to agents, consultants, and other payments

- ✓ Use of new attorney / accountant / agent / consultant with no prior relationship
- ✓ Identification of payments made following manual overrides in the system
- ✓ Identification of payments classified as government expenses
- ✓ Identification of frequent use of one-time vendor arrangements
- ✓ Detect payments made without reference documents

Reducing your workload

Fortunately, some of the tests you can apply for testing Anti-Bribery Provision compliance are also applicable to the Accounting Provision.

How?

Accounting Provision Analytics

DATA ANALYTICS DESIGNED TO TEST COMPLIANCE WITH THE ACCOUNTING PROVISION CAN PROVIDE 100% TESTING OF ALL YOUR TRANSACTIONS TO ENSURE COMPLETENESS AND ACCURATE RECORD KEEPING.

Further, the analytics can be set to run on a repeatable or even continuous basis to provide monitoring of key internal accounting controls to identify violations as they occur.

Analytics can be designed to flag transactions that are missing core descriptions or that indicate key words such as "Gifts", "For Services Rendered," "Facilitation" or other terms that may require additional follow up to ensure it was a reasonable expenditure under the FCPA. Analytics can also identify transactions with missing descriptions or suspicious key words.

Conduct these typical example analyses to identify non-compliant activities:

Example tests for suspicious GL activities

- ✔ Payments made following manual override in the system, such as direct manual postings to the GL
- ✔ Identify invalid or suspicious journal entries to temporary accounts
- ✔ Identify suspicious journal entry bookings at unusual times or flip-flopping
- ✔ Identify adjustments to accounts inactive for more than X days

Example tests for general indicators

- ✓ Payments to 'risky' vendors
 - Parties on government watch lists
 - Government contractors
 - One-time vendors
 - Vendor master file information flips
- ✓ Payments made from out-of-country bank accounts
- ✓ Missing descriptions or suspicious **key words** for payment transactions
 - "for services rendered"
 - "gifts"
 - "facilitation"
 - "consulting"
- ✓ Checks made to "cash"

Example tests for payments to agents, consultants and other payments

- ✓ Use of new attorney / accountant / agent / consultant with no prior relationship
- ✓ Payments classified as government expenses
- ✓ Written to an individual
- ✓ Made in cash



A red flag on red flags

Out of the mountain of information in the organization, audit analytics can help pinpoint areas where more due diligence and follow-up should be imposed.

For example, you can use audit analytics to analyze 100% of your company's purchase-to-pay transactions to flag potential FCPA violations.

But what type of follow-up should you expect to do on red flags? And what about false positives? You need to investigate these exceptions and perform due diligence. And you need to be able to prove it.

A core component to an 'effective compliance program' is the ability to demonstrate that you have a consistent process and follow-up on each potential issue identified. That is best done through a workflow-enabled tracking system that captures every follow-up activity taken against an identified 'red flag' in a way that, once saved, comments and activities cannot be changed. This creates a complete audit trail – and the workflow allows an organization to respond faster and quickly take action to address a potential violation.

Having a system that allows you to track follow-up on red flags through to resolution is a critical factor in demonstrating that you have a strong compliance system in place. (Not to mention a huge savings in manual effort!)

**High Risk
Locations
Tend to be remote
divisions or
operations and too
small for prior audit
scoping.**

To catch a 小偷

Are you testing for compliance in local languages of your business units around the world?

Would you find these basic words for bribery in your analysis?:

Chai (East Africa)

賄 (China)

Schmiergeld (Germany)

Propina (Brazil)

Much of the challenge around FCPA compliance comes from doing business in foreign countries, where the red-flag transaction keyword details and descriptions that are so important for FCPA testing may very well be in a language other than English.

To build effective testing, you need to understand the business culture and local language, including slang and buzzwords in the countries of interest. Simply searching for the text “gift” and “bribe” is not going to get you very far!

This has implications for staffing and international language skills for the team leading FCPA compliance, and also implications for the technology you choose. Make sure the technology supports language characters from writing systems around the world (aka “Unicode Standard”), and that your audit and compliance team has access to local know-how on business operations, language and culture in your high-risk countries.

Another big challenge with FCPA compliance is that, until recently, some of the practices now illegal under FCPA were previously legal. In fact, many were common business practices. For example, it used to be commonplace (and legal) in Germany to write off bribery costs in a tax return. Legislation has changed, but not everyone has adjusted yet.

Bribery jargon around the world

Forbes has published a list of bribery keywords in various languages. Download it at:

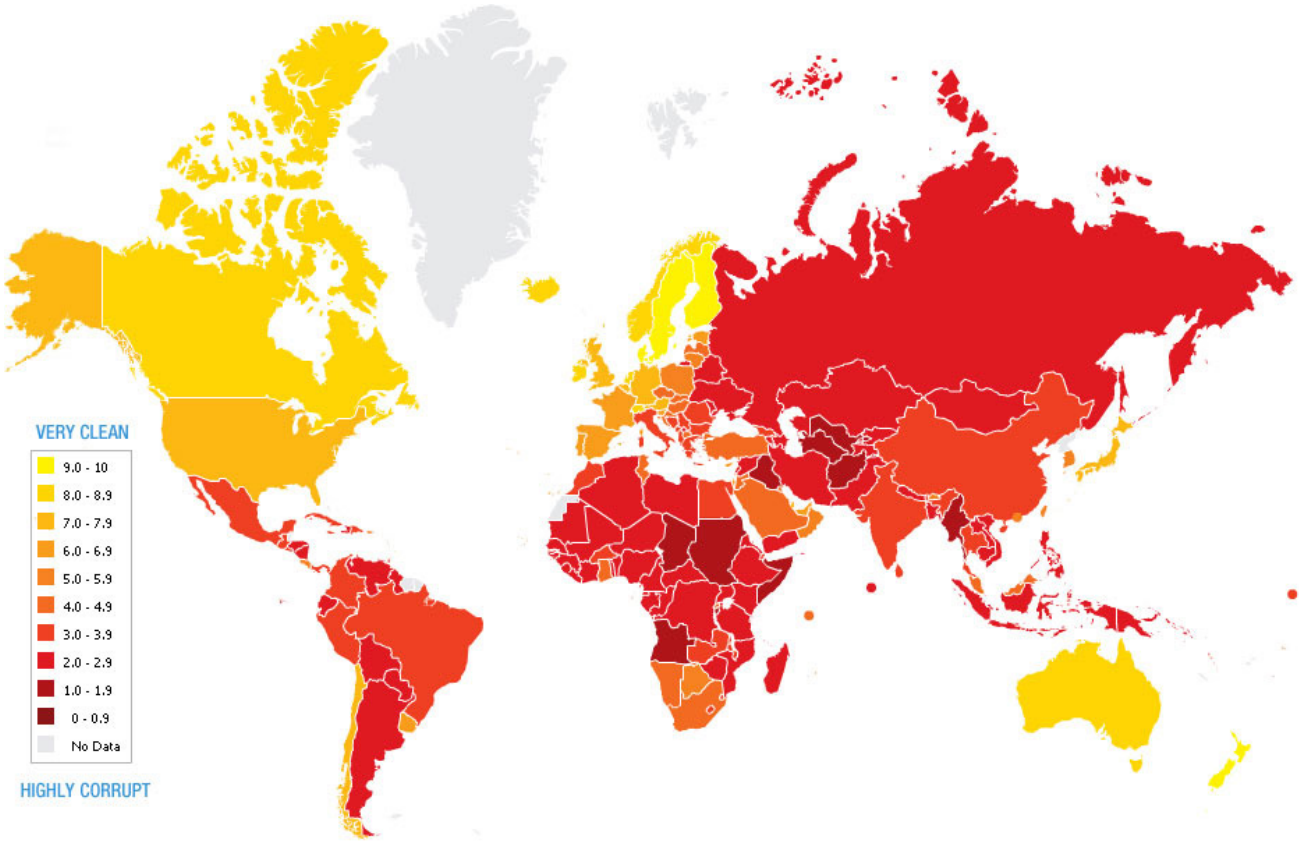
www.forbes.com

Understanding perceived risk

Transparency International's **Corruption Perception Index** measures perceived levels of public sector corruption in 178 countries around the world.

Do you have branches in any high-risk countries?

Have you acquired a company with overseas operations? Do you know what you've purchased?



Corruption Perception Index (Source: Transparency International)

» **Download the Corruption Perception Index from Transparency International**
www.transparency.org

Comparing apples and oranges, over hills and plains

You may have global offices around the world with different ERP systems. This may create a challenge for you to get access to all the relevant data you need so that you can run data analytics to ensure your company is FCPA compliant.

In some cases, such as with a large international organization, centralizing data probably wouldn't be practical and possibly not even legal. Certain countries have privacy laws that prohibit the transmission of data outside that country (or in some cases, even the capture and correlation of certain data).

If it isn't possible to centralize your data due to specific privacy laws, there are strategies to ensure that you remain compliant with respect to those laws but can still access the data required to ensure your FCPA compliance across multiple jurisdictions – for example, by having multiple servers. Different organizations require different practices. You need to consult with your technology provider and consider involving your privacy officer and/or legal team to help determine the right approach.

Sound daunting?

Risk and control data analysis software is purpose-built to deal with these issues. And it's not daunting or expensive – particularly when stacked up against the **pain and costs** of incurring an FCPA violation.



Tips on finding FCPA needles in your haystack...

How can we determine what is and is not a gift, or who benefited or was entertained from a business expense?

Your systems need to capture the right information before testing can be done. Inaccessible data is a show stopper for effective FCPA testing.

Your payment systems (particularly Travel & Entertainment) need to capture enough detail to allow a test that will flag potential bribery.

Examples of information that in the past may not have been captured include:

- Description of business purpose of expense
- Name(s) of recipients or attendees at a business event
 - » With this information captured, you're now able to cross-reference these names with a politically exposed persons (PEP) list and track repeated beneficiaries of your corporate entertainment and gift-giving.

How do we define “politically exposed persons”?

Figuring out who is a foreign government official (politically exposed person or “PEP”) is another issue – you need to check against an external list. Many of the business information providers such as Dun & Bradstreet are now researching and publishing PEP lists in electronic format.

You need only select a provider and buy a subscription to the PEP data before applying that data feed to testing. These aren't government lists like OFAC – they are privately prepared data products.

Here are some PEP list providers:

- **Dow Jones Watchlist**
- **WorldCompliance's Global PEP List**

Can't my ERP system do this?

While they may have certain capabilities to prevent fraud and errors from occurring, or to flag exceptions, most compliance professionals find that Enterprise Resource Planning (ERP) systems are not sufficient to effectively trap the typical problem transactions that occur. ERP systems are generally not good for getting data out, and aren't built to efficiently analyze and monitor transactions (especially structured transactions).

Additionally, in many cases certain control settings are turned off by users to enable the ERP system to run more efficiently. And you may also need to be analyzing data across multiple ERP systems.

That's where specialized risk and control data analysis software comes in – it is based on many years of experience knowing where these control gaps exist. And it runs independently from the various ERP systems, yet can easily correlate the different data sets.

You don't need to boil the ocean

Getting tired just thinking about assuring FCPA compliance? Fear not, it's not as bad as you think. Prioritize. And take one step at a time.

Your first steps need only be to implement a handful of properly deployed analytics to pinpoint areas where more analysis is required. Use what you learn to prioritize and take a targeted approach.

What might that look like?

1. Define the red flags and compliance questions that are most important to your FCPA compliance efforts.

For example:

- Payments made to high risk vendors
- Payments to government contractors
- See [Anti-Bribery Provision Analytics & Accounting Provision Analytics](#) for more examples.

2. Get the data you need to answer your questions.

For example:

- Vendor data
- Payment data
- PEP list, OFAC list, etc.

3. Run analyses → Push results out to the right people → Automate the process.

4. Build from there...

As you take one step at a time, you will build on increasing success, momentum and credibility. And as your business and external factors change, you – and your technology – need to be able to respond quickly and be easily adaptable.



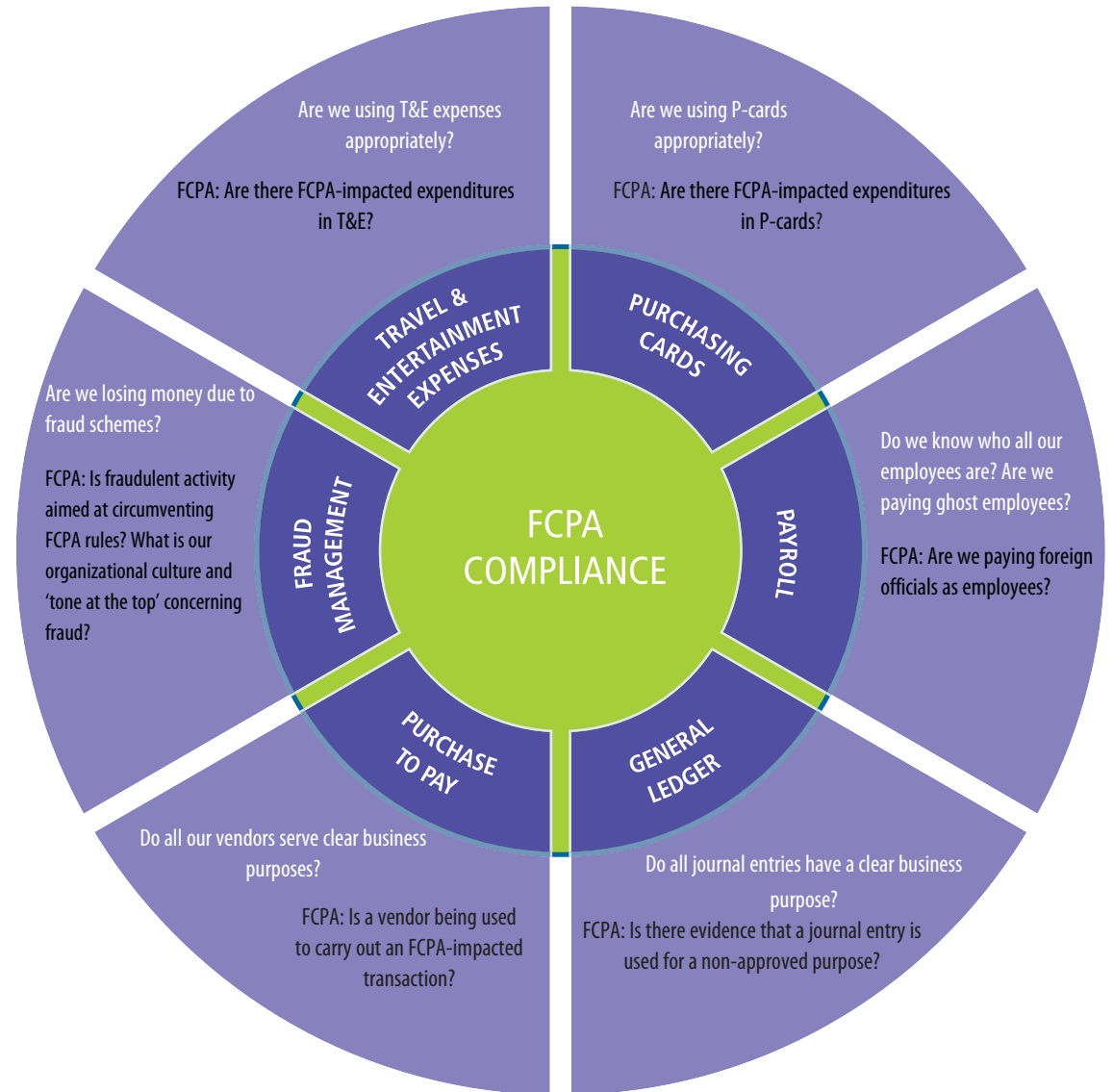
Remember, help is out there. For example, ACL Consulting Services has the expertise to help you leverage data analysis for strategic FCPA compliance testing and get your program going quickly.



Drum roll please... and now for the big bonus!

More than assuring FCPA compliance, you'll be combatting fraud. The Association of Certified Fraud Examiners estimates that the average U.S. organization loses about 7% of annual revenues to fraud. How much might that translate to for your organization?

And, FCPA compliance testing comes with some other pretty big standard business benefits. Tests for FCPA risks can also do double-duty for Purchase to Pay, Travel & Entertainment, Purchase Cards, & General Ledger risks – if the tests are correctly configured. Not too shabby for a side effect.



Case Studies

HERE ARE SOME EXAMPLES OF FCPA VIOLATIONS THAT A FEW COMPANIES ENCOUNTERED - AND WHAT HAPPENED NEXT.

THOUGH IT WAS A ROUGH RIDE AT FIRST, THESE STORIES FORTUNATELY HAVE HAPPY ENDINGS THANKS, IN PART, TO DEVELOPING A STRONG DATA ANALYSIS STRATEGY IN RESPONSE TO THEIR VIOLATIONS.

Don't wait until you launch yours!

Nightmare on M&A Street

FCPA issue:

- Manufacturing company
- Violation: Foreign bribes or “improper payments” to foreign officials.
- This company inherited the problem. The violation had taken place at a company they acquired several years ago. Uncovered only recently, the violation had occurred *prior* to acquisition – yet they were still liable.

Impact:

- Fined ~\$10 Million by the US Department of Justice (DOJ) and ordered to return \$10 Million in profits.
- Government oversight is also required for three years. DOJ Monitor now on site to review transaction monitoring efforts – costing an additional \$1 million per month on top of fines.

FCPA compliance approach:

- Since they were caught with no FCPA compliance program in place, they immediately sought expert help to implement an effective compliance program.
- With expert help, they identified what they needed to do to show the DOJ and the US Securities & Exchange Commission (SEC) that they have taken actions to be compliant in the areas where they are being fined.
- FCPA analytics were implemented and automated with data analysis software. Their first step was to implement a set of analytics to pinpoint some red flag areas to watch. Example tests:
 - » Identify one-time vendors that received more than one payment
 - » Identify payments for large amounts without proper documentation
- Staff received training on using the software, and they were able to configure a set of targeted analytics for FCPA testing with the help of expert technology consultants.
- Now expanding to a larger program to monitor for FCPA violations on an ongoing basis.
- Now that the immediate issues have been identified, they intend to leverage data analysis throughout the business to ensure that they will remain compliant in the future. In response to concerns about doing risky business without even knowing it, they are applying technology to monitor high risk internal controls on a continuous basis.

Self-Exam Lessens the Pain

FCPA issue:

- Health services company
- This organization already had a robust transaction monitoring program in multiple business process areas. As part of that program, they started to see red flags on improper payments.
- They self-reported a voluntary disclosure to the DOJ about an FCPA violation.
- Violation: Potential improper payments to individuals and entities in Europe.
- Violation took place prior to acquisition, by a distributor – yet still liable.

Impact:

- The individual that committed the fraud is now in jail.
- The company was required to stop shipping product to international markets.
- DOJ penalty anticipated; their goal is to incur a reduced fine by self-reporting the violation.

FCPA compliance approach:

- First step was to conduct an FCPA risk assessment using ad hoc data analysis.
- Existing continuous monitoring analytics implementation and training in six process areas was expanded to test FCPA risk areas on an ongoing basis.
- Utilizing ongoing training and coaching to build analytic-enabled audit programs.
- With a risk profile that changes over time, they use ongoing expert consulting to revise analytics on a regular basis to ensure they are keeping up with changing risks.

Bite Back

FCPA issue:

- Consumer products company
- They've successfully avoided FCPA violations by taking proactive measures to address FCPA compliance.

Impact:

- N/A

FCPA compliance approach:

- They already had a dedicated continuous controls monitoring team in place.
- Initial continuous monitoring tests focused on AP, T&E, Payroll, and AR.
- Started using ad hoc data analysis to pinpoint key risk areas to focus on and build tests for repeatable and continuous monitoring.
- Early FCPA program included analytics to target audit focus in 'embargo' countries.
- Conducted targeted FCPA interviews with local senior management in subsidiaries around the world to assess and increase FCPA knowledge.
- Internal Audit integrated efforts with Legal, Compliance, and HR.
- Initial continuous monitoring analytics implementation and training.
- Utilizing ongoing training and coaching to build analytic-enabled audit programs.

Ready, set...

Take this **questionnaire** to help you get a basic snapshot of where your organization is at, and what you need to start thinking about to optimize risk and control data analysis as part of your FCPA compliance strategy.

Overall objectives and ownership:

- 1) What are your objectives for FCPA compliance?
 Proactive Basic compliance Reactive to known issues
- 2) What is your timeline for meeting those objectives?
 ASAP 3-6 months 7-12 months By: _____
- 3) Who in your organization owns your FCPA compliance initiative?

- 4) Who is involved in your FCPA compliance initiative?

- 5) Does your business involve high FCPA-risk activities and/or countries?
 No Yes, list: _____
- 6) Have there been any FCPA problem areas in the past?
 No Yes, list: _____

Status report on process understanding and risk assessment:

- 1) Do you have a current FCPA risk assessment for your business?
 To Do Done
- 2) Do you have a documented FCPA compliance process?
 To Do Done
- 3) Do you have a compliance control program planned or in place for your business?
 To Do Done
- 4) How visible is FCPA compliance in your business – do you have FCPA compliance training/outreach programs to international sales and similar business units?
 To Do Done
- 5) How do you currently know your FCPA compliance program is working and your FCPA controls are operating correctly?

- 6) How do you research and vet who you are doing business with now?

- 7) Do you subscribe to one of the “politically exposed person” PEP data services and use this data to research and vet who you do business with?
 To Do Done
- 8) How do you manage cross-border and cross-operational requirements to gather and assess FCPA related information?

- 9) Do you have a plan to address language, culture and data privacy issues associated with enforcing FCPA compliance?
 To Do Done



Need help? Talk to an ACL data analysis expert to help determine your FCPA readiness and get guidance on next steps on automating your FCPA compliance testing. Call 1-888-669-4225

Analytics readiness checklist:

- 1) Do you currently perform any kind of data analysis to address audit or compliance objectives (i.e., for P2P, Travel, Vendor management)?
 Yes No

- 2) Have you reviewed how data analysis could be applied to help with your FCPA control assessment strategy?
 To Do Done

- 3) Have you investigated to see if business partner information is captured in your data (e.g., recipients of business hospitality) in enough detail to support partner-centric FCPA analysis?
 To Do Done

- 4) What's your understanding of the payments and employee expense data landscape in your business? Are these systems centralized/ decentralized/mixed?

Outputs and actionable items:

- 1) How would you see FCPA analytics fitting into your FCPA compliance management process?

- 2) Who would be involved in following up on FCPA control exceptions?

- 3) How often are you looking to validate the operation of FCPA controls?
 Daily Weekly Monthly Other: _____

- 4) What kind of evidence do you need to trigger and support follow-up and resolution of FCPA exceptions?



Need help? Talk to an ACL data analysis expert to help determine your FCPA readiness and get guidance on next steps on automating your FCPA compliance testing. Call 1-888-669-4225

...Go!

YOU NOW KNOW HOW DATA ANALYSIS FITS INTO AN EFFECTIVE COMPLIANCE PROGRAM, AND HOPEFULLY HAVE A BETTER IDEA OF WHERE TO START.

To sum it up:

- Choosing to ignore the potential problem is no longer an acceptable option.
- The stakes are high, and getting higher.
- Failure to demonstrate a sound compliance program can be disastrous to your organization.
- Having a compliance and monitoring program in place can both help ensure compliance, and also better your negotiating position if violations do occur.
- FCPA risks are highly specific to each organization. Conducting an FCPA risk assessment helps pinpoint where to begin and where to focus your efforts.
- As a key pillar of an effective compliance program, build your data analysis strategy to capitalize on technology to:
 - » Test 100% of transaction data (don't forget multilingual data).
 - » Enable continuous compliance.
 - » Provide a consistent process and follow-up on each potential issue identified – for example, with exceptions management and a locked down work flow audit log.
- Data analysis is a must. If you aren't monitoring your transactions, then you won't be alerted of suspicious activities – unless, of course, you get a call from the DOJ.

If you don't have the time or the in-house expertise to automate your FCPA compliance testing, it may be time to talk to someone who can help.

Contact an ACL expert for a free consultation on how you can get the most out of data analysis at 1-888-669-4225 or sales@acl.com today.

About ACL

ACL delivers technology solutions that are transforming audit and risk management to give organizations unprecedented control over their business.

Our integrated family of products—including our cloud based audit and compliance management solution and flagship data analytics products—are used at all levels of the enterprise to help maximize growth opportunities by identifying and mitigating risk, protecting profits, and accelerating performance.

Thanks to 25 years of experience and our consultative approach, we implement flawlessly so customers realize concrete business results fast at low risk. Our actively engaged community of more than 14,000 customers around the globe—including 89% of the Fortune 500 and hundreds of governments—tells our story best. Visit us online at www.acl.com.

Recover your investment quickly with ACL solutions

Achieve immediate, significant financial payback on your ACL technology investment by improving cost management and reducing revenue leakage. By automating controls monitoring for compliance, you will free up valuable resources and ensure the process is sustainable. ACL leverages 20+ years of industry experience to provide focused analytics for the FCPA business challenges your company faces.

To get advice on how to address your FCPA compliance challenges using data analysis , call 1-888-669-4225 or email sales@acl.com.

» [Learn more at www.acl.com/FCPA](http://www.acl.com/FCPA)