

## Solution Overview

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# Anti-Bribery and Anti-Corruption Overview

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## Corruption & Bribery

Entering into foreign markets can bring rewards of new revenue growth. If care is not taken, it can also introduce unnecessary risks such as damaged reputations and huge fines that can erode profitability. Offering bribes as a way of doing business has been frowned upon for the last two decades. In the US, the Department of Justice (DOJ), Security Exchange Commission (SEC) and Federal Bureau of Investigations (FBI) have created specialized units for exclusively enforcing and pursuing corruption under the Foreign Corrupt Practices Act (FCPA). The FCPA forbids bribery of public officials for all US companies or companies listed on any US stock exchange. Similar legislation exists in Canada under the Corruption of Foreign Public Officials Act (CFPOA). With the strictest legislation being the United Kingdom Bribery Act (UKBA) that outlaws bribes to both the public and private sectors in foreign countries.

## CaseWare™ Analytics Anti-Bribery and Anti-Corruption

An over reliance on policies alone is a risky approach to ensuring compliance. Effective compliance involves the active monitoring of all data and transactions, to ensure compliance with policies and quickly identify areas of potential non-compliance. The best defense to claims of bribery and corruption is to implement adequate procedures to show that due diligence was done to prevent the bribe.

With CaseWare Analytics, you are able to view all of the various data sources as though they were one, and discover suspicious activities or patterns, before they become detrimental to the organization.

Within the CaseWare Analytics platform, finance, audit and compliance professionals in an organization can co-ordinate compliance activities in a way that is conducive to the normal flow of business."

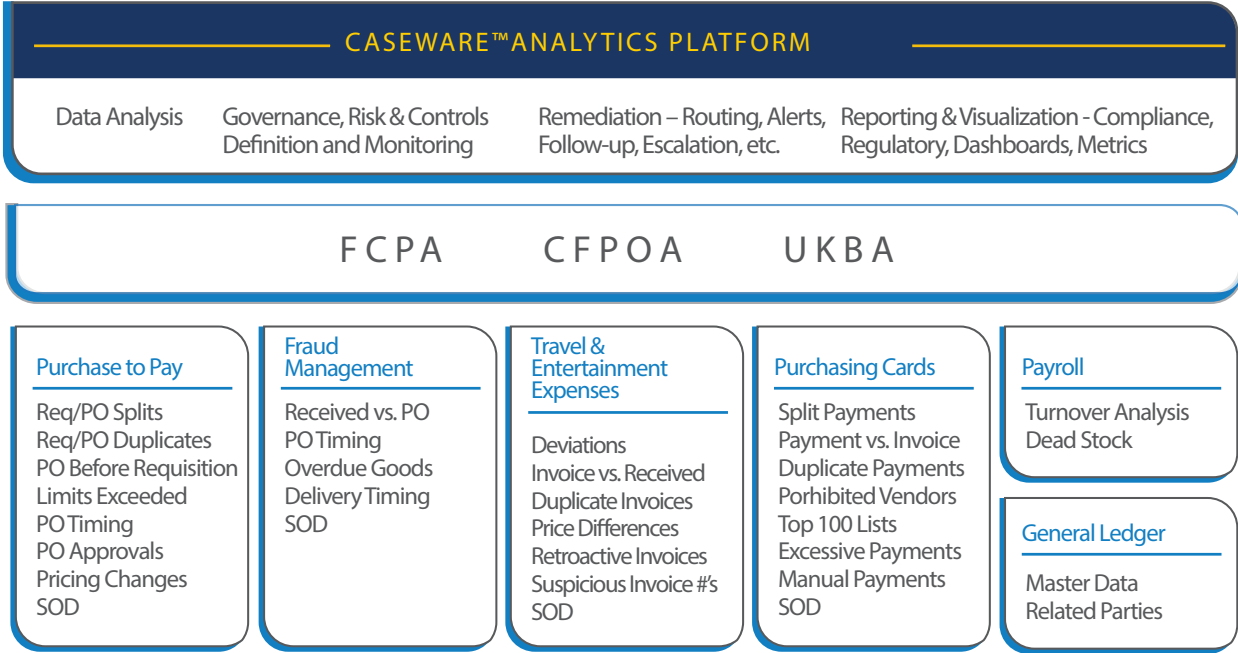
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"Reporting on Anti-corruption Programmes - Although some multinational companies now report on their anti-corruption programmes, there is significant room for improvement with respect to the content of such programmes. For example, few indicate that facilitation payments are prohibited and reporting on monitoring procedures tends to be weak."

Transparency International, *Transparency in Corporate Reporting: Assessing the World's Largest Companies*  
[www.transparency.org](http://www.transparency.org)  
June 2012

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Figure 1 - CaseWare™ Analytics P2P Platform



**Solution Benefits**

**Accurate and Up-to-date Insights**

Provide consistent, timely and precise information to key decision makers.

**Collaborative Framework**

Assign control breakdowns to the right personnel via an integrated workflow and escalation path, to ensure accountability and issue resolution.

**Sustaining Compliance While Implementing Change**

Introduce business changes with confidence knowing that you have a bird’s eye view of all application and process controls, regardless of systems or location.

**CaseWare Analytics Capabilities**

**24/7 Automated Analysis**

Ongoing and automated analysis of all transactions within financial and purchasing systems allows you to discover anomalies immediately.

**Workflow for Managing Issues/Anomalies**

Once an anomaly is identified, alerts (equipped with resolution guidelines) are automatically sent to the business stakeholder who can remediate. The workflow engine is completely configurable and will result in a streamlined process including multiple levels of escalation, setting deadlines, adding supporting documentation, etc.

## Anti-Corruption Compliance Analytics

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| <p><b>Suspicious Vendors</b></p>                         | <ul style="list-style-type: none"> <li>○ Identify unauthorized vendors - monitor for vendors with master data changes created and/or approved by an unauthorized employee</li> <li>○ Identification of vendors where alternate payee names have been alternated multiple times within X days</li> <li>○ Identify vendors with multiple changes to bank account number within a specified time period</li> <li>○ Identification of frequent use of one-time vendor arrangements</li> </ul>   |
| <p><b>Suspicious Procurement Activities</b></p>          | <ul style="list-style-type: none"> <li>○ Identify payments for large amounts without proper documentation</li> <li>○ Identify cumulative payments for two or more transactions that were approved by Same Employee to the Same Vendor exceeding or within a Percentage below the Authority Limit</li> <li>○ Identification of bonuses or commissions of unusual quantity or timing</li> <li>○ Identification of frequent use of one-time vendor arrangement</li> <li>○ Identification of payments made following manual overrides in the system</li> <li>○ Identify purchase orders where the total payment amount was greater than the total purchase order amount</li> <li>○ Identify invoices where the invoice receipt amount is greater than the Goods Receipt amount</li> </ul> |
| <p><b>PEP/OFAC Sanctioned Lists Matching</b></p>         | <ul style="list-style-type: none"> <li>○ Identify expense transactions where the vendor name (and attendee name in the case of meals) closely matches a name on the OFAC/GSA/ PEP/KYC/CFT lists or other supplied lists of names</li> </ul>   |
| <p><b>Suspicious Travel &amp; Expense Activities</b></p> | <ul style="list-style-type: none"> <li>○ Identify charitable contributions or entertainment expenses to organisations with government affiliations</li> <li>○ Identify multiple gifts to a single individual</li> <li>○ Identify unauthorised Travel &amp; Expense cards</li> <li>○ Identify Segregation of Duties violations: e.g. Submitter same as Approver</li> </ul>   |
| <p><b>Suspicious General Ledger Activities</b></p>       | <ul style="list-style-type: none"> <li>○ Identify invalid or suspicious journal entries to temporary accounts</li> <li>○ Identify payments made following manual override in the system such as direct manual postings to the GL</li> <li>○ Identify suspicious journal entry bookings at unusual times</li> <li>○ Identify adjustments to accounts inactive for more than X days</li> </ul>  |

Anti-Corruption Compliance Analytics (continued)

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| <p>Suspicious Third-Party Activities</p>              | <ul style="list-style-type: none"> <li>○ Monitor suspicious activities to 3rd party providers (e.g. illegitimate vendors used by approved vendors)</li> <li>○ Use of new lawyer / accountant / agent / customs agent / consultant with no prior relationship</li> <li>○ Identification of payments classified as government expenses</li> </ul>  |
| <p>High Risk Transactions &amp; Key Word Matching</p> | <ul style="list-style-type: none"> <li>○ Missing descriptions or suspicious key words for payment transactions such as "gifts", "services rendered", "consulting", etc</li> <li>○ Identify Key Words or Innuendos in any language or dialect (Forbes top bribery keywords)</li> <li>○ Identify transactions to vendors or individuals in high risk jurisdictions</li> <li>○ Identify high volumes of cash transactions</li> <li>○ Identify payments made from out-of-country bank accounts or sent outside the country of operation</li> <li>○ Identify employees with more than a defined number of even-dollar cash expense transactions above a specific amount threshold within a specified time period</li> </ul> |



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