

ARE YOUR COMPLIANCE POLICIES AND PROCEDURES WORKING? AND HOW DO YOU KNOW?



Critical thinking at the critical time.™

FTI CONSULTING IS DEDICATED TO HELPING ORGANIZATIONS PROTECT, REALIZE AND ENHANCE ENTERPRISE VALUE IN AN INCREASINGLY COMPLEX REGULATORY, ECONOMIC AND LEGAL ENVIRONMENT. While organizations continue their global expansion and join forces with new partners abroad, corporate executives and directors must remain vigilant to avoid potential violations of regulations and laws in the organization's home country, as well as the laws of the countries in which they operate. Often the prosecution of criminal liability can attach to an organization whenever an employee of the organization commits an illegal act within the apparent scope of his or her employment, even if the employee acted directly contrary to company policy and instructions. Effective compliance programs play a critical role in warning of potential threats, and preventing violations of laws that could at a minimum tarnish a corporation's image and impact its business relationships or financial viability. Our highly experienced professionals bring detailed knowledge of their fields and industries to client projects, providing full-scale assessments, process improvement and support for compliance programs. We help analyze existing policies and procedures to find gaps or breaches in existing safeguards, and are adept at designing and implementing controls that serve to rehabilitate deficiencies and/or monitor the continuing effectiveness of an organization's compliance program in an ever-changing business environment.

OUR APPROACH

Our approach is hands-on, cost-effective and phased. Our global teams of industry specialists, former regulatory and law enforcement officials, technology experts and forensic accountants work together with you to assess the situation and your specific needs. Based on this assessment, we design a scaled scope, execute the work and provide recommendations and other feedback in a timely fashion to executive management, boards, audit committees and company counsel.

Pre-Work Phase

Before starting an analysis we identify the key compliance risks facing the organization, which may have changed over time. We apply a matrix approach that provides a visual depiction of your organization's compliance risks over laid by the organization's Compliance Policies & Procedures allowing for initial identification of high risk areas and potential gaps and/or redundancy in compliance controls. This matrix provides the basis upon which the scaled scope of work can be designed.

MATRIX APPROACH

CONTROLS	RISK A	RISK B	RISK C	RISK D	RISK E	IDENTIFIED RISKS Etc
Control 1	1			1		
Control 2			1		1	
Control 3	1			1		1
Etc						
SUMMARY						
Control Exists	1	0	1	1	1	1
Control is known	1	0	0	1	1	1
Control is effective	1	0	0	1	0	1

Defining Scope

Working with you, we develop an agreed upon scope of work including budgets. The scope of work may include: review of written policies and procedures to ensure compliance with applicable regulations; review of corporate reporting structure with the focus on lines of communication and responsibility over compliance; interviews of personnel and/or third party business partners to gain an understanding of the level of working knowledge of the organization's policies and procedures; review of subsidiaries, joint ventures and other controlled entities for implementation of your organization's compliance controls; testing to assess adherence with compliance policies, much of which may focus on internal controls; and review of current monitoring efforts such as internal auditors' work and findings.

Field Work

Executing the agreed to scope, we apply the combined experience of our professionals located in North America, South America, Europe, Africa, the Middle East and Asia to analyze information gathered with the goal of determining the adequacy of the organization's policies and procedures. The analysis of your organization's compliance program using our vast experience with organizations across many industries and cultural paradigms allows us to measure the effectiveness of your compliance program, and where necessary, formulate workable improvements. We compliment our professionals' experience with the use of up-to-date third party software that assists us in analyzing and identifying risk areas.

Reporting

We present our findings through written and/or oral reporting and include specific examples to support our assessment. Our reports provide an independent check up for stakeholders with insight that may not be readily available from in-house sources. Our work can also serve as an extension of the efforts of the organization's existing staff while minimizing the costs of permanently adding compliance personnel. We do not make recommendations as a means of expanding the scope of our work; rather, our findings and recommendations are designed to be implemented by the organization given its existing structure and any pending modifications or known constraints. FTI Consulting understands that the policies and procedures must be rigid enough to withstand scrutiny, while at the same time adaptable enough to the organization's strategic business direction. Otherwise the employees will either view the organization's compliance environment as meaningless or too strict to be followed. We factor into our measurement and recommendations the many competing factors facing the organization and provide the risk mitigation services that help organizations protect enterprise value and their hard-earned reputation.

SPECIFICALLY, WE CAN ASSIST YOU IN:

- Understanding the strengths and weaknesses of your current Compliance Policies & Procedures and Business Code of Conduct, identifying gaps in controls where there may exist the risk that violations occur and go undetected
- Designing practical/workable controls to mitigate the control gaps or prevent irregularities that may lead to the occurrence of violations
- Developing and reviewing training materials for all functions and levels of the organization
- Enhancing reporting to compliance officers, board of directors, management and other stakeholders regarding compliance activities, thereby ensuring that stakeholders are kept apprised of the organization's compliance efforts, including timely reporting of possible violations of policies
- Performing continual testing of the effectiveness of compliance controls and responding appropriate thereto, including either the enhancement of existing controls or removing controls that are redundant
- Assessing how your organization screens employees, agents, distributors and other business partners to ensure that your due diligence process properly evaluates employees' and business partners' history of ethical behavior
- Providing pre-transactional intelligence critical to making strategic business decisions that involve mergers and acquisitions, joint ventures, public and private placements of securities, outsourcing/offshoring and other cross border transactions. Beyond the traditional concept of due diligence, our work in this area involves matters of competitive and defensive intelligence, image and reputation assessment, intellectual property and brand protection, political risk and FCPA assessments for emerging markets, and hedge fund investigations
- Determining if your compliance message, including your Compliance Policies & Procedures and Business Code of Conduct, are consistently applied and understood across multi-cultural borders



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About FTI Consulting

FTI Consulting, Inc. is a global business advisory firm dedicated to helping organizations protect and enhance enterprise value in an increasingly complex legal, regulatory and economic environment. With more than 3,700 employees located in 22 countries, FTI Consulting professionals work closely with clients to anticipate, illuminate and overcome complex business challenges in areas such as investigations, litigation, mergers and acquisitions, regulatory issues, reputation management and restructuring. The company generated \$1.4 billion in revenues during fiscal year 2010. More information can be found at www.fticonsulting.com.