

EY Anti-Bribery and Anti-Corruption tool

Forensic & Integrity Services

The EY logo consists of the letters 'EY' in a bold, white, sans-serif font. Above the 'Y' is a yellow chevron shape pointing to the right. The logo is positioned in the bottom right corner of the image, which features a background of a hand pointing at a digital data visualization with glowing lines and a grid.

Building a better
working world

Introduction

- ▶ In today's world, as Indian companies are expanding and their global footprint is increasing, they are faced with a gamut of Anti-Bribery and Anti-Corruption (ABAC) laws and regulations. They also need to consider local legislations where they have operations, over and above the Foreign Corrupt Practices Act (FCPA) and UK Bribery Act (UKBA), as applicable. They need to formulate policies and embed ethical behaviour in their daily business practices, with the right tone at the top and establish the boundaries for expected behaviour.
- ▶ Leading companies are gradually realizing the importance of having good corporate governance practices. Existence of well-defined policies and procedures and their effective implementation indicates an organization's commitment against bribery and corruption, and acts as a potential safeguard in case of regulatory scrutiny.
- ▶ Currently, there is an intense global backlash against graft and unethical business practices. In line with this sentiment, the severity and frequency of enforcement actions and penalties has increased.
- ▶ It is, therefore imperative for corporates to not only ensure adequate adherence to all relevant laws and regulations, but more importantly, demonstrate a commitment to combating such issues.

India snapshot

81



India's ranking on Transparency International's Corruption Perception Index 2017 out of 180 countries

36%



EY Global Fraud Survey 2018 respondents believe fraud and corruption pose the greatest risks to their business

40%



EY Global Fraud Survey 2018 respondents believe that bribery and corruption is widespread in their country

Below is a quick comparison of the CPI scores for BRICS nations (Brazil, Russia, India, China and South Africa) in recent years yields interesting anti-corruption trajectories:

Country	CPI score 2017	Rank 2017
Brazil	37	96
Russia	29	135
India	40	81
China	41	77
South Africa	43	71



Why should you take note?



If your answer is "yes" to any of these questions, a comprehensive ABAC solution is the first step in the right direction.

How will an ABAC solution help you?

A well-institutionalized ABAC solution is required by organizations to demonstrate tangible efforts toward combating corruption - above and beyond the tone at the top, policies and procedures, etc. It will also enable your organization to:

- ▶ Establish clear policies and procedures
- ▶ Consolidate and ease communication of compliance programs
- ▶ Effectively comply with international and national laws in spirit
- ▶ Understand exposure to bribery and corruption risks
- ▶ Mitigate risks due to potential unethical conduct of third parties such as vendors, contractors, distributors, agents and consultants
- ▶ Consistently monitor the program for good governance
- ▶ Increase shareholder confidence

"If you think compliance is expensive, try non-compliance"

- Former Deputy US Attorney
General Paul McNulty

EY's framework to develop a compliance program

Technology



Strengthening internal environment

- ▶ Top management commitment
- ▶ Ensuring clear communication
- ▶ Designing ABAC policies and procedures
- ▶ Conducting risk assessment
- ▶ Evolving internal controls
- ▶ Providing training and guidance



Managing external factors

- ▶ Assessing industry trends
- ▶ Adopting leading practices
- ▶ Conducting vendor due diligence
- ▶ Ensuring complete documentation
- ▶ Adding compliance clauses in third-party contracts
- ▶ Having the right to audit third parties
- ▶ Providing training and guidance to third parties



Continuous monitoring and reporting

- ▶ Reviewing and monitoring financial transactions
- ▶ Early identification of red flags
- ▶ Monitoring contract execution
- ▶ Testing non-compliance
- ▶ Management reporting
- ▶ Preparing customized reports
- ▶ Tracking implementation
- ▶ Ensuring easy circulation and progressive improvisation

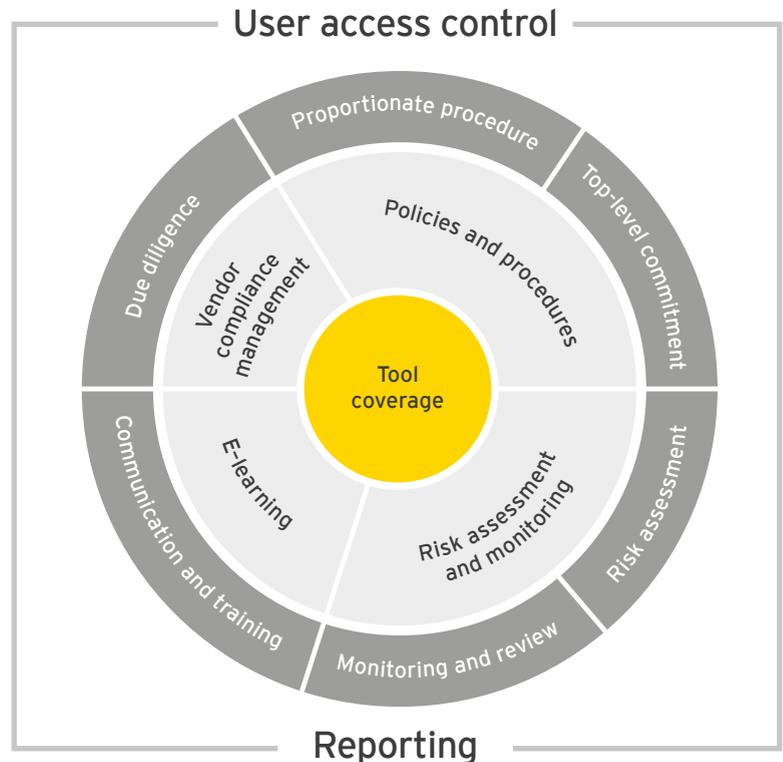
Leveraging technology

Introduction to EY ABAC

Based on EY's experience of working on both proactive reviews and reactive engagements around fraud, bribery and corruption, we have developed a web-based solution that enables organizations to effectively identify bribery and corruption risks through the use of existing sources of information within an organization – i.e., financial data and employees.

The EY ABAC tool provides a holistic framework, with its analytical capabilities driven by multiple anti-corruption legislations and regulatory guidelines, and risk scenarios based on our experience in this space. The tool will assist in addressing elements related to compliance, as recommended by the following anti-bribery and anti-corruption guidance:

-  FCPA, 1977
-  UKBA, 2010
-  Prevention of Corruption Act, 1988 (POCA)
-  Anti-bribery conventions such as the United Nations Convention against Corruption (UNCAC) and the Inter-American Convention against Corruption (IACAC)
-  Sanctions imposed by multilaterals



How can you benefit from using EY ABAC tool?

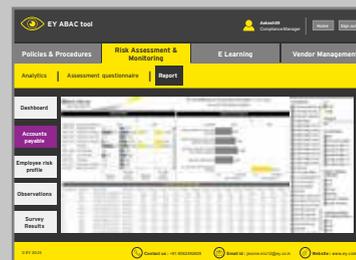
Policies and procedures

- ▶ Inbuilt sample ABAC policies and procedures
- ▶ Quick rollout of policies and checklists
- ▶ Integration with existing email system
- ▶ Easy circulation and acknowledgments
- ▶ Senior management communication to demonstrate the tone at the top
- ▶ Ability to extract management dashboards



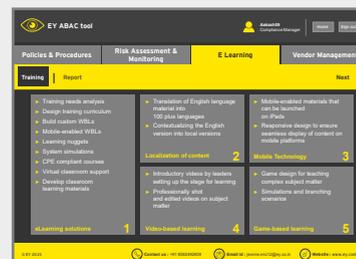
Risk assessment and monitoring

- ▶ Enables rollout of electronic surveys to obtain inputs or feedback of employees
- ▶ Customization of risk scoring ranges
- ▶ Interface to enable ABAC data analytics
- ▶ Dashboard reporting on risk assessments and data analytics



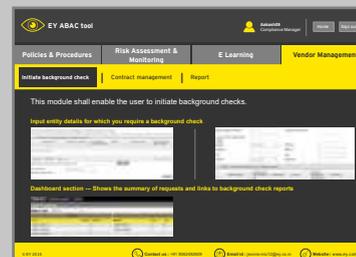
E-learning

- ▶ Electronic platform for interactive learning
- ▶ Easy dissemination of training material
- ▶ Option of conducting tests for trainings undertaken and monitoring training programs
- ▶ Report cards on e-learning assessment



Vendor compliance management

- ▶ Single screen overview of vendor compliance
- ▶ Understand exposure due to business consultants or vendors
- ▶ Electronic data management system
- ▶ Vendor enrolment for training programs



About EY's Forensic & Integrity Services

Dealing with complex issues of fraud, regulatory compliance and business disputes can detract from efforts to succeed. Better management of fraud risk and compliance exposure is a critical business priority – no matter the size or industry sector. With approximately 4,500 forensic professionals around the world, we will assemble the right multidisciplinary and culturally aligned team to work with you and your legal advisors. We work to give you the benefit of our broad sector experience, our deep subject-matter knowledge and the latest insights from our work worldwide.

<p>500+ companies for which we have done ABAC engagements in the past six years</p> 	<p>Forensic professionals 700+</p>	<p>200 qualified and experienced forensic technology specialists</p> 	<p>2 State of the art Forensic Technology labs at Mumbai and Hyderabad</p> 
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ABAC engagements executed in the past six years



- ▶ Investigated a large number of FCPA violation cases in India and abroad
- ▶ Designed and developed ABAC compliance frameworks, including drafting of policies and procedures
- ▶ Conducted compliance reviews and risk assessments, including data analytics and transaction testing, to identify potential irregularities
- ▶ Conducted ABAC awareness trainings and workshops for employees and third parties of clients

60+ **third-party due-diligence specialists with multi-lingual capabilities**

In-house language proficiency in English, German, French, Spanish, Chinese, Japanese, Bangla and various Indian languages

Qualified and experienced team of

- ▶ Chartered Accountants (CAs)
- ▶ Certified Fraud Examiners (CFEs)
- ▶ Lawyers
- ▶ Engineers
- ▶ Masters in Business Administration (MBA)
- ▶ Certified Internal Auditors (CIAs)
- ▶ Certified Information Systems Auditors (CISAs)
- ▶ Forensic technology specialists
- ▶ Former police officers

40,000+ background checks conducted



Wide sector experience

 Aerospace and defense	 Automotive and transportation
 Banking, financial services and insurance	 Chemicals
 Retail and consumer products	 Diversified industrial products
 Government and public sector	 Life sciences
 Telecom, media and technology	 Energy, utility and resources
 Private equity	 Real estate and construction

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