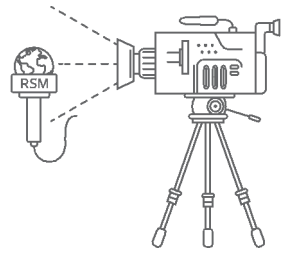


Wake Up Call

RSM



Beware of the Growing Bribery Risk in Your Business

For senior executives, it can be difficult to walk the line between running a competitive business while also enforcing strong measures to reduce potential risks of bribery, fraud or corruption activity.

That challenge was clearly identified in RSM's 2016 Global Corruption Law Compliance Survey, in which 85 percent of surveyed CEOs or company presidents and 67 percent of chief compliance officers said such illicit activity was occasionally needed to keep pace with competitors in global markets.

Indonesia's Corruption Perception Index 2016 scored at 37, where 0 is highly corrupt and 100 is very clean, as published by Transparency International. The majority of Asia Pacific countries sit in the bottom half of the Index. 19 out of 30 countries in the region scored 40 or less.

In 2017, World Bank debars Denmark engineering firm for Vietnam, Indonesia bribes. In 2016, General Cable Corporation sentenced to pay \$75.75 million to resolve FCPA violations in Angola, Bangladesh, China, Egypt, Indonesia, and Thailand; two former senior executives of Louis Berger International were sen-

tenced for bribing to win contracts in India, Indonesia, Vietnam, and Kuwait.

Fraud, bribery and corruption risk is right at the top agenda of issues that can harm an organization. This financial and/or reputation harm covers all companies and government entities, regardless of industry or specialization.

Such improper conduct can occur in almost all business processes such as sales, procurement, payroll, asset management, IT and the protection of confidential information and data.

Prevention Measures

The evolving perceptions as to the threat of foreign bribery and corruption in Indonesia, underscores the role leading practice standards play in assisting organizations in the development of a sound internal control systems.

It's increasingly important for organizations to implement robust systems and processes to address those

risks, along with a culture of compliance.

Whistleblower system should be enforced in organizations and not only as a checklist item, when taken seriously, this channel could foster the culture of compliance.

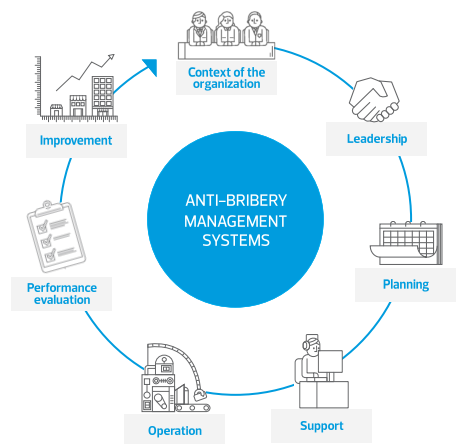
Tips for Organization

It's a mistake to not carefully build a step-by-step plan for anti-bribery management system that meet international standard.

Conducting an assessment. This is an important first step, because it analyzes existing anti-fraud policies,

procedures and practices against standards. This exercise—when coupled with the bribery risk assessment will reveal any alignment gaps or critical areas of nonconformance.

Making needed changes. After the assessment, leaders can use the findings to inform a corrective action plan. If done well, this plan should detail priorities, schedules and project owners for each identified change, with each action tied to how it addresses gaps or non-conformances. This is all directed toward successful creation of an anti-bribery management system.



KEY POINTS

- Illicit activity was occasionally needed to keep pace with competitors in global markets.
- Important for organizations to implement robust systems and processes to address those risks, along with a culture of compliance.
- Leaders need to build a step-by-step plan for anti-bribery management system.

THE POWER OF BEING UNDERSTOOD

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