

Thinking about your business
is a big part of ours.



RISK ADVISORY SERVICES

Protecting yourself against business threats.



THE GLOBAL DESTINATION FOR YOUR AUDIT, TAX AND CONSULTING NEEDS

RSM is one of the world's leading audit, tax and consulting networks. We build strong relationships based on a deep understanding of what matters most to you. We take the time to understand your business, strategies and goals, and draw on the power of our global network to deliver insights tailored to your precise needs.

By sharing the ideas of our senior professionals, we empower you to move forward, make critical decisions with confidence and take full advantage of the opportunities on the horizon for your business.

Wherever you are in the world, you will receive the same seamless service that combines astute local knowledge with the global expertise of our senior advisers. We operate in 120 countries, across 800 offices, and have a combined total of over 41,400 staff and partners.

RISK ADVISORY SERVICES

We specialise in helping you identify and manage your risks and, in the event that risks become a reality, help you deal with the consequences. To enhance the value that you deliver to your stakeholders, we can assist you in protecting your organisation and its success.

We understand the threats that your business may face. From the global banking crisis to the rise of cybercrime, recent history demonstrates the importance of identifying threats, and of developing an appropriate response, at an early stage.

As a result, we are active, not reactive, and provide support and guidance as your systems and processes develop. Our collective expertise and knowledge ensure we remain at the forefront of implementing new approaches to managing risk.

Risk Advisory Services

- Enterprise risk management consulting
- Co-sourced and outsourced internal audit
- Fraud prevention, investigation and forensic accounting services
- Information systems, assurance and advice
- Compliance assessments (third party assurance reporting, Sarbanes-Oxley and equivalents such as KSox and JSox)
- Anti-money laundering (AML) services
- Data privacy and cyber security services

Our capacity and capabilities

- More than 2,000 risk professionals across the globe with deep industry expertise.
- Working with more than 2,500 risk clients worldwide, with solutions scaled to meet the needs of all sizes and types of organisations.
- Global internal audit methodology based on the IPPF of the Institute of Internal Auditors (IIA).
- Common collaboration tools and access to knowledgeable professionals with a sound understanding of regulations, frameworks and standards.
- A Global Risk Consulting Committee, supporting and developing RSM risk professionals around the globe.



More and more companies are seeing risk management as an area of strategic importance. Well structured internal audit activities, good corporate governance and effective information systems are proving to have a genuine competitive advantage.

Richard Smith, UK

FINANCIAL SERVICES

The banking and financial sector has been experiencing extremely tough regulatory oversight within adverse overall economic conditions. However, regulators play a vital role in ensuring a well maintained robust financial system exists. Risk areas relate to:

- Increased regulatory environment
- Unstable global economic markets
- Privacy requirements coupled with increased security issues and breaches
- Consolidation of financial service organisations

Some of the key control weaknesses relate to the changing and complex regulatory landscape resulting in a myriad of compliance challenges that financial services organisation must face. The complexity and potential lack of a geographic footprint can make it difficult for in-house teams to address these key risks.

How we help clients in this sector

- RSM member firms serve many of the world's best financial services firms, with solutions scaled to meet the needs of dynamic and growing organisations

- RSM has seen significant growth and investment in this area, resulting in industry-relevant methodologies, tools and insights
- We have over 500 professionals with deep industry expertise who understand the industry dynamics and pressure points

Our range of services include

- Regulatory solvency
- Insurance consulting
- Internal audit
- Regulatory compliance - including Bank Secrecy Act (BSA) and Anti-Money Laundering (AML)
- Payment Card Industry (PCI) compliance
- All areas of security testing

Contact Rob Kastenschmidt to further discuss how RSM can assist your organisation.

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HEALTH CARE

The health care sector is one of the world's largest, fastest-growing and high-profile industries. Access to health care is a vital service required for growing populations. Be it public or private sector health care, some of the key risks in this industry relate to:

- **Data security and patient confidentiality**
The sector has been beset by problems of ensuring patient data confidentiality especially at a time of increased risk around the integrity of IT systems and their exposure to hacking.
- **Demand management & patient expectations**
The demands placed on health care systems by advanced technology and increasing patient expectations are increasing pressure on the public purse as well as insurance arrangements and associated premiums.
- **Increased clinical automation**
The sector needs to be prepared both from a capital and consumer experience perspective for the expected increase in clinical automation.
- **Ongoing support for research**
The health sector requires a continuous pipeline of new diagnosis and treatment options. In challenged economic periods, the financial support by governments and other stakeholders can be reduced.

Significant control weaknesses include the inability to appropriately, strategically and operationally forecast financial and non-financial information. Additionally, providers may not pro-actively manage the often contentious issues resulting in poor patient and stakeholder engagement.

How we help clients in this sector

- RSM member firms have extensive experience specific to the health care sector of internal audit specialist resourcing, co-sourcing and outsourcing.
- Within RSM there are leading Board and Audit Committee advisory teams that work with organisations in the establishment and maintenance of practice governance frameworks.
- Fraud and forensic accounting teams lead the discussion on the use of comprehensive data analytics in the prevention and detection of fraud and corrupt behaviour.
- RSM's global presence allows health care specialists within member firms to collaborate across the global network.

Contact Richard Smith to further discuss how RSM can assist your organisation.

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Today, so much depends on effective risk management that getting it wrong is just not an option. Organisations with strategically sound risk management initiatives will reap many benefits including protecting shareholder value, reducing the likelihood of loss of business and reputation and creating a genuine advantage in the marketplace in which they compete.

Rob Kastenschmidt , USA



TRANSPORT & LOGISTICS

The transport and logistics industry has witnessed a slowdown of growth in developed countries, threatened by increasing energy and high volatile raw material costs. Further contributing issues include:

- A shift in consumer spending and behaviours
- Bribery, corruption and fraudulent activities
- Over regulation and protectionist tendencies of national governments
- An increasing tax burden as well as some government responses to the fiscal deficit and debt burden
- Availability of key skills and adequate personnel
- Lack of stability in capital markets
- Exchange rate volatility
- Inadequate basic infrastructures

The effects of these issues could result in less structured corporate governance frameworks, compliance issues with regulation and supply chain risks.

Our range of services include

- Implementation and integration of Compliance Management System (CMS)
- Optimisation and support of existing monitoring structures, for example:
 - Risk management
 - Internal controls / Sarbanes-Oxley (SOX)
 - Internal audit / IT audit
- Compliance management
- Corporate governance
- Analysis of special processes regarding business process management and internal control structure (e.g. supply chain)
- Analysis and optimisation of IT governance and IT control structures

Contact Dr. Oliver Bungartz to further discuss how RSM can assist your organisation.

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ENERGY

Modern societies consume vast amounts of fuel and the energy industry plays an integral part of the infrastructure to support this consumption and the ongoing maintenance required. Key risk factors that continue to threaten the industry relate to:

- **Regulatory risks**
The energy industry in most jurisdictions remains heavily regulated in terms of both permissible capital investment and rate charging. Changes in the regulatory and associated compliance environment can therefore have a fundamental impact on the profitability of the sector.
- **Project execution**
The timeliness and quality of capital project execution remains a key risk that all energy companies, irrespective of size, need to consider as cost overruns against a regulated revenue generation base can be difficult to restore.
- **Impact of change in sentiment on global warming**
Many players in the traditional energy sector are perceived to contribute to negative climate change impacts. Consequently, organisations need to ensure that their actions in this area do not impinge on their social licence to operate.

How we help clients in this sector

- RSM member firms have a range of energy specialists from all regions of the world that provide project management assistance to clients and undertake assessments of regulatory compliance.
- RSM has deep local, national and international expertise in relation to change management programmes.
- We have extensive experience across all elements of the energy sector with a deep and long-standing involvement in generation, transmission, distribution, retail and regulatory oversight.

Contact Jean-Marc Imbert to further discuss how RSM can assist your organisation.

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Our delivery of services to international clients is coordinated by specialist members of the RSM Risk Advisory Services Centre of Excellence. This means clients have one partner to talk to, backed by a skilled and efficient team of professionals around the world.

Jean-Marc Imbert, Australia

MANUFACTURING

The manufacturing industry has seen an increase in regulatory compliance. Unstable economic and geopolitical markets have contributed to risks areas such as:

- Erosion of profitability margins
- Stiffer competition
- Changes in the global market place (emerging markets, changing demographics, corporate social responsibility etc.)
- Supply chain reliability and contract risk
- Shortage of adequate skills and skills transitioning
- Ability to deliver customer enhanced value models and the increased role of business services

How we help clients in this sector

RSM member firms have significant experience in the manufacturing space and have developed customised industry methodologies, tools and templates allowing us to provide enhanced services to clients. We serve many of the world's manufacturers with solutions scaled to meet the needs of dynamic and growing organisations.

Our range of services include

- Foreign Corrupt Practices Act / UK Anti-Bribery Act
- Contract compliance and advisory services
- Internal audits including social compliance audits
- IT audits
- Security testing
- Sarbanes-Oxley
- Process review, design and implementation
- Project and programme management
- Organisational design and strategy development
- Supply chain management

Contact Rob Kastenschmidt to further discuss how RSM can assist your organisation.

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WATER

There has been a change in the regulatory environment for the water industry based on reward and incentive mechanisms and customer outcomes.

The ability to manage Totex requirements, rather than separate Capex and Opex investment streams, based on Whole Life Asset Management remains challenging. Additionally, there remains challenges in:

- Delivering efficiency plans targeting c20% savings over five years
- Collaboration between supply entity, operating entity and contracts in delivering value for money
- Increased competition (especially in business market)
- Experience and ability to deliver robust project, programme and change management activities

The identified challenges stem from such control weaknesses as poor change control throughout the asset life-cycle, e.g. design change, construction, organisational and a lack of experience in project and programme management. Insufficient technical expertise to address these key risks is a contributing factor and a lack of understanding of regulatory dynamics.

How we help clients in this sector

Within RSM there are recognised industry experts who have a wealth of experience to assist your organisation. We have developed customised industry methodologies, tools and templates providing enhanced services to clients.

Our range of services include

- Contract compliance and advisory services
- Internal audit including process controls
- Whole life asset management, workforce management and collaboration
- Process review, design and implementation
- Project and programme management
- Organisational design and strategy development
- Customer service management and training

Contact Richard Smith to further discuss how RSM can assist your organisation.

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We work closely with our clients to realise their international opportunities by effectively managing risks. With a global reach and local perspective, we ensure the highest standards of quality and provide flexible as well as customised solutions as the basis of our services.

Dr. Oliver Bungartz, Germany



MINING

The nature of mining processes creates a potential negative impact on the environment and the consequences have led many countries to adopt rigorous regulations designed to moderate the negative effects of mining operations. Whilst the safety of the miners remains a concern, modern practices have improved safety in mines significantly. However, key risk areas that continue to threaten the mining industry include:

- **Volatile operating environment**

The global mining sector has exited a period of sustained commodity prices and high capital investment and is now in an era of changed pricing models and reduced capital projects. This change has led to a greater focus on managing variable and fixed-cost bases.

- **Project execution**

Whether the project is the discovery of a new ore body or the implementation of a new computer system, the timeliness and quality of the project execution remains a key risk that all mining companies – irrespective of size – need to consider.

- **Impact of change in sentiment on global warming**

Especially in those extractive industries that are perceived to contribute to negative climate change impacts, organisations need to ensure that their actions in this area do not impinge on their social licence to operate.

- **Resource nationalisation**

To see resource nationalisation as only forced government ownership of the extractive assets being mined is a narrow view. Nationalisation can also come in the form of new or rising taxes and royalties, enforced supply chain involvement and directed or restricted selling options.

How we help clients in this sector

- Implementation of project management processes
- Deep knowledge of the global warming agenda
- Advisory work of financial models

Contact Jean-Marc Imbert to further discuss how RSM can assist your organisation.

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LEADERSHIP TEAM PROFILES

Richard Smith, UK (Chair)

Richard has more than 25 year's experience of delivering risk management and governance services to both the public and corporate sectors and has worked with numerous international and global entities such as the United Nations, the European Union and NATO.

Richard has extensive experience of managing the delivery of specialist internal audit and consultancy services as well as in working closely with clients in the development of their risk management and governance frameworks.

Richard leads the regional activities on behalf of the CoE for the UK, Republic of Ireland and Northern Ireland and also the Middle East and Africa regions.

Jean-Marc Imbert, Australia

Jean-Marc leads the regional activities of the RSM Risk Advisory Services CoE within Asia Pacific and has been involved for over eight years.

Jean-Marc specialises in providing risk management services, including internal audit, compliance audit, governance, risks and controls and regulatory audit.

He brings over 25 years of experience in the public and not-for-profit sectors as well as the corporate sector, including significant experience with public transport, energy and mining industries and international groups.

Dr. Oliver Bungartz, Germany

Oliver provides internal control, risk management, internal audit, process improvement as well as compliance and corporate governance solutions to a variety of organisations.

In the past, Oliver has helped various companies with SOX compliance and analysing / optimising corporate governance structures and processes. Oliver brings with him the international experience gained as a coordinator and leader of cross-border engagements in the area of risk advisory services, working on engagements in numerous countries.

Oliver leads the regional activities on behalf of the CoE for mainland Europe.

Rob Kastenschmidt, USA

Rob leads regional activities for the Americas on behalf of the RSM Risk Advisory Services CoE. He has significant international experience having worked with many large multi-national corporations, in multiple industries.

As an internal audit partner, Rob has significant experience in both assisting clients through the creation of internal audit functions as well as transforming in-house audit functions into outsourcing/co-sourcing model. Rob also has significant experience in Sarbanes-Oxley compliance.

Rob is responsible for national strategic direction (in the US) and driving its execution, while simultaneously ensuring clients receive the best possible service.

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