

A proactive FCPA assessment helped an electronics manufacturer identify potential risks.

Client's challenge

Many companies are facing increased scrutiny of their accounting practices under the Foreign Corrupt Practices Act (FCPA). Recognizing FCPA compliance as a complex, global challenge for companies, PricewaterhouseCoopers (PwC) took the initiative in advising one of its longstanding clients, a leading electronics manufacturer, to consider a proactive FCPA compliance assessment in two of its locations in China.

PricewaterhouseCoopers' Advisory solution

PwC worked alongside a member of the manufacturer's internal audit group to conduct this targeted FCPA compliance assessment. The project included an in-depth analysis of the company's local country processes and controls related to FCPA.

PwC identified several potential areas for remediation and enhancement including:

- Lack of controls in accounting areas related to expense report approval
- Lack of FCPA training
- Lack of consistency in expense recording

Impact on client's business

Failure to comply with FCPA recommendations can expose companies to penalties including fines and imprisonment. PwC's assessment helped identify process and control improvements to improve the company's ability to comply with the FCPA and mitigate investigations and regulatory scrutiny.

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