




# Risking It All\*

A case study for MLROs.com;

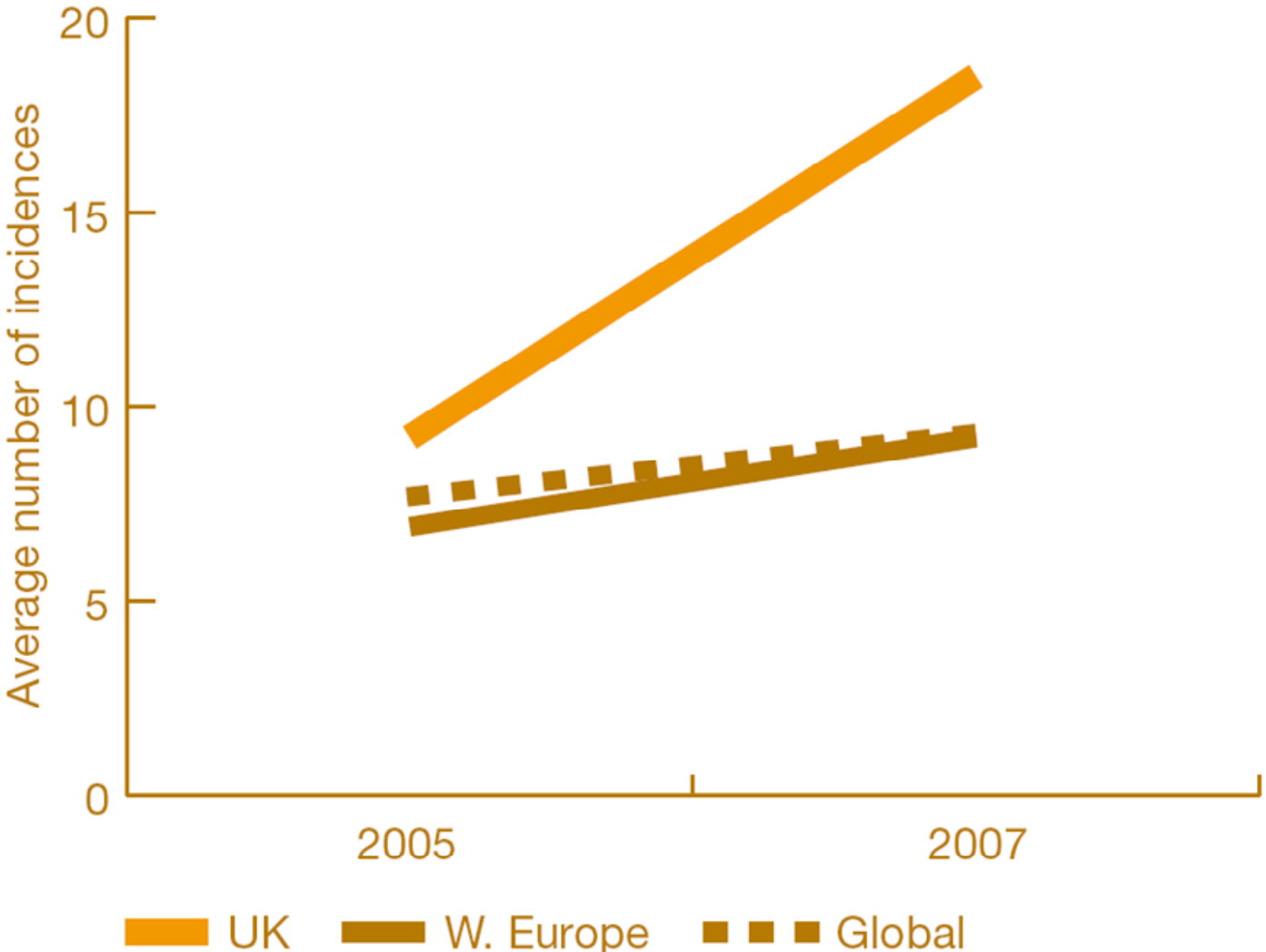
Responding to financial crime

Friday 26 June 2009

\*connectedthinking

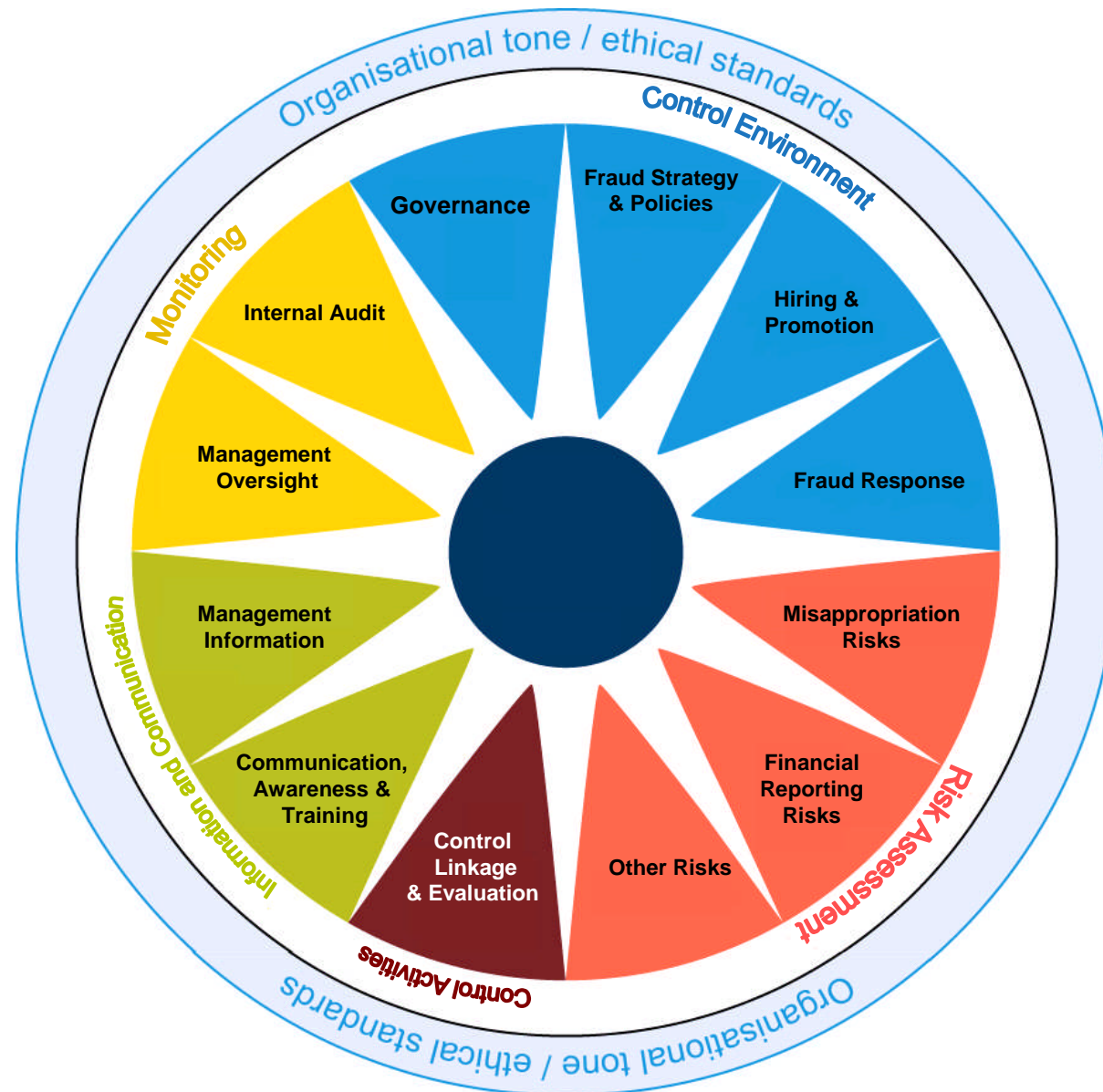
PRICEWATERHOUSECOOPERS 

# Reported incidences of economic crime



**PwC Global Economic Crime Survey 2007**

# Understanding and controlling the risk – the “fraud wheel”



## Increasing responsibilities / risks for Audit Committees

### Convergence of three key dynamics:-

- Greater activity of regulators
- Forthcoming changes in local legislation prompted by changes to EU Company Law Directives
- Increasing oversight, investigation and potential sanctions against auditors

# “Risking It All”

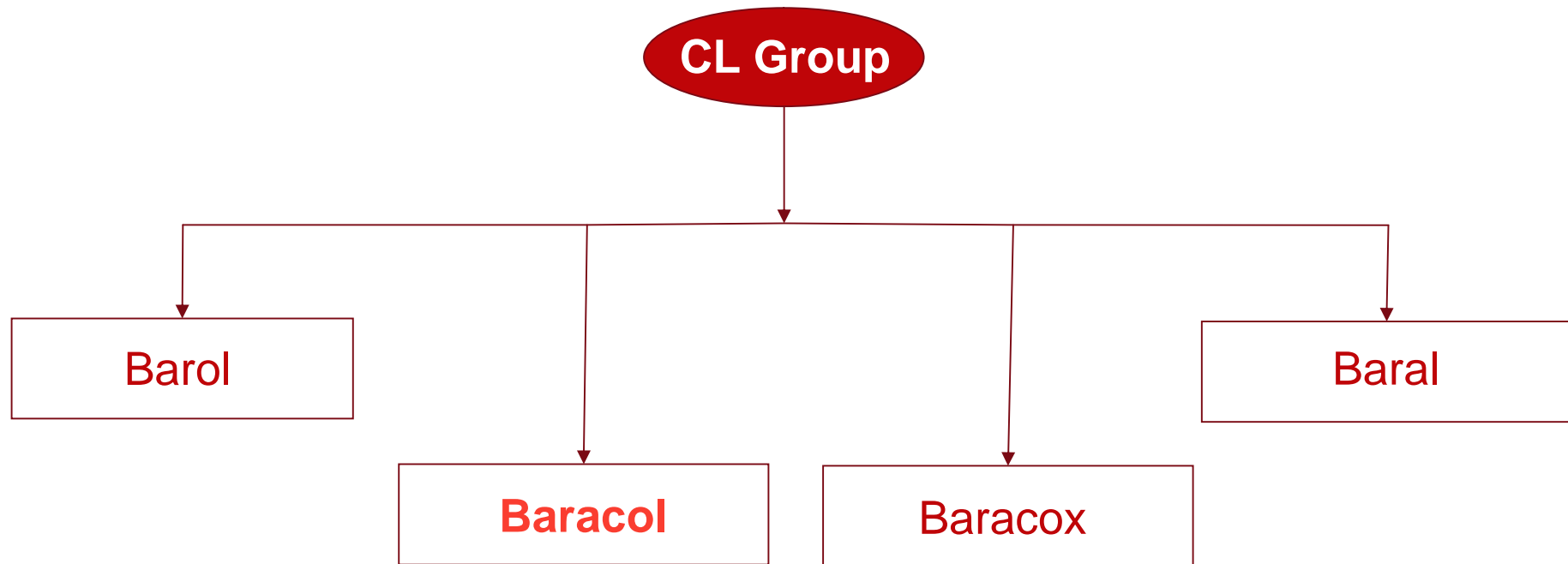
## Key themes to consider:

- Roles and responsibilities
- Independence
- Advisors
- Fraud response
- The investigation
- Remediation
- Regulatory environment and communication

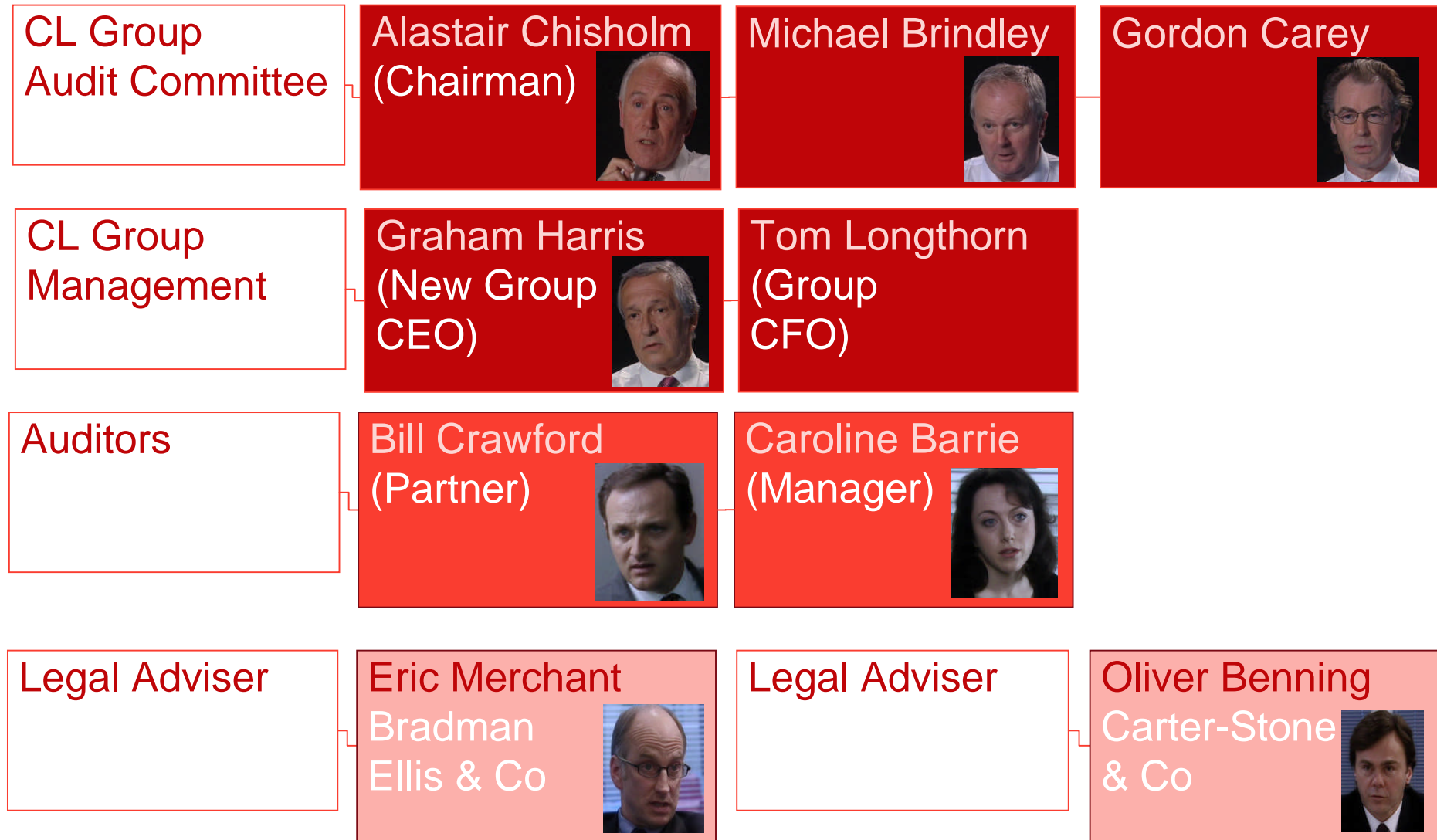


Risking it All

## Group Structure



## Background



# “Risking It All”

## Question 1 – responding to the allegations

What are the problems you foresee based on the actions agreed by the Audit Committee?

# “Risking It All”

## Question 2 – the Audit Committee’s dilemma

a) What do you think of the investigation?

- How reliable are Eric’s conclusions?
- How adequate was the scope?
- Any other weaknesses?

b) What could have been done differently?

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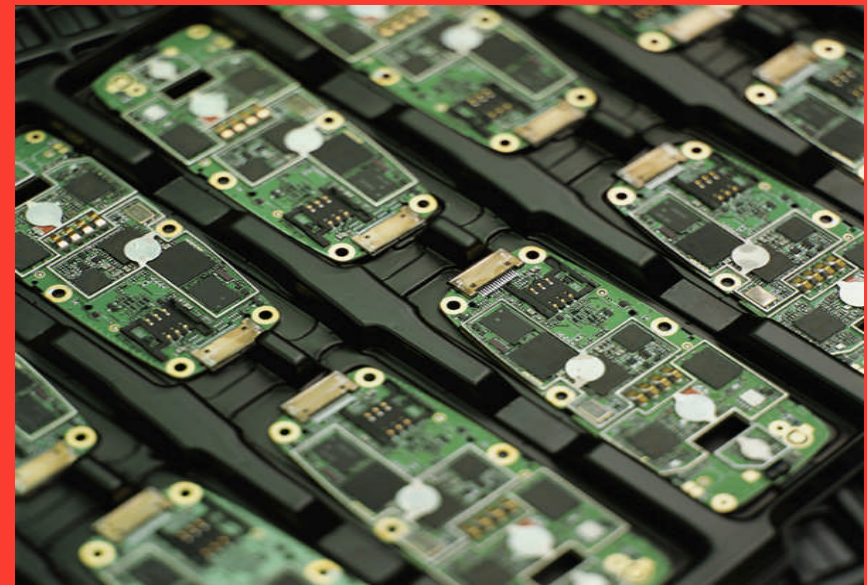
## Question 3 – If only we had .....

- a) What are the potential consequences of getting things wrong?
  
- b) What could CL Group do by way of remediation in order to address the issues which have arisen?

# “Risking It All”

## Key Messages

- Response is crucial
- Governance
- Independence
- Collaboration to resolve issue
- Potential adverse consequences



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