

TPC SMARAGD

THIRD PARTY COMPLIANCE – SMARAGD TPC



Preventive measures in the fight against fraud and corruption

With SMARAGD TPC, business partners so-called third parties can be subjected to a compliance check. In a workflow-supported process, suppliers, service providers and other third-party partners are examined according to compliance-related aspects. As a result, SMARAGD TPC will provide a risk classification for the third party that will impact the future cooperation and be used to control the associated risks. In conclusion, the risk of fraud and corruption will be significantly reduced.

MOTIVATION

The checking of business partners such as suppliers, service providers, sales intermediaries, consortium member, etc. is of strategic importance. Especially for globally active companies, when developing new business contacts it is important to know in advance with whom you want to work with in the future. This supports companies during the development of established business relationships and can avoid potentially serious fraud and reputational damage.

GOAL

The goal is to obtain a risk assessment for the third parties of a company based on aligned compliance criteria, within a configurable workflow which can be integrated into the existing processes of the company. The audit-proof documentation of the individual process steps ensures the traceability of the results and the corresponding decisions.

SOLUTION

The core of SMARAGD TPC is the compliance risk calculation for a third party partner based on quantifiable characteristics. Typical questions in this context are:

» Type of Third Party Partner

Distribution intermediaries are often attributed with a higher risk, especially regarding corruption as, for example, service providers.

» Country Evaluation

Does a third party partner have a residence or place of business in a high risk country?

» List Check

Are managers, beneficial owners or contact persons of the third party partner on embargo, FATF or PEP lists?

» Compliance Policy

Does the third party partner have a compliance policy: Yes / No?

» Legal form of the Third Party Partner

Transparency of a public company compared to a foundation

A risk model is configured based on the aligned criteria, which reflects the risk assessment of the company and enables a classification of the third party partner into the categories:

- » no or low risk
- » medium risk
- » low risk

AT ONE GLANCE – SMARAGD TPC

- » Traceable risk assessment for the compliance checking of third parties
- » Configuration of the risk model
- » Integration of any kind of checklist

It is possible, depending on the initial assessment, to consider additional information for the risk calculation or respectively to store qualitative information (e.g. through an Internet search, credit bureaus, register extracts, etc.). This will provide all relevant data of this context to the decision-makers, which will also influence the issue of a possible future cooperation.

In SMARAGD TPC the process of the third party verification is illustrated through a configurable workflow. Typically, in addition to the purchasing department the local or respectively the centralized compliance responsables are also included into the procedure. Hereby, autogenerated e-mails are used to inform the responsible employees regarding the next process step. An authorization concept ensures that the agreed upon process is adhered to.

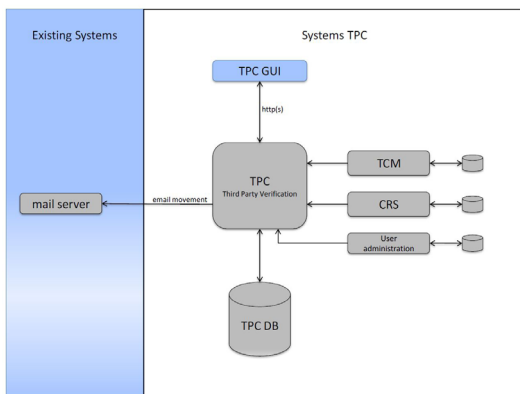


Figure: Process example SMARAGD TPC

The individual process steps are logged in an audit-proof manner and are thus traceable. Especially, the result of the third party checking, is recorded and can be viewed at any time:

- » full cooperation
- » limited cooperation
- » no cooperation

A configurable reporting tool enables the easy creation of status reports on the third party partner.

The multilingual interface (English, German, and further if acquired) and full multiorganization capability, make this product perfectly suitable for use in large companies and corporations.

IMPLEMENTATION

During the development of SMARAGD TPC a key emphasis was placed on providing simple and standardized procedures. This ensures a fast and easy implementation. The existing functionality of the products SMARAGD CRS (Compliance Risk System / product for modeling and calculating compliance risks) and SMARAGD TCM (Transaction Controlling & Monitoring / product for the management and checking of lists) are integrated into the SMARAGD TPC workflow as a web service.

The only interface to the existing system landscape which must be provided is an access to the e-mail server. This allows for an easy integration into the existing IT infrastructure of the customer. Optionally, additional supplier and order management systems can be connected via defined interfaces. SMARAGD TPC has its own user management, which enables the administration of users throughout a corporate group. If necessary, the user management of the company can be connected via LDAP.

SUMMARY

SMARAGD TPC from targens is an industry-independent product for the checking of third parties. Its ease of use and the integration capability into the existing IT landscapes ensure a rapid and risk-free implementation. SMARAGD TPC reduces the risk of an unwanted collaboration with third party partners and supports the implementation of internal corporate compliance policies.



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1,600 companies from all sectors in more than 50 countries rely on the compliance competence when it comes to counseling and implementation projects in conjunction with the market-leading software SMARAGD.

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COMPLIANCE SUITE

targens – making things run

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