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BDO CONSULTING Q&A:

A Q&A session between Julia Bailey, Managing Director & Gerard Zack, Managing Director

Julia, I'm excited to be working with you. To start us off, will you share a few details about your experience prior to joining BDO Consulting?

Over the past 20 years, I've held in-house counsel and compliance leadership roles for a number of multinational companies, including Northrop Grumman and Honeywell. Much of my work has focused on developing and managing global corporate governance and compliance programs and overseeing teams responsible for multinational investigations, anti-corruption audits and due diligence of acquisition targets.

I was drawn to BDO by the opportunity to continue this important work and help our full range of clients—from large multinational corporations to growing middle-market companies—develop their approach to governance, risk management and compliance as they expand their international footprints. The firm's integrated, holistic approach to global forensics brings an unparalleled range of resources to the table. We're able to leverage the skills of our own highly experienced forensic accountants, along with in-depth knowledge from internal auditors, finance and IT professionals, and attorneys to solve companies' most challenging compliance issues.

Gerry, you also have extensive experience working in anti-fraud and anti-corruption. What brought you to BDO Consulting?

My decision was tied to many of the factors you mentioned, Julia. As you know, I've been working with businesses, nonprofits, and NGOs on anti-fraud and anti-corruption programs, due diligence and investigations, for more than 30 years.

With that experience in mind, I recognize that BDO's breadth of resources—not just from a technical or expertise standpoint, but also from a geographic standpoint—is truly remarkable. As a part of the BDO team, I have the chance to expand upon my global experience, while collaborating with an exceptional group of professionals to provide clients with the tools they need to navigate today's global compliance environment. No matter how complex and technical our clients' needs are, I know that we have the right team of qualified, high-caliber specialists for the job.

Julia, speaking of global experience, you've spent most of your career working with multinational corporations. What's the most significant shift you've seen in how companies today are approaching their corporate compliance programs?

There are several major trends in the global environment affecting how organizations approach compliance: there's more global business activity, as companies enter into emerging economies or outsource their labor forces; regulators are placing a stronger focus on culture, risk assessment and management of third parties, while also collaborating across borders and jurisdictions; and there is also an increase in whistleblowers globally, as more countries provide incentives for reporting misconduct and protection for those who report.

To address these risks and improve their compliance measures, companies are stepping up their responsiveness, proactively pursuing more robust protocols, more targeted training programs, and greater coordination and communication across their organizations.



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Gerry, as organizations are becoming more proactive in their approach to anti-fraud and anti-corruption, what are some of the emerging techniques you're speaking with clients about to help them mitigate risk?

Right now, we're seeing more businesses and nonprofits recognizing the need to apply a carefully structured framework and process to risk assessment and mitigation. Traditionally, organizations have adopted enterprise risk management programs that have siloed risk by function. Fraud and corruption, however, cannot be siloed as operational or financial risks, because they're inherently human risks that crosscut entire organizations. Governance structures, therefore, must be designed with a holistic view of the organization in mind, which requires greater guidance and leadership from Boards.

Organizations are now realizing that there's a unique science to performing a proper fraud risk assessment and developing proactive compliance programs. At the same time, we're seeing more regulations requiring appropriate fraud risk assessments. More robust ethics, compliance and fraud awareness training is a critical piece of the puzzle. Awareness results in earlier detection, which often significantly lowers the amount of money lost when fraud does occur.

Julia, before we close, is there anything else you'd like to mention?

Over the past ten years or so, anti-fraud and anti-corruption compliance have become increasingly complex. Responding to these issues requires significant contributions from a wide range of skill sets and technical knowledge. BDO is way out ahead of this trend, providing the crucial forensic services and specialties—both proactive and reactive—that companies need. It makes BDO unique, and it's what allows us to deliver real and lasting value to our clients—both in the Fortune 500, as well as those in the middle market, who are increasingly in need of anti-fraud and anti-corruption services as they expand in the U.S. and globally.

I completely agree, Julia, and would only add that we're also able to deliver even more value to our clients by collaborating with our colleagues who bring specialized technical or industry experience, both in the U.S. and globally.

Further integration of services is a focal point of our strategy moving forward, and we're excited about the new synergies that will come from even more collaboration down the road.

Julia Bailey serves as a Managing Director in BDO Consulting's Global Forensics practice, with nearly 20 years of experience in developing and managing global compliance programs, investigations and anti-corruption audits both domestically and abroad. She can be reached at jbailey@bdo.com.

Gerard Zack serves as a Managing Director in BDO Consulting's Global Forensics practice, with more than 30 years of experience in fraud prevention, fraud awareness training and education, detection and investigation, forensic accounting, risk advisory, as well as internal and external audit services. He can be reached at gzack@bdo.com.

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