

Management Assurance Services

Best practice solutions with optimized delivery for flexibility and savings

Capgemini's Management Assurance Services (MAS) Practice was established in 2004 to provide comprehensive compliance and audit support services to businesses worldwide. Management Assurance Services are delivered from Centers of Excellence in India and China, in multiple languages including: English, Mandarin and Japanese. Today Capgemini's MAS team has more than 150 trained, qualified accountants (CPA's) and IT auditors (CISA's).

From humble beginnings with one client in 2004, the practice has grown to being a market leader in outsourced compliance services to the Fortune 500. Last year the MAS team executed projects in more than 40 countries on 5 continents, bringing the benefits of high-quality assurance and audit support but at more than 40% savings over conventional onshore or in-house services.

Capgemini's Management Assurance Services operation is divided into three service groups:

SOX Compliance

- Financial SOX Assessment
- Entity Level Assessment
- SAS 70 Equivalent Report
- IT General Controls Assessment

Enterprise Risk Management

- Audit & Analytics Services
- Finance Transformation Risk Assessment
- Internal Audits
- IFRS

Information Risk Advisory Services (IRAS)

- Enterprise Controls Review
- BCP/DR Development & Review
- Information Security Audits
- Facilitation Services for ISO Certification



SOX Compliance

The Capgemini SOX Compliance service provides end-to-end support for compliance requirements imposed under the Sarbanes Oxley Act 2002. The services include:

- Transactional Level assessment, testing and remediation of deficiencies
- Information Technology (IT) General Controls Assessment, Testing & Remediation Services
- Entity Level Assessments.

The process/methodology followed for a Sarbanes Oxley compliance exercise is summarized in Figure 1 and broadly follows the COSO framework.

Capgemini leverages its Rightshore® Methodology. This means a mix of on-site and offshore service provision. In the initial stages there is an on-site presence, but a substantial portion of the testing services can be delivered from Capgemini's offshore Compliance Centers of Excellence in India and China. In addition, the Quality Control processes in a SOX assignment are usually handled by our India-based Quality Assurance team, supplemented with first-level Quality Review conducted by on-site staff.

The Assurance team can also manage the entire governance function for SOX compliance, starting from formulating guidelines, teaming up with external auditors, scoping, tracking progress in each country, and reporting.

Internal Audit Services

Capgemini has developed a service for an effective and sustainable internal audit function that addresses the challenge of "gaining more from less". By employing high quality, skilled consultants operating from low-cost bases the audit service can be either supported or fully outsourced for cost effectiveness compared with using high-cost external consultants or captive internal audit teams based in costly locations.

Co-Sourcing and Staff Augmentation

Increasingly, internal audit departments are leveraging the benefits of co-sourcing to supplement their internal audit teams with external resources either during peak periods or for one-off projects.

Outsourcing

Alternatively today outsourcing the entire internal audit function is a proven and effective business solution which allows management to focus its time and effort on the core activities of the organization. In some organizations, an inhouse internal audit function is not the most cost-effective route as these organizations often struggle to carry the necessary range of expertise to manage all risk types.

Resource Secondment

Capgemini can supplement clients' teams with highly skilled and fully qualified resources on either short-term or long-term secondments to provide the client with easy and quick access to

a specialized skill pool and to transform the audit team into a variable cost operation.

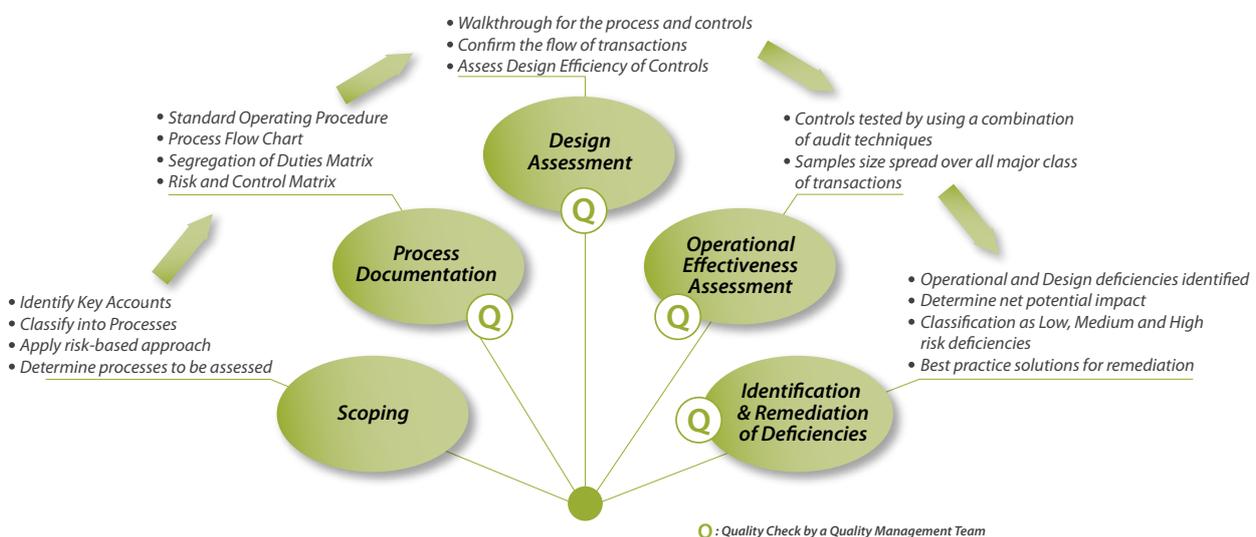
Advantages of Using Capgemini's Internal Audit Services

- Convert fixed costs to variable costs
- Extend your staff reach
- Gain access to skilled and experienced professionals and latest technology
- Eliminate internal audit training and recruitment costs
- Enjoy greater staffing flexibility
- Access highly qualified CPA team
- Reduce costs through on-shore/offshore
- Minimize management overheads with economies of scale and centralized delivery
- Benefit from 5+ years of global experience with Fortune 500 clients.

Advantages of Capgemini's SOX Services

- Low-cost offshore rates
- Centralized delivery model
- Reductions in management overheads and coordination
- Regional language capability
- Can support > 40% savings
- Delivered projects in 40+ countries (no geography is difficult)
- Flexible, adaptive methodology
- Unique and successful framework of on-site/offshore mixed delivery
- Standardized methods
- Leading compliance tools with flexibility for client-tool interface
- Ranging from 100%-Capgemini to 100%-client components

Figure 1: A Proven SOX Assessment Methodology



Information Risk Assessment Services (IRAS)

Capgemini MAS also offers a comprehensive IRAS service which assures that Corporate Information Systems are secure, including:

IT Governance Assessment / IT Security Audit

- Policy and procedure documents – preparation/review and improvement for compliance/internal control
- Define control framework for an organization set to meet compliance requirements for the first time
- Control mapping and gap analysis for a service provider required to implement the specified controls
- Design effectiveness assessment & operational effectiveness assessment
 - to meet compliance/SAS 70/client's requirements on a continuous basis
 - to ensure internal control / as part of internal audit
 - for an organization taking over another (merger/acquisition)
- Data center review, OS, database, application audit.

Business Continuity Planning (BCP) and IT Disaster Recovery (DR) Plan

- End-to-End BCP review
- Business Impact Assessment
- Risk Assessment
- Documentation of BCP and DR procedures
- BCP testing coordination
- BCP readiness testing.

IT Service Delivery

An organization which has outsourced its IT services to one or more third parties can engage us to:

- monitor and review the services delivered by the outsourced vendors
- generate added value to the organization's service delivery governance process.

Advantages of Using Capgemini's Information Risk Assessment Services

- Highly experienced and skilled teams
- CISA qualified and most staff additionally hold CISM, CISSP, CSQA, CEH, CBCP, etc.
- Average 15 years in IT controls
- Low-cost offshore rates
- Unique framework of on-site/offshore mixed delivery
- Centralized delivery model
- Reductions in management overheads and coordination.

Audit and Analytics Services

Estimates show duplicate payments range between 0.20-0.50% of total payments. i.e. \$2-5m is lost on \$1bn of payments; 70% or more of the duplicate payments cannot be identified with standard built in controls.

Advantages of Using Capgemini's Audit and Analytics Services

- No-win-no-fee basis. You only pay fees out of your "recovered" monies, benefiting both the "bottom-line" and cash flow.
- Our algorithms are far more superior and complex than those of other

service providers. In the past we have identified duplicate payments from data already cleared by others.

- We focus on all transactions irrespective of transaction value.
- Quick turn around time using automated processes.
- Root cause analysis for all errors and suggestions for process improvements.
- Most work is done offshore without any disruption to routine operations and the internal finance/ accounts teams.
- End-to-end (Analyze, Identify and Recover) or piece-meal (Identify only) services depending on client requirements.

Revenue Leakage Analysis

- Invoicing validation
- Master based pricing accuracy reviews
- Discounts and schemes review
- Revenue model analysis
- Claim audits
- Channel partner reviews

Duplicate Payment Review

- Duplicate payments concurrent audit
- Historical periodical review
- Vendor master duplications review
- Root cause analysis
- Find to recover approach
- Custom made algorithms

Contract Compliance Services

- Contract compliance reviews
- Billing audits
- Post payment compliance reviews
- Premium audits

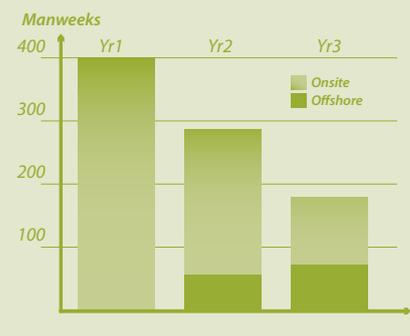
Case in Point: Capgemini Helps to Cut SOX Compliance Costs by Over 40%

As a Foreign Public Issuer in the US, a global consumer goods industry leader turned to Capgemini to develop a comprehensive SOX compliance program which would be cost-effective and long-term sustainable. Process mapping, documentation and management attestation were outsourced to Capgemini's Management Assurance Services team.

In 2006, Capgemini developed a flexible compliance framework to accommodate the client's specific needs for agility. In 2007 and 2008, thanks to the established SOX framework and by gradually shifting process support to a mixed on-site/offshore delivery model, the client cost of compliance went down whilst quality and timeliness were improved (see Figure 2).

Capgemini's solution is an integral part of the client's SOX compliance program, yet the client retains overall program governance and control.

Figure 2: Potential benefits of using Capgemini's MAS team for SOX Compliance



An Experienced Management Assurance Services Team

- Engagement Managers typically have 10-20 years of Audit/Finance/Accounting experience.
- Team Managers/Senior Consultants are trained Chartered Accountants (equivalent to CPA's) with at least 5-6 years of work experience, including in managing multiple projects in various geographies.
- Consultants are qualified Chartered Accountants (equivalent to CPA's) with 0-5 years of work experience. Most hold additional qualifications, like CIA, CFE, CISA.
- IT Consultants typically have over 15 years of work experience, out of which at least 5 years represents IT Audit related experience. All are at least CISA qualified, with most holding additional qualifications, like CISM, CISSP, CSQA, CEH, CBCP.

Our Compliance, Assurance and Audit Support Clients

MAS Clientele...Beyond the Boundaries



About Capgemini and the Collaborative Business Experience

Capgemini, one of the world's foremost providers of consulting, technology and outsourcing services, enables its clients to transform and perform through technologies. Capgemini provides its clients with insights and capabilities that boost their freedom to achieve superior results through a unique way of working – the Collaborative Business Experience™. The Group relies on its global delivery model called Rightshore®, which

aims to get the right balance of the best talent from multiple location, working as one team to create and deliver the optimum solution for clients. Present in more than 30 countries, Capgemini reported 2008 global revenues of EUR 8.7 billion and employs over 92,000 people worldwide.

More information is available at www.capgemini.com

For more information please contact:

Saket Bhartia, Head Business Development
Management Assurance Services; Phone: +91 988 691 8150
saket.bhartia@capgemini.com