

## Improving Global Trade Controls: Stage 3 IMPLEMENT COMPLIANCE IMPROVEMENTS

### One Size Does Not Fit All - Effective Internal Controls Must Be Tailored to Each Specific Organization

Organizations need optimized controls specifically tailored to their individual operational units and functional groups. Jackson Meade associates are experts in working closely with organizations to implement improvements directly with their staff and functional groups. Jackson Meade uses the CEP Roadmap designed in Stage 2 to implement needed reforms and corrections in a methodical and measurable manner. We work with your organization to determine and allocate the necessary resources and tools. These improvements are instituted over a time frame that best suits your business needs. Additional input from your employees and functional groups is used to modify the enhancements as necessary.

### Closing Gaps

The first step is to close the existing critical gaps and potential high-risk areas first identified in the Assessment report and given priority status in the CEP Roadmap creation during Stage 2. Longer term reforms and projects are carried out in a manner that best fits the schedules and resources of your internal functional groups. Progress is constantly measured and recorded in the CEP Roadmap, until all issues and problems have been cleared and marked as 'green'.

### An Interactive Approach to Enhancing Internal Controls

An effective internal control system requires documented controls that are functional and optimized to your organization. Our system utilizes the knowledge of your business operations and functional groups obtained during the Stage 1 assessment and the draft processes and procedures created during Stage 2 as a starting point. We then work directly with your staff to install and optimize the processes, procedures, work instructions and forms that will structure your internal control system. Our interactive approach insures that the

#### The Export Risk Management Cycle:

Stage 1: Assessment



Stage 2: Design Compliance Improvements



**Stage 3: Implement Compliance Improvements**



Stage 4: Verification and Audits

#### Compliance Enhancement Program:

- ▶ Methodically work through problem areas detailed in the CEP Roadmap to improve internal controls and close gaps
- ▶ Step by step closing of gaps and high-risk areas
- ▶ Implement new processes by working directly with functional groups
- ▶ Modify new controls to take into account your organizations issues and transactional business realities

## Improvements Tailored to Your Organization

Many export compliance process manuals are merely generic, template documents that provide basic understanding of the relevant laws and regulations, but fail to take into account the actual operational realities of the business organization. Jackson Meade’s staff has years of experience designing and implementing processes and procedures into the internal controls of US and international organizations. We work directly with your export staff or those given the compliance responsibility to create preliminary internal control documents and then customize the processes and procedures. We subsequently train your staff to effectively utilize their new, enhanced document suite.

## An Integrated Tool Set

The CEP Planning Matrix integrates the Scorecard, Project Plan and other tools and enhancements into one location, providing a clear and coherent corrective action plan by which senior management and the compliance staff can administer the overall compliance project.

## Demonstrable Progress

The Scorecard can then serve as an overall benchmark to measure the health and robustness of your organization’s internal controls. The solutions detailed in the CEP Roadmap are designed to turn each ‘amber’ and ‘red’ Export Process to ‘green’, by meeting regulatory and industry best practices requirements and standards.

Corporate Commitment	Export Resources	Published Controls	Grade: In-Grain System	Admin Controls	Risk Controls	Third Party Management	Continuous Improvement
Policy Statement	Organization Chart	Documented Policy Manual	Product Tracking	License Management	Escalation Policy	Supplier Management	Audits
Board Awareness	Education and Training	Documented Procedures	Jurisdiction Analysis	IT Infrastructure	Board Involvement	Agent Management	Metrics
Reasonable Oversight	Adequate Number of Staff	Work Instructions and Forms	Classification Analysis	Facility Security	Reporting	Subsidiary Management	Policy Review
Regulatory Knowledge	Defined Positions	Tailored Processes	Screening	Product Identification	Outside Contractors	Returning and Re-importing Controls	
Information Received (Sharing and Talent)	Redundancy (Knowledge and Talent)	Export Policy	License Determination	Record Keeping	Investigations	Outsourced Functions	Analysis of Unique Risks
Awareness of Senior Mgmt	ERP Systems and IT	FCPA Policy	Export Authorization	Export Marking	Corrective Actions	Revised Reports	Tailored Response
Penalties and Remediation	OFAC Policy	Re-Export Controls	Foreign Nationals	Escalation	Sanction		Screening



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## Training and Optimizing

It’s not enough or industry best practice to only create a new process manual and internal controls. Your staff also needs to be trained on these new systems and the related new processes and procedures must be tested to determine that the new controls are truly effective during the audit (Stage 4). Jackson Meade tests the modifications and makes changes as necessary with insight from your staff.