



Oversight & Assessment Internal Audit

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Bechtel's Internal Audit group provides independent and objective assurance on the effectiveness of internal controls, including those designed to assure compliance with policies, procedures, laws and regulations.

Internal Audit prepares its annual audit plan with a focus on detecting corruption and uses the Transparency International Corruption Perceptions Index as one of the criteria for selecting which projects to audit. It also consults with Compliance counsel on an annual basis to identify emerging areas of anti-corruption risk and adjusts its audit plan accordingly.

Among other things, Internal Audit:

- Conducts regular process audits focused on areas of possible interaction with government officials, such as traffic & logistics and customs clearance, visas & work permits, and political contributions/donations;
- Regularly monitors petty cash and procurement card payments and scrap and salvage processes that could potentially fund improper facilitating payments;
- Routinely tests to assure that all suppliers and subcontractors are screened against the Restricted Party Lists;
- Periodically reviews payments to active agents to make sure they are consistent with contractual terms and conditions and verifies the presence of anti-bribery terms and conditions in active subcontractor and partner agreements.
- Periodically reviews (on at least a biannual basis) payments to suppliers and subcontractors located in countries considered as possible tax havens or to banks in countries identified as having greater risk of money-laundering.

Internal Audit reports detailing anti-corruption risks are reviewed and assessed by senior management, the Chief Ethics and Compliance Officer, and Compliance Counsel and their findings inform policy and/or procedure enhancements and the development of focused training courses.

At periodic intervals, but no less frequently than every two years, Internal Audit evaluates and tests the implementation of the Ethics & Compliance program procedures and controls designed to promote compliance with company policies and legal obligations to ensure the program is consistent with best practice and the business risks facing the company.

Audit findings and recommendations for program improvement are communicated to the Chief Ethics and Compliance Officer for remediation. High-level findings are communicated to the Audit Committee.