

ANNEXES

Annex 1. Fujitsu Worldwide



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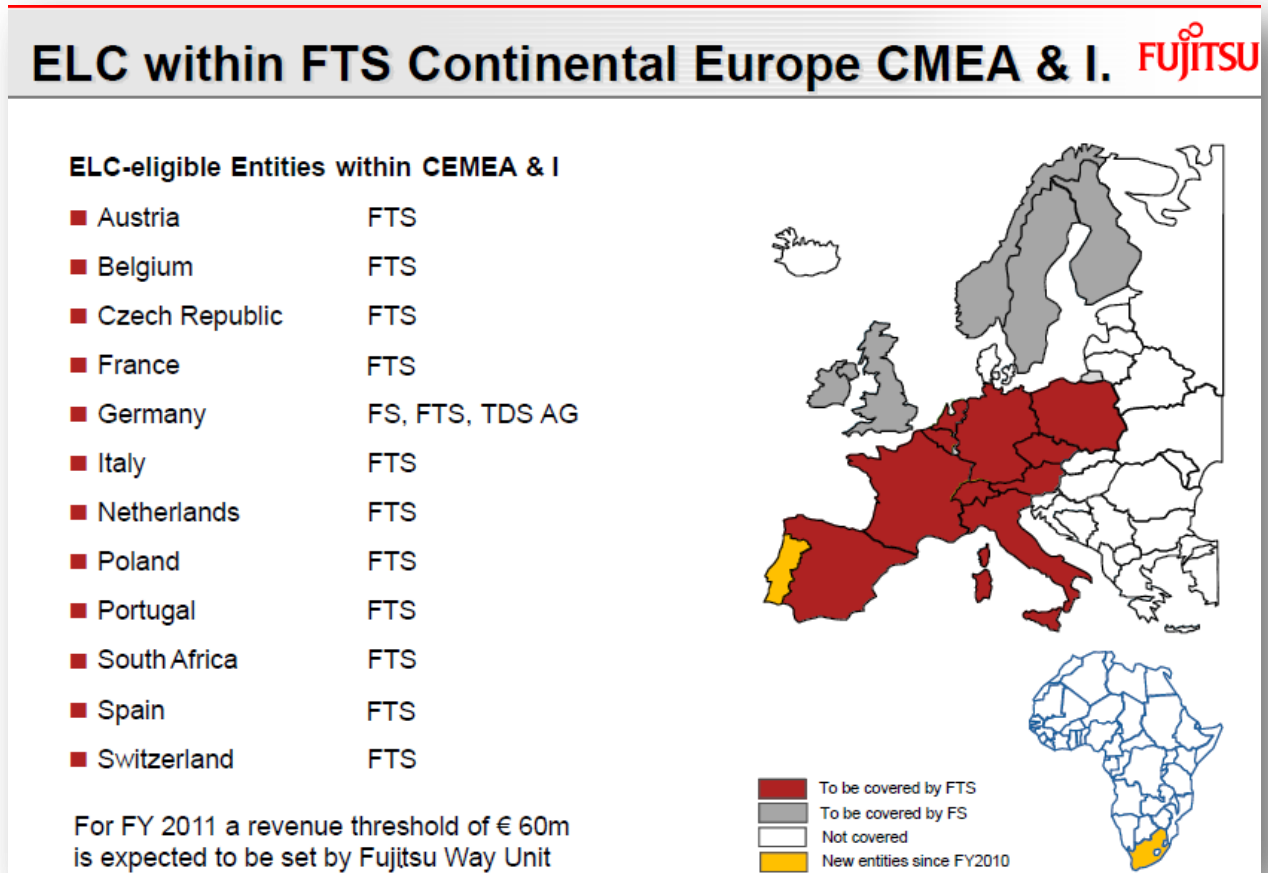
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Annex 2. ELC within FTS Continental Europe CMEA & I



Source: Project EAGLE @Fujitsu-ELC V1.0-2011

Annex 3. Entity Level Control: 3 Checklists



Source: Project EAGLE @Fujitsu-ELC V1.0-2011

Annex 4. Example of Checklists (ELC and FCRP)

(FY2011)

Company Name: FTS Belgium

Name in Print:

Title:

Date:


 Roland Baierl
 -EAGLE Leader -
 Oct. 31st, 2011

Item No.	Elements	Questions	Current Status			Test						
			Answered by (Department, Division, etc)	What is the status of providing and maintaining the scheme, policies or rules? (Status of Design)	What is the status of actual implementation? (Status of Operation)	Remediation plan, Improvement action, etc	Reviewer	Evidence/Method of Confirmation	Judgment	Additional comments / evidences		
1-1	Control Environment	Does management consider reliable financial reporting as an important factor and clearly show a framework for financial reporting including the role of internal control over financial reporting?	FD	Management considers reliable financial reporting as an important factor. Management Cockpit is in place (for FTS) for tracking revenues by organisation (on an hourly basis) and volumes, revenues, margins by product as well as receivables, WIPs on a daily basis during the month. Management is informed about monthly financial status (Actuals against Budget / Forecast / previous year) by organisations, products and latest headcount development. In addition, major variances need to be commented by operational entities. MD and FD provide regular business updates (based on ad hoc requirements, at least monthly) to CEO and CFO to discuss their challenges and future opportunities.	Implemented	none	Roland Baierl FTS FI IA	Management System Manual	Good			
1-2	Control Environment	Are accounting/finance policies and procedures effectively prepared and maintained? Do accounting staff understand them properly?	FD Y AM	Yes, the FTS Finance Policy Manual and accounting guidelines are published via Intranet and a copy is sent to all employees to ensure that accounting staff understand them properly, local office trainings are performed on a regular basis.	Implemented	none	Roland Baierl FTS FI IA	FTS Financial Policy Manual	Good	information mail about FTS FPM		
1-3	Control Environment	Is a procedure for controlling and safeguarding assets incorporated in your accounting/finance policies and procedures, and are manuals and detailed guidelines for such procedures prepared and maintained?	FD Y AM	Yes, FTS Finance Policy Manual, the company follows FPM but also has to follow local law. Approval is required from the FTS HQ before any changes are made relating to Assets as per the finance policy manual, thus ensuring the safeguard.	Implemented	none	Roland Baierl FTS FI IA	FTS Financial Policy Manual	Good	HQ Approval for booking Asset		
2-1	Control Environment	Has your company formally adopted 'The FUJITSU Way' or local 'Code of Conduct' through a Board of Directors' resolution, or some other equivalent company decision?	LS	The FTS Code of Conduct is implemented.	Implemented for ex-FTS people and new hired people. After the merge with FS, HQ has started now with the rollout of a new Corporate Compliance program for all. We hope to implement it in Belgium before 31/03/2012	none	Roland Baierl FTS FI IA	Fujitsu way	Good	Ethics policy	Information mail	
2-2	Control Environment	Has your company taken action to ensure employees understand and promote 'The FUJITSU Way' or local 'Code of Conduct'? And does your company have any method to measure if the important control activities are adhered to, such as a periodical report or declaration by employees?	LS	Yes, a local Code of Conduct is implemented. All employees sign the FTS Code of Conduct (Ethics Policy) document which is held by local HR.	Implemented for ex-FTS people and new hired people. After the merge with FS, HQ has started now with the rollout of a new Corporate Compliance program for all. We hope to implement it in Belgium before 31/03/2012	none	Roland Baierl FTS FI IA	ETS Ethics Policy	Good	Employee's commitment to respect ethics policy	Fujitsu way	
2-3	Control Environment	Does management respond to and resolve problems which violate the 'Code of Conduct' or corporate ethics with consistency, fairness and in a timely manner based on related rules, such as employment regulations?	LS	Yes, the FTS Code of Conduct is implemented. Any violations are dealt with appropriately and any additional necessary controls are implemented.	Implemented	none	Roland Baierl FTS FI IA	Penalties	Good	ONBUDSMAN link	ETS FPM	
3-1	Control Environment	Has your company prepared and implemented accounting principles based on 'Fujitsu Group Summary of Accounting Policies and Procedures' set out by the Fujitsu Limited Accounting Division?	FD Y AM	Yes, FTS Finance Policy is followed (which is in line with FJ Group Accounting Principles) but also covers local Law.	Implemented	none	Roland Baierl FTS FI IA	FTS Finance Policy Manual	Good			
3-2	Control Environment	Is there a process in your accounting department to ensure staff recognize changes in accounting principles and practices, and take proper action for them including analysis of the effect of the changes, and adoption of the changes in the Group after checking the necessity of them?	FD Y AM	FTS policy (FPM) is followed by Finance and the enforced to the rest of Finance/business, this is the responsibility of the Finance Manager to ensure awareness of compliance. As soon as any changes occur this is fully communicated to all staff.	Implemented	none	Roland Baierl FTS FI IA	IFRS Training	Good	information mail about IFRS training		
3-3	Control Environment	Are there appropriate authorization procedures in your accounting/finance policies and procedures, for exceptional transactions, extraordinary journal entries and important estimated items? And does your company provide adequate supporting materials for those items?	FD Y AM	Yes, there are authorisation procedures according to FTS FPM. All extraordinary, exceptional items and estimated journals are approved by the Financial Directors and Financial Managers. PROACT has been implemented in BE82.	Implemented	none	Roland Baierl FTS FI IA		Good			

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4-1	Control Environment	Does the Board understand its responsibilities to monitor and supervise financial statements as well as internal controls which management establish, and does it perform such function?	FD Y AM	Yes, there is an obligation of the Board for Financial Statements.	Implemented	none	Roland Baierl FTS FI IA	Board decision related to the management report	Good	management report	Internal Audit	External audit		
4-2	Control Environment	Is the agenda of each board meeting decided based on the certain standard format with designated items to be discussed and resolved at the meeting?	LS	Yes, it is standard practice that important issues are reported in the ordinary board meetings and otherwise are communicated in between ordinary board meetings between board members.	Implemented	none	Roland Baierl FTS FI IA	Minutes of Board	Good					
4-3	Control Environment	Does the Auditor understand its responsibilities with respect to monitoring and supervising financial statements as well as internal controls that management establish, and does it perform such function?	FD Y AM	Yes. On a high level the Audit Committee is monitoring the financial statements as well as internal controls. During the yearly Audit Committee meeting, the committee receives reports on the financial statements and the status of internal controls from Internal Audit and CFO respectively. The committee also reviews a report on the financial statements and weakness on internal control system if any from the external auditor as well.	Implemented	none	Roland Baierl FTS FI IA	Audit charter	Good	Tri-Annual audit plan	Internal Auditor Training			
6-1	Control Environment	Does the Auditor have proper communication with internal auditors and/or external auditors?	FD Y AM	FTS has an audit committee at the holding company level to which both external auditor and internal auditor report on the group-wide audit status. Independent checks by external auditor are performed on a local level and country's finance is liaising with local KPMG. Internal communication with internal audit is established.	Implemented	none	Roland Baierl FTS FI IA	Internal audit	Good	evidence of relationship between internal & external auditor				
6-2	Control Environment	Do internal auditors have proper communication with the Auditor (or audit committee) and/or external auditors and exchange necessary information?	FD Y AM	Yes, FTS has Internal Audit function at holding level. Regular meetings with external auditors ensure an adequate information exchange. The individual addressed issues out of the management letter are discussed in detail. Necessary follow-up actions are defined and executed in the course of the regular internal audit work. The auditors report, presented in the annual Audit Committee, is regularly passed on to FTS Internal Audit. Key findings are discussed in detail. Country Finance liaise with Local KPMG. Internal communication with internal audit is established.	Implemented	none	Roland Baierl FTS FI IA	KPMG Management Letter	Good	KPMG Activities calendar				
6-1	Control Environment	Does management take action to make improvements if it appears that organizational structures and/or work practices do not make it easy for employees to raise problems?	FD Y AM	Yes, The Continuous Improvement Process is well implemented and used. The implementation of the process is checked regularly by internal and external ISO-audits.	Implemented	none	Roland Baierl FTS FI IA	Management System Handbook	Good					
7-1	Control Environment	Does management designate proper authorities and responsibilities to individual job functions, such as production, sales, IT, and accounting as well as to each unit of activities in the company?	LS	Yes, FTS has implemented a corporate organisational structure which is documented in the Organizational Charts, corresponding working plans and job descriptions. Authorization levels are defined throughout the FTS group and documented in the PoA + PAA process (Power of Attorney and Personal Approval Authority). New PAA tool just released & in implementation phase.	Implemented	none	Roland Baierl FTS FI IA	PAA Tool	Good	organizational charts	roles of related functional job description			
8-1	Control Environment	With respect to the preparation of reliable financial statements, does management recognize requisite skills and assign such staff to meet the requirement?	FD Y AM	The profile of candidate in hiring is defined. Hiring activity is carried out according to professionalities and the level of competency is considered.	Implemented	none	Roland Baierl FTS FI IA		Good	List of training done within FTS Lux	Performance dialog form			
8-2	Control Environment	Does your accounting manager have appropriate qualifications and knowledge as well as sufficient experience?	FD Y AM	Finance Managers do have the relevant qualifications for the role, see above criteria. There are set criteria for roles, especially accounting manager, i.e. must have experience, qualifications etc.	Implemented	none	Roland Baierl FTS FI IA	Roles / Functional Areas	Good	List of training done within FTS Lux	Performance dialog form			
10-1	Control Environment	Are assignment of responsibilities and delegation of authorities clearly allocated to each employee?	LS	Yes, within the concept of PAA/PoA FTS. Job Profiles/Individual Job Description and PAA/PoA are defining responsibilities and authorities of employees. Responsibility to develop Job Profiles/Individual Job Descriptions is within the authority of HR together with the individual department such as Sales/Purchasing etc. PoA in rollout-phase, local "Arbeitsanweisung" (work instruction) - a regulation which stipulates the regulations of signing project-related documents Please see also answer to question 17.3.	Implemented (local work instructions); PoA in rollout-phase in Belgium	none	Roland Baierl FTS FI IA	PAA Tool	Good					

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11-1	Control Environment	Are assignment of responsibilities and delegation of authorities to employees not extended to every area of their work but restricted to appropriate areas?	LS	Yes. Assignment of responsibilities and delegation of authorities to employees are documented in the individual PoA and PAA process which restricts authorities to appropriate areas. For example, individual PAAs and PoAs are usually restricted to the specific area of activity of the employee. This principle is also applied for IT-system access (SAP, Siebel, RM, etc.). This assures a segregation of duties within FTS.	Implemented (local work instructions); PoA to be rolled out by FTS HQ and subsequently rolled out in Belgium	none	Roland Baierl FTS FI IA	PAA Tool	Good				
12-1	Control Environment	Does your company provide training and development opportunities to empower managers?	FD & AM	Yes. FTS offers an extensive training offering for the employees and managers, open for everyone. In the annual staff dialogue, training needs are discussed and agreed. There are different trainings for different levels of managers (new managers, experienced managers,...); also, coaching is offered. New managers also find information on a specially dedicated Website for new managers. The leadership values/framework is described and published on the FTS intranet. Dedicated training and learning programs are also available for finance and accounting.	Implemented	none	Roland Baierl FTS FI IA	FTS Skillport	Good	Learning and Development			
12-2	Control Environment	Are employees properly trained to perform the work they are expected to do especially where specific skills are required?	FD & AM	Yes. Training is given to staff member on their specific role, detailed job descriptions and training guides are provided. Trainings have to be asked by the employee & approved by their chief in the local training tool.	Implemented	none	Roland Baierl FTS FI IA	FTS Skillport	Good	Learning and Development	Performance dialog form	Fiola training tool (in progress)	
13-1	Control Environment	Does your company have proper employment regulations, salary regulations and allowance for retirement regulations, and are they implemented appropriately?	HR	Yes, there is a set of general and local regulations. 1. Employment regulations: a) general regulations all FTS Countries: Ethics Policy, role descriptions; b) local additional regulations: Tariff agreements, local employment regulations according to local legal requirements 2. Salary regulations: a) general regulations all FTS Countries: performance process – salary principles, orientation value, STIP (Short Term Incentive Plan), LTIP (Long Term Incentive Plan). b) local additional regulations: Tariff agreements 3. Retirement regulations: a) general regulations all FTS Countries to provide a local pension plan, local DB/DC regulations	Implemented	none	Roland Baierl FTS FI IA	STIP/HR Policy	Good				
13-2	Control Environment	Are the standards of employment and promotion as well as the method of gathering information regarding performance evaluation appropriate?	HR	Yes, an annual performance review structure is in place and lived as per FTS The standards of promotion are laid down in a general framework, available to all employees; promotion follows the individual's capability to step into the new job, measured against the responsibilities of the new job which are described in the role profiles. The FTS-wide performance system with role descriptions for approx. 170 different roles describes the expected competencies, skills, experiences and main responsibilities of the role the incumbent currently has or will be promoted into. Also, a company-wide Grading system classifies (according to the competency level required for the job) which level out of thirteen the role is in. The system is transparent on the intranet to everyone. The standards of performance measurement are defined and public. They are determined by two systems; one is the annual performance (staff dialogue) with a section on performance measurement (fulfillment, enablers/inhibitors, new performance targets) as well as the STIP (Short Term Incentive Plan) which defines the target setting process for the quantitative and qualitative targets against which the variable pay (OTB) is measured and paid.	Implemented	none	Roland Baierl FTS FI IA	Career portal	Good	performance dialog			

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14-1	Risk Assessment & Responses	With respect to the preparation of reliable financial statements, does your company provide effective risk evaluation structure/system which involves management/managers at an appropriate level?	FD & AM	Yes. In view of the strongly diversified risk portfolio, FTS Executive Management regards an efficient and anticipatory uniform risk management approach and program as a core element of good corporate governance and as a key element for the success of FTS' s entrepreneurial activities. In addition, the company' s commercial success depends to a considerable degree on the effective management of opportunities and risks in complex projects, in particular at ISC (Infrastructure Services), therefore, FTS ISC has accordingly developed a common, systematic and comprehensive project risk management system that tracks and supports every single project from the initial offer right through to the end of the warranty period. This ISC project risk management system forms an integral part of the corporate risk management system and is outlined in the guideline Project Risk Management @ FTS. Non-project-specific risks will be handled in accordance with the corporate risk management guideline. All existing risks are assessed via the risk assessment matrix on a bottom-up basis. Besides impact and likelihood, also the financial impact has to be estimated. The content approval process ensures a proper verification of a potential financial impact. Based on criteria, major risks which have potential impacts on financials are reviewed by the management and reported at the board meeting by CFO.	Implemented / (local Arbeitsanweisung [work instruction]In line with the HQ guideline)	none	Roland Baierl FTS FI IA	Corporate Risk Management	Good			
15-1	Risk Assessment & Responses	Does your company identify significant risks to the objectives of important processes in each Business Unit or division and take proper countermeasures according to their significance?	FD & AM	According to the FTS Corporate Risk Management Guideline, all areas / functions need to identify significant risks to the objectives of important processes and to take proper countermeasures according to their significance. For details look at the Corporate Risk Management Guideline. This includes also the risk evaluation matrix. This is a bottom-up process. Each individual function has set up risk contributors. Entered risks are reviewed by risk approvers.	Implemented (local Arbeitsanweisung [work instruction]In line with the HQ guideline)	none	Roland Baierl FTS FI IA	Example of PCB Meeting minutes	Good	Risk levels slides	PCB Slides example	
15-2	Risk Assessment & Responses	Does your company properly recognize the impact for financial reporting when identifying and evaluating risks, and take appropriate action for this?	FD & AM	Yes. According to the FTS Corporate Risk Management Guideline, the financial impact of all risks need to be evaluated and maintained in the Corporate Risk Management System. Basis forms the risk assessment matrix. Here, the magnitude of the potential financial impact has a direct impact on the risk categorization. The impact for financial reporting is properly recognized when identifying and evaluating risks. Appropriate actions are taken, documented and followed up.	Implemented (local Arbeitsanweisung [work instruction]In line with the HQ guideline)	none	Roland Baierl FTS FI IA	Corporate Risk Management	Good	Risk levels slides		
15-3	Risk Assessment & Responses	Does your company prepare and maintain procedures or methods so that management can monitor cases which may develop into lawsuits or claims?	FD & AM	Yes. The Executive Management has access to the Corporate Risk Management System and can review the entire risk portfolio of all FTS entities / subsidiaries anywhere / anytime. So management is able to monitor cases which may develop into lawsuits or claims.	Implemented (local Arbeitsanweisung [work instruction]In line with the HQ guideline)	none	Roland Baierl FTS FI IA		Good			
16-1	Risk Assessment & Responses	Does your accounting department have a system/structure to recognize without failures changes in laws and regulations that affect company's accounting work?	FD & AM	Regular meetings with Local Auditors to be informed of changes to regulations, these are then enforced to the rest of Finance/BU's. Adjustments are provided by FTS HQ. Changes in regulations are provided via Intranet / FPM. In order to respond to the consolidated financial regulations, "Group Accounting Dept." is in charge. In order to respond IFRS, "IFRS Project team" is in charge. In order to respond to tax regulations, "Tax Dept." is in charge. FTS has set up appropriate staff who will be able to respond to each area such as Commercial (business) law. In addition to these structure, FTS keeps eye on related magazines, Lecture presentation of IASB / DRS etc. Furthermore FTS is member of several professional associations, where we get Information's about changes in laws and regulations.	Implemented	none	Roland Baierl FTS FI IA	FTS Finance Policy Manual	Good			
16-2	Risk Assessment & Responses	Does your company have a system/structure and procedures to ensure that new developments (both internal and outside the company) that may affect financial statements or their notes are properly reported to and considered by the accounting department?	FD & AM	Yes. Regular meetings with Local Auditors are held to be informed of changes to regulations, these are then enforced to the rest of Finance/BU's. Adjustments are provided by FTS HQ. Changes in regulations are provided via Intranet / FPM. In regular balance sheet reviews, statutory package reviews at hard and final close dates, where Corporate Accounting, regional finance directors and controllers are participating.	Implemented	none	Roland Baierl FTS FI IA	FTS Finance Policy Manual	Good			
16-3	Risk Assessment & Responses	Is management properly involved and aware of exceptional transactions that are not covered by existing policies and procedures as well as important estimated items in accounting?	FD & AM	Yes. The management team is aware of exceptional transactions and review monthly.	Implemented	none	Roland Baierl FTS FI IA	PAA Tool	Good			

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17-1	Risk Assessment & Responses	Does management recognize where risks of fraud exist within the Group?	FD & AM	Yes, management is basically aware of the risks out of fraud. Fraud cases are on the agenda of board meetings and will be treated in the committee appropriately.	Implemented	none	Roland Baierl FTS FI IA	Corporate Compliance Site	Good	openbook		
17-2	Risk Assessment & Responses	Does your company design/prepare and operate/implement internal controls to mitigate fraud risks which have been identified?	FD & AM	Yes, according to the established Corporate Compliance Program a formalised fraud detection process is in place.	Implemented	none	Roland Baierl FTS FI IA	AML/KYC Process for PFS	Good	FTS Finance Policy Manual	OMBU DSMA N	
17-3	Risk Assessment & Responses	Does management recognize that excessive pressure on employees may cause risks of fraud, and pay special attention not to exert such excessive pressure?	HR	Yes, because it is the managers role to continuously monitor the employees workload to ensure no one employee is overwork/over loaded. Upon joining the company, new employees are made aware and agree to the company's ethics policy by way of signature. Managers ensure staff are not under excessive pressure through the appraisal system. Staff may contact their HR advisor or external advisor services if they want additional support or guidance. Employees have the opportunities to submit ideas of how to improve workflows and make them more efficient.	Implemented for ex-FTS people. After the merge with FS, HQ has not yet made a rollout plan for the ex-FS people. A HQ plan is being prepared to have all managers sign a declaration.	none	Roland Baierl FTS FI IA	FTS Ethics Policy	Good			
18-1	Control Activities	Does your company have policies and procedures to ensure control activities that adequately mitigate risks concerning the preparation of reliable financial statements?	FD & AM	Yes. Within the framework of the EAGLE activities, policies of evaluation of design and operation of internal control and the rules that the business units must follow are defined in the "Rules of Design, Operation and Evaluation of Internal Control over Financial Reporting". In line with the rules, we make sure that manuals and rules are in place, so that the reliable financial reporting is ensured.	Implemented - processes in line with the FTS-framework	none	Roland Baierl FTS FI IA	Example of minutes of PCB Meeting	Good			
19-1	Control Activities	Does management clearly designate segregation of duties and properly assign authorities and responsibilities to relevant staff with respect to the preparation of reliable financial statements?	FD & AM	Yes. Employees within FTS country are graded as per the FTS policy maintained by both Finance and HR. Authorisation for managers is very clearly documented. Within Finance there is clear segregation of duties, employees are unable to access systems etc outside of their limit.	Implemented	none	Roland Baierl FTS FI IA	Link HR-homepage - roles	Good	PAA Tool		
19-2	Control Activities	Are segregation of duties maintained, such as segregation of access to accounting records and assets?	FD & AM	Yes, duties are segregated by role and a clear definition of who has responsibility for which areas is defined.	Implemented	none	Roland Baierl FTS FI IA	SAP Access and authorization list	Good	Password Handling Policy	Job description	
20-1	Control Activities	Does your company properly assign responsibilities and accountabilities for control activities to the owners of business processes or business units where risks exist?	FD & AM	Yes. Through the evaluation of Company Level Control and Financial Closing & Reporting Process Control in line with the EAGLE project, the owners of business processes are defined, and they assume the responsibilities and accountabilities for such control activities.	Implemented	none	Roland Baierl FTS FI IA	Example of minutes of PCB Meeting	Good	FTS Finance Policy Manual		
21-1	Control Activities	Does your company properly provide corporate role profiles or individual work procedures?	FD & AM	Yes, corporate role profiles are created to clarify roles and activities carried out.	Implemented	none	Roland Baierl FTS FI IA	Link HR-homepage - roles	Good	Career portal		
22-1	Control Activities	Does your company ensure that control activities are properly carried out?	FD & AM	Yes. At the monthly management committee, Management check the status of business operation through reports by the executive directors and responsible managers on the business situation including trends of performance index and analysis of financial statements. Management will take necessary countermeasure if there is any issue.	Implemented	none	Roland Baierl FTS FI IA	Monthly Dashboard	Good	Management report	Internal audit	External audit
22-2	Control Activities	Does your company perform appropriate internal reporting, checking and authorization (such as the board resolution), with respect to supply of information which is necessary to prepare and publicize consolidated financial statements of Fujitsu Group?	FD & AM	Yes. FTS Corporate Accounting sends a monthly financial consolidation package to Fujitsu Limited, which is approved by the accounting management and CFO. The company provides additional information to FTS Corporate Accounting for this purpose if so requested.	Implemented	none	Roland Baierl FTS FI IA	Example of Monthly Statpack	Good			
22-3	Control Activities	Does your company understand which items require timely disclosure and extraordinary reporting by Fujitsu Limited, and cooperate with and support them in making these disclosures?	FD & AM	Yes. FTS Corporate Accounting sends a monthly financial consolidation package to Fujitsu Limited, which is approved by the accounting management and CFO. The company provides additional information to FTS Corporate Accounting for this purpose if requested. Forwarded consolidation packages can also be retrieved from Corporate Accounting on request.	Implemented	none	Roland Baierl FTS FI IA	Example of Monthly Statpack	Good			
23-1	Control Activities	Does your company properly recognize frauds or mistakes which are detected by control activities, and take corrective action against them?	LS	Yes, internal control systems are updated if necessary and many errors are reported through internal mails	Implemented	none	Roland Baierl FTS FI IA	Example of internal mail reporting Errors	Good	Fraud reports (confidential, therefore shown ...)	FTS Compliance program	
24-1	Control Activities	Does your company periodically review the contents of control activities in consideration of their implementation status, and make any necessary improvements?	FD & AM	Yes, there are controls in each department in place (internal controls), it's mandatory for the PFS status. The contents of control activities in consideration of their implementation status are regularly reviewed by the corporate functions. In addition, Internal Audit checks if the controls are performed regularly and addresses necessary improvements.	Implemented	none	Roland Baierl FTS FI IA	Daily management report on internam control	Good	Internal audit	External audit	

Item No.	Elements	Questions	Current Status			Test			Additional comments / evidences			
			Answered by (Department, Division, etc)	What is the status of providing and maintaining the scheme, policies or rules? (Status of Design)	What is the status of actual implementation? (Status of Operation)	Remediation plan, Improvement action, etc	Reviewer	Evidence/Method of Confirmation				Judgment
25-1	Information & Communication	Does your company have a process of communicating Group management policy and local management policy to all employees? Is the management policy fully understood by the employees through this process?	FD & AM	Yes. As per FTS Finance Policy Manual. This is also communicated through local Intranet site. In case, new guidelines are released, a dedicated notice is circulated to all relevant employees asking for consistent deployment. As a key principle the notice of the following core guidelines has to be confirmed by the employee: Ethics Policy, Antitrust Compliance, IT-Security	Implemented	none	Roland Baierl FTS FI IA		Good	Policies	FTS FPM	
25-2	Information & Communication	Are accounting/financial staff properly communicated regarding the accounting principles based on "Fujitsu Group Summary of Accounting Policies and Procedures", accounting/financial policies and procedures, or directions/requests based on them?	FD & AM	Yes. We have processes in place to communicate Accounting and Finance processes. The publishing of FPM (Finance Policy Manual) is established via Intranet. New policies and regulations are communicated to the Financial Directors and they pass on the relevant information to accounting staff.	Implemented	none	Roland Baierl FTS FI IA	IFRS Training	Good	FTS FPM		
26-1	Information & Communication	Does your company have an adequate structure/system for transferring accounting and financial information from relevant business processes to information systems and that can be utilized appropriately?	CIO	Yes. SAP is the standard IT System for FTS business. Sales, Production, Spares, Services, Accounting and Consolidation are managed in SAP and SAP-subsystems. The data transfer between SAP and the subsystems is done via interface. If a change request is necessary, a call will be placed in a special intra based application. Afterwards meetings among Information Systems, Business, and Accounting staff will be held.	Implemented	none	Roland Baierl FTS FI IA	time registration SIEBEL Report	Good			
27-1	Information & Communication	Does your company have an adequate structure/system for giving management or appropriate managers critical information about internal controls ?	FD & AM	Yes. Mandatory controls throughout all functions are defined and communicated by the responsible corporate functions. Adequate spot checks are performed. An adequate structure/system for giving management or appropriate managers critical information about internal controls is in place. This forms part of the hard close activities. Internal Audit is asked to check the healthiness of the installed internal control system. According to local work instruction Risk Management every direct report has to ensure an effective risk management system in his/her sphere of competence which involves the escalation of critical information (= risk) to the management. Besides, internal audits are carried out on a regular basis (ISO, ITIL, ...) the results of which are reported to the management. Regular and systematic checks are performed by all functions	Implemented	none	Roland Baierl FTS FI IA	Daily management report on internam control	Good	Internal audit	External audit	
28-1	Information & Communication	Are roles of executive officers meeting (management meeting) and board meeting clearly separated? And do the members of those meetings communicate effectively without problems?	LS	Yes. The company applies the one-tier model, meaning that the board of the company consists of executive and non-executive board members. Executive board members are responsible for the day-to-day management whereas non-executive board members focus on their supervisory duties. In practice, both the executive management team and the members of the supervisory team communicate effectively internally as well as externally, i.e. between themselves.	Implemented	none	Roland Baierl FTS FI IA		Good			
28-2	Information & Communication	Does your company have any process to report important issues to the Board meeting or equivalent meeting? Is such information reported adequately and in a timely manner?	LS	Yes. It is a standard practice that important issues are reported in the ordinary board meetings and otherwise are communicated in between ordinary board meetings between executive board members and shareholders' representative non-executive board members on the board. However, the communication outside ordinary board meetings is not necessarily documented and not channelled via e.g. the Legal department.	Implemented	none	Roland Baierl FTS FI IA	Corporate Risk Management	Good	As the Audit Committee minutes are board confidential information, may we suggest that you approach a FJ member of the FTS board for copies.	MFR Process observable in the TQM Handbook	
28-3	Information & Communication	Is the Auditor (or audit committee) able to express appropriate comments to the Board as well as management based on adequate information, and does it comply with its terms of reference?	LS	Yes. Among other things, the Audit committee at the holding level meets for annual ordinary meetings to approve the annual financial statements of the company. In addition and as standard, external auditors meet with non-executive board members to discuss financial statements in the absence of executive board members.	implemented	none	Roland Baierl FTS FI IA	Audit Report PFS	Good	KPMG Approval	CSSF Circular	
29-1	Information & Communication	Does your company provide any (whistle blowing service) contact points for employees to consult when they face fraud in the field or feel uncertain regarding relevant laws and company rules?	LS	Yes. An FTS internal compliance telephone line and an FTS internal compliance email box have been established at the Corporate Compliance Officer allowing to report actual or suspected criminal wrongdoing (anonymously or otherwise). In addition, an external law firm has been employed by and at the expense of the Company to operate as Compliance Ombudsman, and reports on criminal wrongdoing may also be addressed to the Ombudsman. The Company has instructed the Ombudsman (and permanently has waived any right in this respect) that the Ombudsman must not identify the individual submitting a report (unless approved by the individual submitting the report), ensuring total anonymity of reporting.	Implemented	none	Roland Baierl FTS FI IA	FTS Compliance Program	Good	OMBUDSMAN		

Item No.	Elements	Questions	Current Status			Test			Judgment	Additional comments / evidences		
			Answered by (Department, Division, etc)	What is the status of providing and maintaining the scheme, policies or rules? (Status of Design)	What is the status of actual implementation? (Status of Operation)	Remediation plan, Improvement action, etc	Reviewer	Evidence/Method of Confirmation				
30-1	Information & Communication	Does your company have structure/system to properly utilize information on internal control collected from third parties, and properly report the information to management, the Board and the Auditor (or audit committee)?	LS	Yes. FTS Corporate Compliance Program and the Concept for Ombudsman deal with compliance issues. Among other things the Corporate Compliance Program is explicitly open to information submitted by third parties (e.g. business partners) who may want to submit a report with respect to unethical misconduct of a FTS employee. The FTS Ombudsman also accepts complaints by any business partner of FTS.	Implemented	none	Roland Baierl FTS FI IA	FTS Compliance Program	Good	OMBUDSMAN		
31-1	Monitoring	Does your company review or analyze issues in accounting or financial statements which are quite complicated or inherent to the industry, and make inquiry to your subsidiaries if necessary?	FD ¥ AM	Yes. On FTS Group level, Group Accounting is responsible for accounting policies and principles. For complicated accounting issues (also for requests from the group companies), Group Accounting prepares the accounting procedure according to the valid finance policy manual and the accounting GAAP. The final approval comes from the leader of Group Accounting and the head of Corporate Accounting. Group companies provide information if inquiry is made by Group Accounting. The correctness is safeguarded by close cooperation between local controlling and central accounting (e.g. for leasing and financing issues)	Implemented	none	Roland Baierl FTS FI IA	FTS Financial Policy Manual	Good			
31-2	Monitoring	Are self-monitoring and self-assessment activities conducted at each business unit or subsidiary? And are such activities aligned with your company's audit division?	FD ¥ AM	Yes. Self-auditing activities are applied in some functions. Self-auditing activities are aligned with Internal Audit and monitored by Internal Audit. Audit activities are discussed and aligned between TQM, Internal Audit and external auditors (KPMG). As part of an continuous improvement process all internal controls are reviewed regularly and adopted if necessary.	Implemented	none	Roland Baierl FTS FI IA	Internal Audit	Good			
32-1	Monitoring	Does your company have an internal audit function?	FD ¥ AM	Yes. An internal audit function has been implemented on group level since the beginning of the JV. Since March 2003, all audit activities are performed internally. The current headcount of Internal Audit covers 6 employees. The head of Internal Audit reports directly to the CEO/ Audit Committee. In Luxemburg it's mandatory because of the PSF, an internal auditor has been nominated towards the CSSF.	Implemented	none	Roland Baierl FTS FI IA	Internal audit nomination	Good			
32-2	Monitoring	Does your company have an annual plan for internal audit?	FD ¥ AM	Yes, the company have a tri-annual audit plan. This tri-annual audit plan is mandatory as per the CSSF. This tri-annual audit plan is declined into yearly audit plan which also mandatory as per the PSF	Implemented	none	Roland Baierl FTS FI IA	tri-annual Audit plan	Good			
32-3	Monitoring	Is internal audit performed periodically?	FD ¥ AM	Yes. Internal Audit is a permanent function. Based on the defined audit plan, all defined audits are carried out to the defined time schedule. Additional audits are performed upon request of the EMC or in case of necessity.	Implemented	none	Roland Baierl FTS FI IA	Annual audit report	Good			
32-4	Monitoring	Does a person in charge of internal audit conduct evaluation of items based on audit plan and considering significance of risks?	FD ¥ AM	Yes, it's mandatory because of PSF Requirements. The audit work follows a systematic risk assessment. All audit reports are performed in line with the annual audit plan. A systematic risk assessment forms always part for prioritization of necessary counter actions. The audit work is transferred to the "directeurs à la gestion journalière".	Implemented	none	Roland Baierl FTS FI IA	The board decision	Good			
32-5	Monitoring	Is authority given to your internal auditors to audit all works performed in your company?	FD ¥ AM	Yes. Internal Audit reports directly to the CFO. Audit authority is given to all employees within Internal Audit. The audit independence is also stated in the FTS Corporate Audit Charter which has been approved by the FSC Board in July, 2007.	Implemented	none	Roland Baierl FTS FI IA	Approval of Corporate Audit Charter	Good	IA Role		
32-6	Monitoring	Does your company visit and audit your subsidiaries regularly?	FD ¥ AM	Yes. All FTS subsidiaries are covered within 3 up to 5 calendar years. For further details please refer to the FTS Audit Landscape.	n.a. - Fujitsu Belgium has no subsidiaries	none	Roland Baierl FTS FI IA	N/A	Good			
33-1	Monitoring	Does your company assign appropriate employees as responsible staff for monitoring who have adequate knowledge and skills to perform such task?	FD ¥ AM	Yes. An appropriate selection process ensures that appropriate employees are assigned as responsible staff for auditing who have adequate knowledge and skills. Adequate training is performed on demand to maintain an adequate know-how level and further education within the audit team. The recruitment of auditors follows strictly the requirements of defined auditor profiles based on best-practices. The recruiting process is supported by HR and one further function head (e.g. Corporate Accounting).	Implemented	none	Roland Baierl FTS FI IA	FTS IA Job Profile - Finance	Good			
34-1	Monitoring	Does the internal audit department formally report to executive officers meeting (management meeting), the Board meeting or Audit Committee?	FD ¥ AM	Yes. As part of the regular follow-up work, all EC members are updated on a quarterly basis about the implementation progress for all performed audits. Once a year, also the Board is informed about material weakness / significant deficiencies in internal controls by the external Auditor (KPMG) / the Head of Internal Audit.	Implemented	none	Roland Baierl FTS FI IA	Management Lettre PSF	Good	CSSF Circular		
35-1	Monitoring	Does management understand the contents and amounts of modifications proposed by the external auditor and take proper actions? Does management properly respond to the external auditor's proposals for improvement?	FD ¥ AM	Yes. If the external auditors or internal auditors propose any improvement, this will be discussed with the Finance Director and any proposals for improvement are implemented.	Implemented	none	Roland Baierl FTS FI IA	KPMG Management Letter	Good			

Item No.	Elements	Questions	Current Status			Test							
			Answered by (Department, Division, etc)	What is the status of providing and maintaining the scheme, policies or rules? (Status of Design)	What is the status of actual implementation? (Status of Operation)	Remediation plan, Improvement action, etc	Reviewer	Evidence/Method of Confirmation	Judgment	Additional comments / evidences			
35-2	Monitoring	Does your company evaluate feedback from the internal auditor and take necessary action accordingly?	FD ¥ AM	Yes. FTS Group has an internal audit department which carries out audits throughout FTS according to the annual audit plan approved by the shareholders. After completion of an audit, all key audit findings are presented to executive management / responsible management. At least one EC member (in most cases the CEO himself) attends the audit presentations. Necessary counter actions are presented and get approved. A tight implementation tracking, performed by FTS IA, ensures an effective follow-up. As part of the quarterly EC business reviews, the responsible management is requested to provide an implementation status. As part of the regular follow-up work, all EC members are updated about the implementation progress for all performed audits on a quarterly basis.	Implemented	none	Roland Baierl FTS FI IA	Process and audit schedule and follow ups	Good				
36-1	Monitoring	Is the information regarding the deficiencies/weakness in internal controls which are detected by monitoring properly reported to senior managers in the relevant processes together with responsible managers who are supposed to supervise such processes and their related internal controls and to take corrective actions?	FD ¥ AM	Yes. Deficiencies of internal control is reported by Project EAGLE Team or Internal Audit Division to the management committee. Deficiencies which are detected during the course of evaluating internal control will be reported to the responsible managers on a daily basis. The responsible managers will set up improvement plan and schedule, and take necessary countermeasure against the deficiencies within the fiscal year.	Implemented	none	Roland Baierl FTS FI IA	Internal Audit Report.	Good	Management report to the board			
37-1	Monitoring	Is the information regarding material weakness/significant deficiencies in internal controls properly reported to management, the Board and the Auditor (or audit committee)?	FD ¥ AM	Yes. Information regarding material weakness / significant deficiencies in internal controls are properly and regularly reported to senior management within the final presentations. In addition a complete report including defined actions is discussed and fixed with the responsible management. As part of the regular follow-up work, all EC members are updated about the implementation progress for all performed audits on a quarterly basis. Once a year, also the Board is informed about material weakness / significant deficiencies in internal controls by the external auditor (KPMG) / the head of Internal Audit.	Implemented	none	Roland Baierl FTS FI IA	Internal Audit Report.	Good	Management report to the board			
38-1	IT Management	Does management prepare detailed strategy or plan with regard to IT deployment on an annual basis? (How is it approved, such as 'by the management meeting', and how often is it reviewed, such as 'semi-annually'?)	CIO	N/A		none	Roland Baierl FTS FI IA	N/A	Good				
39-1	IT Management	Does management fully understand 'IT environment' and define the policy for design/preparation of internal control in consideration of such environment? (How and by which documents does management explicitly show 'IT environment' as well as the policy? e.g. 'describe in the documents for the management meeting' [Note] 'IT environment' means the IT infrastructure within and outside the organization relating to its business. This includes the degree of IT deployment in the society and market, the IT usage at individual transactions of organizations, or the usage of a series of information system that the organization has chosen and is dependent on. (from 'J-Sox Practice Standards')	CIO	N/A		none	Roland Baierl FTS FI IA	N/A	Good				
40-1	IT Management	In order to mitigate risks for preparation of reliable financial statements does management properly determine the work area of manual control and IT application control respectively? (Example: Give priority based on the significance of risks or investment amounts)	CIO	Yes. Finance and Accounting provides feedback and requests to IT team. For example, due to the co-sourcing of finance & accounting activities to an external service provider, Accounting and IT Team jointly work on definitions of new control activities.	Implemented	none	Roland Baierl FTS FI IA	Base Service Description	Good				
41-1	IT Management	When new control activities are designed/prepared using IT, are the risks considered that arise from utilizing the IT environment? (Example: New risks shall be described and reviewed in the investment approval document. Risk analysis is conducted in IT deployment planning phase.)	CIO	N/A		none	Roland Baierl FTS FI IA	N/A	Good	Corporate risks Management			
42-1	IT Management	Does management properly define policies and procedures for ITGC and ITAC? (Related documents: a) 'Guidelines of the IT General Controls for Fujitsu Group' for the companies subject to assessment of ITGC b) For other companies the above guidelines may be modified in accordance with the situation of each company.	CIO	N/A		none	Roland Baierl FTS FI IA	N/A	Good				

Item No.	Elements	Questions	Current Status				Test						
			Answered by (Department, Division, etc)	What is the status of providing and maintaining the scheme, policies or rules? (Status of Design)	What is the status of actual implementation? (Status of Operation)	Remediation plan, Improvement action, etc	Reviewer	Evidence/Method of Confirmation	Judgment	Additional comments / evidences			
43-1	Mid-term Management Plan	Is the mid-term and yearly management plan produced under appropriate review and approval by management?	FD Y AM	Yes. Each operation has to submit yearly Budget numbers which are (in their final approved version) part of the company's mid term plan. In order to get final approval, every budget submission is reviewed and further instructions are given between each submission if necessary. Intermediate results are regularly reported to top management and discussed within the respective management team. Final budgets are approved by Management Council (MC).	Implemented	none	Roland Baierl FTS FI IA	Mail copy informing budget approval (provisional)	Good	Mid term plan			
43-2	Mid-term Management Plan	Is the mid-term and yearly management plan communicated to the relevant departments accurately, and reflected in their objectives?	FD Y AM	Yes. The mid-term plan is prepared by HQ via a top-down approach considering also strategic aspects. The yearly management plan is derived from the latest company's mid-term plan and forms the basis for the planning targets each operation receives. HQ checks, if final budgets submitted by each operation are in line with the mid-term plan overall. Corresponding targets which are based on the yearly management plan are communicated by target letters to all relevant departments / functions and individual employees.	Implemented	none	Roland Baierl FTS FI IA	STIP Policy	Good	EVE Homepage			
43-3	Mid-term Management Plan	Does your company have a feedback process where management periodically evaluate the achievements of the company as well as individual departments?	FD Y AM	Yes. Management is informed about monthly financial status (Actuals against Budget / Forecast / previous year) by organisations, products and latest headcount development. In addition, major variances need to be commented by operational entities.	Implemented	none	Roland Baierl FTS FI IA	Management System-Handbook	Good				
44-1	Organization & Authority	Does your company have control functions for financial guarantees, comfort letters and contracts?	FD Y AM	Financial Guarantees, Comfort Letters, Bonds et al. are handled centrally by Corporate Treasury for the FTS-Group. For Parent Company Guarantees a guideline is in place restricting the authority for the issuance of PCG's to the CEO, Vice-Chairman of the Board, CFO and Head of Corporate Treasury. Financial Guarantees et al. issued by Financial Institutions such as Banks on behalf of a FTS group company are administered either directly by Corporate Treasury or indirectly via credit facilities granted by Corporate Treasury to FTS group companies. A fixed group of Banks is approved for the issuance of Financial Guarantees et al. on behalf of FTS group companies. A formal process for the issuance of such guarantees starting with the request by the commercial manager to the issuance is in place and its compliance is enforced by Corporate Treasury.	Implemented	none	Roland Baierl FTS FI IA	Parent company guarantees	Good				
45-1	Accounts Closing & Financial Reporting	Does your company have a structure in place where you appropriately retain the financial data for the period required by the law?	FD Y AM	Yes. As defined in the corporate record retention policy, all financial data are retained centrally within SAP according to legal requirements.	Implemented	none	Roland Baierl FTS FI IA	Retention Policy for Business Documents	Good				
45-2	Accounts Closing & Financial Reporting	Does your company have procedures and process to compile the budget?	FD Y AM	Yes. FTS is running top-down and bottom-up budget processes which are initiated by the CFO and controlled/ monitored by Corporate Finance. Based on budget instructions, bottom-up processes are done in iterative steps in order to have 'like for like' numbers available and to converge top-down targets finally.	Implemented	none	Roland Baierl FTS FI IA	Management System-Handbook	Good				
45-3	Accounts Closing & Financial Reporting	Does your company conduct budget-result analysis by comparing budget and actual ?	FD Y AM	Yes, as stated in 1)-1 most reports on financials are against budget numbers, which are currently valid and approved by management.	Implemented	none	Roland Baierl FTS FI IA	ETS Finance Policy Manual	Good	ETS Ethics Policy			
46-1	Risk Management	Does your company have a disaster recovery policy/plan for major disasters/incidents such as earthquakes and fires?	FD Y AM	Yes. Business Continuity Plan is in place and communicated to all managers and staff	Implemented	none	Roland Baierl FTS FI IA	Business continuity plan	Good	ETS Crisis Management			
46-2	Risk Management	Does your company have a disaster recovery policy/plan for major disasters/incidents such as earthquakes and fires?	FD Y AM	Yes. Business Continuity Plan is in place and communicated to all managers and staff	Implemented	none	Roland Baierl FTS FI IA	Business continuity plan	Good	ETS Crisis Management			
46-3	Risk Management	Does your company have a disaster recovery policy/plan for major disasters/incidents such as earthquakes and fires?	FD Y AM	Yes, this is maintained by Core and is approved annually by the management team. IT take regular backups of IT Systems, however paper copies would be lost.	Implemented	none	Roland Baierl FTS FI IA	Business continuity plan	Good	ETS Crisis Management			

Note: Questions are drafted in singular form, however, it is acknowledged that in formal shared service centre environments individual accountability may be replaced by a collective role. Please respond with clearly defined collective role where this is a more applicable response.

Items	Control	Questions	Answers	Test			
				Reviewer	Evidence/Method of Confirmation	Judgement	
1. Procedures for closing of accounts							
(1) Accounting and finance policies and procedures	Are accounting policies of your company documented and properly referred to in line with that of the parent company? If your company has different lines of business from those of the parent company, then, are the accounting policies on such inherent business documented and referred to accordingly upon proper approval of the parent company?	a. Accounting policies in line with that of Fujitsu Limited or immediate parent company Yes. /No	Yes, accounting policies are in line with that of FTS. The accounting policies of FTS are approved by Fujitsu Limited.	Rainer Knippschild, FTS IA	FTS Finance Policy Manual (FTS FPM)	Good	
		b. List of policies: (Attach the policies in case newly created or modified.)	FTS Financial Policy Manual (FPM) + a specific process for revenue recognition of the T&M (Time and means services business)	Rainer Knippschild, FTS IA		Good	
		c. Accounting policies on inherent business. Yes. / No.	Yes.	Rainer Knippschild, FTS IA		Good	
		d. Contents of Accounting Policies on inherent business (In case you chose 'Yes' for question c.)	All areas of finance and financial regulation, covering whole business.	Rainer Knippschild, FTS IA		Good	
		e. Method of approval from Fujitsu Limited or immediate parent company (In case you chose 'Yes' for question c.)	The advice and the approval are gained from FTS HQ, FTS HQ gained the approval from Fujitsu Limited.	Rainer Knippschild, FTS IA		Good	
	In case there are changes in the relevant accounting principles and practices, does your company properly amend company accounting policies and procedures through discussion and approval from parent company or external experts, and advise throughout the company of its adoption?	a. Yes. / No.	Yes	Changes are always advised and approved by FTS HQ & Fujitsu Limited. E-mail announcement is made with FTS HQ.	Rainer Knippschild, FTS IA	E-Mail, Intranet announcement	Good
		b. Procedure of amendment	Changes are always advised and approved by FTS HQ & Fujitsu Limited. E-mail announcement is made with FTS HQ.	Rainer Knippschild, FTS IA	Review of FPM.mss	Good	
		c. Method of approval from Fujitsu Limited or immediate parent company	Approval gained from FTS HQ via E-Mail.	Rainer Knippschild, FTS IA	Good		
	Is it clearly stated in documents that changes in accounting policies shall be done only by justifiable reason? And are such changes properly authorized in the company through necessary consultation and discussion with the parent company from time to time?	a. Yes. / No.	Yes, any changes in the accounting policies are discussed with FTS HQ.	Yes, any changes in the accounting policies are discussed with FTS HQ.	Rainer Knippschild, FTS IA	E-Mail, Intranet announcement	Good
		b. Method of discussion with Fujitsu Limited or immediate parent company	Changes are managed under version control and agreed with FTS HQ. Changes of FTS are approved by Fujitsu Limited.	Rainer Knippschild, FTS IA	Good		
		c. Method of authorization within the Company	Changes are managed under version control and agreed with FTS HQ dependent on the materiality by the head of Corporate Accounting and / or CFO of FTS. Initially the changes are approved by the local Finance Director.	Rainer Knippschild, FTS IA	Good		
	(2) Accounts	Is your company's chart of accounts documented in line with that of the parent company? Is each account clearly defined and correctly understood by staff members in charge of journal entries?	a. Yes. / No.	Yes, the chart of accounts is equivalent to the chart of accounts of FTS HQ. Basically, the chart of accounts of FTS group is in line with that of Fujitsu group, and any difference between them can be easily identified. The change of accounts is clearly understood by staff members.	Rainer Knippschild, FTS IA	Copy of local mapping of accounts from local chart of accounts to FTS HQ with approval by corporate accounting.	Good
b. Method of confirming the consistency			There is a local mapping of accounts from our local chart of accounts to FTS HQ one and this mapping is reviewed and approved by FTS HQ. Last years' problem about missing local accounts in BE72 has been resolved after the migration of ITPS to the BE82.	Rainer Knippschild, FTS IA	Chart of Accounts.pdf	Good	
c. Name of such document (such as, 'XXXX chart of accounts')			The chart of account is accessible in SAP through the transaction FSS0	Rainer Knippschild, FTS IA	Good		
d. In case you chose No. in above a), describe the reason, and show the parts that are not consistent to the charts of account of Fujitsu Limited or immediate parent company			N/A	Rainer Knippschild, FTS IA	Good		
(3) Segregation of duties and staff allocation	Is appropriate segregation of duties with respect to accounting procedure of closing work maintained? And is level of authorities on accounting work clearly stated in relevant documents?	a. Yes. / No.	Yes, there is a segregation of duties by role. It's inherent to the system	Rainer Knippschild, FTS IA	Job Roles, Organization Chart --> authorizations	Good	
		b. Person who authorizes closing of accounts	Locally the Finance Director, centrally the General Ledger Accountant (GLA) in different levels and for Group authorization Head of Finance & Tax authorizes closing of accounts in different levels.	Rainer Knippschild, FTS IA	Good		
		c. Name of the relevant documents <Need to cover both points> > Appropriate segregation of duties > Who has the authority to approve the closing of accounts	Job Roles, Organization Chart	Rainer Knippschild, FTS IA	Base Service Description 091008 (2).doc	Good	
	Does your company have proper number of staff who have adequate accounting knowledge and experience for closing of accounts and preparation of financial statements? Do such staff members prepare	a. Yes. / No.	Yes, the company has a proper number of accounting staff with necessary skills and many years of experience in accountancy in responsible staff.	Yes, the company has a proper number of accounting staff with necessary skills and many years of experience in accountancy in responsible staff.	Rainer Knippschild, FTS IA	Organization Chart, (Organization) with additional role and qualification scheme	Good
		b. Summary of organization, such as number of staff members, their knowledge and skills, etc.	Job Roles, Organization Chart	Rainer Knippschild, FTS IA	Good		
2. Daily accounting transactions							
(1) Does your company confirm that the general ledger agree with sub-ledgers?	a. Yes. / No.	b. Who confirms?	Yes	Rainer Knippschild, FTS IA	Automatic and manuell	Good	
		c. How is it confirmed?	Monthly	Rainer Knippschild, FTS IA	Good		
		d. How is the evidence of confirmation kept?	The evidence is kept by an exception report that confirms there is no difference between the general ledger and sub-ledgers.	Rainer Knippschild, FTS IA	Good		
			Yes	Rainer Knippschild, FTS IA	Trial balance	Good	
	In case there are some differences between a trial balance of each accounting system and a detail output obtained from each business system, does your company analyze their contents and properly make modifications so that the differences are eliminated?	a. Yes. / No.	Yes	The analysis is done by the Accounting Department on behalf of local Finance Team with SAP support.	Rainer Knippschild, FTS IA	We refer to FTS_KV_01_Consolidated Financial Statement	Good
		b. Who analyzes?	Yes	The analysis is done by the Accounting Department on behalf of local Finance Team with SAP support.	Rainer Knippschild, FTS IA	Good	
		c. Method of analysis	It occurs a comparison of ledgers based on Chart of Accounts. The system SAP/BCS gives exception reports if there is any difference. Which is then reconciled/balanced with explanation.	Rainer Knippschild, FTS IA	Good		
		d. How is the evidence kept from difference analysis to modification?	For automatic reconciliation it is archived in SAP. For manual reconciliation it is archived with printouts.	Rainer Knippschild, FTS IA	Good		
	Are journal entries of re-classification, summarization and adjustments and their data input to relevant systems verified by staff members other than those in charge of such works?	a. Yes. / No.	Yes	Yes	Rainer Knippschild, FTS IA	Journal and supporting	Good
		b. Method of verification	There is a verification of the changes done to confirm that they are correct. It is recorded who has raised the journal, the Finance Controller and the Finance Director then approve it dependent on the individual amount.	Rainer Knippschild, FTS IA	LOCAL Provision, Accrual Tool.pdf	Good	
		c. How is the evidence of verification kept?	Journal and supporting documents are filed.	Rainer Knippschild, FTS IA	Good		
	3. Non-daily accounting transactions						
(1) Closing of accounts	Are action items for closing of accounts, such as procedures, timetable, work share schedule, list of documents to be prepared, or request letter for related documents to relevant divisions, documented and maintained?	a. Yes. / No.	No, we get monthly timetables from FTS HQ. We obtain also Group Year End instructions. In addition, we maintain also local closing timetables.	Rainer Knippschild, FTS IA	Timetable Closing FY 2011	Good	
		b. Procedure of documentation and maintenance	same	Rainer Knippschild, FTS IA	Good		
		c. Name of the relevant documents for the latest financial term	Job Roles, Organization Chart	Rainer Knippschild, FTS IA	Good		
	Does your company prepare timetable for closing of accounts for each financial term (annually, semi-annually, quarterly), distribute it throughout the company and the group in a timely manner, and conduct progress check by each responsible staff?	a. Yes. / No.	No, we get monthly timetables from FTS HQ. We obtain also Group Year End instructions. In addition, we maintain also local closing timetables.	No, we get monthly timetables from FTS HQ. We obtain also Group Year End instructions. In addition, we maintain also local closing timetables.	Rainer Knippschild, FTS IA	Timetable Closing FY 2011	Good
		b. Method of progress check	same	same	Rainer Knippschild, FTS IA	Good	
		c. Name of the time table of closing of accounts for the latest financial term	same	same	Rainer Knippschild, FTS IA	Good	
	Does your company prepare checklist of action items to monitor any omission or delay of the work, and is such checklist approved by an appropriate manager/senior staff member after the check is conducted?	a. Yes. / No.	Yes.	Yes.	Rainer Knippschild, FTS IA	review report	Good
		b. Who approves?	Local Finance Director / corporate controller	Local Finance Director / corporate controller	Rainer Knippschild, FTS IA	Good	
		c. Method of approval	Finance Director confirms that all necessary work has been completed prior to closure of ledgers. Finance Director reviews information for logic check.	Finance Director confirms that all necessary work has been completed prior to closure of ledgers. Finance Director reviews information for logic check.	Rainer Knippschild, FTS IA	Good	
	d. Name of the check list for the latest financial term	Review report	Review report	Review report	Rainer Knippschild, FTS IA	Monthly report prepared by Filip/ evidence present in the SX local extension	Good
	With respect to necessary information for closing of accounts work, is such information collected from	a. Yes. / No.	N/A. All necessary information is available in SAP.	N/A. All necessary information is available in SAP.	Rainer Knippschild, FTS IA	Timetable Closing FY 2011	Good

				Test
	consolidation package tool?			
	b. Who approves?	Management team BeLux	Knippschild, Rainer	Good
	c. Method of approval	Factuals integrated into the monthly dashboard	Knippschild, Rainer	Good
	d. How is the evidence of review and approval kept?	Minutes of meeting of the management team	Knippschild, ETSJA	Good