20 MARCH 2018

PROPOSAL FOR INDEPENDENT REVIEW OF ANTI-MONEY LAUNDERING AND COMBATING THE FINANCING OF TERRORISM COMPLIANCE PROGRAM
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KEY CONTACTS

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INTRODUCTION

Money laundering and terrorism financing remain a serious global threat owing to the economic and social consequences they pose.

In Kenya, financial institutions are required to understand the existing anti-money laundering (AML) and combating the financing of terrorism (CFT) legal and institutional framework and to fully implement the requirements therein in order to protect the financial system from abuse.

To this end, the Central Bank of Kenya (CBK) issued Banking Circular No. 2 of 2019 which requires all commercial banks to appoint an independent third party to review their existing AML/CFT compliance programs.

It is for this reason that we are pleased to submit this profile detailing our capabilities to advise you on AML and CFT.

We have a Regulatory Risk and Compliance team that has extensive experience in advising financial institutions on financial crime, corporate governance, risk management and internal controls, amongst other services.

Please feel free to reach out to us should you have any questions or require additional information.

We have set out our experience below, demonstrating our ability to undertake this work. We have also set out in detail the scope of work as required by CBK, our fees and the profiles of our team members who will undertake this work.
OUR FINANCIAL CRIME

ADVISORY SERVICES

We assist clients to proactively manage the risk of financial crime and non-compliance with regulations in a **holistic, cost effective and sustainable manner.** Our methodologies are tailored to help build and maintain responsive and effective risk management frameworks.

Our established team helps clients to assess [and minimise] vulnerability to financial crime and non-compliance, and to define potential weaknesses in systems and processes from both an external and an internal perspective. We assist with:

- The drafting and reviewing of policies and procedures, roles, responsibility, structures, design and practices and provide recommendations for actions to address deficiencies or gaps.
- The implementation of recommendations made ensuring they are well embedded in the organisation. The assessment and the development of compliance strategies, policies, procedures and controls.
- The design and implementation of the strategies and compliance programmes.
- Deliver customised trainings to corporate boards, management and staff to ensure ownership and a sustainable compliance program. We regularly advise on compliance related issues in respect of Financial Crime.
- Assessment of the effectiveness, preparation and implementation of fraud risk management and anti-bribery & corruption policies and procedures.
- Assessment, design and implementation of whistle-blowing strategies.
- Regulatory/statutory anti-bribery compliance advice.
- Assessing, advising and assisting in anti-money laundering compliance and reporting obligations (Including Gap analysis, designing and implementation of improved best practice AML/CFT framework).
- Implementing disclosure procedures and controls.
- Assessing of financial crime units and functions.
- Advising on Know Your Client (KYC) requirements.
- Undertaking UK Bribery Act and Foreign Corrupt Practices Act (FATCA) risk assessments.
- Advising on best business practices and implementing internal codes of conduct.
- Completing internal assessments and formulating a tailored risk strategy focusing on prevention and detection of economic crimes.
- Training and workshops on financial crime and compliance.
# CENTRAL BANK OF KENYA REGULATORY COMPLIANCE

## AML & CFT

### SCOPE OF WORK

The Central Bank of Kenya has outlined the below as the specific areas to be reviewed under Banking Circular No. 2 of 2019:

<table>
<thead>
<tr>
<th>CBK Requirement</th>
<th>Our Response</th>
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</thead>
<tbody>
<tr>
<td>Review the customer due diligence measures.</td>
<td>Refer to A&amp;K Framework Section 5.1, Page 12</td>
</tr>
<tr>
<td>Evaluate the appropriateness of the institution’s money laundering / terrorism finance risk assessment.</td>
<td>Refer to A&amp;K Framework Section 5, Page 12</td>
</tr>
<tr>
<td>Assess the adequacy of the internal controls including the AML/ CFT governance structures, policies and procedures.</td>
<td>Refer to A&amp;K Framework Sections 1 and 2, Page 10 - 11</td>
</tr>
<tr>
<td>Review the financial institution’s monitoring process and adequacy of the systems used for transaction monitoring.</td>
<td>Refer to A&amp;K Framework Section 5.1, 6, 7 and 8 Page 12 – 15</td>
</tr>
<tr>
<td>Test the institution’s reporting process for suspicious transactions and large cash transactions with the Financial Reporting Centre.</td>
<td>Refer to A&amp;K Framework Section 3, 4 and 5.1, Page 11-13</td>
</tr>
<tr>
<td>Determine the adequacy of the AML/ CFT Training Program</td>
<td>Refer to A&amp;K Framework Section 9, Page 16</td>
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<tr>
<td>Review the record keeping procedures</td>
<td>Refer to A&amp;K Framework Section 6, Page 15</td>
</tr>
<tr>
<td>Assess the adequacy of the institution’s measures to combat terrorism financing risk.</td>
<td>Refer to A&amp;K Framework Section 1, 2, 3 and 5, Page 11 - 15</td>
</tr>
<tr>
<td>Review the operations and role of the money laundering reporting officer.</td>
<td>Refer to A&amp;K Framework Sections 1, 2 and 3, Page 10 - 11</td>
</tr>
</tbody>
</table>

We also note that there are additional guidelines issued by CBK in relation to annual reporting obligations. In meeting the above CBK requirements, we will also consider the previous guidance notes which clearly state that the purpose is to ensure that an institution’s risk assessment:

- Is compliant with the Central Bank of Kenya Prudential Guidelines on AML & CFT (CBK/PG/08 clause 5.5) and Regulation 6 of the Proceeds of Crime and Anti-Money Laundering (POCAML) Regulations.
- Meets international standards i.e. FATF Recommendations.
- Is robust enough to support risk based approach to managing money laundering and terrorism financing risk.
• Takes inventory of risks relating to products, services and delivery channels, clients and business relationships, geography and other relevant factors.

• Assists in implementing effective mitigation measures and in monitoring the money laundering and terrorist financing risks reporting entities may have or encounter as part of their activities and business relationships.
WHY A&K MAKES SENSE FOR YOU

- A&K was founded in 1958 and is one of Kenya’s most established law firms, consistently ranked as a top firm by the leading global ranking agencies. A&K works on the majority of landmark transactions in the country and increasingly in East Africa.

- Experience of our team: We have done this before and our proposed team will leverage their knowledge of AML & CFT, together with our local and global experience in supporting clients with similar projects. The proposed team consists of lawyers, compliance experts, former Money Laundering Reporting Officers (MLROs) and Association of Certified Anti-Money Laundering Specialists (ACAMS) certified professionals.

- Knowledge of your business: Our team is familiar with your industry and related regulations and we believe that this would add value in addressing your needs.

- A&K has extensive experience in advising on corporate governance issues for boards of directors, board committees, government bodies, listed companies, financial institutions and private equities, amongst others. We clearly understand the traditional corporate fiduciary standards, as well as the extensive and ever-changing legislation, and regulations. We also advise companies on regulatory compliance, directors’ duties, risk and crisis management, investigations, board structure and composition, board committee structure and composition, board committee charters, shareholder communications, and board best practices, amongst others.

- A&K has an established banking and finance practice, with a dedicated team of three partners, eleven associates and one paralegal. Therefore, you will be able to rely on a team with significant experience and bandwidth to meet your needs. Further, we represent some of the country’s largest banks on some of the largest and most sophisticated banking and financing transactions. A&K currently sits on panels of twenty two major banks. In addition, we represent foreign lenders such as RMB, Rabobank and DFI’s such as CEXIM, IFC, OPIC and Proparco.

- You will benefit from A&K’s practice in the very sensitive and highly topical area of money laundering and corruption. We handle very complex, multi-jurisdictional corruption matters, including conducting internal investigations, providing white collar defence to corporate and individual clients at every stage of criminal defence proceedings, as well as in the parallel civil or administrative litigation frequently associated with criminal investigations. We have handled significant, high-profile bribery and corruption issues for several blue-chip multinational, and as a result, we have acquired extensive experience in the anti-corruption laws in Kenya. We are leading in the market in expertise on internal investigations prompted by regulatory enforcement agencies, an area that is currently growing in this market and in which we are ahead of local competitors. We understand the reputational damage that these matters can cause and consequently develop strategic solutions that are tailor made for each client.

- In 2017, A&K won the prestigious ‘African Law Firm of the Year – Large Practice’ award at the African Legal Awards hosted by Legal Week. These awards celebrate ‘excellence, achievement and innovation in the legal profession’. This is the third year in a row and fourth time in the last five years that A&K has received this award. We also won the ‘Innovation Awards.'
In performing our review of your institution’s AML and CFT compliance program, we will use the A&K financial crime compliance framework, which aligns with the CBK requirements as above.

This framework incorporates our experience as well as fundamental rules and regulations promulgated by regulatory and enforcement regimes, advisory bodies, and financial industry best practices. It is the specific details from each of these that create the financial crimes measurement criteria used when advising our clients. While the framework is based on international standards, it is locally relevant and customized to meet CBK requirements.

The A&K compliance framework comprises of 9 elements which include the following:

1. Leadership and Governance
2. Policies and Procedures
3. Accountability
4. Risk Assessment
5. Specific financial crimes processes and controls
6. Record Keeping
7. Continuance Monitoring and Testing
8. Data and Systems
9. Training Culture and Awareness

Financial Crimes Compliance Framework
RISK-BASED APPROACH

CBK recommends that financial institutions should identify, assess and understand the risks they face. They then should take appropriate measures to mitigate the identified risks. The risk-based approach allows financial institutions to allocate their limited resources in a targeted manner to their own circumstances, thereby increasing the efficiency of the preventative measures.

A risk-based approach requires financial institutions to have systems and controls that are commensurate to the specific risks of financial crime facing them. Assessing the risk is therefore an important step in creating a good financial crimes compliance programme. As risks relating to financial crime increase, stronger controls are necessary. However, all categories of risk must be identified and mitigated by the application of controls.

A risk-based approach in the area of combating financial crime is more preferable to a prescriptive approach because it is flexible, effective and proportionate.

1. LEADERSHIP AND GOVERNANCE - ROLES, OVERSIGHT AND RESPONSIBILITIES

Governance: Governance is critical for an organization to effectively reduce the likelihood and impact of financial crime. Governance refers to the way in which those charged with oversight meet their obligations. It also encompasses the organization’s financial crimes strategy and framework of policies and procedures to manage such risk.

The Board: The ultimate responsibility of the financial crimes risk compliance program rests with the Board of Directors (the Board). The Board must set the tone at the top by openly voicing their commitment to the program, ensuring that their commitment flows through all service areas and lines of business, and holding responsible parties accountable for performance.

The Board’s role in financial crime consists of reviewing and approving the overall programme and ensuring that there is ongoing oversight. The Board’s role also extends to the auditor’s examination process. Once an examination by an auditor or examiner is conducted, it is the Board’s duty to ensure that any necessary corrective action is taken in a timely manner.

Senior Management: A member of Senior Management should have oversight responsibility for the program and should allocate sufficient resources to achieve reasonably effective operations. Periodic program updates and material issue reporting should be made to the Board or an appropriate committee of the Board.

Program Leader: The financial crime programme should be led by an independent unit within the organisation with the requisite expertise and authority. This unit should be part of a control function such as Compliance, Legal or Risk.

Lines of Business/Corporate Functions: Employees within the business should have primary responsibility for achieving compliance with the established programme requirements.

Three lines of defence – as part of an integrated well defined governance structure, it is important to ensure that all staff take responsibility for financial crime compliance. Entrenching an effective risk culture amongst all staff is critical in ensuring that the 3 lines of defence are effective. The various lines of defence are generally as follows:

- The first line of defence is provided by front line staff and operational management. The systems, internal controls, the control environment and culture developed and implemented by these business units is crucial in anticipating and managing financial crime risks.

- The second line of defence is provided by the risk management and compliance
functions. These functions provide oversight and the tools, systems and advice necessary to support the first line of defence in identifying, managing and monitoring risks.

- The third line of defence is provided by the internal audit function. This function provides a level of independent assurance that the risk management and internal control framework is working as designed.

2. **POLICIES AND PROCEDURES**

Due to the broad nature of financial crime, there are a significant number of policies and procedures for ensuring compliance with laws and regulations, as well as effective management of the risk of financial crime. A list of relevant policies is highlighted under Appendix 2. These policies should:

- Indicate how the bank will implement a zero tolerance for non-compliance with financial crime internal and regulatory requirements;
- Reflect how the implementation process is driven by the senior leadership;
- Indicate how high risk areas will be identified;
- Assign clear accountability to staff for performance of duties under the financial crime program;
- Provide for sufficient controls and monitoring systems for the timely detection and reporting of potential suspicious activities and non-compliance;
- Comply with record keeping requirements;
- Prohibit any improper accounting or concealment of incomplete and inaccurate financial activity;
- Provide guidelines around Merger and Acquisition activities;
- Establish training requirements to ensure that staff have a working understanding of the procedures to be followed;
- Provide for segregation of duties;
- Meet regulatory requirements; and
- Provide for periodic reviews.

3. **ACCOUNTABILITY**

Adopting a culture of compliance and accountability is the most effective way to protect the institution and avert legal problems and reputational harm. There must be a clear understanding by employees in all business units of their commitment to playing by the rules.

The compliance staff should be empowered with sufficient authority to implement the financial crime policies. Relevant information from the various departments within the Bank must be shared with the compliance staff to enhance efforts towards combating financial crime.

**Internal reporting** - Relevant data should be collected to assist Senior Management in assessing the effectiveness of the program.

4. **RISK ASSESSMENT**

The program framework should be informed by periodic risk assessments, which serve to identify inherent risk and determine the effectiveness of the Banks financial crime risk controls. Some areas of business may be more susceptible to financial crime and may therefore need more frequent or detailed reviews. Moreover, the output of the assessment should be shared with Senior Management to ensure appropriate actions are taken to mitigate identified areas of concern.

A well designed risk assessment methodology ensures consistency if used by staff with the relevant level of knowledge and experience.
Risk assessments should assess both inherent risk and corresponding controls to arrive at a residual risk level.

5. SPECIFIC FINANCIAL CRIMES PROCESSES AND CONTROLS

The two sections below relate to the specific processes and controls for AML and Sanctions under section 5.1, while section 5.2 speaks to the rest of the financial crime aspects.

5.1 Anti-Money Laundering (AML), Combating the Financing of Terrorism (CFT) and Sanctions

On-boarding/KYC

Customer identification is an essential element of an effective customer due diligence program that reporting institutions need to put in place to guard against reputational, operational, legal and concentration risks. It is also necessary for purposes of complying with AML legal requirements, and a prerequisite for the identification of bank accounts related to terrorism.

Risk Management

The first step in managing money laundering risks is to identify and analyse the risks. This will lead to the design and effective implementation of appropriate controls. Risk is dynamic and needs to be continuously managed. It should also be noted that the environment each reporting institution operates in is subject to continuous change. Internally, reporting institutions respond to market and customer demands by introducing new products and services, implementing new delivery systems, occurrences of fraud and bribery and corruption. Externally, the political changes of a jurisdiction or whether economic sanctions are imposed or removed may impact a country’s risk rating.

Customer Acceptance

There should be clear and concise descriptions on who is an acceptable customer. Customer acceptance policies and procedures should be developed and should describe the customer’s background, country of origin, business activities and other risk indicators. The customer acceptance policies should identify the customers that are likely to pose a higher money laundering risk, as well as relationships that the reporting institution will not accept.

Reporting institutions should not establish a relationship or carry out transactions until the customer’s identity has been verified. Verification of identity should be done through reliable means.

Due Diligence

The Financial Actions Task Force (FATF) and the Financial Reporting Center (FRC) recommend that a reporting institution should be required to undertake Customer Due Diligence (CDD), Enhanced Due Diligence (EDD) and Operational Due Diligence (ODD) measures when:

- Establishing business relationships;
- Where there is doubt about the veracity of previously obtained customer identification data; and
- When carrying out occasional transactions under certain circumstances.

The Proceeds of Crime and Anti-Money Laundering Act (POCAML) regulations set out CDD requirements for Reporting Institutions. Reporting Institutions must ensure that they identify their customers and verify their identity using reliable verification methods. They should also identify the beneficial owner(s) of a property or company. If satisfied that they understand the ownership and control structure of their customers, they should then conduct on-going due diligence on the business relationship. This should include scrutiny of transactions undertaken in
the course of that relationship to ensure that such transactions are above board.

Enhanced due diligence may be required for persons and entities that present a higher risk to the reporting institution. A reporting institution is to establish the ultimate beneficiaries by ensuring that it is able to identify and verify the natural persons behind a legal entity and arrangement.

**Transaction Monitoring**

Compliance personnel should watch for activity that may be inconsistent with a customer’s source of income or regular business activities. Proper due diligence requires compliance personnel to gather further information regarding a customer or their transaction(s) before deeming it suspicious and filing an Suspicious Transaction Report (STR) with the FRC.

A transaction monitoring system should cover all accounts and transactions of reporting institutions’ customers and enable a trend analysis of activities. It should also identify unusual business relationships and transactions, particularly with regard to the change of customer transaction profiles.

The regulations place an obligation on reporting institutions to:

- Monitor and report suspicious activities;
- Verify customer identity;
- Maintain customer records;
- Establish and maintain internal reporting procedures; and
- Register with the FRC.

A typical suspicious transaction reporting process within a reporting institution includes:

- Procedures to identify STRs;
- A formal evaluation of each instance of a suspicious transaction or activity;
- Decision on whether or not to file an STR with the authorities;
- Procedure to periodically update senior management on the STR filings; and
- Employee training on detection of STRs.

**Regulatory Reporting**

The decision on whether or not to file an STR involves weighing the mitigating factors arising from the investigative process. Reporting institutions should draft procedures that document the factors to consider when determining whether an STR filing is appropriate. The final decision should be documented and supported by the reasoning that was used to make the determination. A reason not to file an STR maintains a similar level importance as the reason to file an STR.

When suspicious activity has been reported, the reporting institution should take appropriate action regarding the customer, including raising the risk rating of the customer and/or deciding whether to retain the relationship.

**5.2 Fraud, Bribery, Corruption, Competition, Insider Trading, Market Abuse and Cybercrimes**

All of these form part of economic crime and have the same characteristics. However the nature and mediums used both internally and externally differ.

An effective, business-driven approach to managing fraud, bribery and corruption, competition, insider trading and cybercrime risk encompasses controls; first taking into account the threat posed from within the organisation. The approach should have the following objectives:

- **Prevent - Reduce the risk of and breaches or incidents**

  **Code of conduct** - An organization’s code of conduct is one of the most important documents that management can use to communicate to employees and third party service providers with regard to the applicable key standards of acceptable business conduct.
Due diligence and managing third parties

Relationships with third-party providers, including intermediaries, contractors, vendors or suppliers, can create varying degrees of risk to the Bank.

In particular, organisations should have clear guidelines relating to the selection of third-party service providers, as well as risk-based restrictions on the receipt of anything of value from such third parties by employees involved in the selection process.

On-boarding procedures should also include financial crime related questions or guidance in general questionnaires to help an organisation identify those circumstances under which a third-party may present increased risks. Increased risks may require enhanced due diligence, oversight and appropriate contractual protections, when entering into such engagements. Once an organisation has on-boarded a third party, it should continue to evaluate whether to institute forward-looking risk mitigation controls, such as risk-based monitoring and the requirement to refresh the due diligence and risk assessments conducted on the third party periodically.

An important part of an effective financial crime program is the application of due diligence, not only in the hiring of employees, but also in their retention and promotion. This relates to the level of authority and responsibility that is awarded to an individual and possible misalignment between authority and responsibility.

Declaration of interest - Employees are required on a more real time basis to declare interest or changes to it, as well as gifts received, through implementation of an online application/system. Such an application/system would require employees to declare their financial interests such as directorships, shares, private work, and gifts.

Automation of Controls - An automated control is a control that is configured in the application. Typical examples are controls related to:
- System Configuration;
- Exception/Edit Reports;
- Interface Controls; and
- System Access.

Segregation of Duties (SoD) is the concept of having more than one person required to complete a task. Segregation of Duty, as a security principle, has as its primary objective the prevention of financial crime. This objective is achieved by disseminating the tasks and associated privileges for a specific business process among multiple users. This can be implemented via manual or automated controls.

Detect - Discover any breaches and or incidents

Whistle blowing strategy - The organisation should have a process of receiving, investigating, resolving and documenting reports of alleged misconduct and non-compliance. The process should include a reporting “whistle blowing” or other reporting mechanisms that are available to all employees and, potentially, external parties, which could allow for anonymous reporting, where legally permissible.

The organisation should ensure and publicise the fact that employees who make good faith reports of potential misconduct will not be subject to retaliation.

Internal Audit - provides independent, objective assurance to the Board of Directors and Management that the controls they have in place are appropriate in relation to the risk appetite of the organization. During the regular audits the audit teams also consider fraud.

Data analytics - Many indicators of fraud and misconduct, both actual and potential, reside within an organization’s financial, operational, and transactional data, and can be identified using data analysis tools and techniques.
Such proactive data analysis uses sophisticated analytical tests, computer-based cross matching, and no obvious relationship identification to highlight potential fraud and misconduct that can remain unnoticed by management, often for years.

**Detective controls** (Staff rotation, surprise audits, use of intelligence) - A detection team and internal audit are interlinked and work closely to ensure early detection of fraud. This focusses on detective controls in place and that ensure controls in place are adequate and effective. A system is in place to follow up on detective control recommendations and the implementation thereof.

**Respond** - Take corrective action and remedy the harm caused.

**Financial Crime response plan** - There should be a documented financial crime response plan which outlines the manner in which the Bank in general and the relevant departments in particular will react if an incident is highlighted/noted/reported. The response plan would detail the requirements of an office or function which has the responsibility for taking all decisions regarding the incident.

**Skills of the response team** – Financial crime management positions must effectively be filled with staff that have a high degree of skill and experience. The skills/knowledge/experience of employees are fully documented and regularly updated, ensuring new challenges are tackled by the most appropriate personnel. In addition, skill sets are mapped across financial crime disciplines outlining opportunities for employees to move within departments, at the same time reducing key person risk (Cyber, Fraud etc.).

**Investigation of misconduct and non-compliance**

The organisation should have appropriate guidance in place for persons who are responsible for undertaking investigations into bona fide allegations of misconduct both internal and external regarding financial crime. The guidance should require appropriate confidentiality throughout the process and ensure compliance with applicable laws or regulations. In some situations, it may be advisable to retain outside counsel or accounting resources to assist in conducting the investigation.

Appropriate disciplinary measures should be taken when an investigation confirms a violation of the relevant laws or policies. The organisation should also take steps to remedy the individual harm of such activity and, if appropriate, reasonable steps to mitigate its re-occurrence in the future.

6. **RECORD KEEPING**

Paragraph 46 of the Proceeds of Crime and Anti-Money Laundering Act stipulates that financial institutions are required to maintain, for at least seven years, all necessary records on transactions, both domestic and international, to enable them to comply swiftly with information requests from the competent authorities. Such records must be sufficient to permit reconstruction of individual transactions (including the amounts and types of currency involved, if any) so as to provide, if necessary, evidence for prosecution of criminal activity.

7. **CONTINUOUS MONITORING AND TESTING**

Putting a financial crimes compliance program into motion is not enough. The program must be regularly monitored and evaluated to ensure its effectiveness and to identify new risk factors. The audit must be independent and individuals conducting the audit must be sufficiently qualified to ensure their findings, conclusions and recommendations are reliable. The auditors should report directly to the Board of Directors.

All audit or review recommendations for corrective action must be tracked as well as indicate the target date for
completion/resolution and the personnel responsible. Regular status update reports should be provided to senior management and the Board of Directors.

8. DATA AND SYSTEMS

Most financial institutions have designated financial systems to automate their compliance activities because of the voluminous transactions and data involved. Determining the most applicable system for a financial institution depends on its customer base, size and services offered.

The A&K team will conduct a review of the Bank’s data management system based on our understanding of the depth and breadth of the issue, and then conduct data quality checks.

We shall assist the bank in identifying systems to improve the overall effectiveness of the framework by introducing available solutions which might include screening solutions, case management systems, whistle blowing facilities, declaration of interest tools and online training.

9. TRAINING CULTURE AND AWARENESS

Financial crime compliance requires personnel who understand the related risks with a holistic approach. Cultural and operational change programs may be required for sensitization and training of staff on financial crime. The top of the organisation should be responsible for setting the stage on policies on financial crime. This also requires stakeholder involvement, clear communication strategies, and providing sufficient funding and resources for training of staff and managing workforce transitions.

A successful training programme should not only meet the standards set out in the laws and regulations, but should also satisfy internal policies and procedures and should mitigate the risk of getting caught up in a financial crimes scandal. The basic elements of an effective financial crimes risk compliance training program include: who to train; what to train; how to train; when to train and where to train.

An institution’s training should be regular and on-going. Existing employees should attend at least an annual training session to ensure they are kept updated. New employees should receive training in respect of their job roles and within reasonable period from joining or transferring to the new job role. There are situations that may arise that demand an immediate training session, these including: changes in software, systems or procedures; results from an audit examination that uncovered serious control deficiencies around financial crime; news coverage that names the Bank; and regulatory action such as a Consent Order.

Awareness training is an integral part of the prevention initiatives, which informs the financial crime awareness training material/areas of focus. The organisation measures the impact of financial crime communication and awareness training on the prevention and early detection of misconduct or noncompliance.
Further to performing the independent review of your AML & CFT program and reporting to CBK, we will provide practical recommendations on areas of improvement based on the CBK requirements and international best practises.

Our team will be available to assist with any adjustments to the design of the existing AML and CFT program, as well as in validating and implementation of the same should this be required.

Overall, our approach will be customised to your institutional needs.
## EXPERIENCE

The A&K Forensics and Investigations team has acted for local and large multinational clients in their efforts to mitigate risk and build transparent and compliant businesses in the countries and industries they operate in.

<table>
<thead>
<tr>
<th>Client Description</th>
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<tbody>
<tr>
<td>Large international bank in East Africa</td>
<td>Acting for a large international bank in East Africa performing and end-to-end financial crime risk assessment. This included the assessment of the effectiveness of the entire AML and CFT compliance framework.</td>
</tr>
<tr>
<td>Large East African Bank</td>
<td>Acting for a large East African bank reviewing the submission prepared by the bank prior to the submission to the regulator to assist and assess whether the submission complied with all the relevant requirements.</td>
</tr>
<tr>
<td>Large international bank in East Africa</td>
<td>Acting for a large international bank managing the KYC remediation project for 50,000 high risk accounts across 14 countries in Africa.</td>
</tr>
</tbody>
</table>
| Large international bank in East Africa | Acting for a large international bank in East Africa performing back office support services including:  
- enhance due diligence work on high risk customers and PEPs  
- investigation suspicious transaction  
- investigate and review trade financing transactions  
- KYC remediation  
- quality assurance on AML and CFT projects |
| Large bank in East Africa | Acting for a large East African Bank during the KYC remediation process. This included the identification and risk classification of all accounts followed by the remediation of the high risk accounts. |
| Large international Bank in East Africa | Acting in a confidential engagement undertaken under legal privilege covering the investigation of the nature of certain categories of transactions within a large international Bank in Kenya, Tanzania, and Uganda, including assessing the elements of Money Laundering and whether there were any international reporting obligations. |
| A large international bank in Kenya | Acting in a confidential engagement undertaken under legal privilege covering the identification of “Introducers” within a large international Bank in Kenya, Tanzania, Uganda, including assessing the elements of Anti-Bribery and Corruption for the Introducers identified. |
| A large UK insurance company | Acting for a large UK insurance company in connection with the implementation of a group-wide Anti-Bribery Corruption programme, including the assessment of “ABC readiness” across all service lines and countries to establish compliance with the new UK Bribery Act (2010). |

*Some matters predate A&K*
HOW WE WILL

WORK WITH YOU

We believe that it is key to any successful relationship with our clients to assign to you a core team who can develop strong working relationships with you as the client. That team would be led by a relationship partner responsible for the management of the relationship with you and would be the first point of contact for any queries in respect of that relationship. We would propose that in this case that partner will be Willie Oelofse whose profile is annexed to the end of this document.

Willie would be supported by a core team of senior staff consisting of lawyers, risk management experts and accountants from the Forensics team. The core team would then bring in specialist partners and/or associates with expertise in AML and CFT.

If appointed, we would propose an initial “get to know you” session with the core team. During this meeting we would answer any questions you might have about A&K Forensics LLP specifically and ALN more generally, and would give us an opportunity to learn more about your business, strategy and objectives to allow us to better support you.
TEAM

PROFILE

WILLIE OELOFSE | DIRECTOR

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- PO Box 200-00606, Sarit Centre, Nairobi, Kenya
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- +254 (0) 717 850 555
- wco@africalegalnetwork.com

BACKGROUND

Willie is a Director at A&K and heads the law firm’s Forensics and Investigations department. He has over 25 years’ practical experience in forensic assignments covering various jurisdictions and industries and has successfully advised organisations in addressing complex matters on the risk of fraud, corruption and non-compliance in both private and public sectors. During the seven years prior to joining A&K, Willie headed up the forensic teams at two of the Big Four accounting and auditing firms where he had overall responsibility for developing the firms’ forensic offering across East Africa.

One of Willie’s passions is assisting organisations to implement financial crime strategies, policies and procedures that comply with required local and global regulations. He has a simple pragmatic approach of focusing on the facts, will hit the ground running and is known for his capability to effectively manage large and complex forensic assignments. He provides insight and advice during difficult and high pressure forensic incidents and brings global, local and cultural experience from working with leading global teams.

During his career, Willie has been involved in the growth and development of strong forensic teams with the skills, knowledge and experience to deliver a wide range of forensic services that include:

- Forensic investigations
- Fraud risk management
- Financial crime – AML/CFT/Sanctions/Fraud/Market
- Abuse/Insider Trading/ABC
- Ethics and compliance
- Corporate intelligence – Enhanced due diligence services
- Contract compliance
• Dispute advisory
• Forensic technology
• Crisis Management

**MEMBERSHIP IN PROFESSIONAL SOCIETIES**
• Association for Certified Fraud Examiners

**PROFESSIONAL QUALIFICATIONS**
2005    Bachelor of Laws (LLB)
1996    National Diploma in Police Administration

**CAREER SUMMARY**
**JUNE 2018 - DATE**    Director, Anjarwalla & Khanna
**JULY 2015 – MAY 2018**    Partner, Deloitte East Africa
**FEB 2000 – JULY 2015**    Senior Manager, Associate Director and Partner, KPMG Forensic
**DEC 1998 – JAN 2000**    Inspector, Eastern Cape Gambling and Betting Board
**JAN 1991 – NOV 1998**    Detective Captain, South African Police Service

**AREAS OF EXPERTISE**
• Investigations
• Financial and Economic Crime
• Compliance
• Corporate Intelligence
• Technology

**LANGUAGES**
• English

**BEFORE JOINING A&K**
**TOP MATTERS – INVESTIGATIONS**
• Acting for a mid-tier bank in East Africa in connection with a special investigation into allegations of impropriety made in a whistle-blower report, including the review of several transactions with the aim of determining the veracity of allegations made.
• Acting for a leading insurance firm in East Africa in connection with a forensic investigation of
its broker on boarding and commission payment process, including the assessment of the
adequacy of internal controls during on-boarding agents and brokers, ascertaining whether
commissions paid to brokers or agents were incurred in a proper manner, identifying conflicts
of interest and assessing the extent of management involvement in the sourcing of clients,
establishing whether there was infringement of the U.K Anti-Bribery and Corruption Act and
the Foreign Corrupt Practices Act through bribes or kickbacks through its agent.

• Acting for a leading African airline operator in connection with a forensic audit to evaluate its
system of internal controls, including conducting a review of financial systems and
statements, quantification and assessment of loss and reporting, digital forensics and
analysing electronic devices using key word searches to corroborate key information for the
investigation and providing advice on strengthening the corporate governance & internal
control environment for firm implementation.

• Acting for a leading International bank in connection with a regulatory investigation into
certain international trade transaction, including the validation of transactions that were
allegedly part of a potential money laundering and/or terrorist financing scheme and
providing recommendations on process improvements and remedial actions.

• Acting for a distributor of a leading US mining company to conduct a FCPA review, including
conducting the general assessment of the processes at various operations in Africa, detailed
transaction testing and assessments on all the high risk countries and business areas.

• Acting for a leading oil company with presence in Kenya and Uganda in connection with a
forensic audit conducted over stock discrepancies, including a detailed analysis of the affected
stocks, a quantification exercise to determine the resultant financial loss incurred an
assessment of the internal controls to establish any weaknesses that had been exploited and
provide recommendations to remediate control gaps.

• Acting for a pan-African housing agency in connection with a forensic audit, including the
investigation of manipulation of financial statements by restructuring non-performing loans
and funds misappropriation.

• Acting for a health department in provincial Government in connection with an investigation
of alleged misappropriation of USD 13 million of government aid funds intended for child
feeding schemes, including recommending disciplinary action against fraudulent senior
officials.

• Acting for a large entertainment company in Europe in connection with a forensic
investigation into the manipulation of financial systems and fraudulent transactions.

• Acting for a housing company in Europe in connection with an investigation into the
misappropriation of the assets of the company by its former directors.

• Acting for an international construction and engineering company with operations in
Mozambique in connection with an investigation into fraud and theft by the company director
accused of misusing and mismanaged projects.

• Acting for a mining company in South Africa in connection an investigation into the
misappropriation of the assets of the company by its former directors and employees,
including a review of the local and off-shore structures created by the former directors and
employees, fraudulent financial reporting, possible contraventions of exchange control
regulations and background checks of consultants used by the former directors and employees. In addition, assisting the current directors with a mediation process in respect of a substantial claim.

- Acting for a transport sector in South Africa in connection with the investigation of corruption in respect of subsidies provided by the Government to local bus operators with specific focus on the extensions of the contracts by individuals in the department – kick backs.

- Acting for a large bus company in South Africa in connection with the investigation into certain suppliers of the company, including allegations of collusion with company employees, fraud and kickbacks.

- Acting for a trade union in South Africa in connection with an investigation into fraudulent actions by senior trade union representatives during the distribution of funds to workers, including a larger investigation of 6 firms of attorneys who administered funds on behalf of the trade union.

**TOP MATTERS – FORENSIC ADVISORY AND COMPLIANCE**

- Acting for a large UK insurance company in connection with the implementation of a group-wide Anti-Bribery Corruption programme, including the assessment of “ABC readiness” across all service lines and countries to establish compliance with the new UK Bribery Act (2010).

- Acting in a confidential engagement undertaken under legal privilege covering the identification of “Introducers” within a large international Bank of Kenya, Tanzania and Uganda, including assessing the elements of Anti-Bribery and Corruption for the Introducers identified.

- Acting for a listed manufacturing company in Kenya in connection with the Fraud Risk Management strategy and framework review, including the alignment of their current structure to industry best practice, identification of business processes most vulnerable to internal and external fraud, an assessment of internal controls, the development of a plan to mitigate vulnerabilities where gaps were identified and to improve communication and awareness about fraud across the organisation.

- Acting for a company in connection with a review of the Fraud, Bribery and Corruption Risk Management framework with an aim to successfully create an environment, including conducting a fraud and corruption risks assessment, assessing the existing fraud and corruption framework by performing a GAP analysis between the current environment against best practice, designing a fraud and corruption framework in-line with best practice relevant to the organization and evaluating current controls to prevent, detect and respond to the risk and compare with leading practice.

- Acting for a Pan-African insurance firm in connection with a Financial Crime framework assessment for Anti-Money Laundering & Combating Financing of Terrorism (AML/CFT), including a review of AML / CFT process flow, specifically the current risk based approach, customer on-boarding, customer due diligence, enhanced due diligence and on-going due diligence, customer screening involving sanctions and politically exposed persons, transaction and activity monitoring, cash threshold reporting and suspicious transaction / activity reporting, and training on culture and awareness session covering strategy, oversight, governance and compliance.

- Acting for a financial services company, in connection with a review of the anti-fraud framework, including a GAP analysis on the current strategy on internal and external fraud risk
management, the design of a new Fraud Risk Management framework and a new governance structure.

- Acting with various teams across East Africa and Mauritius in conducting an assessment of a large number of customer accounts for a large multinational financial institution, including determining whether the customer files were compliant to the financial institutions group KYC policies, procedures and local AML laws and regulations in the three countries.

- Acting for one of the largest financial institutions in Kenya to undertake an AML conformance review including, conducting AML governance training, monitoring AML controls and identifying gaps/deficiencies in the control structure.

- Acting for various companies in Africa in connection with KYC remediation, investigations and reporting of suspicious activity reporting related to AML system, developing a KYC tool to automatically detect compliance with in-country regulations, enhanced due diligence for PEPs in two of Tanzania’s financial institutions, developing an AML/CFT online training tool for a regional insurance company, performing various PEP reviews (consisting of financial analysis and customer due diligence, conducting AML/CFT Board trainings to various financial institutions within East Africa and conducting gap analyses for financial institutions and updating the policies thereafter.

- Acting for an international bank in a benchmarking exercise, including assessing its existing forensic services’ mission, strategy, governance framework and its major internal business to enhance the existing forensic capacity to match best practice, in order to enhance its forensic capacity.

TOP MATTERS – FORENSIC DUE DILIGENCE

- Advising an international bank based in East Africa in connection with a due diligence review of the transaction processing of their target firm, including a comprehensive review of the target’s Anti-Bribery and Corruption policy, the AML/CFT framework and the Foreign Account Tax Compliance Act (FATCA) compliance, the scope of the due diligence elements under review and the end-to-end Financial Crime processes and procedures. The AML review entailed transaction and account monitoring, correspondent banking and customer on-boarding and the FATCA Standard Operating Procedures and Policies were reviewed in line with the existing registration, communication and reporting procedures.

- Advising a large bank in connection with an ABC pre-acquisition due diligence to identify and quantify all matters that may impact on the offer price for the bank, including gap analysis reporting of Anti-Bribery Corruption policies & practices applied by targeted bank minimum standards that would cause serious risk to the acquisition or prevent the transaction from closing.

TOP MATTERS – CORPORATE INTELLIGENCE

- Acting in over 80 corporate intelligence assignments for various organizations across Africa including, performing background searches on individuals and entities, researching publicly available information, human source intelligence and relationship mapping.

TOP MATTERS – TRAINING AND EVENTS

- Training and presenting in events on various topics, including forensic investigations, building effective compliance programmes, fraud risk management, data analytics and anti-bribery and corruption.
ALEX N.K. MWANGI

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BACKGROUND


He has (19) years professional work experience acquired in Tanzania, Kenya, Uganda, Nigeria, Botswana, Ethiopia, Djibouti, Rwanda, Algeria and Southern Sudan in Advisory Services.

He commenced his career as a software developer, and then transitioned to the deployment, support and management of Information Technology Systems, computer local area networks and IT security. Alex has assisted numerous clients in reviewing business process, defining and documenting the system requirements, and end user needs so as to automate the client business processes. He also assisted clients in the selection and implementation of enterprise resource planning solutions.

He has extensive experience in financial crime risk management and regulatory compliance, he has assisted numerous financial institutions in East, West and Southern Africa to comply with Anti Money Laundering legal and regulatory requirements through the design or review of policies and procedures, performing enhanced integrity due diligence on customers who are politically exposed persons, successfully managing large and medium Know Your Customer (KYC) review and remediation projects.

Alex recently served as the Head of Financial Crime Compliance at the National Bank of Commerce where successfully assisted the bank in the implementation of the Barclays Africa Financial Crime Target Operating model ensuring efficient and effective management of financial crime risk. Based on his vast experience in the subject matter and working closely with internal and external stakeholders Alex provided vital leadership in ensuring NBC complies with regulatory requirements but also attained and maintained throughout his tenure a minimized financial crime risk consistent with quarterly key risk assessment.

He has conducted forensic investigations for numerous clients in diverse industries (Financial Services, Manufacturing, Telecommunication, International and Local Non-governmental Organizations, Donor Agencies and Hospitality among others) in Eastern Africa. The objective of the investigations was to ascertain the occurrence of fraud, quantify loss from the fraud, identify all
parties culpable for the fraud gather all relevant documentary and digital evidence and prepare a report for senior management to use in disciplinary action and or litigation proceedings.

Alex is passionate about training and has delivered numerous trainings on Fraud Risk Management, Fraud/Forensic Investigations, Cyber Security, Forensic Technology, Anti Money Laundering and Regulatory Compliance to clients in various industries. He has also served as an expert panellist at the Thomas Reuters East Africa Governance Risk and Compliance Summit.

He has conducted forensic investigations for numerous clients in diverse industries (Financial Services, Manufacturing, Telecommunication, International and Local Non-governmental Organizations, Donor Agencies and Hospitality among others) in Eastern Africa. The objective of the investigations was to ascertain the occurrence of fraud, quantify loss from the fraud, identify all parties culpable for the fraud gather all relevant documentary and digital evidence and prepare a report for senior management to use in disciplinary action and or litigation proceedings.

Alex is passionate about training and has delivered numerous trainings on Fraud Risk Management, Fraud/Forensic Investigations, Cyber Security, Forensic Technology, Anti Money Laundering and Regulatory Compliance to clients in various industries. He has also served as an expert panellist at the Thomas Reuters East Africa Governance Risk and Compliance Summit.

MEMBERSHIP IN PROFESSIONAL SOCIETIES

- Licentiate member of the Institute for the Management of Information Systems (IMIS), UK

PROFESSIONAL QUALIFICATIONS

- Certified Information Security Auditor (CISA)
- Microsoft Certified Professional (MCP) windows 2000
- Computer Technology Industry Association CompTIA Network+ Certified Professional

CAREER SUMMARY

<table>
<thead>
<tr>
<th>Date Range</th>
<th>Position/Role</th>
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<tbody>
<tr>
<td>OCT 2017 – JUNE 2018</td>
<td>Independent Consultant</td>
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<tr>
<td>SEPT 2013 – AUG 2015</td>
<td>Regional Manager Forensic and Regulatory Compliance, KPMG</td>
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<tr>
<td>SEPT 2008 – AUG 2013</td>
<td>Manager Forensic and Forensic Technology Advisory, KPMG</td>
</tr>
<tr>
<td>SEPT 2004 – AUG 2008</td>
<td>Senior Information Technology Advisor, KPMG</td>
</tr>
<tr>
<td>OCT 2000 – AUG 2004</td>
<td>Network Administrator and Firewalls Security Specialist, KPMG</td>
</tr>
</tbody>
</table>
• Business Process Controls Review
• Fraud Prevention, Detection & Investigation
• Digital Evidence Recovery
• Data Analytics
• IT Audit
• IT Consulting

TOP MATTERS – INVESTIGATIONS
• Responsible for managing numerous forensic investigations into suspected fraud and misconduct for various clients in diverse industries (Financial Services, Manufacturing, Telecommunication, International and Local Non-governmental Organizations, Donor Agencies and Hospitality among others) in Eastern Africa. The objective of the investigations was to ascertain the occurrence of fraud, quantify loss from the fraud, identify all parties culpable for the fraud and prepare a report for senior management to use in disciplinary action and or litigation proceedings.

TOP MATTERS – FORENSIC ADVISORY AND COMPLIANCE
• Led a team of 3 in the independent review of AML/CFT Policies and Procedures for a Pan African. He reviewed the existing AML programme and made recommendations for necessary changes (in policies, procedures, tools and manpower gaps) to ensure that it is robust and up-to-date and captures international best practice standards for a development financial institution to comply with the FATF’s recommendations. In addition, trained the bank staff at all levels, senior management, the Board of Directors and the Board of Governors on the new updated AML/CFT programme.
• Managed a team of 80 in a Know Your Customer (KYC) review project of approximately 900,000 customer mandate files across 145 branches over a period of 12 months for a bank in Tanzania. The number of customer mandate files to be reviewed was resultant of a KYC customer risk scoring framework that Alex designed and assisted the bank to implement.
• Conducted AML conformance reviews for an international bank at the subsidiary banks in Botswana, Uganda, and Tanzania, to assess and identify gaps/deficiencies on Management: Structure, Oversight and Governance, New to Bank (NTB) customers, High Risk Customer Reviews including PEP and Correspondent Bank Accounts, Staff Account Monitoring, In-Country Conformance Monitoring, Regulatory Reporting, and Record Keeping/Retention.
• Led a team of 5 in a KYC remediation quality review and KYC data validation project to assess the effectiveness of the remediation through the re-review of approximately 1,000 remediated customer files to determine the KYC compliance in line with Tanzania AML legislation and NBC AML Standards, and the level of validity of the customers’ data captured in the core banking system.
• Led a team of 50 advisors over a period of 21 days in Kenya, Uganda and Tanzania in conducting an assessment of over 16,000 customer files for an international bank to determine whether the customer files were compliant with Group KYC policies, procedures and local AML laws and regulations in the countries. Alex’s responsibility included ensuring daily targets for the customer identification and verification reviews are met and daily reporting to regional office on the compliance level of the files reviewed, for all the three countries.

TOP MATTERS – FORENSIC DUE DILIGENCE

• Managed the research and drafting of over 600 enhanced integrity due diligence reports on politically exposed persons (PEPs) who were customers for two banks in Tanzania.

TOP MATTERS – TRAINING AND EVENTS

• Delivered numerous training to Boards of Directors, senior management and personnel of various organization and Financial Institutions in East Africa on AML and Fraud Risk Management.
JOANA MWANDOTO

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BACKGROUND
Joanah has over 13 years of experience in the accounting and financial crime profession. She has been involved in Anti-Money Laundering / Counter Financing of Terrorism assignments as well as compliance services. She has experience working for clients based in Kenya, Uganda, Tanzania, Democratic Republic of Congo, Zambia, Zimbabwe and South Africa.

MEMBERSHIP IN PROFESSIONAL SOCIETIES
- Association for Certified Anti-Money Laundering Specialists
- Association for Certified Fraud Examiners (associate member)

PROFESSIONAL QUALIFICATIONS
2005 Bachelor of Commerce (Accounting)

CAREER SUMMARY
DEC 2017 – APR 2018 Consultant, KPMG Forensic
JUNE 2014 – AUG 2017 Manager Designate, EY Forensic
NOV 2009 – APR 2014 Senior Consultant, KPMG Forensic
JUNE 2005 – OCT 2009 Various positions, Higher Education Loans Board

AREAS OF EXPERTISE
- Investigations
- AML & CFT Compliance

BEFORE JOINING A&K

TOP MATTERS – INVESTIGATIONS
- Acting for a state corporation in East Africa in connection with a forensic audit into four construction projects of the client in order to ascertain their viability and whether there were
losses or gains to the client as a result of these projects and proposing the least cost/optimal way forward.

• Acting for an international drug manufacturing company in East Africa in connection with conducting an independent compliance review of the procedures and processes of the company against the global policies and reporting on the weaknesses in internal control and deviations from policies.

• Acting for an international motor vehicle assembly company in East Africa in connection with an investigation into the allegations of bribery by two of the company’s employees and establishing the authenticity of the allegations.

• Acting for a motorcycle company in East Africa in connection with an analysis of the cash receipts and payment processes for a motorcycle company and reporting on the weaknesses in internal control.

• Acting for an international Non-Governmental Organisation in East Africa in connection with a forensic investigation on client’s suppliers.

• Acting for an embassy and Non-Governmental Organisations in East Africa in connection with evaluating procurement processes and confirming whether or not the procurements represent value-for-money in respect of the goods or services procured.

• Acting for a state corporation in East Africa in connection with a forensic audit, including the investigation of disallowed tax claims made by Kenya Revenue Authority.

• Acting for a mobile services company in East Africa in connection with reviewing key business processes and determining whether the processes that the company had in place were adequate and sufficient to safeguard against fraud.

• Acting for a state corporation in East Africa in connection with examining and confirming that the amounts claimed by suppliers were payable using disparate sets of data that existed in other departments of the organization with a view to establishing whether the claims were genuine.

• Acting for a Non-Governmental Organisation in East Africa in connection with establishing the discrepancies between reported expenditure and actual project output and determining the amount actually used by the office by identifying the amount misused and placing responsibility.
TOP MATTERS – FORENSIC ADVISORY AND COMPLIANCE

- Acting for a large audit firm in East Africa in connection with the implementation of the accreditation process conducted by Kenya Accreditation Services to allow the audit firm conduct conformance audits on Anti-Bribery management systems and provide clients with certification having satisfied the requirements of ISO 37001:2016 standard.

- Acting for a national bank in Lusaka and a regional bank in Zimbabwe in connection with high level Anti-Money Laundering compliance review and presenting the red flags report that indicates significant findings and providing recommendations for elements of the AML framework where there was non-compliance to the requirements stipulated in the bank policies and AML act.

- Acting for two regional banks based in East Africa in connection with conducting a high level Anti-Money Laundering compliance and presenting the results of the test to the bank and providing recommendations.

- Acting with various teams across East Africa in connection with conducting an assessment of a large number of customer accounts for a large multinational financial institution, including determining whether the customer files were compliant to the financial institutions group KYC policies, procedures and local AML laws and regulations in the three countries.

- Acting for one of the largest financial institutions in Kenya to undertake an AML conformance reviews, conducting AML governance training, monitoring AML controls and identifying gaps/deficiencies in the control structure.

- Acting for various companies in Africa in connection with KYC remediation, developing an AML/CFT online training tool for a regional insurance company and conducting gap analyses for financial institutions and updating the policies thereafter.

TOP MATTERS – FORENSIC DUE DILIGENCE

- Advising a regional bank based in East Africa in connection with a due diligence review of selected staff within the employment of the bank with a view to establishing whether they possessed the required qualifications, competences and work experience that allowed them to be in the employment with the bank.

- Advising a regional state corporation based in East Africa in connection with a due diligence review of all staff within the employment with a view to establishing whether they possessed the required qualifications, competences and work experience that allowed them to be in the employment with the state corporation.

TOP MATTERS – TRAINING AND EVENTS

- Training and presenting in events on Anti-Money Laundering.
BACKGROUND

Samuel is a Certified Public Accountant of Kenya -CPA (K) and a member of the Certified Public Secretaries of Kenya. He holds a Masters in Business Administration from the University of Liverpool in the UK and a Certified Anti-Money Laundering Specialist (CAMS). He is currently the co-ordinator of Financial Services programme at Nova Scotia Community College in Canada.

Samuel started his career with KPMG Kenya before joining KPMG in the Cayman Islands specializing in hedge funds audit. He then moved to UBS Bank in Cayman Islands focusing on hedge funds accounting and regulatory compliance. In Canada, Samuel worked for Mitsubishi Bank where he focused on client account management and regulatory compliance. From there, he joined the exciting world of academic and corporate executive training. He has been consulting with a big 4 accounting firm on FATCA and AML engagements. Sam also sits on Capital Market Authority of Kenya (CMA) working group for derivatives and other alternative investments regulations.

He has facilitated FATCA and Anti-Money Laundering trainings to financial institutions and government agencies in Canada, Cayman Islands, and Kenya. He is assisting Kenya Bankers Association (KBA) on FATCA in its quest to have Inter-Governmental Agreement (IGA) with US government. He also consulted widely for a number of clients including assistance with setting up FATCA compliance, registration and renewals among other things.

MEMBERSHIP IN PROFESSIONAL SOCIETIES

- Certified Anti-Money Laundering Specialist
- Certified Public Accountant of Kenya
- Certified Public Secretaries of Kenya

PROFESSIONAL QUALIFICATIONS

- MBA (University of Liverpool)
## TOP CLIENTS

<table>
<thead>
<tr>
<th>CLIENT</th>
<th>COUNTRY</th>
<th>TRAINING</th>
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<tbody>
<tr>
<td>Commercial Bank of Ethiopia</td>
<td>Ethiopia</td>
<td>FATCA and AML training</td>
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<tr>
<td>Bank of Kigali</td>
<td>Rwanda</td>
<td>FATCA Training and GAP Analysis</td>
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<tr>
<td>Kenya Bankers Association</td>
<td>Kenya</td>
<td>FATCA and AML Training</td>
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<td>Rwanda Bankers Association</td>
<td>Rwanda</td>
<td>FATCA Training and GAP Analysis</td>
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<td>DBK</td>
<td>Kenya</td>
<td>Staff training on AML and FATCA</td>
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<td>Kenya</td>
<td>AML training</td>
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<td>CPA Institute Canada</td>
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<td>AML Training</td>
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<td>ICEALIONS Kenya</td>
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<td>AML Training/FATCA</td>
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<td>I&amp;M Bank</td>
<td>Kenya</td>
<td>AML and FATCA training to staff</td>
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<td>BDO Cayman Islands</td>
<td>Cayman Islands</td>
<td>Introduction to Hedge Funds and Captive Insurance</td>
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<tr>
<td>East African Re</td>
<td>Kenya</td>
<td>AML Training</td>
</tr>
</tbody>
</table>
BACKGROUND

Jeremy is a Senior Manager at the A&K law firm’s Forensics and Investigations department. He has over 14 years’ practical experience cutting across financial accounting, finance, risk management and forensic investigations. Jeremy has successfully advised organisations in addressing complex matters on risk management and controls assessments, external audit, internal audit reviews, due diligence assignments and sustainability reporting assignments among others, across industries such as public sector, financial services and manufacturing, for a cross section of clients in Kenya, Uganda Tanzania and Ethiopia. Prior to joining A&K, Jeremy was a Manager at one of the Big four accounting and auditing firms and previously worked with UBS Fund Services (Cayman) limited and HSBC Bank (Cayman) Limited.

MEMBERSHIP IN PROFESSIONAL SOCIETIES

- Instituted of Certified Public Accountants of Kenya (ICPAK)

PROFESSIONAL QUALIFICATIONS

2016   Master of Science in Corporate Finance, University of Liverpool, UK
2003   Bachelor of Business and Management (Accounting)
2003   Certified Public Accountant of Kenya (CPA)

CAREER SUMMARY

JUNE 2018 - DATE    Senior Manager, Anjarwalla & Khanna
SEP 2016 – OCT 2018  Manager, Risk Advisory, Deloitte East Africa
JAN 2010 – JULY 2016 Senior Fund Accountant and Manager, UBS Fund Services (Cayman) Limited
AUG 2008 – NOV 2009  Business Analyst, HSBC Bank, Cayman Islands
DEC 2006 – JULY 2008  Audit Senior, Deloitte Cayman Islands
SEP 2003 – NOV 2006  Audit Assistant and Audit Senior, Deloitte East Africa
AREAS OF EXPERTISE
- Investigations
- Risk Management Financial and Economic Crime
- Compliance and Internal Controls
- Financial Accounting and Investment Valuation
- Anti-Money Laundering

RELEVANT EXPERIENCE BEFORE JOINING A&K

TOP MATTERS – INVESTIGATIONS
- Acting for the head office of a mid-tier investment management organization in East Africa in connection with a special investigation into allegations of pilferage of funds made in an internal audit report, including the review of various transactions and investment account reconciliations with the aim of determining the volume of funds misappropriated
- Acting for the head office of a mid-tier manufacturing firm in Kenya in connection with a forensic investigation of its supplier on-boarding and tendering process, including the assessment of the adequacy of internal controls during payment of suppliers for goods/services purchased.

TOP MATTERS – RISK MANAGEMENT AND INTERNAL CONTROL
- Jeremy’s experience involves enterprise risk management, risk based internal audit reviews, controls assessments, project audits, quality assurance review (QAR), forensic investigations and anti-money laundering services across industries such as public sector, financial services, NGOs and manufacturing, for a variety of clients in Kenya, Uganda, Tanzania and Ethiopia.

TOP MATTERS – TRAINING AND EVENTS
- Training and presenting in events on various topics, including risk management, building effective compliance programs, fraud risk management and anti-bribery and corruption.
CYNTHIA MBURU | PRINCIPAL ASSOCIATE

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- +254 (0) 703 032 164
- cwm@africalegalnetwork.com

BACKGROUND

Cynthia is a Principal Associate with Anjarwalla & Khanna in the Forensics department. Cynthia focuses on fraud risk and investigations, regulatory compliance and advisory matters.

MEMBERSHIP IN PROFESSIONAL SOCIETIES

- Association of Certified Fraud Examiners (ACFE)
- Institute of Certified Secretaries (ISC)

PROFESSIONAL QUALIFICATIONS

2017-2017 IE Business School-Spain, International MBA
2007-2011 University of Nairobi, Bachelors of Commerce (Honours)
2006-2009 Strathmore College, Association of Chartered Certified Accountants (ACCA)

CAREER SUMMARY

JUN 2018 – DATE Principal Associate, A&K Forensic, Nairobi
AUG 2013 – NOV 2016 Senior Consultant- Risk Advisory (Forensics), Deloitte East Africa, Nairobi
AUG 2011 – AUG 2013 Associate- Audit, Deloitte East Africa, Nairobi

AREAS OF EXPERTISE

- Fraud Risk & Investigations, Regulatory Compliance.

REPRESENTATIVE MATTERS

- Before joining A&K, Cynthia was involved in the following engagements:
- Advising a leading oil company with presence in East Africa in connection with a forensic audit conducted over stock discrepancies, including a detailed analysis of the affected stocks, a quantification exercise to determine the resultant financial loss incurred an assessment of the
internal controls to establish any weaknesses that had been exploited and provide recommendations to remediate control gaps.

- Acting for a leading insurance firm in East Africa in connection with a forensic investigation of its broker on boarding and commission payment process, including the assessment of the adequacy of internal controls during on-boarding agents and brokers, ascertaining whether commissions paid to brokers or agents were incurred in a proper manner, identifying conflicts of interest and assessing the extent of management involvement in the sourcing of clients, establishing whether there was infringement of the U.K Anti-Bribery and Corruption Act and the Foreign Corrupt Practices Act through bribes or kickbacks through its agent.

- Acting for a public sector retirement benefit scheme in East Africa in connection with a land acquisition due-diligence, including the review of the land acquisition process, legal documentation, sale agreement and process, fair pricing and reports of the advisors to the Trustees. The final deliverable was a comprehensive report detailing findings of the transaction process.

- Acting for a leading airline operator in Africa in connection with a forensic audit to evaluate its system of internal controls, including, a review of financial systems and statements, quantification and assessment of loss and reporting. In addition, digital forensics was conducted by imaging, processing and analysing electronic devices (computers and mobile phones) of relevant custodians. As part of the digital analysis, key word searches were performed to corroborate key information for the investigation. Advice on strengthening the corporate governance & internal control environment was provided for firm implementation.

- Acting for a pan-African housing agency in connection with a forensic audit, including the investigation of manipulation of financial statements by restructuring non-performing loans, funds misappropriation, irregular hiring processes and claims of employee harassment and intimidation by Senior Management.

- Acting for a telecommunication company in connection with Know Your Customer (KYC) compliance procedures for a regional telecommunications company with integrated mobile money services in Africa. A gap analysis was performed to assess the process gaps. Advice was provided on the implementation of stronger internal controls to counter money laundering.

- Acting for a public utility company in Kenya in connection with a fraud risk assessment of the billing, inventory and third party contracting processes. The engagement entailed a business process review, operational risk analysis, development of a fraud risk register and test of details on the risk areas. We also provided a governance framework to guide the internal control structure.

- Acting for a health Non-Governmental Organisation in Kenya in connection with a forensic audit of the payroll and operational expenses, including an investigation into allegations of ghost workers, non-compliance with statutory deductions and misappropriation of grant money. Recommendations for robust internal controls on payroll and operational expenses were provided.

- Acting for a USAID donor funded agency in Tanzania in connection with a ‘Value for Money’ audit on procurement and operational Expenses in health sector. The engagement comprised supplier due diligence reviews, value for money on high value assets, financial management by the sub-grantee organisations, beneficiary impact assessment and internal control reviews on procurement and petty cash expenses.
- Acting for an oil and gas company in Kenya in connection with a forensic review of the oil inventory stocks for a three year period, including an independent reconciliation of the stock movement with third party distributors, establishing causes of the discrepancies in stock values and conducting interviews with staff involved in the inventory process.

- Acting for an airline in Tanzania in connection with a forensic investigation of financial misappropriation by Senior Management staff, irregular asset acquisition, unfair recruitment practice and financial statement fraud.

A&K:

- Global non-governmental organisation in connection with a forensic investigation on allegations of bullying, intimidation and harassment by a Senior Official, and in addition to a possible breach of Kenyan labour law.

- International non-government organisation based in Kenya in connection with a forensic audit of fraudulent transactions including, misappropriation of funds, conflict of interest, procurement fraud, misrepresentation of statutory deductions and non-Compliance with the Tax Procedures Act, 2015.
VELMA NG’UONO GENDO | ASSOCIATE

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BACKGROUND

Velma Ng’uono Gendo is an Associate in the Corporate department of the firm. Velma principally advises on corporate and commercial law, employment, capital market, mergers and acquisitions, corporate governance, employment and energy law.

MEMBERSHIP IN PROFESSIONAL SOCIETIES

- Law Society of Kenya
- Chartered Institute of Arbitration
- Chartered Institute of Arbitration (Kenya)

PROFESSIONAL QUALIFICATIONS

2014  Member, Chartered Institute of Arbitration
2015  Postgraduate Diploma in Law, Kenya School of Law
2012  Master of Law in Corporate Governance (LLM, (Distinction), the University of Manchester
2011  LL.B, Second Class Honours, the University of Manchester

CAREER SUMMARY

FEB 2017 TO DATE  Associate, Anjarwalla & Khanna, Nairobi, Kenya
FEB 2016 TO JAN 2017  Trainee Lawyer, Anjarwalla & Khanna, Nairobi, Kenya
DEC 2014 TO JAN 2016  Pupil, Kyalo & Associates Advocates, Nairobi, Kenya
OCT 2013 TO FEB 2014  Junior Lawyer, Shella Sheikh & Associate Advocates, Nairobi, Kenya
SEPT 2012 TO DEC 2012  Legal Intern, TripleOKlaw Advocates, Nairobi, Kenya
SUMMER 2011  Legal Intern, Azman Davidson & Co., Kuala Lumpur, Malaysia
SUMMER 2010  Legal Intern, Commercial Bank of Africa Limited, Nairobi, Kenya
SUMMER 2009 TO 2010  Interpreter and Cultural assistant, Haven Project, Hull, UK
2008 TO 2011  Legal Advisor, Legal Advice Centre, Manchester, UK
AREAS OF EXPERTISE

- Corporate / commercial Law
- Capital Markets
- Mergers and Acquisitions
- Corporate Governance
- Arbitration
- Employment
- Energy

TOP MATTERS

- Acting for AfricInvest Capital Partners, DEG, FMO and Proparco, in connection with their Equity investment in a 14.3% of stake in Britam Holdings, a Kenyan listed insurance and asset management group with operations in Kenya, Tanzania, Uganda, Rwanda, Malawi, South Sudan and Mozambique. A&K’s role included acting as lead counsel on the transaction, including conducting, coordinating and supervising due diligence by ALN firms across seven jurisdictions; preparing and negotiating the set of transactional documents, including the share subscription agreement, policy rights agreement, share retention deed, and the consortium’s shareholders agreement; advising on regulatory and compliance matters involving the Kenya Capital Markets Authority, the Nairobi Securities Exchange, the Insurance Regulatory Authority, and the Central Bank of Kenya.

- Acting for WS Atkins International, engineering and project management consultancies, in their acquisition of Howard Humphreys East Africa.

- Acting for a premier equities house with respect to setting up operations in Kenya and its application for a Capital Market and Nairobi Stock Exchange license.

- Providing regulatory advice on the capital markets sector to a Mauritius Fund Manager seeking to advertise and market its services in Kenya.

- Providing energy regulatory advice and assisting with due diligence investigations for a leading oil company in connection with their proposed acquisition of a petroleum company in Kenya.

- Assisting with the financial and asset due diligence of proposed acquisition of a Tier III bank by a Tier II bank.

- Assisting with intellectual property and asset due diligence investigations for a private equity firm in connection with their acquisition of a confectionary company.

- Acting for Oxford University Press East Africa in respect of retirement benefit schemes, including providing regulatory advice.

- Assisting with finance and real property due diligence investigations for a private equity firm in connection with their sale of shares in a leading pharmaceutical company.

- Acting for the Clinton Foundation on various legal advices.

- Providing regulatory advice for Kenyan subsidiaries owned by an electronic transaction switching and payment processing company.
- Acting for Africon GmbH, in setting up operations in Kenya.
- Acting for The GravityLight Foundation (UK) on providing pro-bono legal advice on various legal issues.
- Providing employment advice to various clients.
- Assisting in reviewing mining regulations and preparing a report submitted to relevant bodies on the firms proposed changes.
FIRM

OVERVIEW


A&K is generally considered the leading corporate law firm in Kenya, and is the largest full-service corporate law firm in East Africa with over 100 lawyers. A&K has developed specialist expertise in several practice areas, including corporate and commercial law, mergers and acquisitions, private equity, energy, infrastructure, project finance, real estate, competition, capital markets, banking and finance, intellectual property, tax and dispute resolution. A&K operates Africa-wide, handling deals in several countries across Africa, both in its own capacity and in collaboration with ALN firms across the continent.

A&K was in 2018 named “Kenyan Law Firm of the Year” by Chambers & Partners. Additionally, in 2017, A&K was named “African Law Firm of the Year – Large Practice” by the prestigious African Legal Awards, which celebrate “excellence, achievement and innovation in the legal profession”. This was the third year in a row and fourth time since the launch of the awards in 2013. During the same year, A&K won the “Law Firm Innovation” award. In 2018, A&K won the African Legal “M&A Team of the Year Award” and the “Legal Advisor Award” in the EAVCA Industry Awards.

A&K is ranked first in Kenya by various legal guides, including Chambers Global, IFLR, and Legal 500. As reported in Chambers Global 2019, Clients noted that they "receive international-calibre work" from A&K and highlighted our "excellent set-up and broad experience across different areas". Legal 500’s most recent edition praised A&K for its ‘speedy’ responses, ‘attention to detail’ and ‘deep knowledge’. IFLR1000 in their 2019 edition noted that ‘Anjarwalla and Khanna is the only Kenyan firm ranked tier one across all practice areas’. A&K is ranked by Chambers as having Africa-wide capabilities. The firm has on-the-ground presence coupled with regional and international connectivity and expertise.

A&K has offices in both Nairobi and Mombasa, as well as a legal consultancy firm in Dubai, Anjarwalla Collins & Haidermota (AC&H), which provides corporate and commercial legal services. AC&H is the first and only African firm to be licensed in Dubai. Our close ties with AC&H allow us to seamlessly service clients based in the UAE on their transactions in Africa.
AWARDS AND RANKINGS

EAVCA AWARDS 2018
A&K is proud to have won Best Legal Advisor Award at the EAVCA Industry Awards 2018.

Chambers Global Awards 2019
A&K has been ranked as Band 1 in Corporate and Commercial, Banking and Finance, Projects and Energy, Real Estate, and Employment. Thirteen A&K lawyers were also recognized as notable practitioners in their fields, which include Corporate Commercial in Kenya, Banking and Finance in Kenya, Dispute Resolution in Kenya, Real Estate in Kenya, Employment in Kenya, Projects and Infrastructure in Kenya, Intellectual Property in Kenya and Corporate Commercial Africa wide.

IFLR1000 2019
A&K was ranked by IFLR1000 as a Top Tier Firm and rated in “Tier 1” in the following categories: Financial and Corporate law as well as Project Development in the areas Infrastructure, Mining and Power. IFLR1000 noted that “Anjarwalla and Khanna is the only Kenyan firm ranked tier one across all practice areas”.

Chambers Africa Awards for Excellence 2018
A&K is proud to have won the Chambers Africa Awards - Kenya Law Firm of the Year 2018.

Chambers and Partners 2018 – A&K is proud to have been ranked Band 1 in the Private Wealth Law – Kenya category in the Chambers and Partners’ High Net Worth 2018 rankings. A&K is the only law firm in Kenya and in Africa, outside South Africa to be ranked in this category.
**Legal 500 2018**
A&K has been recognised as “Top Tier Firm” in the following practice areas, Banking and Finance and Capital Markets, Commercial, Corporate and M&A, Projects and Energy, Real Estate and Construction by Legal 500 in April 2018. The firm has also been recognised in the practice areas of Dispute Resolution and Employment.

**African Legal Awards 2018**
A&K is proud to have won the African Law Firm of the Year – M&A Team of the Year Award.

**Think Business Investment Awards 2018**
A&K is proud to have won the Best Legal Transaction Advisor award.

**African Legal Awards 2017**
A&K is proud to have won the African Law Firm of the Year – Large Practice Award for four years in a row, and for the fourth time since inauguration of the awards, at the African Legal Awards 2017. A&K had previously won this award in 2016, 2015 and 2013, and was shortlisted in 2014.

**African Legal Awards 2017**
A&K is proud to have also won the African Legal Awards – Innovation Award in 2017.

**The Law Society - Excellence Awards 2016**
A&K was highly commended in the “Excellence in International Legal Services category” at the Law Society Excellence Awards 2016.
ABOUT

ALN

ALN is an alliance of leading corporate law firms currently in fifteen key African jurisdictions, including the continent’s gateway economies. We have a presence in Francophone, Anglophone, Lusophone and Arabic speaking Africa: Algeria, Ethiopia, Guinea, Kenya, Madagascar, Malawi, Mauritius, Morocco, Mozambique, Nigeria, Rwanda, Sudan, Tanzania, Uganda and Zambia. The firms are recognised as leading firms in their markets and many have advised on ground breaking, first-of-a-kind deals. ALN also has a regional office in Dubai, UAE.

ALN firms work together in providing a one-stop-shop solution for clients doing business across Africa. ALN’s reach at the local, regional and international levels, connectivity with key stakeholders, and deep knowledge of doing business locally and across borders allows it to provide seamless and effective legal, advisory and transactional services across the continent. Our high level of integration is achieved by adherence to shared values and an emphasis on excellence and collaboration. We share sector-specific skills and regional expertise thus ensuring our clients benefit from the synergies of the alliance.

ALN is proud to have won the “Africa Network/Alliance of the Year” award at the 2018 African Legal Awards hosted by Legal Week, which recognises its leadership in the market in legal expertise and innovation, strategic vision, business winning, service delivery across the continent and commitment to CSR.

Chambers Global has consistently ranked the ALN alliance as Band 1 in the “Leading Regional Law Firm Networks – Africa-wide” category.

For more information on ALN please visit www.africalegalnetwork.co/kenya
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