

CEP Magazine – October 2018

Third-party due diligence: Compliance management applied to supply chains

by Flávia Melo, MBA, CCEP-I, Risk Management Specialist (IRM)

Flávia Melo (flavia.melo@hormigon.com.br) is Head of Compliance & Integrity of Hormigon Engenharia e Consultoria Técnica in Belo Horizonte, Brazil, with nearly 15 years of experience in risk management, internal controls, and compliance.

- www.hormigon.com.br
- [linkedin.com/in/flavia-melo](https://www.linkedin.com/in/flavia-melo)

A third party's due diligence, sometimes known as a background check, has been the topic of many discussions in the scope of compliance programs. With the objective of tracking the history of occurrences of illicit practices by third parties, this process has been noted as effective in protecting contracting companies and their leaders in cases where fraud and corruption exist.

Due diligence of third parties and business partners is in the scope of major global anti-corruption laws. According to the Brazilian Anticorruption Law (Nº 12.846/2013), individuals and legal entities can be held accountable for acts of corruption and fraud committed by third parties that benefit them or the contracting company. In this context, decree number 8.420/2015 includes evaluation parameters such as the effectiveness of compliance programs, the existence and application of appropriate due diligence for contracting, and — depending on the case — the supervision of third parties.

This document is only available to members. [Please log in or become a member.](#)

[Become a Member Login](#)