Legal & Compliance Audits

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Riskpro, India

Who is Riskpro… Why us?

ABOUT US

- Riskpro is an organisation of member firms around India devoted to client service excellence. Member firms offer wide range of services in the field of risk management.
- Currently it has offices in three major cities Mumbai, Delhi and Bangalore and alliances in other cities.
- Managed by experienced professionals with experiences spanning various industries.

MISSION

- Provide integrated risk management consulting services to mid-large sized corporate /financial institutions in India
- Be the preferred service provider for complete Governance, Risk and Compliance (GRC) solutions.

VALUE PROPOSITION

- You get quality advisory, normally delivered by large consulting firms, at fee levels charged by independent & small firms
- High quality deliverables
- Multi-skilled & multi-disciplined organisation.
- Timely completion of any task
- Affordable alternative to large firms

DIFFERENTIATORS

- Risk Management is our main focus
- Over 200 years of cumulative experience
- Hybrid Delivery model
- Ability to take on large and complex projects due to delivery capabilities
- We Hold hands, not shake hands.

SERVICES

Risk Management Advisory Services

Basel II/III Advisory
- Market Risk
- Credit Risk
- Operational Risk
- ICAAP

Corporate Risks
- Enterprise Risk Assessment
- Fraud Risk
- Risk based Internal Audit
- Operations Risk
- Forensic services

Information Security
- IS Audit
- Information Security
- IT Assurance
- IT Governance

Operational Risk
- Process reviews
- Policy/ Process Review
- Process Improvement
- Compliance Risk

Governance
- Corporate Governance
- Business Strategic risk
- Fraud Risk
- Forensic Accounting

Other Risks
- Business/Strategic Risk
- Reputation Risk
- Outsourcing Risk
- Contractual Risk

Training
- Banking – E Learning
- Corporate Training
- Regular Risk Management Training
- Online Training material
- Workshops / Events

Recruitment
- Virtual Risk Managers
- Full Time Risk Professionals
- Part time Risk Professionals
- Risk Managers on call – free

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Legal and Compliance Management - Background

- Complex Legal Environment (multiple laws, wider coverage)
- Stricter government implementation, resulting in possible criminal persecution
- Hefty penalties for non compliance
- Active Civil Society, NGOs and Activists monitoring action of corporates
- The pressure from international trading partners on compliance, specially for labour laws
- Compliance statement, signed by directors has to be submitted by the companies listed on Stock exchange every year.
- Corporate governance and social responsibility leading to expectation of compliances.

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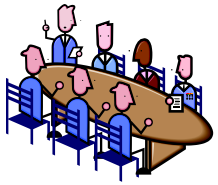
Legal Compliance Audits

Objectives

- To identify the level of compliance of an organisation
- Identify the compliance risk
- Enable the management to take steps to make the organisation compliant with laws and regulations

Company



Documents

Riskpro's Legal and Compliance Audit

1. Identification of Regulatory scope and laws that apply to Company
2. Location visit
3. Interviews and discussions with Management
4. Issue of Audit Report
5. Follow up and remediation

Non Compliance Audit Report

ACTIONS
Remediation of non compliance

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Example Clients in Retail Sector

- Riskpro has strategic alliance with Progress Partners to offer Legal and Compliance Audits, Legal Risk Management and related advisory to our clients
- Progress Partners have been doing Legal and Compliance Audit for many manufacturing and retail clients for years. In addition, they have been working on Risk Management functions for both small and large clients. They are considered the experts in the retail Sector.
- We have been doing Risk Management assignments for clients like
  - ✓Raymond Ltd
  - ✓Raymond Apparel Ltd
  - ✓Color Plus Fashions Ltd
  - ✓Regal Shoes Group
  - ✓Reebok India
  - ✓Trent Hypermarket Ltd. (Star Bazaar)

Comprehensive | **Affordable** | **Ongoing**

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Audit Methodology

Stage 1 – CAC

- Preparation of Compliance Audit Checklist (CAC) covering all relevant laws applicable to the target unit.

Stage 2 - Visit to location

- Verification of relevant records and documents available.
- Compilation of draft report based upon findings and observations of the audit team
- Review meeting with the unit head / work directors to discussion on the finding of audit.

Stage 3 – Report

- Submission of detailed Non Compliance (NC) report to the company (Board of Directors or Compliance Head)
- Follow up with the unit to verify action taken

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Audit Methodology (Contd.)

CAC :

- Divided into 4 main parts :
  - List of Registers, Abstracts, Notices, Returns
  - HR related acts and regulations
  - Engineering & Environment Laws
  - Taxation

- CAC acts as a guideline, but not as exhaustive limit for audit team

- CAC filled with reference to actual documents verified, not only based on feedback from auditee. Copies of key documents retained in working papers

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Methodology (Contd.)

Report :

- Preparation of Non-Compliance list during plant visit
- Discussion of observation with Unit Head
- Inputs from Unit Head and HOD of relevant dept recorded in working papers
- Preparation of Final Audit Report consisting of :
  - Non Compliance Summary
  - Registers List – Compliance Status
  - Comparison (if possible) with previous reports to identify long-standing issues not resolved
- Impact and Criticality of Non-Compliance identified in report for each item reported
  - General Penalty for non-compliance
  - Criticality (Critical, Serious, Minor, Technical)

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Components of Report

- Non-Compliance Summary - a list of all items where the unit is not compliant, forming a primary report to client

- Register List – a detailed listing of all registers / notices / abstracts to be maintained / displayed, the status of each, to allow easy follow up.

- Criticality is reported in the following terms:

  Critical - Possibility of unit being shut down.

  Serious - Heavy Penalty, criminal offence, imprisonment

  Minor – Let of with warning and mild fines.

  Technical - Wrong format / documentation easily corrected

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Acts covered

Human Resources (HR)

Factories Act, 1948	Shop & Establishment Act (state acts)
Payment of Wages Act, 1936	Maternity Benefits Act, 1961
Minimum Wages Act, 1948	Gratuity Act, 1972
Equal Remuneration Act, 1976	ESI Act, 1948
Payment of Bonus Act, 1965	Apprentices Act, 1961
Provident Fund & Misc Provisions Act, 1952	Employment Exchanges (Compulsory Notification of Vacancies Act), 1959
Contract Labour (Regulation & Abolition) act, 1970	Trade Unions Act, 1926
Workmen Compensation Act, 1923	Private Security Agencies Regulation Act, 2005
Prevention of Sexual Harassment (Guidelines)	Industrial Disputes Act, 1947
Labour Welfare Act (state acts)	

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Acts covered

ENGINEERING

Electricity Act, 2003	Environment Protection Act, 1986
Petroleum Act, 1934	Water (Prevention and Control of Pollution) Act, 1981
Explosives Act, 1884	Air (Prevention and Control of Pollution) Act, 1981
Boilers Act, 1923	Water Cess Rules, 1977
Legal Meteorology Act, 2011	Hazardous Waste Handling & Management Rules, 1989
Essential Commodity Act, 1945	

TAXES & MISC

Micro, Small & Medium Enterprises Devel. Act, 2006	Central Excise Act, 1944
Central Sales Tax Act, 1956	State VAT Acts
Customs Act, 1962 (export and import documentation)	Service Tax Act, 1955
Income Tax Act (payment of Tax, TDS)	Foreign Exchange Management Act
Negotiable Instruments Act, 1881	Industries (Development & Regulation) Act, 1951
Information Technology Act, 2000	Motor Vehicles Act, 1988
Competition Act, 2002	

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Benefits and Obstacles to Legal / Compliance Audits

Benefits

- In-house legal team is costly to maintain
- High attrition rate leaves gaps in In-house team and creates problems in audit
- In-house team, where present, is generally busy with the urgent legal matters.
- A external audit team is given preference in terms of time and attention then the in-house team.
- A external audit team will give independent and fair report.

Possible Challenges

- Fear of audit resulting in Non-Cooperative attitude of units
- Manipulation of records & Concealment of facts
- Fear on confidentiality of data
- Controlling and preventing mistakes / non-compliances between audit periods

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Riskpro Clients

Our Clients

TrainingCentral

riskraft™
Manage your Risk Better ... With us

بنك دبي التجاري
Commercial Bank of Dubai

KJS CEMENT

एनटीपीसी
NTPC

JHV Group

OCEANIC

Skye Bank
Expanding your world

RiskMap
Risk Management....The Final Word

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MetricStream

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Team Experiences

Ernst & Young — Quality In Everything We Do
KPMG
Deloitte.
PricewaterhouseCoopers
EXL — Go Next. Now.
kotak
PKF
Navigant Consulting
FannieMae
الشركة العربية للاستثمار ش.م.ع — The Arab Investment Company S.A.A.
Moore Stephens
clextra
Productivity Management Group
ESSAR
ITC Limited
ओएनजीसी ONGC
Pidilite — Building bonds

Our team members have worked at world class Companies

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RESUMES – Our team

Manoj Jain

- **Co-Founder - Riskpro**
- CA, CPA, MBA-Finance (USA), FRM (GARP)
- Over 10 years international experience – 6 years in Bahrain and 4 years USA
- 15 years exp in risk consulting and internal audits
- Sox Compliance project for Fannie Mae, USA ($900+ Billion Mortgage Company)
- Specialization in Operational Risk, Basel II, Sox and Control design
- Led medium to large engagement teams

Rahul Bhan

- **Co- Founder - Riskpro**
- CA (India), MBA (Netherlands), CIA (USA)
- Over 15 years of extensive internal and external audit experience in India and abroad.
- Worked with KPMG United Arab Emirates, PKF South Africa, Ernst and Young Kuwait, Deloitte Netherlands and KPMG India.
- Worked with clients in a wide variety of industries and countries including trading, retail and consumer goods, NGO, manufacturing and banking and finance. Major clients include banks, investment companies, manufacturing organizations, aviation etc.

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RESUMES - Our team

Casper Abraham

- **Co-Founder - Riskpro**
- PGD (Electrical & Electronics & Computer Programming)
- 30 years of experience in Information & Communications Technology (ICT) Solutions for Retail, Garments, Manufacturing, Services Industries.
- Has created Companies, Divisions, Products, Brands, Teams & Markets.
- Consulting in Business, Technology, Marketing & Sales & Strategic Planning.
- Advisory, Training, Workshops & Implementation in Systems Thinking, Systems Modeling & Balanced Scorecard
- Worked with TIFR, Mahindra, Ambience, Communico-Graphique & Ionidea Inc, USA,

Shriram Gokte

- **Co-Founder - Riskpro**
- B Tech MBA
- 22 years of audit, risk management, information security & Compliance experience
- Most recent employment with Paternoster, a UK Insurance company as Directpr Risk & Compliance
- Worked for Principal Financial Group at their Des Moines USA HO and then Birla Sun Life Insurance as CRO
- Strong operational process, risks, info sec and internal controls experience
- Has taken 3 companies through ISO 27001 certifications.

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RESUMES - Our team

Rajesh Jhalani

- **Co-founder- Riskpro**
- B.Com, FCA
- Senior Partner with 48 year old Delhi based Chartered Accountant firm, Mehrotra and Mehrotra
- Over 19 years of experience in the field of Audit, Taxation, Company law matters.
- Major clients served are NTPC, BHEL, Bank of India, PNB, Airport Authority of India etc.

Gourav Ladha

- **Specialist Risk Consultant – ERP & IT Compliance**
- SAP Certified, MBA (Finance), SAP Security trained (from SAP India), SAP GRC Access Controls trained (from SAP India)
- Over 7 years of experience working in the area of ERP/IT Risk advisory, primarily focusing on SAP, for 'Fortune 500' clients in around 8 countries including US, UK, UAE, Hong Kong, etc
- Specializes in SAP Risk & Controls Advisory, SAP Business Process Controls Audit, SAP Security & Segregation of Duties Control Audit, ERP Trainings,
- Strong Industry experiences ranging from Beverages, Insurance, Energy, FMCG, Pharmaceutical, Retail, Telecommunication to IT Services
- Worked for risk advisory teams of reputed organizations like Ernst & Young, EXL Services

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RESUMES - PARTNERSHIPS

Saswata Banerjee

- **Consultant – Founder of Progress Partners**
- B.com. LL.B., AICWA, MCSE
- He has over 20 years post qualification experience including 3 years at the best Cost Accounting firm in India.
- 3 year as Senior Consultant with a leading Management Consulting Firm.
- He has worked with number of industries including Cement, Vanaspati, Hotels, Pharmaceuticals, Shipping, Chemicals, Bearings, Information Technology, Communication Services and Call Centers.

Rakesh Kochar

- **Corporate Consultant**
- 25 years of work experience both In India and Middle-East with some of the largest audit and assurance, software and trading companies in the world.
- Some of the companies where he created his reputation were, Senior Director (Global Revenues), Oracle India; Bangalore, EFunds International, Ernst & Young, Dubai, U.A.E, Jumbo Electronics Co. Ltd. (LLC), Dubai, U.A.E., Price Waterhouse Coopers.
- Rakesh is an expert on Financial & Accounts outsourcing and operations of all aspects of “shared centers” including HR processes and people strategy catering to global operations across Order to Cash, Procure to Pay and Reporting and Analysis.

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THANKS