

Proposal to provide Risk based internal audit



Riskpro, India

Background - 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.**

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

Your requirements

- You require a firm with not only demonstrable skills and experience in your sector, but also the ability to deliver seamless compliance and business support services that match your development plans;
- You also wish to work with a firm that is personable and easy to deal with. While we operate in an environment that demands honed technical ability and a degree of formality, arising from the professional standards we observe, we regard ourselves as a flexible and responsive team that has client relationships at its heart; and
- You, also wish to ensure that your auditors, consultants and advisers are appropriate for tomorrow's environment

Scope of Risk based Internal Audit Services

- ▲ Corporate Governance Framework → Enhance shareholder value
- ▲ Business Strategies and Risk Appetite → Is your direction right?
- ▲ Policy and Process Framework → ensure processes are well defined.
- ▲ Risk Management Framework → enhance risk mitigation efforts
- ▲ Fraud Risk Management Initiatives → Minimize fraud incidents
- ▲ Internal Control Framework → Minimize Operational Risks
- ▲ Financial Statement Closing Process → Minimize Accounting Errors
- ▲ Transactional Review → Are your transactions correct

UPGRADE FROM TRADITIONAL AUDITING

ADOPT RISK BASED AUDITING.... USE RISK EXPERTS

Benefits of Risk Based Internal Audits

- ▲ Risk-based auditing is a simple concept.
- ▲ Improves audit effectiveness and efficiency by shifting the function from a policing activity to one that contributes effectively to managing risk and achieving wider organizational goals.
- ▲ Involves high-level risk profiling of the audit portfolio over time;
- ▲ Facilitates strategic use of scarce audit resources, aligns audit efforts with management objectives, and reduces risk exposure by focusing attention on areas of weakness.
- ▲ The auditor performs a MORE EFFECTIVE and EFFICIENT audit, focused on HIGHER-RISK AREAS.
- ▲ Business units are involved at all stages of the audit.
- ▲ Risk-based auditing is more efficient, because it directs audits at the high-risk areas
- ▲ RBIA can also highlight risks that are over controlled and decrease efficiency

Ongoing Reviews – Short Visits

Approach:

1. Monthly /quarterly visits to review concern areas
2. Timetable by prioritizing areas
3. **Deliverable is a review report with areas of weakness identified, possible process changes, recommended solutions**

Team Size & Duration:

1. 1-2 persons.
2. Each visit to last from 3-5 working days

Benefits

1. Allows company to pay for smaller visits.
2. Helps to build a good risk culture in the organisation as monthly visits prepare staff and help them learn from the interactions.
3. Client can begin to see value and can continue us if required.
4. Economical in long run since the advise is constantly updated based on new risks.

Specific Reviews – Deep consulting

Approach:

1. Risk Management consulting services are provided for areas identified by the management as weak areas. Comprehensive reviews are then undertaken for these areas
2. **Recommended solutions/ suggestions are offered in the form of a report**

Team Size & Duration:

1. Team size will be 2-3 persons consisting of semi-experienced and experienced professionals
2. Duration likely to be 2-6 weeks or more

Benefits:

1. Enables management to focus on areas that require attention.
2. Management can implement any or all solutions.
3. Single interaction means that management time is not required frequently.



TrainingCentral



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Our team members have worked at world class Companies

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Why

- ❑ Today organisations face immense regulatory, compliance and operational risks
- ❑ People who execute key processes such as settlements, KYC, AML reviews, account openings, payment processing are some times not trained enough
- ❑ **Untrained people often make excessive errors or ignore key process controls**
- ❑ **Web based training is a very cost effective way to impart knowledge to large employee base to minimize operational and reputational risks**

How

- ❑ **This is not E – Learning.** This is real industry experts talking about key issues.
- ❑ A series of 5-10 sessions are customized and outlined that touch upon key risk issues and compliance requirements.
- ❑ Practical, industry knowledge is shared as the speakers are industry experts
- ❑ The sessions are grouped with other users to bring down delivery costs. We can also deliver sessions exclusively for your organisation.

How Much

- ❑ **Training can be delivered as low as Rs 200 / employee / per session.**
- ❑ **We can discuss your training requirements and provide final quote**

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.

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 Director 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.

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

Mr. MP Mehrotra

- ▲ **Founder partner of Mehrotra and Mehrotra, a 48 year old CA firm in India**
- ▲ Bcpm, FCA, LLB
- ▲ Over 48 years of experience in audits, taxation, legal matters, loan syndication etc.
- ▲ Trustee of Cochin Port Trust, Member of Task Force for MOUs, Ministry of Heavy Industries & Public Enterprises, Govt. of India, Ex- Member of Central Board of Trustees, Employees' Provident Fund Organisation (EPFO), Ministry of Labour, Govt. of India, New Delhi.
- ▲ Ex - Director, Canara Bank

Mr. PK Gupta

- ▲ **Practicing chartered accountant in Delhi**
- ▲ CA, ICWA
- ▲ Over 35 years of professional experience.
- ▲ Trustee, Kargil Shaheed Smarak Samiti
- ▲ Hon. Treasurer, World Academy of Spiritual Sciences (WASS).
- ▲ Panel Arbitrator, International Centre for Alternative Dispute Resolution
- ▲ Arbitrator, Cement Corporation of India
- ▲ Arbitrator, Bombay Stock Exchange Limited
- ▲ Arbitrator, Central Depository Services (India) Limited
- ▲ Arbitrator's Panel of Indian Council of Arbitration

Contacts and Office Locations

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THANKS

ANNEXURE I - Our Audit Methodology

Our audit methodology

Our audit methodology is *risk-based and systematic* which focuses on the organizational objectives and any impediment to achieving those objectives. We recognise fully the need to provide assurance on your business operations. Equally, we recognise the importance of managing compliance issues, particularly in today's evolving regulatory environment.

The key benefits of our audit approach are:

- Risk-based, & systematic approach;
- Focus on areas considered as potentially & most likely to lead to material errors in financial statements;
- Our audit control procedures are based on project planning techniques, including the use of automated processes and document templates, and the agreement of objectives, timetables, responsibilities and careful resource planning;
- The focus of our reports are to generate constructive and value added advice; and
- Identifies performance improvement and cost reduction opportunities.

Understanding of Business

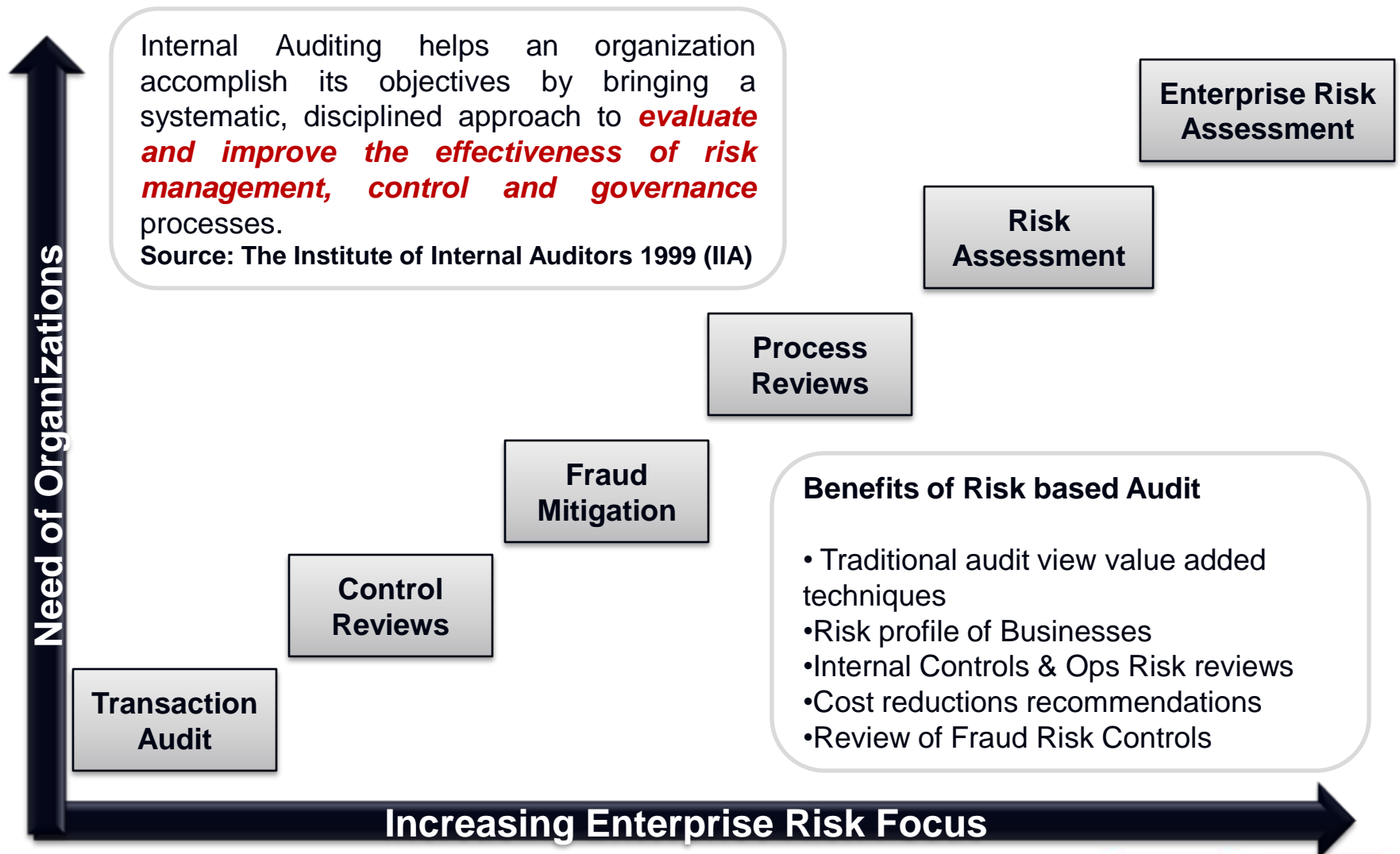
Risk Assessment

Audit Strategy / Planning

Fieldwork

Dealing with critical issues

Reporting



Our audit methodology (cont..)

UNDERSTANDING THE BUSINESS

Our top-down risk-based approach ensures that the audit focus is on the issues that are of greatest importance to you and that we are in the most appropriate position to respond to them. Our audit starts with a detailed understanding of your industry and business.

Our approach is based on a top-down examination of the key drivers of your business. The output is a balanced picture of how the company interacts with customers and external industry forces. We consider the audit implications of this analysis and use it to identify significant audit risks.

We use industry specific business models to gain information on:

- industry background including major players, regulatory changes and trends,
- risks and drivers,
- geographic issues,
- descriptions of business processes,
- benchmarks and best practice and
- audit risks.

Our audit methodology (cont..)

RISK ASSESSMENT

In order to run your business, you develop processes to manage the factors that drive performance and help control internal and external risks that could prevent you from meeting your objectives. We focus on those processes where significant risks have been identified and discuss with management its perception of how these risks are controlled. This phase of our work enables us to obtain information on the processes supporting the achievement of the company's goals.

AUDIT STRATEGY AND PLANNING

Based on the understanding of business and risk assessment we devise the audit strategy. We then develop detailed audit programs to test the transactions, processes and balances.

AUDIT FIELD WORK

The audit test work flows from strategic planning and risk assessment. The key element is to review and test the high level controls embedded in your processes, as significant weaknesses in your key processes could cost, both in terms of financial impact and reputational damage. We also carry out necessary substantive audit procedures.

DEALING WITH CRITICAL ISSUES AND REPORTING

We identify and discuss all critical issues with management. We then determine whether the Company's financial statements and related disclosures meet our expectations.

We provide the audit report, management letter and any other deliverables and formally present these to the Audit Committee / Board.

Strategic questions with regard to the engagement

- Have you had any personnel changes that have impacted your area?
- Have you had any computer system/computer software changes and are any projected for your area?
- Has your area experienced any losses in recent years? If so, please describe.
- Do any third parties such as the external auditors or regulatory auditors review your area? If so, please provide the report.
- Do you have any regulatory reporting requirements? Describe the frequency and sensitivity of the filing.
- How much do you rely on manual processing in lieu of computer processing?
- What areas have you experienced poor performance?
- Has the volume of transactions processed in your area changed?
- What type of impact could your unit have on the Association's reputation, if you did not meet your mission?
- Do you have any Program performance issues that you want reviewed?