



VERENDRA KALRA & CO

CHARTERED ACCOUNTANTS

○  
Like always. Like never before...

Bridging the gap in  
Governance, Risk &  
Control

## ABOUT US

We at Verendra Kalra & Co. (VKC) have vast experience in providing assurance, consultancy and representational services to the varied needs of organizations, irrespective of their size or structure.

- Our assurance team possesses, in particular, vast expertise in internal audits of various industries
- We are constantly looking at performing beyond client's expectation in order to deliver cutting edge solutions to the most complex needs of our clients
- We partner with our clients to offer independent services that

help reduce risk, streamline business processes and ensure business sustainability

- By providing specialized internal audit services that improve quality, safety, and productivity, we strive to add significant value to our client's operations

For us, quality is synonymous with aiming to embody the highest standards of professional excellence in everything we aspire to do and we proudly claim internal audit as our forte.

## WHAT IS INTERNAL AUDIT?

'Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes'. – The IIA (The Institute of Internal Auditors).

The internal audit function includes:

- Assessing risks, controls, ethics, quality, economy, and efficiency
- Assuring that controls in place are adequate to mitigate the risks

- Preventing non-compliance and resurfacing of risks
- Communicating information and opinions with clarity and accuracy

Such diversity gives internal auditors a broad perspective on the organization. And that, in turn, makes internal auditors a valuable resource to executive management and boards of directors in accomplishing overall goals and objectives, as well as in strengthening internal controls and organizational governance.

## HOW WE CAN ASSIST

Our IA team continually strives for the best, constantly polish their skills, and consistently model integrity and ingenuity. We provide objective, independent, professional advice to all levels of management and pave the path towards continuous improvement.

We assist functional heads and management in:

- Reviewing compliance- ensuring the organization adhere to external & internal rules and regulations
- Evaluating risks- identifying all auditable activities and relevant risk factors to assess their significance
- Conforming information- keeping management well informed

with all discoveries and observations made during the audit process

- Analyzing operations- close review of operations, confirming that the correct protocol is being followed and goals are being met
- Recommending controls- evaluating control efficiency and effectiveness and determining that the controls are adequate to mitigate risks.
- Assuring safeguards- reviewing the means used by the organization to protect its assets and determining whether appropriate.

# OUR DETAILED APPROACH

## INTERNAL CONTROL

Enhanced controls over key risks/ operations

## RISK MANAGEMENT

Better identification and understanding of risks and vetting operating effectiveness of mitigating controls

## OPERATIONS

Increased process efficiency and overall improved business performance

## STATUTORY COMPLIANCES

Adherence to external and internal rules and regulations for improved compliance

## FINANCE & ACCOUNTS

Review of compliances with Accounting Standards and provisions of the Companies Act

## FUND/TREASURY MANAGEMENT

Maximum returns through surplus funds, yet maintaining adequate liquidity



## PLANNING

- Doing in-house research of industry in which you operates
- Understanding your processes, control environment and expectations
- Co-developing audit program tailored for your needs
- A well balanced team will be deputed for your assignment



## EXECUTION

- Obtaining in-depth understanding of your processes from process owners
- Identifying risks involved and assessing effectiveness of controls designed
- Documenting and discussing exceptions noted with concerned department head
- Doing detailed analysis with process owners to understand root cause of the issue

- Evaluating and improving existing controls
- Systematic review of policies and procedures
- Monitoring integrity of information systems

- Identifying significant processes in the entity
- Identifying risks attached to these processes
- Evaluating effectiveness of controls in place to mitigate those risks

- Review of production planning
- Analysis of yield, productivity & efficiency
- Time and motion studies

- Compliance with applicable laws
- Review of records maintained as per governing laws
- Monitoring timely payment of statutory dues
- Review of completeness and timeliness of statutory returns filed

- Review of chart of accounts
- Review of compliances with GAAPs, provisions of Companies Act, 2013 ... etc.
- Review of budgets
- Analysis of variances and significant ratios

- Understanding the fund management process and policies
- Review of investment pattern
- Monitoring optimal allocation of funds
- Measurement and verification of investment performance

#### SALES & DEBTOR MANAGEMENT

Sales as per approved price and discount list. Credit sales within approved limits and timely realization of amount

#### PROCUREMENT & VENDOR ASSESSMENT

Procuring optimum quantity and quality at least cost with minimum lead time and best available credit terms

#### PHYSICAL VERIFICATION

Inspection and count of inventories and fixed assets. Matching physical count with quantities recorded in book of accounts

#### PHYSICAL & VIRTUAL ACCESS CONTROL

Detailed verification of virtual and physical access controls on movement in the premises

#### HUMAN RESOURCE MANAGEMENT

Quality human resources at optimum cost. Better recruitment and induction policies

#### OTHER AREAS

As per client mandate



## REPORTING

- Impact and risk analysis for non-compliances noted
- Issuing draft observation report for your comments before exit meeting
- Facilitating the development of corrective and/or preventive actions
- Conducting exit meeting and obtaining time lines to close issues
- Issue of formal draft for obtaining management's approval before final report is issued
- Issuing final report



## FOLLOW-UP

- Regular follow ups to ensure timely closure of issues
- Highlighting open issues and frequencies of non-conformances noted
- Feedback to improvise audit program and execution

- Verifying sale with indent/order
- Checking pricing in invoices with approved price list
- Cross checking dispatch with gate records
- Debtors management and assessment
- Tracking over dues and verifying discounts

- Checking requisition w.r.t. inventory levels
- Verifying authorizations
- Checking process for selection of the most appropriate bids.
- Verification of terms and conditions of PO
- Vendor assessment

- Inventories
- Fixed assets
- Cash in hand and deposits with banks
- Staff attendance

- Verifying logical access controls
- Review of access rights and password policy
- Review of NRGp and RGP register and cross checking records with authorized slips
- Review of inward gate register
- Cross checking attendance report from time office records

- Review of HR plan to ensure that it is aligned with objectives of the organization.
- Checking adequateness of policy at induction and separation
- Review of salary structure and tax computation
- Verifying attendance of employees

- Adherence to industry quality norms
- Inventory Management
- BOM cost analysis
- Waste & resource management

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