



VERENDRA KALRA & CO

CHARTERED ACCOUNTANTS

Internal Audit  
Manufacturing Sector

○ Like always.  
Like never before...

## 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.

## KEY TAKEAWAYS WITH VKC

- ⋮ We have a complete range of internal audit services and our audit plans will be duly tailored for your needs.
- ⋮ We encourage participation of process owners and management in the audit process, thereby ensuring that changes are an outcome of collaborative effort.
- ⋮ We have experienced and skilled staff who can provide the due assurances that you look forward to upon our engagement.
- ⋮ Our team has in-depth knowledge of methodologies, tools and audit standards which need to be deployed as well as the best practices being followed in wide range of manufacturing sector.
- ⋮ We focus on significant control weaknesses, identify the exact problems through a robust multi step root cause analysis so as to appraise management with both preventive and corrective measures.
- ⋮ We use an integrated platform with a rich and comprehensive functionality for enterprise wide risk based auditing.
- ⋮ We help the organization to accomplish more in less time and cost, with breakthrough suggestions in process enablement.
- ⋮ We focus on value addition than on fault finding and continuously work towards enhancing operational processes and controls.

## OUR RESOURCES

- ⋮ We have a dedicated team of in-house professionals and network partners who have a rich blend of skills and experience in providing multi-disciplinary services in areas of Tax and Regulatory, Merger & Acquisitions, Corporate Finance and Audit & Assurance.
- ⋮ Our team carries an experience of over 25 years in providing valuable insights and innovative solutions to maximize business value and investments, while mitigating the risk of doing business in changing environment.
- ⋮ The firm has a team of over 75 in-house professionals with varied experience which includes partners, senior managers, managers and other professionals.
- ⋮ We have a network of offices located at New Delhi and Dehradun. Besides, the offices of our associates and network partners who are operating in other important cities of India provide us with that extra edge in reaching out to our clients.

# OUR DETAILED APPROACH

## IN HANDLING YOUR KEY AREAS

### 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

### QUALITY REVIEW

Review of Quality norms w.r.t. industry standards. [ISO 9001:2008 & BIS]

### 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



## 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

- Adherence to internal standards
- Adherence to regulatory standards
- Industry benchmarking

- 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

#### FUND/TREASURY MANAGEMENT

Maximum returns through surplus funds, yet maintaining adequate liquidity

#### 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 & SECURITY

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

#### 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

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

- 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

- Detailed verification of virtual and physical access controls on movement in the premises. Inventories
- Fixed assets
- Cash in hand and deposits with banks
- Staff attendance

- 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

- Working Capital Management
- BOM cost analysis
- Waste & resource management
- Other issues as per client mandate

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