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INTERNAL AUDIT TODAY

MONTHLY MAGAZINE OF THE INSTITUTE OF INTERNAL AUDITORS,INDIA



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From the desk of Chief Editor

Come, use the power of 'NOW'



Sana Baqai
Chief Editor, IIA India



If each of us believes in and uses the power of 'NOW', we are sure to emerge as a responsible and superior internal audit community.

Dear Members,

We bring you this March issue with great pleasure, marking the end of another financial year.

As you all know, it has been a tumultuous two years, bringing a fair share of challenges for all of us in the internal audit domain. However, adversities have challenged us, made us more resilient, and catapulted us towards innovation. If each of us believes in and uses the power of 'NOW', we are sure to emerge as a responsible and superior internal audit community.

We have witnessed a flurry of developments on all

fronts to deal with the emerging challenges because internal auditors have an intrinsic role in the corporate world. We need to keep pace and often be the decision-makers to lead the industry.

We are fortunate to have fantastic support from all members of our fraternity to bring together this specialised publication. I take this opportunity to express my gratitude to everyone for contributing in ways more than one on this front.

For those who have missed our mega virtual event on March 8, 2022, commemorating

International Women's Day, we bring the 'IIA Endorses and Supports the International Women's Day 2022 Campaign Theme: #BreakTheBias.' A walkthrough provided by Chitra Singh of the power-packed conference, which was made possible by our esteemed fraternity members and insightful corporate panellists. ***A must-read!***

The internal audit fraternity would benefit from the first-hand knowledge of experienced and erudite members who contribute to this publication. In a candid interview, Ms. Anuja discusses the **rapid evolution of the internal audit career and its future.**

An exhaustive article by Madhura Palkar takes you on the journey to understand how **emerging technologies are acting as an enabler for the ever-evolving auditing profession.**

By reading Jyotish Acharya Sidheshwar Bhalla's ever-so-interesting article, our readers will understand how **ESG has deep roots in our Vedas.** The idea that this perspective is part of our traditions may have escaped most of us.

The extensive article by Sandeep Baldava, Deepa Aggarwal and Prakash Lohia entitled '**Insider Trading Regulations & Risk**

Mitigation by Internal Auditors' promises to be invaluable to our 25,000 readers.

Take a deeper dive into the subject by reading the article contributed by Mukesh Gupta and Sujeet Kumar on **Prevention of Insider Trading, looking at key regulations with severe reputation risk.**

This issue also includes an article that discusses the **Board Meetings & Practices – Corporate Governance perspectives** contributed by Jaydeep Mehta.

We are always glad to hear from successful **CIAs about the CIA Exam** and its impact on their lives. It is our pleasure to share these testimonials with our community.

Read the detailed key take away of the **IIA India National Conference.** We look at how the **IIA Hyderabad Annual Conference** on 'Internal Audit in the Tech era - Digital, Disruptive & Innovative' played out. Also, get a glimpse of how the **IIA Bangalore Chapter celebrated International Women's Day.**

Check out the **hall of fame** section for the award winners for the last 3 issues of the magazine.

Our regular **CIA questions** will keep you on your toes.

Enjoy reading the magazine and write to us at [publications@iiaindia.co!](mailto:publications@iiaindia.co)



Elevating Impact



editorials



President Communique



Adithya Bhat
President, IIA India



Gamified, bespoke IA training will be a major focus for 2022-2023, similar to what we do now.

Dear IIA India members and my fellow professionals in internal audit, risk, and governance,

I take this opportunity to welcome you all once again, hoping that you all stay safe and healthy.

IIA has had a very eventful two years, with all of us successfully adjusting, adapting to and adopting a new normal with the support of our esteemed members and partners.

A much-anticipated national conference of IIA India was recently held in Mumbai, co-hosted by the IIA Bombay Chapter. We experienced an

overwhelming response to this specially-curated event, **“Future Ready - Innovate, Innovation, Innovauditor”**.

Over 1,000 participants registered, a number that could not have been achieved without the support of our sponsors. My sincere thanks go out to our platinum partner **Genpact Enterprise Risk Consulting**, our gold partners **Legasis, Mahajan & Aibra**, and **Protiviti**, our silver partners **ANB and KPMG**, and our technology partner **Etrends** for making this event a grand success.

Our **Women’s Forum** hosted a mega virtual event on

March 8, 2022, to honour International Women's Day. Following this year's theme, **#BreakTheBias**, it reflected the strength of women in our industry. This conference exuded great promise for a better future, and I was honoured to have been a part of it.

As you all know, IIA India was established with the primary objective of promoting education and helping expand knowledge and skill in internal audit. We started with a steady pace and a clear path, and we have galloped towards our goal since inception.

As we approach the end of our accounting year, March 31, 2022, I am happy to announce that we have made significant progress towards our objectives, which I am elucidating below:

- We have now reached 4,400 members for the first time since inception. This represents a 25% growth from last year. At our current pace, we should double our membership in four years. To accomplish this, I need your help in the next three years - a target of 2X in 3, 3X in 5, and 10X in 10.
- The Certified Internal Audit (CIA) programme is the core certification

offered by IIA Global, and it adds global recognition, credibility and provides global mobility to the profession. Last year, we started the CIA Challenge Exam to facilitate a shorter path to achieve this certification for members of qualified accounting bodies. Year one has been a resounding success, with nearly 650 registrations.

- Throughout the year, we conducted several bespoke paid training programmes and held specific global training events based on feedback from our members.
- I am pleased to inform you that our monthly magazine '**Internal Audit Today**' has an impressive circulation of over 25,000 copies.
- The IIA India Women Forum, created at the national level and across all chapters to promote diversity, has been in full swing, making internal audit a competitive, gender-neutral profession. This forum has attracted significant traction, with several programmes held under its banner. We've

experienced positive results, reflected in the increase in our membership.

Gamified, bespoke IA training will be a major focus for 2022-2023, similar to what we do now. We have signed an MOU with the ARC Institute - Andorra to make training more engaging to grant our members access to their gamified IA training platform.

Furthermore, we plan to run an **Internal Audit Premier League** similar to the Indian Premier League, in which the most valuable internal auditors and/or the most valuable internal audit teams will compete digitally to determine the **Most Valuable Internal Auditor** and/or the **Most Valuable Internal Audit Team** of the year. We will soon share more details with you on that account.

Before I conclude, I would like to draw attention to the following landmarks that IIA in India has achieved or will achieve in 2022:

- Our membership surpassed the 4,000 mark for the first time since inception and is expected to close just shy of the 4500 mark in March of 2022.
- We have finally realized our dream of acquiring property in Mumbai on

March 23, 2022. As part of our Industry 5.0 initiative - automation/ digitization with a human touch - our registered office will soon move from 2.09 Sagar Avenue to 5.03 Sagar Tech Plaza.

- IIA India will create history in July 2022 when I hand over the presidency baton to Mrs. Uma Prakash, the current Senior Vice President. She will be the first woman to lead the IIA in India. The IIA will be proud to have her in charge, and I am confident she will lead IIA India to greater heights

in the same way she led its Women's Forum in the past years.

- History was created in February 2022 when Dr. Debashis Mitra, past president of IIA India, was elected as the President of the Institute of Chartered Accountants of India. Indeed a moment to be proud of for the current and past members of the IIA fraternity.

It would be unfair for me not to acknowledge the efforts of all the past IIA India presidents and their respective national councils who sowed the seeds of growth. Our dream of having

our own office in Mumbai and having more than 4,200 members is only possible because of the past initiatives they started and pursued.

Their initiatives helped me immensely in my year as president, and I must admit I was fortunate to benefit from them. I would also like to thank the presidents and boards of governors of our six chapters who have contributed significantly to IIA India's success.

Let me conclude by saying take care, stay safe, and best wishes for another grand new year for the IIA in India.



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President IIA India



D G Rajan
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Rohit Mahajan
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Giridhar Srinivasan,
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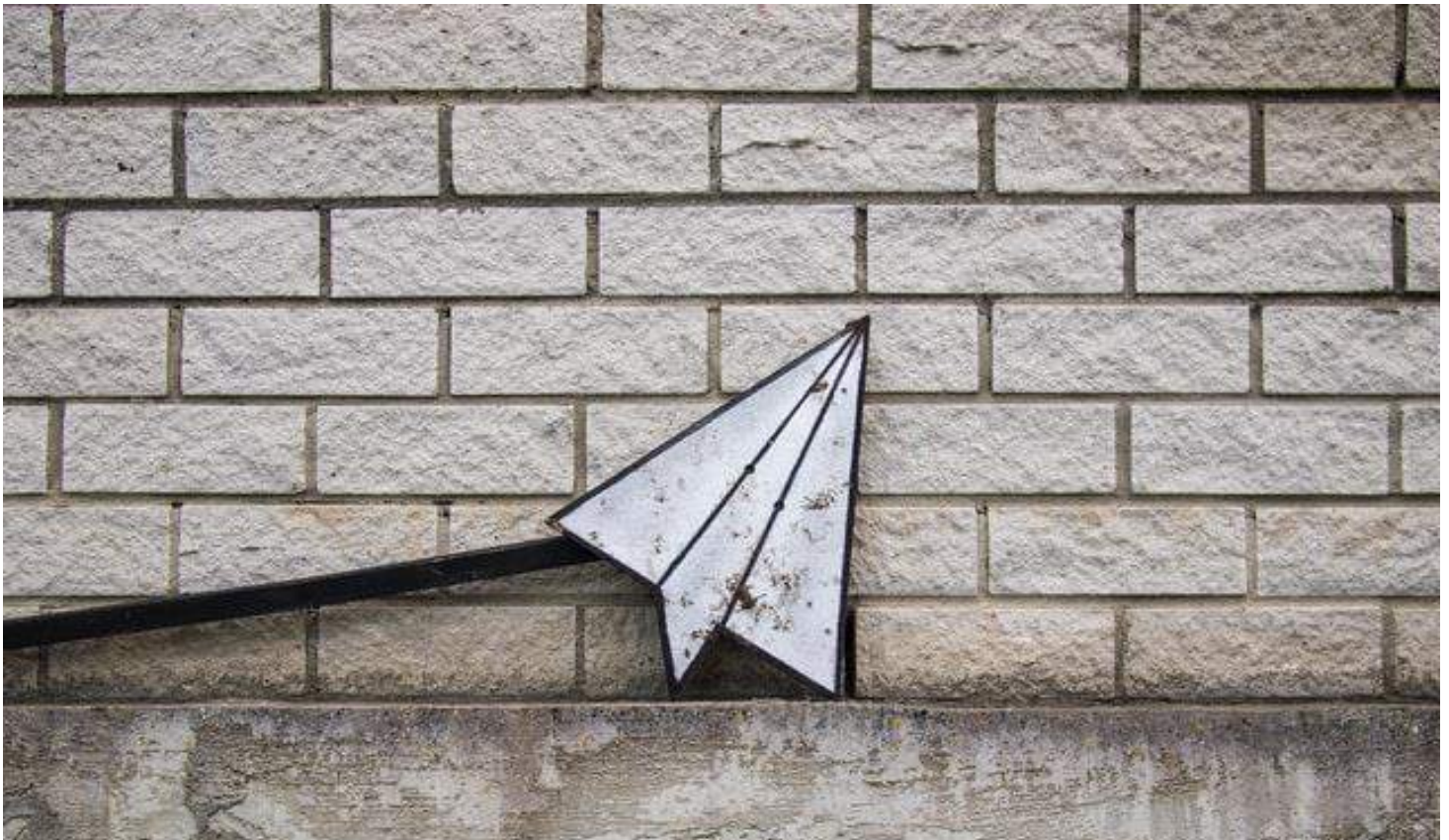
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Message from Chief Advisor

Year in Review

Dear Members,

A financial year-end is an excellent time to reflect and plan. IIA India, and many of us individually, have significantly benefited from the events of 2021-2022.

The biggest change, in my opinion, was the reduced impact of Covid-19 on our daily lives and the easing of restrictions, hastening our return to relative normalcy. Yet, partial work-from-home and remote working seem to be here to stay, allowing us to benefit from the increased convenience and flexibility.

For IIA India, one of the bright spots was the 25%

increase in membership from 3450 in March 2021 to 4400+ by the end of March 2022. Thanks to all of our Chapters, its volunteers, and IIA employees who worked relentlessly, in multiple areas, to make this possible.

The enhanced vibrancy of our Women's Forum, under the able stewardship of our Senior Vice-President, Mrs. Uma Prakash, was evident from the number of activities its six chapters organised during the year. This beautifully culminated in a highly successful programme on "Break the Bias", commemorating International Women's Day on March 8, 2022. Our



Nikhel Kochhar
Chief Advisor, IIA India



We are confident that the LPs will go a long way to enhance awareness of internal audit as a profession.

women members have grown from around 16% to 20% within last two years.

We sincerely hope this trend will continue.

The global and India launch of a vibrant new logo for IIA and a "digital transformation" has helped repurpose our fraternity for being "future-ready", the theme espoused by our Global Chair, Charlie Wright. This theme was successfully adopted and exhibited at the highly successful IIA India National Conference in early March, hosted by the Mumbai Chapter.

The month of March was also a conference month for IIA India, with regional conferences in Hyderabad, Delhi, Chennai, and the

National Conference. A big thank you to all our Chapter Leaders, Teams, and Sponsors who contributed to these successful learning experiences in a big way.

The signing of an MOU with EduDelphi Education Pvt. Ltd as a learning partner has now increased the number of learning partners (LPs) to three, with VG Learning Destination and Simandhar Education being the other two. **We are confident that the LPs will go a long way to enhance awareness of internal audit as a profession** and IIA certifications like the CIA (Certified Internal Auditor) and IAP (Internal Audit Practitioner) among our younger generation. As a

result, there will be an excellent supply of certified professionals in India and worldwide for this much-in-demand profession.

I am delighted to announce that IIA India and the Mumbai Chapter finally have a place to call 'home' with the purchase of new office space. Congratulations to the leaders and team who worked on this project for a long time to see it to fruition.

We hope that the financial year 2022-23 will bring even more good news and cheer to all our members and IIA India.



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Leadership Series

IIA's Holistic Upskilling Lauded by Anuja



Anuja Ramdasi
Head, Internal Audit, Persistent Systems Ltd.



Nikhil Kenjale
Member, Publication Committee,
IIA Bombay Chapter



The creative side is crucial, along with an audit-like perspective, says Anuja.

On a beautiful Saturday morning in early January 2022, Anuja and Nikhil spoke candidly about how Internal Audit is constantly evolving. No matter the industry or region, a successful Internal Auditor's qualities remain the same.

Anuja has been an internal auditor for 15 of her 17 years of experience. She is a strong advocate of both the role and the multifaceted contribution an Internal Auditor can make to any organisation.

Internal Audit was Anuja's choice, not a coincidence! The assurance and Sarbanes Oxley (SOX) assignments she performed for large companies such as Unilever, Wipro, and BMC Software gave her a better grasp of the IT sector and its unique control environment. According to her, IT is an entirely different game because it's a highly individuals-oriented field where people are your greatest assets and challenges.

As expected, she discusses the attrition problem that currently plagues the industry. She has been leading the Internal Audit division at Persistent Systems Limited for the past five years, which is not an exception to the trend.

She discusses the role Internal Audit played during pandemics and beyond with lively insights.

Pandemics aside, Internal Audit has always been an evolving function. Audit planning for Internal Audit should consider socio-economic conditions, geopolitics, and industry-specific challenges.

As we live in a VUCA world, something will always change, so Internal Audit must adopt an agile mindset.



She says that audits based on checklists and an approved audit plan are no longer the norm.

The creative side is crucial, along with an audit-like perspective, says Anuja. According to her, bringing value to the table and meaningful observations relies heavily on this approach.

There are more to audit than business resilience, supply chain disruption, data privacy, and other topic-

She points out that while providing independent assurances is one of the primary functions of an Internal Auditor, the days when an Auditor could wait until the "third line of defence" kicked in are over.

Today's internal auditors must be adept at switching from their auditor hat to their consultant hat with ease and grace.

before making a non-recurring/ non-routine but business-critical decision. Only an Internal Auditor has a completely independent view of all vital functions in addition to the Board and Management.

Internal Auditors can bring an outside-in perspective, industry trends, and case studies from peers and have a good understanding of the organisation's risk appetite. These inputs play a crucial role in making an informed decision regarding the organisation's long-term success. Additionally, it is highly valued by the Board and management and helps build trust and respect in the Internal Audit function. Her conviction in this mantra is evident in how she stresses it with firmness and confidence.

Persistent Systems Limited takes a different approach to



based areas since these are the current hot topics.

Equally important is bringing a different perspective to traditional audit areas, such as procure-to-pay, revenue, recruitment, etc. You'll gain a 360-degree view of the people and challenges in the departments you audit when you use Anuja's approach. Her approach has proven successful in various organisations and is well-received by the Functions, Management, and Audit Committee.

"I think of key projects like ERP implementation or due diligence in mergers and acquisitions". It is critical to review risk and control



Internal Audit than most IT industries. Although the general trend in the IT



industry is to outsource or co-source the Internal Audit function, Persistent Systems Limited has an in-house Internal Audit Function, with Anuja handling audits in multiple geographies and business verticals.

This was the management and Board's vision from the onset, and the building of trust and mutual respect between the Audit function and its stakeholders has worked. "I was able to accomplish this with a team that is both grounded and dynamic at the same time." "We tackle every audit with enthusiasm and a fresh perspective every time. When conducting any audit, we do extensive research, brainstorming, interviews with internal stakeholders, and reach out to our

network for understanding best practices."

"A positive attitude, no baggage, no judgments are the key skills I look for when recruiting".

You need these skills to become a successful Internal Auditor. Yes, we don't shy away from getting help from external experts when needed in specific audit areas.

"Continuous learning is key." Staying up to date with where the world is going, knowing your industry, and keeping up with developments in your profession are all "no-compromise" items.



Anuja, interested in business ethics and forensic accounting, recently became

a Certified Fraud Examiner (CFE). She is an active member of the Ethics Committee of Persistent and served on the IC for her earlier organisations. Internal Audit, Compliance, Business Ethics, Corporate Conduct, Whistle-blower mechanisms, Anti-Fraud Controls, Risk Management are all interconnected. She emphasises that you cannot isolate one from the other to succeed in your position.

By hosting insightful workshops and sessions in all relevant areas, IIA has encouraged its members to adopt these holistic skills. No matter how experienced or new, an Internal Auditor should make the most of these resources. There is a wealth of information and expert guidance here.

She concludes, **"We are thrilled about the creation of the CIA Challenge. It will help both promote the profession and improve the skill sets of professionals."**





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Insider Trading Regulations & Risk Mitigation by Internal Auditors



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Insider trading goes against the very basics of trust in the securities market.

The Context

A partner at a global consulting firm was charged in November 2021 to make illegal profits using inside information about an upcoming acquisition deal. According to criminal charges filed in the Manhattan federal court, the person in question bought short-term options before the deal's announcement and then sold them upon news of the deal. In addition, the Securities and Exchange Commission (SEC) also filed a suit against the individual.

In a matter involving alleged insider trading, the Securities and Exchanges Board of India (SEBI) banned identified employees of two major listed companies from trading on stock exchanges in September 2021. In the order, it was alleged that the two employees had access to Unpublished Price Sensitive Information (UPSI) regarding the company's partnership with one of its customers. According to the order, a Company A employee had traded in Company B shares just before the announcement of the partnership. According to SEBI's order, identified employees of both companies were associated a) by frequent telephone contact and b) had

previously worked together (at Company C) and were deemed to have UPSI.

SEBI barred eight individuals and entities, including the Managing Director of a company, from buying, selling or dealing in securities in September 2021. The SEBI, in its interim order, mentioned that the Managing Director of the said Company had access to the UPSI of an acquisition deal by the holding company of a listed company. The MD seemed to have transmitted the UPSI to multiple connected entities, allowing them to engage in insider trading activities in the listed company. Call data records, financial dealings, and bank statements were used to determine the connection of individuals and entities.

Besides regulators, listed companies have also imposed fines on insiders for non-compliance with insider trading policies. In January 2022, a leading bank imposed a fine on its independent director for inadvertent trading during trading window closure. In August 2020, another prominent listed company fined an independent director for inadvertent trading by the portfolio management service of the

independent director's spouse without getting pre-clearance during the open trading window period.



SEBI investigations into insider trading cases and related penalties are not uncommon. The news about insider trading investigations adversely impacts a company and individuals, eroding investor confidence.

According to a recent media article, SEBI investigations into insider trading have dramatically increased in recent years. From FY19 to FY21, insider trading cases accounted for 30 per cent of the total investigation cases under SEBI's jurisdiction.

This article summarises the Prohibition of Insider Trading Act (PIT) requirements, common pitfalls, and the role internal auditors can play in proactive reviews of compliance with the Act.

Background of PIT Regulations

To combat insider trading, SEBI promulgated the

Prohibition of Insider Trading Regulations, 1992. As part of the amendments to the 1992 PIT Regulations, a code of conduct for insider trading prevention and a code for corporate disclosure practices were added in 2002. SEBI PIT Regulations, 2015, were introduced to replace the entire PIT Regulations as part of a periodic review of PIT Regulations and address challenges in resolving cases of Insider Trading.

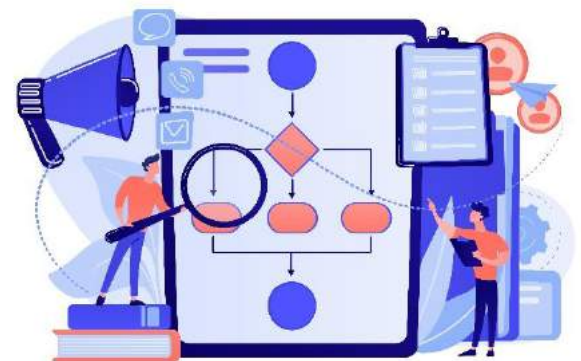
SEBI commenced an investigation into earnings leaks of 12 leading companies on a chat messaging platform in November 2017. SEBI had trouble determining the source of the leakage of company financials in these matters. Several of the SEBI directions to companies in the case and the amendments recommended in the existing PIT Regulations by the Committee on Fair Market Conduct (FMC) were taken into account in the amendments (PIT Amendment Regulations, 2018) to the PIT Regulations, 2015.

The FMC Committee noted that, *"the number of cases of insider trading are few and far between. One of the reasons for this is the*

challenge faced in investigating and establishing cases of insider trading. While SEBI has strengthened its Insider Trading Regulations fairly recently, the challenges relating to investigation and gathering of evidence in such cases still remain."

Key Elements of Amendments to PIT Regulations, 2015 (Amended Regulations)

- The amended regulations place a great deal of focus on **institutional responsibility** for implementing and periodically reviewing internal controls and processes to prevent insider trading.



- The amended regulations require the Board of a listed company to ensure that a **structured digital database** is maintained with details of persons who share and receive UPSI.
- The amended regulations provide **freedom** to the

Board of Directors to **determine the** legitimate purpose, designated person list and identify UPSI in line with the rules.

- These mechanisms serve twofold advantages by tracing a chain of connections while investigating insider trading and proving to be a **deterrent to insider trading**.

The Key Impact of Amended Regulations on the Insider Trading Policy

1. Companies to make **policy for determination of “legitimate purposes”**. Any person who received UPSI pursuant to “legitimate purpose” shall be considered an Insider.
2. Insider trading policy to cover all **Designated Persons (DPs)** based on their role and function and access to UPSI, including:
 - Promoters of such company, directors of the company and material subsidiaries, and fiduciaries.
 - CEO and employees up to two levels below CEO irrespective of their

role and access to UPSI.

- Support staff, including IT and secretarial staff having access to UPSI.
- Written policies and procedures for **inquiry in case of a leak of UPSI**.
- **Whistle-blower policy** to enable employees to report the leak of UPSI.

The Key Impact of Amended Regulations on the Procedures Around Insider Trading Policy

- i. **Structured Digital Database (SDD)** to be maintained internally with details of all Insiders with PAN numbers with adequate internal controls and audit trail.
- ii. **Designated persons** shall be required to disclose names, PAN, mobile/phone numbers of:
 - immediate relatives
 - persons with a material financial relationship
- iii. **Institutional Mechanism for Prevention of Insider trading**. Chief Executive Officer (CEO) or Managing Director (MD) to put in

place an adequate and effective system of internal controls to ensure compliance with the requirements, including:

- Identification of Designated persons and UPSI.
- Restrictions on communication or procurement of UPSI.
- Process for how and when people are brought inside on sensitive transactions.
- Norms for appropriate Chinese Wall procedures and processes for permitting any designated person to “cross the wall”.
- Periodic process to review the effectiveness of such controls and compliance with regulations.

It is the duty of the Board of Directors of every listed company to ensure compliance with the institutional mechanism for preventing insider trading. The Audit Committee is required to review compliance with the provisions of the PIT

regulations at least once a year and make sure that internal control procedures are adequate and operating effectively.



Common Pitfalls & Challenges Associated with the Amended PIT Regulations and Recent Clarifications

Over the last few years, SEBI has sought to fine-tune and tweak the regulations through various amendments (seven amendments have been made to the PIT Regulations, 2015 between 2018 and 2021) and clarifications issued from time to time, including a comprehensive set of FAQs issued in April 2021.

i. Designated Persons (DPs)

- Upon resignation from the service of a designated person, the organisation should maintain the updated address and contact details of such designated person. Organisations should keep updated addresses and contact details of such persons for one year

after resignation from service.

- Trading in ADRs and GDRs of listed companies is covered under the provisions of PIT Regulations. Employees of such companies, including foreign nationals, who are designated persons, shall be required to follow the code of conduct for trading in ADRs and GDRs.

Accordingly, while collecting and maintaining information from resigned employees and foreign nationals, companies need to consider applicable privacy requirements and relevant data protection laws.

ii. Structured Digital Database (SDD)

- SDD needs to be maintained containing the nature of UPSI, the names of such persons who have shared the information, and the names of such persons with whom information is shared under this regulation.
- SDD to be maintained internally with adequate internal controls and checks,

and the same cannot be outsourced.

- The company must maintain SDD even when the information is shared only within the company.

Accordingly, SDD needs to be maintained internally with time stamping and audit trails to ensure non-tampering of the database.

iii. Contra Trade Restrictions

- Contra Trade Restrictions apply to DPs and their immediate relatives collectively.
- Contra Trade Restrictions are applicable on each trade irrespective of whether the business is below or above the threshold limit of pre-clearance.

Monitoring procedures need to be designed by the companies accordingly to verify the compliances.



iv. Monitoring of Trades

- Amended PIT Regulations require Listed Companies to regulate, monitor and report trading by their designated persons and immediate relatives of designated persons towards achieving compliance with these regulations.

However, companies may not be able to independently monitor trading in ADRs or GDRs or intra-day trading or trading in derivatives by DPs (if not physically settled).

v. Inquiry In Case of Leak of UPSI

- PIT Regulations require every listed company to formulate written policies and procedures for inquiry in case of a leak of Unpublished Price Sensitive Information or a suspected leak of UPSI. Further, companies must inform SEBI promptly of such leaks, inquiries and results of such investigations.

Company procedures should be clear on the time frame allowed for

completion of inquiries and intimation to SEBI on the result of investigations.

vi. Intimation of Non-compliance to Stock Exchanges

- Violations relating to the Code of Conduct under PIT Regulations must be promptly informed to stock exchanges.

The reporting format requires the listed company to provide inter-alia details of violations observed under the Code of Conduct, action taken by the listed company and reasons recorded in writing for taking action.

vii. Communication of Trading Window Closure

- Mere rejection of designated person's trading during pre-clearance would not be sufficient.

The compliance officer of the listed company is required to communicate the closure of the trading window to the designated persons.



"Insider trading goes against the very basics of trust in the securities market. With all these millions of new investors entering the market, this trust of investors needs to be maintained." – SEBI Chairman statement on Insider trading in November 2021

Other Initiatives by SEBI for Prevention of Insider Trading

- According to the media report, SEBI uses technology, including data analytics, call records, bank transactions, and even social media connections, to build water-tight cases against insider trading. This is also reflected in recent insider trading cases, wherein SEBI has linked the trading information with the bank transactions and call records of the identified entities and individuals being investigated.
- In June 2021, SEBI increased the reward payable to whistle-blowers under the insider trading regulations to INR 10 crore from INR 1 crore to encourage whistle-blowers to appear before the regulator.

- SEBI has initiated several actions against individuals for not complying with the rules. It is typical for regulators to obtain from Companies the data captured as part of the SDD, query internal controls in place, and direct them to conduct an internal investigation into the leakage of unpublished price sensitive information in such probes.
- Companies must evaluate how effective their internal controls are to ensure compliance with regulations based on the above.



How Internal Auditors can assist in Compliance with Insider Trading Regulations

***Assessing the Company's internal guidelines, processes, and procedures on compliance with the PIT regulations and benchmarking with applicable rules and**

recommending the best practices.

- Review of the existing processes, internal controls, and practices in the following areas:
 - Identification of designated persons and UPSI.
 - Communication of UPSI by designated persons for a legitimate purpose.
 - Structured digital database.
 - List of activities to be periodically monitored by the company, such as monitoring of trades of designated/ connected persons.
 - Controls relating to Chinese walls, system access controls including encryption of data, physical access controls including entry access and control over printouts, restricting usage of personal devices for official work, social media sites, external devices etc.
- Identifying digital tools available or that can be developed for automation of critical compliance and monitoring framework.

- Creating awareness by conducting workshops/training programmes.
- Assisting the investigating team in the inquiry about leakage or suspected leak of UPSI.
- Supporting the Audit Committee to review compliance with the provisions of these regulations at least once in a financial year and verify that the systems for internal control are adequate and are operating effectively.

The SEC filed insider trading charges against two internal auditors in May 2019 for allegedly sharing tips from their respective companies. Additionally, the SEC announced that the internal auditor defendants had consented to a final judgment without admitting or denying the charges.

While internal auditors can play a crucial role in proactively ensuring compliance with insider trading regulations, the above case law highlights the importance of duties that internal auditors should comply with as insiders or designated persons.





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The schedule for the cost-free session is as below, to get the login for the event please register here:

Tue, Apr 19, 2022, 7:00 PM - 8:00 PM IST: <https://lnkd.in/e3geuS7K>

Fri, Apr 22, 2022, 2:00 PM - 3:00 PM IST: <https://lnkd.in/eVXSecU3>

You can read more (refer FAQ's) and register to participate at:
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Internal Audit Premier League (IAPL)

Schedule - Regional Qualifiers

- IIA Calcutta Chapter: Start Thu 28th April – Finish Mon 16th May
- IIA Delhi Branch: Start Thu 28th April – Finish Mon. 16th May
- IIA Hyderabad Chapter: Start Thu 05th May – Finish Mon 23rd May
- IIA Madras Chapter: Start Thu 05th May – Finish Mon 23rd May
- IIA Bangalore Chapter: Start Wed 11th May – Finish Wed 25th May
- IIA Bombay Chapter: Start Wed 11th May – Finish Wed 25th May



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- Everybody could take part as a single participant as well as in a team of min. 3 people.
- In the 6 Regional Audit Qualifying Tournaments, we find out the 20 best participants, who then represent your region in the All Indian Audit Championship.
- Afterwards the Top 20 of each of the 6 Indian regions will play in the Indian Internal Audit Premier League.
- The Top 20 best players are then part of the Indian Audit national team and will represent India at the Asian Audit Championship and at the Global Audit Championship.
- 3 AWARD categories in each championship round: 1) MVP, 3 best auditors, 2) The 3 best teams, 3) Top 20 MVPs Qualification for the All Indian Audit Championship

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There will soon come a time when small, and large investors will consider ESG scores as they do today for Earning Per Share (EPS) or Return on Investment (ROI).

It's Time to Future-Proof Your Company ESG, a Step Beyond Compliance



मधु वाता ऋतायते मधु क्षरन्ति
सिन्धवः ।

माध्वीर्नः सन्त्वोषधीः ॥
(Sanskrit Transcript)

madhu vātā ṛtāyate madhu
kṣaranti sindhavaḥ ।
mādhvīrnaḥ santvoṣadhīḥ ॥
(Transliteration)

The environment provides bliss to people leading their life perfectly. Rivers bless us with sacred water and provide us health, night, morning, and vegetation. The Sun blesses us with a peaceful life. Our cows provide us with milk.
(Source: Rigveda, 1/90/6)

Over the past two decades or more, managements and boards have discussed financial, strategy, compliance, and board structure risks. The concerns they raise are just one side of the coin. The emphasis is

mainly on financial risks and very little on non-financial risks like environmental ones. However, since the end of the last decade, the focus has shifted gradually to non-financial risks, resulting in the emergence of the term **Environment, Social, and Governance (ESG)**.

Thinking strategically about ESG issues can help other stakeholders, such as investors, government bodies, and SEBI spot material risks that don't show up on a company's balance sheet now but will affect them heavily in the future.

What is ESG?

The ESG acronym stands for Environment, Social, and Governance. In a sense, these are standards that a company should incorporate

into its operations, allowing future investors to screen potential investments. An ESG approach to investing is also known as "sustainable investing", "impact investing", and "responsible investing".

dangerous environmental components.

"I think the environment should be put in the category of our National Security, Otherwise, what else is there to defend" ...
Robert Redford

medical facilities, raising awareness of ESG, etc.?

Governance: It discusses the Board's structure and diversity, committees, risk management, code of conduct, etc. Additionally, it looks at executive compensation, lobbying, political contributions, and whistleblower schemes.

Global Initiatives on ESG

The *United Nations-supported The Principles for Responsible Investment (UNSPRI)* is one of the earliest ESG initiatives launched in 2006 to establish a framework for responsible investing via ESG disclosure and metrics.

UN Sustainable Development Goals (SDGs) are a set of global social, environmental, and economic goals agreed upon by the United Nations' member countries in 2015, aiming to achieve them by 2030.

The European Union's *Sustainable Finance Disclosure Regulation (SFDR)* was introduced in 2019 and came into effect in March 2021. This set of rules aims to make investment funds' sustainability profile more transparent and comparable.

Legal Eminence of ESG in India

After the pandemic, ESG investing has gained increasing recognition in



The Three Components of ESG are:

Environment: A company's environmental performance is evaluated based on its water consumption and source, waste management, pollution control, and natural resources conservation. This also covers how a company manages potentially

Social: Social criteria refer to a company's relationships with other aspects of society, such as employees, suppliers, and customers. A company's social commitment is assessed by using these criteria. Do they spend a portion of their profits on educational opportunities for girls,

developing economies. It is believed that companies with high ESG scores will perform better financially than their competitors.

SEBI initiated "Business Responsibility Reporting (BRR)" in 2012 for the top 100 listed companies based on market capitalisation. A few years later, in 2015, it was extended to Top 500 companies, and the same was applied to Top 1000 companies as of 2019.

mandatory for the Top 1,000 Listed companies by Market Capitalisation to annually disclose ESG-related information from the financial year 2022-23.

Through all of the above stated legal requirements, India is undoubtedly moving towards ESG compliance. There is virtually no doubt that this will boost the confidence of Foreign Institutional Investors (FIIs) and Foreign Direct Investors (FDIs).

necessitated immediate action. In COP26, India committed to achieving net-zero emissions by 2070. This is why Indian regulators have taken aggressive measures to create a climate-related policy and make compliance mandatory.

Is ESG Just a Compliance Issue?

Organisations often feel that regulatory compliance is an obligation and a costly affair. The future outcome will be dangerous if the same mindset prevails for ESG. Having ESG in place should lead to a healthier bottom line. ESG compliance, backed by "investment grade" ESG data - can identify areas of easy gains or where companies are investing in projects that are not delivering results. The implementation of ESG compliance could increase profits.

Companies that are responsible, sustainable and resilient are increasingly sought after by investors. Investors worldwide are increasingly considering companies' environmental, social, and governance (ESG) performance when making investment decisions and may divest from firms with poor environmental records.

Latest Case in India: Foreign equity investments are allowed in most Indian



In 2019, SEBI released the "Nine Principles of the National Guidelines for Responsible Business Conduct (NGBRC)".

The latest change occurred in May 2021 when SEBI introduced Business Responsibility and Sustainability Reports (BRSRs). Regulation 34(2)(f) of the Listing Obligations and Disclosure Requirements (LODR) was amended by SEBI. BRSR reporting will be

Alignment of India with Global ESG-Compliant Countries

During the recently concluded Conference of Parties (CoP26) on climate change in Glasgow, it was made clear that addressing climate change is one of the most urgent tasks before us, particularly for India, due to rising floods, drought, and other climate hazards. Climate changes have



insurance firms but not in LIC. Nonetheless, the government expects the active participation of FIIs and FDIs in this historical IPO of LIC. LIC is now looking for an ESG rating as well. Government of India wants the country's biggest asset manager to be better positioned to anticipate future risks and opportunities within its operations and investment practices.

There will soon come a time when small, and large investors will consider ESG scores as they do today for Earning Per Share (EPS) or Return on Investment (ROI).

What if, We Are Not Serious About ESG:

- Construction of Mumbai Metro line 3 halted due to protests from citizens over environmental harm.
- The National Green Tribunal fines Volkswagen INR 500 crore for damaging the environment.
- The CPCB has fined Pepsi, Coca Cola and Bisleri over INR 70 crore for violating filing statutory returns to government bodies regarding the collection and disposal of plastic waste.

ESG is not just another compliance added to an already lengthy list, but it extends far beyond compliance. Today, if an individual needs a loan, any financial institution or bank considers the first factor as the credit rating. Within the next 2-3 years, Lenders will sanction financial assistance for companies whose ESG profiles are above a minimum satisfactory level.

A business's future depends on how well it can adapt to a changing world. In this changing world, financial metrics won't be the only measure. You will undoubtedly need ESG to future-proof your company.





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Good Corporate Governance is a way of life, not a journey or a destination. It considers transparency, trust, culture, adherence to ethical standards, stakeholder interests, social relationships and sustainable development of the organisation.

Board Meetings & Practices

- Corporate Governance Perspective



“Injustice anywhere is a threat to justice everywhere.”
- Martin Luther King Jr.

These words from Martin Luther King, Jr. remind us that we all have a responsibility to take a stand when we witness injustice.

“To be able to do the right thing in the right way, in each case and at every moment, one must be in the right consciousness.”
- Sri Aurobindo

Corporate Debacles, Meltdown & Frauds

In the wake of the sudden and ignominious failure and meltdowns of such once-prominent Indian conglomerate organisations like *Satyam Computers Limited, ILFS Limited, DHFL,*

Yes Bank Limited, Café Coffee Day Limited, Punjab National Bank, Kingfisher Airlines, Jet Airways Limited, Bhushan Steel Limited, Ranbaxy & Religare Group of Singh Brothers, Cox & Kings Limited, Sterling Biotech Limited, Gitanjali Gems Limited, Videocon Industries Limited, C.G. Power & Industrial Solutions Ltd., Manpasand Beverages Limited, ABG Shipyard Limited and many more such Indian conglomerates, enormous attention has been drawn to the functioning of the companies Board of Directors (Boards).

In all such corporate frauds and meltdowns, there are some common threads:

- Poor corporate governance practices



- Board of Directors consisting of unquestioning or silent 'yes man' directors
- Centralisation of decision-making powers in the hands of promoters or a few top management officials
- Lack of adequate internal controls and systems, Including T.I.T. control and internal audit system
- Lack of effective overview and monitoring mechanism
- Absence or lack of MIS systems
- Non-adherence to systems and controls
- Ambitious expansion in the non-core area funded through overleveraging of the Balance Sheet
- Imprudent bank/NBFC lending practices
- Absence of an effective whistleblower mechanism
- Disgruntled and poorly paid employees who are tempted to commit fraud
- Complex corporate structures with multiple subsidiaries make it easy to commit fraud through a complex web of transactions
- Absence of system requiring confirmations for the bank balance, key debtors, advance, suppliers etc. (root cause Satyam fraud)
- Improper recognition of revenues

- Overstatement of expenses
- Over-invoicing of imports and transfer of differential value to fraudsters by round-tripping/money laundering
- Accounting of fake expenses without incurring any or overstatement of costs

And there are many more such inaccuracies.

The obvious multiple questions that immediately come to everyone's mind are:

- Were the directors asleep at the wheel?
- Did the directors connive with corrupt management teams?
- Simply incompetent?
- What were auditors doing?
- Did auditors deliberately hide inaccurate



accounting practices for their vested interest?

- Did directors turn their deaf ears to good governance practices?
- Are Independent Directors only 'yes men' directors?
- Were the Directors inexperienced?

And many more such queries for which there are no satisfactory answers.

It seems inconceivable that business disasters of such magnitude could happen without gross or even criminal negligence on the part of board members. Yet, a close examination of those boards reveals no broad pattern of incompetence or corruption. In fact, the boards followed most of the accepted standards for board operations: Board members

attended board meetings regularly; they had lots of personal money invested in the company; audit committees, CSR committees, compensation committees, and codes of ethics were in place; the boards weren't too small, too big, too old, or too young. Finally, while some companies have had problems with director independence because of the number of insiders on their boards, this was not true of all the failed boards, and board makeup was generally the same for companies with failed boards and those with well-managed ones.

The collapse of international giants like Enron, World Com of U.S.A. and Xerox of Japan is said to be due to the absence of good corporate

governance and corrupt practices adopted by the management of these companies and their financial consulting firms. Large corporates' debacles ultimately shift everyone's focus to one critical aspect, i.e., "Corporate Governance and Board Practices."

Importance of Corporate Governance (CG) for Effective Boards

Today, of 100 global economic entities, 70 are corporates, and only 30 are countries. The corporates are no longer sheer financial entities but engines of remarkable transformation and sustainable growth. Today, a company's brand value stems from public perception of the difference it makes in society. With the pressure facing business today, i.e. trade policies



shifting and globalisation crumbling, the democratic model is losing its sheen. Companies are facing an uncertain and disruptive business environment. Rarely has the boards' role been more critical in steering a company through challenging times.

controlled. GCG is a way of life, not a journey or a destination. It considers transparency, trust, culture, adherence to ethical standards, stakeholder interests, social relationships and sustainable development of the organisation. GCG failures invariably grab the media

The numerous scandals stemming from the failure of CG, which include downright fraud and mismanagement by people in many geographies, have shattered the confidence of investors. As GCG evolves, it has also considered this complexity of human nature. Can GCG remain current and relevant to handle multiple challenges, opportunities and greater uncertainty without flexibility and resilience?

Today, GCG is on the front burner, not only for listed companies but also for some large private limited companies.

The initiatives taken by the Government of India in 1991, aimed at economic liberalisation and globalisation of the domestic economy, led India to initiate a reform process to suitably respond to the developments taking place worldwide. On account of the interest generated by the Cadbury Committee Report, the Confederation of Indian Industry (CII), the Associated Chambers of Commerce and Industry (ASSOCHAM) and the Securities and Exchange Board of India (SEBI) constituted the following committees to recommend initiatives in Corporate Governance.



The Board will be expected to be more agile and resilient to withstand mounting scrutiny and tensions. Directors ought to embrace this shift and change the course of action of their corporations. There is a growing sense of global tension and uncertainty, forcing boards to face new and unpredictable challenges. We need to navigate shifting landscapes and evolving risks and opportunities.

Good Corporate Governance (GCG) is how an organisation is managed, directed and

headlines, create uproar in the financial markets and make the government and regulators sit up and take notice.

How effective are the present GCG codes in promoting long-term sustainable business? Can the universally accepted international GCG Code take over? Can GCG operate through guidance and principles – replacing rules and regulations for unleashing creativity and innovation?

- Kumar Mangalam Birla Committee (2000)
- Naresh Chandra Committee (2002)
- N. R. Narayana Murthy Committee (2003)
- Dr. J. J. Irani Expert Committee on Company Law (2005)

- The Companies Act, 2013
- SEBI (LODR) Regulations, 2015
- Secretarial Standards issued by ICSI
- Accounting Standards issued by ICAI

company based on the industry in which the company is operating.

However, broadly, common Board practices which may be adopted by the companies can be categorised as under:



- Adi Godrej Committee (2012)
- Uday Kotak Committee (2017)

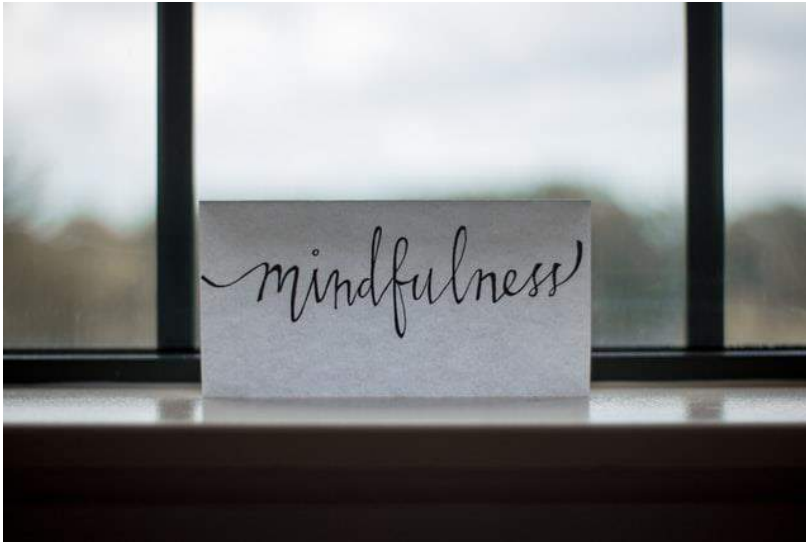
Even though SEBI constituted various committees to recommend effective GCG principles, corporate frauds, mismanagement, and a meltdown of the companies continue even today.

As far as India is concerned, there are specific statutes and regulations which govern the boards and GCG like:

Effective Board Practices

Good Corporate Governance (GCG) parameters and proper board behaviour are constantly changing. Consequently, there is no precise definition or set principles that the Boards can adopt to be effective and successful boards. In the absence of any specific guidelines as to what constitutes effective Board practices, the company can only devise its own strategy and/or practices based on its past experiences, which may differ from company to

1. Considering the rising cases of corporate fraud, a more professional, independent and transparent approach in selecting Independent Directors (IDs) must be adopted as it's a primary responsibility of IDs to protect the interest of all the stakeholders, especially lending institutions and minority shareholders. An affidavit may be obtained from prospective IDs to the effect that they do not have any pecuniary



relationship with the company. If at all IDs have any direct or indirect pecuniary relationship with the company, they need to disclose their interest to the Board, failing which ID should be removed by shareholders. The independence of promoter appointed IDs is questionable as it is unlikely that they will stand up for minority interests against the promoter.

2. A well-structured Audit Committee setup is required to work as a liaison with the management, internal and statutory auditors.
3. Effective whistleblower policy must be adopted, whereby the employees & shareholders can report to the Board of Directors / top management about any

suspected frauds, unethical behaviour or violation of the company's code of conduct.

4. Risk analysis is an essential element of GCG that should be appropriately taken into consideration as remedial measures.
5. Companies have to offer competitive compensation to attract talent on the Boards. Presently, as per SEBI(LODR) Regulations, 2015, the nomination and remuneration committee is required to frame a policy on the remuneration of key employees.
6. As a key aspect of risk management, privacy and data protection are important governance issues. In this era of digitalisation, a sound

understanding of the fundamentals of cyber security must be expected from every director.

7. All the directors must attend all the meetings, including all the meetings of the respective committee of which he is a member. This will raise the level of confidence of the stakeholders.

SEBI's Initiative:

SEBI Board, in its meeting held on 15th February, 2022, inter-alia decided that the provision under SEBI (LODR) Regulations relating to the corporate governance reform on separation of role of Chairperson and MD/CEO for top 500 listed companies will be applicable to listed entities on a "voluntary



basis” thereby removing the mandatory requirement. SEBI has brought the said modification considering various factors, including unsatisfactory level of compliance achieved so far, various representations received from stakeholders, and constraints posed by the prevailing pandemic situation and with a view to enable the companies to plan for a smoother transition, as a way forward.

This initiative by SEBI for separation of the role of Chairman and MD / CEO will have a far-reaching positive impact on the functioning of the Boards in coming years. Reliance Industries Limited has already set an example by separating the role of Chairman & MD.



Conclusion:

In the context of India, the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 have contributed significantly to strengthening corporate governance norms and enhancing Board’s accountability by introducing various disclosures to SEBI/ Stock Exchanges. However, an effective mechanism for more transparent practices for the Boards needs to be introduced by market regulator SEBI / under the

Companies Act, 2013 and stringent penal provisions may be introduced by making necessary changes under the criminal laws of the land.

GCG should endeavour to create corporate consciousness and an environment in which those who are charged with governance and those who are governed display genuine ethical, social and ecological responsibilities.

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Prevention of Insider Trading: Key Regulation with Severe Reputation Risk

The Context

India considers insider trading and the leakage of unpublished price sensitive information (UPSI) a criminal offence because it breaches the trust and confidence of stakeholders in the securities market. The Securities and Exchange Board of India Act, 1992 ("SEBI Act") forbids the procurement and communication of UPSI. Insider trading attracts a minimum penalty of INR 10 Lakhs that can reach up to INR 25 Crores or three times the profits from insider trading, whichever is higher.

According to the SEBI Prevention of Insider Trading Regulations, 2015 (PIT), listed companies and fiduciaries (for example, auditors, accountancy firms, law firms, analysts, insolvency professionals, consultants, banks, etc.) dealing with listed companies are required to comply with PIT. Since fiduciaries deal with numerous listed companies, it is even more critical to comply with regulations to maintain their status as trusted advisors.

What the Market Regulator (SEBI) expects from listed companies and fiduciaries

Listed companies and their fiduciaries should implement the following measures to demonstrate compliance with the SEBI PIT:

- Formulate, and publish on their official website a code of practices and procedures for providing fair disclosure of UPSI.
- Develop a code of conduct to regulate, monitor and report trading by the designated persons and their immediate relatives.
- Designate a compliance officer to administer the code of conduct and other requirements under these regulations.
- Specify the designated persons to be covered by the code of conduct.
- Establish a structured digital database containing the nature of UPSI and the names of all individuals who have shared the information, and the names of such persons with whom information is shared. Additionally, their Permanent Account



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The violation of insider trading norms attracts significant fines and penalties leading to breach of trust of shareholders having reputational risk for the organisation.



Number (PAN) or any other identifier authorised by Law and preserve the database for a minimum of eight years.

- Put in place an adequate and effective system of internal controls, which includes the following:
 - Identify employees having access to UPSI are identified as designated person.
 - Identify and maintain the confidentiality of UPSI.
 - Adequate restrictions on communication or procurement of UPSI.
 - Lists of employees and other persons with whom UPSI is shared shall be maintained

and confidentiality agreements shall be signed, or notice shall be served to all such employees and persons.

- Periodic process review to evaluate effectiveness of such internal controls.
- Ensure compliance with provisions of the SEBI regulations at least once in a financial year and verify that the systems for internal control are adequate and are operating effectively.
- Formulate written policies and procedures for inquiry in case of a leak of UPSI or suspected leak of UPSI.

- Initiate appropriate inquiries on becoming aware of leak of UPSI or suspected leak of UPSI and inform the Board promptly of such leaks, investigations, and results of such inquiries.
- Formulate a whistle-blower policy and make employees aware of such policy to enable employees to report instances of leak of UPSI.

Key Aspects in the Code of Conduct for Listed Companies & Fiduciaries

- The Compliance Officer shall report to the Audit Committee or Board of

Directors at least once a year.

- The handling of information shall be based on a need-to-know basis, and no UPSI shall be divulged except for legitimate purposes.
- Chinese Wall procedure norms will be clearly defined.
- An internal code of conduct will apply to designated individuals and their immediate relatives.
- A notional trading window shall be used to monitor security trading. Whenever the trading window is closed, no securities can be traded.
- A trading restriction period shall apply from the end of every quarter until 48 hours after declaration of financials.
- The trading window cannot be re-opened earlier than 48 hours after the information is made public.
- When the trading window is open, trading carried out by designated persons is subject to pre-clearance if the value exceeds thresholds.
- Prior to approving any trades, be sure to obtain a declaration stating that the person applying for pre-clearance is not in possession of any UPSI.
- Maintain a list of securities as a "restricted



- list" which shall be used as a basis to approve or reject applications for pre-clearance of trades (relevant to fiduciaries).
- Define a reasonable time frame (maximum seven trading days) within which pre-cleared trades must be executed, failing which new pre-clearance would be necessary.
- Specify the period (not less than six months) within which no contra trades shall be executed. If such a violation occurs, profits from such transactions will be credited to the Investor Protection and Education Fund.
- Stipulate formats for pre-clearance, reporting of trades executed, reporting of decisions not to trade after securing pre-clearance as well as for reporting level of holdings in securities.
- Stipulate the sanctions and disciplinary actions that may be imposed for the infringement of the code of conduct.
- Specify that the company shall promptly notify the stock exchange(s) in the event of a violation of these regulations.
- Annual disclosure of personal details such as name, PAN, and phone

number for oneself and the following persons:
 a) immediate relatives,
 b) persons with whom designated person(s) shares a material financial relationship. Additionally, educational institutions and past employers of the Designated Person shall also be disclosed on a one-time basis.

Define a process for when and how people are brought 'inside' on sensitive transactions. Ensure the duties, responsibilities and liability attached to the receipt and misuse of inside information.

Challenges posed by SEBI's PIT Regulations

The SEBI PIT Regulations present the following key challenges:

- Determine which information should be considered UPSI.
- Specify designated persons to be covered by the code of practices and procedures.
- Completeness and accuracy of the digital structure database.
- Determining and adhering to the closing window period.
- Tracking changes in the status of companies during or near

completion of the engagements from "unlisted" to "to be listed" (relevant for Fiduciaries).

- Client and Target entities (if any) that are connected include Holdings, Subsidiaries, Fellow Subsidiaries and Associate Companies (Upstream and Downstream) of such clients and targets (relevant for fiduciaries).
- A comprehensive code of practices and procedures on fair disclosure of UPSI information.

Recommendations

The listed companies and fiduciaries should develop robust programs to:

- Secure UPSI.
- Formulate comprehensive policies and procedures.
- Maintain a structured database.
- Create awareness among stakeholders/employees/designated persons/third parties.
- Establish an adequate and effective system of internal controls to



- Training and awareness programs for employees and third parties (such as retainers, contract workers, professional consultants, subcontractors, etc.).

manage UPSI.

Considering the high expectations of the Regulator, listed companies and fiduciaries should leverage technologies (robotic process automation, artificial intelligence, and machine learning models) to

automate data collection, validation, trending and dashboarding.

Final Thoughts

The violation of insider trading norms attracts significant fines and penalties leading to breach of trust of shareholders having reputational risk for the organisation. Considering its potential negative impact and need for monitoring by the Audit Committee or the Board of

Directors, review of prevention of insider trading should be included in internal audit plan and audited annually to provide independent and objective assurance "that systems for internal control are adequate and are operating effectively", which is one of the key requirements under SEBI Prevention of Insider Trading Regulations, 2015.

As a result of implementing the prevention of insider trading program, listed

companies and fiduciaries will be viewed by stakeholders as "demonstrating a commitment to integrity and ethical values," leading to long-term business growth.

Disclaimer: The views and opinions expressed in this article are those of the authors.



The Institute of Internal Auditors India

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No doubt this duality is fascinating enough, but the truth is, technology can never replace a good auditor.

Emerging Technologies: An Enabler for Evolutionary Auditing



Our world has witnessed rapid technological advances since the dawn of the 21st century, including communication and social media, machine learning, digitisation, automation, and virtualisation, among others.

COVID-19 has tested all these developments over the past two years. We have never faced such challenges as those we encountered during this pandemic. We encountered various difficulties, but technology allowed us to cope with them by keeping us connected and enabling us to continue living and working with constraints.

Technology's role in today's world is so deeply entrenched that it is impossible to imagine a world without it. It has

eliminated geographic and time barriers, transforming the world into a single market space. It is an integral part of modern businesses, helping improve communication and productivity, improving the quality of products and services, and improving customer reach by integrating processes and adding value.

As a result of increased reliance on technology, it is also necessary to be aware of the risk areas. Often unknown and unexplored, they can be harmful to the systems and resources of an organisation.

It is often said that the downside must also be protected as one strives for greater heights. An organisation should identify, assess, manage, and



mitigate all risks to protect itself from financial, reputational, and legal damage.

An auditor's IT skills, analytical mind, and knowledge of various legal, regulatory, and statutory compliances can be applied here to provide an assessment and assurance in these areas for organisations.

Co-relating audit and technology require consideration of two aspects, Technology Audits and Auditing Technologies.

Technology Audits

A technology audit, also referred to as an information systems audit (IS), covers many issues, including IT governance, IT plans, strategies, budgets, software & hardware used &

developed, network & infrastructure, etc. Today, information is a valuable and vulnerable asset for any organisation. As a result, auditing information systems and controls is crucial. **The central focus is on CIA, i.e., Confidentiality, Integrity, and Availability of the data being collected, processed and stored.**

SOX Compliance

Compliance with The Sarbanes-Oxley Act of 2002 (SOX compliance) requires the management to design & maintain the operating effectiveness of Information Technology General Controls (ITGC) and application controls to ensure that technologies & applications used throughout the organisation like ERP systems & financial reporting systems are free of errors and functionally

accurate. These controls are tested as part of an IS Audit, and so is the alignment between IT operations and business objectives.

IT practices & frameworks have the potential to provide an IS auditor with assurance regarding IT-related controls' effectiveness if adequately implemented.

COSO & COBIT

Committee of Sponsoring Organisations of the Treadway Commission (COSO) and Control Objectives for Information and Related Technologies by ISACA (COBIT) are the two



most popular frameworks based on the Enterprise Risk Management (ERM) approach which are used worldwide for implementing adequate internal controls and thus facilitating this SOX compliance.

ISO 27001

ISO 27001, published by International Standards Organization (ISO) in 2013, is a well-known Information security standard for the continuous improvement in the Information Security Management System (ISMS) and adds credibility by allowing the organisation to get certified. **The latest 27002:2022 published in February 2022 and the upcoming ISO 27001:2022 are more detailed, practical and updated versions of the original standard.**



ITIL

Information Technology Infrastructure Library (ITIL), developed by the British government's Central Computer and Telecommunications Agency (CCTA), is another wonderful example that implies a set of practices that help

organisations in benchmarking for IT Service Management (ITSM) and aligning IT services with overall organisational objectives.

IT Audit Frameworks

There are some IT audit frameworks available that act as a guiding light for all IS Auditors for efficient & effective audit engagements:

1. Global Technology Audit Guide (GTAG) issued by the Institute of Internal Auditors (IIA) provides comprehensive guidance to Internal Audit Teams for understanding these IT risks & controls and assuring the management of the effectiveness.
2. IT Audit Framework (ITAF) by ISACA provides guidelines in the form of General, Performance and Reporting standards that help IT auditors for auditing and assurance engagements and consultancy and advisory services.
3. The Statement on Standards for Attestation Engagements no. 18 (SSAE 18) issued by the Auditing Standards Board (ASB) of the American Institute of Certified

Public Accountants (AICPA) is a Generally Accepted Auditing Standard for CPAs for evaluating internal controls over financial reporting, including controls over information systems and compliance reports with other laws and regulations like System and Organization Controls (SOC), Health Insurance Portability and Accountability Act of 1996 (HIPAA) etc.



Auditing Technologies

There are two approaches to auditing computerised information systems - Auditing through the computer and auditing around the computer. The selection of the approach depends on the auditor's judgment of the reliability of internal controls and the organisation's dependency on technology.

1. **Auditing through the computer:** This is also known as the white-box

approach, which uses computers to evaluate the processing of Information systems and controls embedded in them. Computer-assisted audit tools (CAATs) like Snapshots, Generalised Audit Software (GAS), Integrated Test Facility (ITF), System Audit Control Review File (SCARF), Continuous and Intermittent Simulation (CIS) and audit hooks are used in this approach.

- 2. Auditing around the computer:** Also known as the black-box approach, it focuses on source documents and reconciling the inputs into the system and output from the system without testing the actual processing.

Further, new techniques & technologies like Data Analytics and cognitive technology are being used to tackle the new set of risks and challenges brought up by these ever-evolving technologies. It improves the audit quality by extracting and processing a large amount of data with more accuracy & speed and produces well-designed reports using dashboards, pivot tables etc.



Emerging Technologies

On this note, let's have a quick look at a few of the most crucial emerging technologies and explore how those are changing the way of auditing and enabling the audits.

Artificial Intelligence (AI)

AI refers to the ability of the system or machine to think and learn on its own, using data analytics and complex algorithms developed through learning patterns over time, updating & adjusting itself to the new inputs and performing tasks or making decisions that require human intelligence.

Today, AI has seeped into almost every business area and even our day-to-day life. Robotics, smart assistants like Alexa, intelligent devices, text auto-correction tools, search & recommendation

algorithms etc., are a few examples of AI.

Considering the growing use and complexity of AI, while auditing, it is essential to consider the risks related to AI, like any inherent vulnerability in the design, cybersecurity risk etc., mapping it into the Risk Control Matrix (RCM) and assessing the system against it. Also, the algorithms based on which AI is designed and implemented are to be studied. [IIA's Artificial Intelligence Auditing Framework can help internal auditors for this purpose.](#)

AI, as an enabler, can significantly assist an auditor by automating tasks like documentation, analysing the data, exception reporting and predicting future trends & risks based on historical data available.



Blockchain

Blockchain is the distributed, shared, and network-based database in which transactions are recorded, and assets are tracked on a real-time basis in time-stamped & encrypted blocks rendering it unalterable. These blocks together form a single chain of records allowing accessibility and transparency.

There are two types of blockchains:

- **Permissionless:** a fully distributed database without any restriction on membership or accessibility.
- **Permissioned:** a partially distributed database in which access & membership is restricted.

Bitcoin is the most popular example of using blockchain as an underlying technology.

Blockchain is transforming the way business transactions are processed. Thus, as an auditor, it is

critical to understand this technology, how it is being applied in the organisation, where the data is being stored & how it is being accessed and also the related risks & controls. Blockchain has opened a whole new area of auditing, which positively challenges auditors to apply their knowledge of IS Auditing.

Blockchain, as an enabler, can help auditors improve audit sampling, data collection and evaluation process by using a complete & chronological chain of transactions readily available in real-time and thus, facilitates smooth continuous auditing.

location, and payment is made based on subscription or usage. It also allows companies to scale the IT ecosystem as per their business's changing needs. The cloud consists of the front end, the interface that interacts with the user, and the backend, which is the actual cloud facilitating all the services. Public, private, hybrid & community clouds are the types of clouds. In contrast, Software as a Service (SaaS), Infrastructure as a Service (IaaS), Platform as a Service (PaaS) etc., are a few examples of cloud computing service models. Amazon Web Service (AWS), Microsoft Azure, Google Cloud Platform, IBM Cloud Services etc., are a few

popular cloud service providers.

While auditing a cloud technology, auditors must consider the service level agreements



Cloud Computing

Cloud computing uses computing resources as a service through the internet. It is based on the 'Anywhere Access' & 'Pay As You Go' approach, where services can be accessed anytime irrespective of the user's

(SLAs), outsourcing and third-party risk element involved in it, along with the risks related to cloud security, information privacy, access management, change management, legal and regulatory compliances etc. based on the type of cloud

and service model used by the organisation.

Cloud computing, as an enabler, provides many cloud-based audit software & suites that facilitate timely, accurate and efficient audit engagements.



Internet of Things (IoT)

IoT is a group of things, i.e., physical objects and computing devices embedded with sensors, processing ability, software, and other technologies like cloud computing, AI & machine learning connected through the internet. These devices can range from ordinary home appliances to complex industrial machines. Sensors/Devices, Connectivity, Data Processing & User Interface, are four major components of IoT. 'Smart home' consisting of smart devices like doorbells, lights, smoke detectors etc., is a very relatable

example of IoT in our everyday life.

IoT puts heavy reliance on the internet, making it critical for an auditor to consider the risks surrounding cybersecurity, data privacy, malware & ransomware etc. IoT shifts the business model & strategies of the organisation. Accordingly, the auditor must evaluate compliance with the required laws and regulations resulting from this shift.

IoT as an enabler helps audit and compliance in asset tracking by capturing vital information of the assets, including their location, using sensors and geolocation. By combining IoT with AI, data can be read and logged into the system on a real-time basis. This

also helps auditors in flagging the exceptions.

Conclusion

Emerging technologies are bringing new growth opportunities and risks to businesses. These technologies are also changing the way of auditing while supporting the auditors in coping with these changes.

We can say that today, it's the 'Audit of technology by the technology'. No doubt this duality is fascinating enough, but the truth is, technology can never replace a good auditor. With that being said, let's stay updated and skilful enough to ride the waves of these emerging technologies!





CIA Quiz



Dr. Paul Jayakar
Expert Faculty, CIA
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1. **How should the management obtain assurance that employees are complying with the organisation's security policy?**
 - A. Routinely surveying staff so that information related to security practices can be submitted anonymously.
 - B. Relying on exception reports to identify errors.
 - C. Enforcing a policy that requires all employees to sign a statement that they will adhere to the organisation's security policies.
 - D. Regularly conducting independent reviews of employees' security practices.
2. **During an audit engagement in an insurance company, an internal auditor discovered that the senior management had purposely misclassified \$200,000 in assets on financial statements submitted to regulatory authorities to avoid significant statutory penalties. To comply with the IIA Code of Ethics, what would be the most**

appropriate action for the auditor to take?

- A. Make a note of the situation in the work papers and inform the chief executive officer.
- B. Discuss the matter with the audit management and ensure that the audit committee is informed.
- C. Send an informative memo to the external auditors.
- D. Report the matter to regulatory authorities since the senior management is implicated.

3. An organisation's Chief Audit Executive (CAE) has been asked to conduct an assurance engagement for an information technology system subject to a consulting engagement in the prior year. How should the CAE respond?

- A. Decline the engagement because independence and objectivity would be impaired.
- B. Delay the assurance engagement to ensure a two-year period between the engagements.
- C. Accept the engagement and assign different auditors to conduct the assurance services.

- D. Facilitate a control self-assessment workshop instead of performing an assurance engagement.

4. To develop a more outstanding internal auditing expertise, the Chief Audit Executive (CAE) has been assigning the same relatively inexperienced team of internal auditors to a series of engagements spanning several months. Is this practice consistent with the Standards?

- A. Yes. The CAE is promoting the professional development of the staff.
- B. No. The team should collectively possess the competencies appropriate for the engagements.
- C. Yes. The experience will quickly build specialised skills and competencies.
- D. No. The team should be comprised of both experienced and inexperienced auditors.

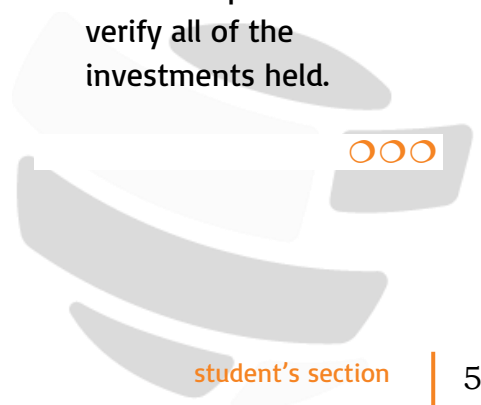
5. What would be the least significant consideration when performing a risk analysis?

- A. Financial exposure and potential loss.

- B. Skills available within the audit staff.
- C. Results of prior audits.
- D. Major operating changes.

6. The results of an internal control questionnaire revealed that the assistant treasurer must approve all investment activity exceeding \$10,000. A sample of these transactions with a five-per cent acceptable error rate found that 98 of the 100 items tested included the assistant treasurer's approval. Based on this data, the auditor should:

- A. Confirm all investment activity with the firm's broker since errors in approval had occurred.
- B. Perform an analytical review of investment transactions compared to prior years to identify significant fluctuations.
- C. Decide not to perform further testing of investment authorisations.
- D. Contact the corporate finance department to verify all of the investments held.





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India – Calcutta Chapter



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March 12, 2022	IIA Code of Ethics
March 19, 2022	Internal Audit Charter
March 26, 2022	IIA Standards
April 2, 2022	IIA Independence & Objectivity

Date	Topics
April 9, 2022	Organisational Independence
April 16, 2022	CAE Roles
April 23, 2022	Roles of CAE beyond Internal Audit
April 30, 2022	Individual Objectivity of Internal Auditor
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Let's Hear What Our CIAs Have To Say

“

I am thrilled that I passed the CIA challenge exam in January 2022. Having a globally recognised certification on Internal Audit is a privilege. It took me about 3-4 months to prepare for the exam. Managing time between work and preparation was my biggest challenge, as the name of the exam implies. Each day, reading the materials took me an hour or two, covering about 10 to 20 pages. On weekends, I spent more time reading. Two rounds of reading the material and practising the questions will help you gain clarity and pass the exam. The concepts must be clearly understood because questions may be based on hypothetical situations. All aspirants should practice IIA's practice questions to understand better what to expect in the final exam.

My gratitude goes out to IIA India for equipping me with the necessary guidance to register for the exam and prepare for it. With the arrangement made with Gleim, I was able to access their questions at a discounted price, which helped me with my preparation. All the best to every exam aspirant!



CA Nizabudheen

CA, CIA,
Specialist Officer (CA)
Internal Audit, Federal Bank



Niket Banka

CA, CIA, DISA
Manager, EXL



The CIA challenge is an excellent opportunity for global internal audit and risk management recognition.

As a working professional, I can attest that the IIA course material is aligned with current practices. A dedicated study time of 125 hours and practising as many questions as possible makes the best case for passing the exam.

I wish every aspiring student the best of luck!



"Success is not final; failure is not fatal: it is the courage to continue that counts." - Winston Churchill

It was not easy to study for an examination after seven years. But, as the quote states, all that is needed is courage. It's an excellent opportunity to take all three parts of the Certified Internal Auditor (CIA) Challenge exam in one sitting.

Although it is a significant challenge to prepare for the exam with a full-time job, consistency and willpower can overcome anything.

The two most important things for the CIA exam preparation are balancing time for multiple readings of IIA material and practising maximum questions, especially towards the end of the test, which helped me become more proficient in analysing questions.

The Implementation Guide also provided conceptual clarity, which enabled me to connect the dots.

Thank you, IIA Global and IIA India, for giving me this opportunity.



Deepika Phagna

CA, CS, CIA
Senior Manager, L&T
Financial Services



Percy Amalsadiwalla

CA, CFE, CIA, M.Com
Hon. President, IIA Bombay
Chapter



CIA is a certification I had desired ever since I started my career in internal audits in 2006 when I had to complete four parts for certification. I started preparing in 2012 and attempted one part of the exam, but I didn't pass.

Now, the CIA qualification requires only three parts.

After moving from Internal Audit to Forensics in 2013, I gave up the idea of doing CIA and instead completed CFE in 2016. As we moved into 2021, IIA Inc. launched an excellent drive for qualified accountants from 17 professional bodies to take the CIA Challenge exam and earn the coveted CIA credentials.

This means that the accountants won't need to take three exams but will instead appear for one exam that includes all three parts of the CIA exam and excludes a bit of the syllabus of part 3 relating to Accountancy.

CIA Challenge also offers the opportunity to earn the CIA designation in a shorter period (2-3 months instead of the standard 3-part CIA exams, which takes on an average one year to complete) and some savings in obtaining the CIA designation. Despite no longer practising internal audit, I thought this was a fantastic opportunity to pursue my dream of becoming a CIA. So, I applied right away.

However, the journey was not as easy as it seemed. I realised the importance of having a lot of self-drive, motivation, and self-study to pass this exam in one shot. Retakes are costly and not the best way to deal with a professional exam. Therefore, one must have the mindset to pass it on the first attempt.

For this American exam, one needs enough preparation and practice since Indian accountants are not accustomed to the style of questioning and the way multiple choice answers are presented. Even one word in a question or answer can make a big difference.

So, in essence, I would urge you to have a burning desire for the CIA designation, take on the Challenge (as it is called), and have a positive mindset that will allow you to pass the exam on the first attempt.

I achieved my dream of becoming a CIA after the CIA Challenge exam was implemented, even a little late. Thanks, IIA!





The Internal Audit profession requires us to think outside the box and apply theoretical knowledge in conjunction with critical thinking - that is what the CIA Challenge requires of us.

Taking the Challenge Exam is your one-stop tool for learning and applying Internal Audit skills while gaining instant recognition as a skilled auditor.

This exam has made the learning journey exciting and engaging for me, and the satisfaction of completing it is tremendous!



Harshit Agarwal

CIA, CFE, CPA Aus., CGMA
Internal Auditor & SOX
Compliance Analyst



Shashank Sharma

CA & CIA
Consultant, Risk Department,
Grant Thornton Bharat LLP



The CIA challenge course is in-depth, professional, learning-driven, and practical.

I'd encourage anyone interested in internal auditing to apply. In addition to adding value to your professional life, it provides excellent career opportunities. The reading content of the materials is very knowledgeable, with plenty of practical examples interspersed.

Overall, it's a very well-designed, valuable course.



Challenge accepted and completed successfully.

My desire to specialise in my area of interest through the CIA has been realised after being in the Internal Audit domain for more than five years.

IIA provides a comprehensive set of study materials and the CIA learning system to help students understand IPPF, GRC, data analytics, etc. By combining these study materials with my practical knowledge, I was able to pass the CIA Challenge exam on my first attempt. The CIA certificate will boost my career.

Kudos to IIA!



Dileep Sai Raj G

CA, CFE, CIA
Assistant Manager,
Deloitte India, Bengaluru





Empanelment of Learning Partner

IIA India glad to announce that Simandhar Education India is now Official Learning Partner of IIA India for CIA certification.

This will help enhance awareness of internal auditing and the IIA amongst the aspiring professionals in the younger generation and enhance the supply of CIAs for this much in demand profession.

Nikhel Kochhar, Chief Advisor - IIA India presenting certificate of recognition as Learning Partner to Sripal Jain, Co-Founder - Simandhar Education India.

So far, IIA India has 3 official learning partners i.e., VG Learning Destination, Delhi; EduDelphi Education, Kolkatta and Simandhar Education, Hyderabad.



IIA India Endorses and Supports the International Women's Day 2022 Campaign Theme: #BreakTheBias

Imagine a gender-equal world. A world free of stereotypes, bias, and discrimination. A diverse, inclusive, and equitable community that values differences as a source of strength. Together, we can achieve gender equality. Let's #BreakTheBias together.

This was the theme for a power-packed professional conference convened in a virtual setting on International Women's Day on the 8th of March 2022. The event was organised under the aegis of the Women's Forum of the Institute of Internal Auditors (India).

All discussions emphasised that we can break the bias in all aspects of life together.

In her opening remarks, Ms. Uma Prakash, the esteemed President of the IIA India Women's Forum, welcomed Mr. Adithya Bhat, IIA President, Mr. Nikhel Kochhar, CEO of IIA, top panellists, colleagues, and all participants to the event. She introduced Mr. Satish Shenoy, the conference moderator, aptly calling him 'guru of the internal audit fraternity.'

Mr. Nikhel Kochhar, CEO of the IIA, was greeted enthusiastically by Ms. Uma, who thanked him for joining the discussions. She said Mr. Kochhar was the driving force behind the IIA India Chapter, describing how as a Chartered Accountant with his consulting firm, he has made a powerful impact on the community and brought IIA to the forefront of the

international arena of internal auditors.

It was noted that the establishment of the Women's Forum by the then President of the Delhi Chapter, IIA, Mr. Sidheshwar Bhalla, was highly significant as the first step towards fostering a diverse and inclusive future for women in the internal audit profession.

After Delhi took the lead in establishing its Women's Forum in 2019, five more Chapters were formed, and each one of them is doing a lot to assist women in the internal audit profession. Interestingly enough, the Chairs of all six chapters attended the forum discussions commemorating the IWD celebrations.

Ms. Uma stated that all chapters were doing an excellent job, and their objectives were highly commendable. Their efforts in providing networking opportunities were particularly appreciated.

As part of International Women's Day celebrations, she informed the Calcutta Chapter issued a newsletter edition. The Delhi Chapter has done a terrific job in networking and corporate development, focusing on women who had left the profession and are now returning. Ms. Uma said that the Bombay Chapter had made strides in entrepreneurship and growth opportunities for women.

She said that Hyderabad and Bangalore Chapters host many mentorship programmes for women to upgrade their soft skills in light of the fast-changing

technological scenario. She informed that a lot of industry attention was drawn to the webinars being conducted by the Chennai Chapter.



IWD's theme of a diverse, inclusive, and equal future between women and men gave her immense happiness. The fight for equal opportunities, she said, was a relevant issue in today's society. Different perspectives from industry leaders, companies, and professionals were welcomed.

Mr. Kochhar was touched by the way Ms. Uma honoured him. The dynamic team of professionals from the internal audit profession that came together to show solidarity and support for breaking the bias was applauded by him. Taking note of how well the IIA Women's Forum had taken off, he expressed delight at how the group keeps internal audit professionals on track with progressive change.

The Women's Forum was praised for organising various activities and conferences. According to him, the brilliance and vibrance of the forum were heartening. As the Women's Forum evolves, he hoped it would be represented more in governance and go from strength to strength.

Mr. Kochhar extended a warm welcome to IIA India President Adithya Bhat. Speaking of Mr. Bhat, he said that in addition to his role as a CIA and CA, Mr. Bhat is a Managing Director in one of the advisory and consulting firm and heads its risk and governance functions. With more than 28 years of industry experience, Mr. Bhat is an expert in his field. As the Chief Risk Officer of a huge Indian conglomerate with a presence in multiple international territories, he



is a valuable asset to the community.

In his keynote address, Mr. Bhat discussed the significance and purpose of International Women's Day, which he had thoroughly researched. **'To uphold women's achievements, recognise their challenges, and focus greater attention on women's rights and gender equality.'**

He described the theme as robust and highly relevant to the present-day environment. It was integral to the UN Sustainable Development Goals, he noted. Today, corporates and individuals are committed to upholding this theme.

In his lucid oration, Mr. Bhat put forth a fascinating and informative talk on the concept of "Bias," explaining its various ramifications. He spoke about conscious and unconscious bias and laid out the different kinds of discrimination. This bias encompassed our linguistic leanings, dressing styles, public etiquette, religious, community, and regional prejudices.

These biases are created by ourselves over a period of time, Mr. Bhat reiterated. Like any other thorough consultant, he did a root cause analysis before

addressing the issue and arrived at some great insights that he graciously shared.

Understanding bias is necessary, he said. After a certain point, repeating a lie becomes a truth, even if it was based on falsehood, he said. He explained that any truth derived from lies or inaccurate facts leads to a strong feeling of bias toward one group of people, which is not based on fair judgment and is biased. Sometimes, this is triggered in our brain, leading to an unconscious bias.

a firm conviction. According to him, NOW plays a crucial role in this process.

Talking about India, he noted that more than half of the country's present-day population of 1.2 billion is under the median age of 28. This generation, he said, is referred to as "Gen Z" (youth) and "Gen E".

Gen Z or Generation Z includes those born between 1995 and 2010 and are primarily influencers, decision-makers, and technology-driven. These digital natives or Gen Z drive



To get rid of bias, Mr. Bhat said, we have to eradicate it from our minds rather than trying to justify any of its roots dating back almost 8,000 years. **It's too late to look back now, he said with**

behaviour, said Mr. Bhatt, and if we remove bias from their minds, we can resolve this issue much sooner than later.

In a very persuasive manner, he said we should eradicate gender bias from our minds and instil the virtues of gender equality in the fertile minds of our children right from kindergarten.



Talking about the three channels of justice, namely court trials, media trials, and public trials, the IIA President stressed the importance of public trials in today's society. Public trials provide every individual with an opportunity to speak up and are crucial for today's society.

He urged everyone to speak out against gender inequality and not remain silent. After that, watch how our society changes, he said. He cited how the **#MeToo campaign** had successfully highlighted the ill effects of gender bias.

From his extensive international corporate experience, Mr. Bhat shared that large corporations and organisations have created various forums to resolve

gender equality issues. There are, however, always two sides to every coin, and these issues frequently come across as a double-edged sword. He encouraged everyone not to misuse such forums and use them appropriately.

Mr. Bhat was delighted by the participation of an illustrious group of panellists who came together to share their experiences on the IWD theme. He reaffirmed the IIA's support of the "Break the Bias" agenda and noted that various initiatives taken up in the past three to four years, under the auspices of the IIA Women's Forum led by its Delhi Chapter, have driven change. He encouraged all IIA members to participate in the forum and contribute to the cause.

"We, as an organisation, would like to be a part of this journey in breaking the bias and welcome our women members on this path," he said, concluding his invigorating address.

Ms. Uma took the stage once again, introducing Ms. Sana Baqai, co-organiser of the mega event. It seemed like an appreciation-galore! Having found Ms. Sana a great co-organiser, she said it had been a privilege to work with her. She described Ms. Baqai as a dynamic

professional with more than 15 years of experience as a CA, a brilliant author, an entrepreneur with excellent leadership qualities and a versatile lady with a track record of successfully leading a team to execute future projects.

Ms. Baqai, she informed, is a CA, Company Secretary and a lawyer. She is the Chief Editor of the IIA Today magazine, Secretary of the Delhi Chapter, and Chair of the Women's Forum, Delhi. She is a partner at Vinod Krishna & Associates. "It has been an empowering experience to be working in tandem with this exuberant and diligent professional," Ms. Uma stated.



The applause and smiles across the board made it clear that the participants endorsed Ms. Uma's views. Ms. Sana explicitly expressed gratitude for the lovely introduction.

Coming to the fore, she introduced Ms. Uma Prakash as the 'driving force' behind



onboarding all IIA Women's Forum Chapters to participate in this year's IWD event. Besides being the Chair of IIA India Women's Forum, Ms. Prakash is also the Senior Vice President, IIA India.

Ms. Uma is slated to be the next President of IIA India, making her the first woman President of the organisation. With over 35 years of experience, she has contributed significantly to both Chapter and national-level activities for more than a decade. On a personal level, she is involved with several NGOs and social platforms to promote community welfare. Ms. Sana aptly described her as a dynamic and versatile forensic and governance professional at the helm of her own company.

Ms. Prakash was touched when IIA President Mr. Bhat congratulated her for her immense contribution at the IWD event with applause

and a certificate of appreciation.

Ms. Sana Baqai, who heads the Delhi Chapter of IIA Women's Forum, introduced the other five Chapter heads, welcoming them to the event. The Chapter Heads are as follows: Mumbai, Ms. Nehal Shah; Bangalore, Ms. Lalitha Satheesh; Madaras, Ms. C. V. Jayashree; Hyderabad, Ms. Madhuri Krishnaswamy and Calcutta, Ms. Ratna Rachna Mohanty.

Soon after, senior panellists Ms. Nandita Parikh from Mumbai, Ms. Aditi from Bengaluru, Ms. Reema Mukherjee from Kolkata, Dr. T. Vasudha from Hyderabad and Ms. Deepa Sheshadari from Chennai were introduced by their respective Chapter Heads and given a hearty welcome.

Mr. Satish Shenoy, the eminent event moderator, was profiled in detail by the distinguished speaker, Ms. Neha Singhal. Mr. Shenoy, whom Ms. Uma earlier described as the 'guru' of internal audit, has more than 40 years of experience in IA risk management and ethics in large organisations.

Mr. Shenoy is a mentor of the fraternity and extends his mentoring to aspirants in the economically disadvantaged sections. His



blog, which has over 6,000 members, is quite inspiring to those in internal audit. As part of his vision to give back to society, he participates in various social projects. There is great anticipation among IA members for two books he is authoring.

Opening the event for the panellists, Mr. Shenoy expressed his pleasure and honour to be amid high achievers. He thanked Ms. Uma for selecting him to moderate an event with a plethora of eminent IA professionals and industry leaders. Awestruck by the diversity of activities taken up by the Women's Forum, he praised the IWD event for celebrating the contribution of women to the industry.

All the distinguished panellists shared a treasure trove of insights, bringing their expertise and hands-on experience to the table. **A robust list of takeaways!**

I couldn't possibly tell you about all of this in just a few paragraphs, so do watch the videos to hear each speaker. Learn about what each one has to say, and be truly inspired! That's the least one can say about this event and its eminent panellists. Please log on to <https://youtu.be/S2r8fihHmPQ>

Interestingly, this forum discussion was very professional compared to the general chaos seen on national media.

In conclusion, Mr. Shenoy asked each panellist the following question: **What is one key change in work cultures that could eliminate gender bias.**

The panellists had pertinent responses. These included how paternity leave, at least half of maternity leave, could play a significant role; how it is OK to listen; how to replace women-only programmes with a subject-specific programme in the likes of a caregiver or a parent programme to make them more inclusive; and how to bring in women in the top management so that they can make decisions and not have others make decisions on their behalf.



Mr. Shenoy then narrated an intriguing story in his own unique style.

One night the President of a country and his wife went to dine at a casual restaurant. The restaurant owner sought the permission of his security to have a private conversation with the First Lady. The approval was granted, and he spoke with the First Lady privately. An inquisitive President asked his wife what the matter was. She told him that the restaurant owner had said to her that he was madly in love with her as a teenager, and that's what he wanted her to know.

The President told his wife that she would have been but a restaurant owner if she had married the restaurant owner. To this, the First Lady turned around and answered. If she had married the restaurant owner, he would have been the country's President.

Sometimes, it is the woman who makes a man who he is.

That was Mr. Shenoy's closing remarks at this multi-faceted event.

Ms. Uma closed the meeting with an announcement that if all goes well, a physical meeting of the IIA Women's

Forum will take place end-May or early June 2022 in Chennai.

This event has many brilliant takeaways you don't want to miss.

Access the full event from here:

<https://youtu.be/S2r8fihHmP>
Q

Written by: Ms. Chitra Singh,
Consultant Editor, IIA India

(Inadvertent errors, if any, in deciphering the virtual event may be kindly ignored.)





Launch of Women's Club by IIA Bangalore Chapter – Women's Forum on International Women's Day

The success of every woman should be the inspiration to another: We should raise each other up.

To support other women in the profession, IIA Bangalore Chapter launched its Women Club with the kick of event on 5th February 2022.

There was an overwhelming response from the participants. The kick of event was uniquely structured to share success stories.

Following the success of the kick off, a first physical meet on the occasion of International Women's Day was held on 5th March 2022.

Large number of women auditors in different experience range actively

participated and contributed to the success of the event.

Our Vision behind the launch of Women's club is:

1. To create networking platform for women auditors in all experience range
2. Provide mentorship
3. Knowledge sharing , upskilling and collective learning
4. Help women auditors overcome challenges , breaking the glass ceiling

The Women's Club strive to support women to achieve their full potential; to encourage, enable and facilitate their active involvement in business, employment, learning and community life. We seek to achieve this by harnessing the economic power of

women and communities, promoting social inclusion, and changing perceptions.

Networking groups can be an efficient way to meet valuable contacts and gain ideas. But for some, female-only networking groups go the extra mile in providing a space for gender issues and equality to be discussed without judgement., said Lalitha Sateesh, Chairperson IIA Bangalore Chapter Women's Forum.

She said, we believe in full and inclusive participation by all and that every person, man, women or community has the right and responsibility to contribute their talents, skills and resources to the work we do, for and with them





The Institute of
Internal Auditors
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HALL OF *Fame*

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July 2021 To Dec. 2021

01



**Bots, Bots and Bots...
The New Buzzword!**
(Dec. 2021)

Richa Bajaj

02



**Climate Change
And Environmental
Sustainability**
(Dec. 2021)

Aditya Kumar S.

03



**Internal audit, Quality
Assurance in Internal
Audit -Does organisation
need both? (Nov. 2021)**

Lalitha Satheesh

Panelist:

Mohit Gupta
President, IIA Lucknow
Audit Club

Mukesh Gupta
Board Member, IIA
Delhi Chapter

Yukti Arora
Dy. Chair, IIA Delhi
Chapter Women's Forum



Astrologically- Environmental, Social & Governance (ESG)

It's incredible how the roots of modern corporate culture reach back to our ancient civilizations. The phrase 'old is gold' holds even in the context of knowledge that our Vedas bestowed towards environmental, social, and governance (ESG).

In today's setting, an organisation's operations may be sustainable, responsible, or ethical based on environmental, social, and governance (ESG) indicators. Investors are proactive in incorporating these non-financial factors into investment analysis and decision-making to promote a responsible business culture.

The Indian stock market regulator, SEBI, recently mandated **Business Responsibility and Sustainability Reporting (BRSR)** for the top 1000 listed entities (by market capitalisation) to be provided voluntarily in FY 2021–22 and mandatory from FY 2022–23.

Many organisations voluntarily prepare for BRSR/ESG reporting, which will benefit their brand reputation, organisational value, and social acceptance of their business model.

Globally recognised and accepted guidelines on risk management from the Committee of Sponsoring



Sidheshwar Bhalla

Qualified 'Jyotish Acharya,'
Bhartiya Vidya Bhavan, Delhi.
sidheshwar@astrosid.com



In India, the concept of Corporate Governance has ancient origins.

Organisations of the Treadway Commission (COSO) integrate ESG-related risks into Enterprise Risk Management (ERM) processes in an organisation. Board meetings are invariably focused on the ESG plan and a path to **net-zero carbon emissions**. It should be since ESG isn't just about ethics and morality but also about resilience.

As we consider ESG from an astrological perspective, let's take a dip into divinity through the Vedas.

Environmental

The Vedic Jyotish system acts as a saviour of the environment. In the genesis of the whole world, there are five elements of the

'panchatatwa', viz Earth, Water, Fire, Air, and Space.

According to Vedic Jyotish, natives can gain relief from ailments and problems (physical, social, and economic) by planting a tree according to their birth Nakshatra (constellation). When they water such a 'nakshatra-friendly' tree or plant and worship it, they accomplish wishes and get rid of obstacles.

Plants or trees like Aswatha, Peepal, Banyan, Neem, Tulsi and Turmeric are considered auspicious in Vedas, as they are environment-friendly. (They act as a carbon sink by removing carbon from CO2 and storing it as cellulose in the trunk while replenishing the atmosphere with oxygen.)

Astrologically, the planets, the rashi, and the nakshatras indicate various plants and trees. Their propitiation is considered beneficial to the native. Atharvaveda states, '**Mata Bhumi Putroham Prithivyah**', meaning that **Earth is my mother, I am her son.**

Social

Societies with inequalities suffer from many different types of imbalances. The Vedas clearly state the various kinds of equality. Veda means knowledge. Knowledge is the light that dispels the darkness of

ignorance in the human mind. **The Constitution of India** enshrines fundamental Vedic norms such as **equality by birth and gender equality.**

As per Section 149 of the Companies Act 2013, every listed company must appoint at least one woman director within a stipulated period.



According to Manu, the first lawgiver to the world, '**Narinam Yantra Pujyante Tatra Tishante Debata**' means in a household '**Shree, the Goddess Lakshmi, and Stria are alike**'.

Since ancient times, female deities have been propitiated, and we also learn this from astrology.

Interestingly, the nine planets in astrology signify different incarnations of Maa Durga and are worshipped accordingly.

Goddess Shailaputri represents the **Sun**, Goddess Brahmacharini represents **Saturn**, Goddess Chandraghanta represents the **Moon**, Goddess Kushmanda represents **Jupiter**, Goddess Skandamata



represents **Mars**, Goddess Katyayani represents **Venus**, Goddess Kalratri represents **Rahu**, Goddess Maha Gauri represents **Mercury** and Goddess Siddhidatri represents **Ketu**.

law requires that all businesses affected establish a CSR committee to oversee the spending. Before this law's passage, CSR laws applied only to public sector companies.

which focus on good governance.

In all Upanishads, Vedas, and epic Kavyas, such as Mahabharata, Ramayana, and the Bhagavad Gita, ethics are followed from within, whether it be an individual, king or whole kingdom. Moreover, all religious teachings and philosophical writings include directives on governance.

Corporate Governance refers to values, ethical conduct, transparency and distinguishes between personal and corporate funds regarding company management. Ethical business practices and good corporate governance are no longer optional. They are slowly becoming part of the law.

Since ancient times, ethical values have been enshrined in '**Dharma**'. Vedas and Shastras (such as Bhagavad Gita) highlight several ethical values and core concepts.

These central concepts of **Dharma**, which are embodied in our Shastras, are briefly outlined here:

- **Dharma (Righteousness):** The path of righteousness that upholds the family, organisation, and the social fabric.
- **Loka Sangraha (Public Good):** Pursuing a public



The Companies Act 2013, an Act of the Indian Parliament on the country's company law, has introduced mandatory Corporate Social Responsibility (CSR) contributions for large companies as part of its commitment to society.

According to the Act, all firms with a net worth above INR 500 crore or more, a turnover of INR 1,000 crore or more, or a net profit of INR 5 crore or more during the immediately preceding financial year, are mandated to spend 2 per cent of their average net profits of the immediately preceding three years on CSR activities. The

Governance

Governance derives from the Latin verb '**gubernare**', which means **to steer**, and the ancient Greek word '**kubernaein**,' which means **to govern**.

In India, the concept of Corporate Governance has ancient origins. There are many similarities in the governance structures of ancient kingdoms and modern corporations, which is evident from our ancient texts such as the Vedas, Manu-smriti, Somadeva Neeti Stuti, Baharspatya Neeti Stuti, Arthashastra etc.,



good instead of just private gain.

- **Kausalam (Efficacy):** Maximising the effectiveness and efficiency of resources. Judicious use of resources and preservation of resources for posterity.
- **Vividhta (Innovation):** Businesses must be the engine for innovation, constantly seeking more effective solutions to meet their economic and social needs.
- **Jigyasa (Learning):** Change and continuity will co-exist. Organisations must keep learning to survive.

No human act is free of desire; the actions of a

human being are driven by 'endless' desires known as Kama. 'Artha' is the natural desire for enjoyment and wealth, called 'material pleasure'. It is vital for the existence of an orderly society that desires (Kama) for material happiness and pleasure (Artha) obey the laws of Dharma.

According to Kautilya's Arthashastra, a leader (King) has four primary duties, which can be viewed as four pillars of Corporate Governance:

1. **Raksha (Responsibility):** Literally, it means protection. Similar to Risk Management, it protects the interests of stakeholders.
2. **Vridhhi (Accountability):** Literally, it means

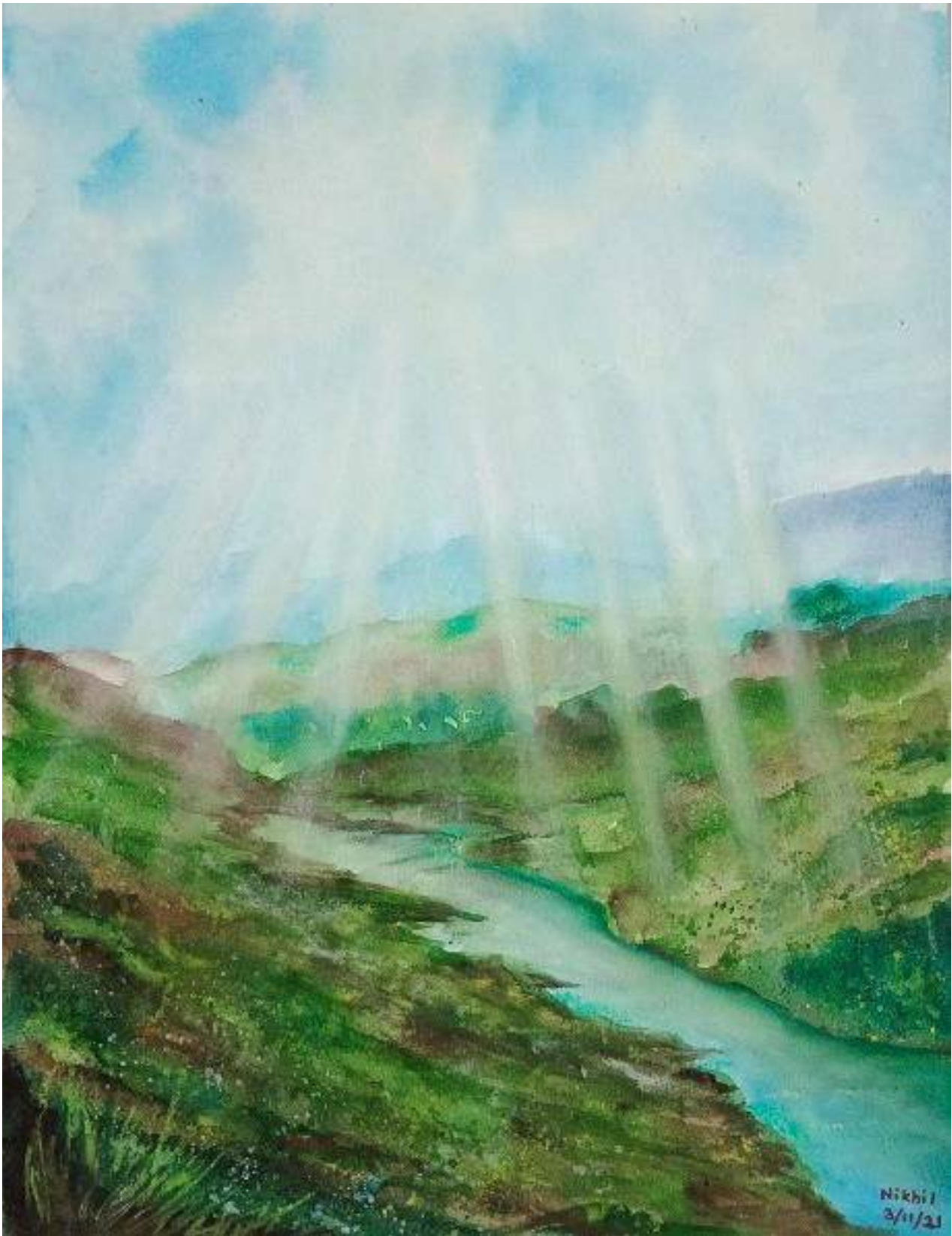
growth. In a nutshell, it means enhancing the value of stakeholders.

3. **Palana (Transparency):** Literally, it means compliance. Compliance with the law of the land, disclosure of all material matters in a timely and accurate manner.
4. **Yogakshema (Fairness):** Literally, it means well-being. It is comparable to corporate social responsibility or business ethics.

Undoubtedly, the Vedic seers and people were well aware that the environment needed to be protected, an ecological balance had to be maintained, and social equality promoted.



Captivating Painting – Nikhil Kenjale



Captivating hand painted dreamlike landscape contributed by Nikhil Kenjale, IIA Bombay Chapter Board of Governor.

Red Rose – Madhavi Bhalerao



Beautifully crafted red rose artwork contributed by Madhavi Bhalerao, IIA Pune Audit Club.





“Future Ready - Innovate, Innovation, Innov-auditor” IIA India National Conference 2022 – Key Take Aways

The IIA India Annual National Conference 2022, held in collaboration with the IIA Bombay Chapter, took place in virtual mode on March 2nd and 3rd.

Among the conference highlights were two days of special sessions by thought-leaders and experts on the contemporary topic of innovation and the related risks and opportunities.

Dr. Debashish Mitra, President of the ICAI and Past President of IIA India, inaugurated the conference.



Past Presidents of IIA India, Mr. K Vidyadharan, Mr. Nagesh Pinge, Mr. Subramaniam Bhaskar, Mr. R Ramarao, and Mr. Thiagarajan Kumar also extended the welcome to Dr. Debashish Mitra.

Mr. Adithya Bhat, President IIA India, and Mr. Burzin Dubash, Secretary IIA India, delivered the felicitations and opening remarks. Mr. Adithya Bhat gave the keynote address entitled **"Innovate, Innovation, Innov-auditor"**.



Mr. Richard Rekhy moderated the panel. The distinguished panellists included Dr. Haseeb Drabu, Mr. Hersh Haladker and Ms. Prachi Shivgaonkar.

We want to share the key takeaways from the speakers during this valuable conference.

KEY TAKEAWAY

“Innovation starts with a simple audit – What can we do to solve a problem? Today, I call upon all of you to conduct an internal audit for the earth: Let us put our minds together, and drive innovations to solve Climate Change.”

PRACHI SHIVGAONKAR
Climate Entrepreneur
Founder of Cool the Globe

KEY TAKEAWAY

“Innovation to a corporate is like oxygen is to Life.”

RICHARD REKHY
Board Member – IIPMG Dubai
Former CEO – KPMG in India

KEY TAKEAWAY

“Iterate - fail - innovate”

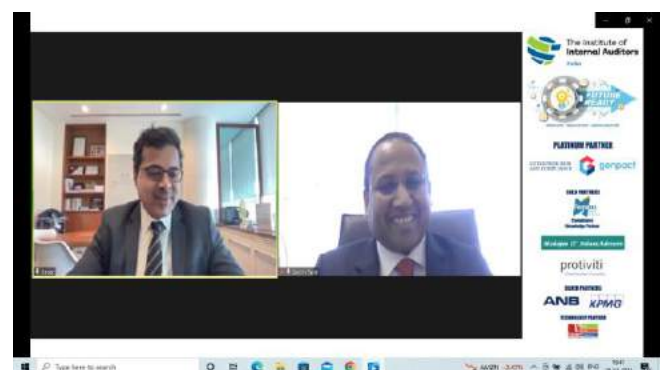
HERSH HALADKER
Innovator, Founder & CIO
Innovation Lab & Ind@Motion

"Focus on Innovation and Emerging Risks - Pharma Industry" was the theme of the next session. Speakers for this session were Mr. Kedar Upadhyay and Mr. Sachin Tayal.

KEY TAKEAWAY

"The fraternity of auditors must collectively institutionalise the process of auditing innovation capability of companies. Also, ensure that the new age governance structure provides for oversight mechanism to foster innovations."

DR HASEEB DRABU
Economist, Former Finance Minister - Jammu & Kashmir,
Former Chairman & CEO - JSK Bank Ltd



The subsequent discussion was on **"Un(IA)com: A CAE faces off against an Independent Director"**. Mr. Nagesh Pinge and Mr. Niraj Kumar spoke extensively about various aspects of Board Room practices in a mesmerizing manner.

KEY TAKEAWAY

“Internal Auditor as ‘Eyes & Ears’ is passé... It’s time to give multi-dimensional view of Internal Controls & Assurance on 24*7*365 basis through ‘Metaverse’ platform.”

NAGESH PINGE
Independent Director
Multiple Boards

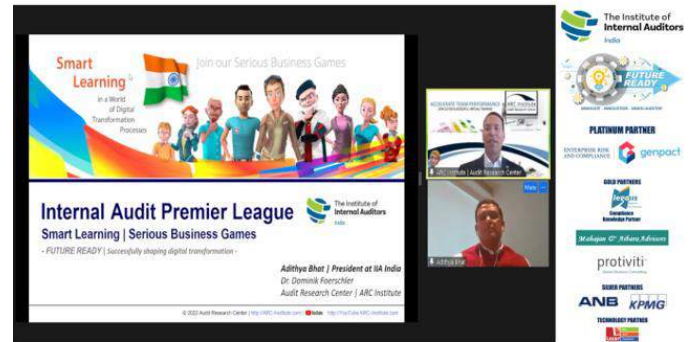
KEY TAKEAWAY

“Internal auditors are one of the key stakeholders in making of the world class sustainable organization by bringing immense value to the overall ecosystem with their unique insights, assurance to the board. Now Auditors are adding significant value with their proactive advice, visions and collaborative approach with business.”

NIRAJ KUMAR
Group Internal Audit Head,
CVO Hotels and Homes

As the next milestone for IIA India, Mr. Adithya Bhat and Dr. Dominik Foerschler launched the much-awaited **'Internal Audit Premier League (IAPL)'** during the conference.

The purpose of IAPL is to gamify training.



In his presentation, Dr. Dominik shared valuable insights on how gamification is becoming more and more popular in Europe and the United States.

The next stimulating session, **"Focus on Innovation and Emerging Risks - ITES"**, was presented by Mr. Sujit Sircar and Mr. Nikhel Kochhar.

KEY TAKEAWAY

“Customers contracts are becoming complex. Outcome driven contracts are becoming popular and the associated risks are going up. Knowledge of the business and thereby risk matrix is going to have special focus”

SUJIT SIRCAR
Chief Financial Officer – India and
Head Global Shared Services, Capgemini

KEY TAKEAWAY

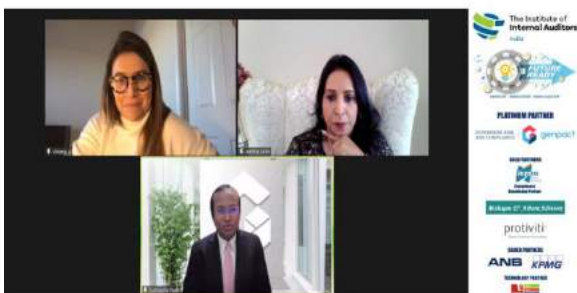
“Technology is now ingrained in every evolving key business segment including business/risk models, data, cybersecurity and people. Internal Auditors must embrace technology in order to add value to the entities they serve.”

NIKHEL KOCHHAR
Chief Auditor,
I&A India

A panel discussion on **"Internal Audit Reimagined: The Race to Relevance"** followed. Mr. Subhashis Nath moderated the session, presented by Mr. Anthony Pugliese and Mr. Alan Jonson.



Ms. Viviana Alvarez Sanchez, Ms. Jenitha John, and Mr. Subhashis Nath presented interesting information on **"Unlocking long term value through ESG risk management and reporting"** during the conference.



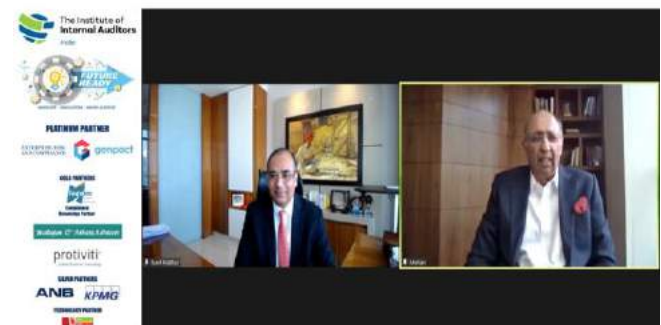
The first day of the conference concluded with a Chapter Awards ceremony, which we will cover in our next issue. Ms. Uma Prakash, Senior Vice President, IIA India, delivered the **Vote of Thanks**.

Mr. Percy Amalsadiwala, President, IIA Bombay Chapter, welcomed Mr. Murtuza Onali Kachwala, Chairman WIRC of ICAI, on Day 2.

Deliberations of the day included:

"Focus on innovation and emerging risks – Consumer Products" by Mr. Pawan Agarwal and Mr. Percy Amalsadiwala.

"Creating a culture of innovation" by Mr. Sunil Mathur, which Mr. Mohan Mahajan moderated.





The Institute of Internal Auditors India
NATIONAL CONFERENCE 2022
HOSTED BY BOMBAY CHAPTER
March 2-3, 2022

KEY TAKEAWAY



“It’s all about having a Growth Mindset to create a culture of Innovation.

Internal Audit can choose to be ahead of the curve, or be left behind. The choice is yours!”

SUNIL MATHUR
Managing Director and Chief Executive Officer,
Siemens Limited

For the subsequent discussion on "ESG Performance, Reporting and Assurance", the Panellists were Mr. Santhosh Jayaram, Mr. Upendra Parkhi, and Mr. Haresh Dua. Mr. Deep Jaggi moderated the session.



The Institute of Internal Auditors India
NATIONAL CONFERENCE 2022
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March 2-3, 2022

KEY TAKEAWAY



“ESG is linked to access to capital now, it defines new business models and shareholder activism on the subject is also increasing. These dimensions is pushing the regulators to come out with new set of requirements around ESG. Every organization should comprehend this new reality and factor it as part of their risk management.”

SANTHOSH JAYARAM
Global Head - Sustainability
HCL Technologies



The Institute of Internal Auditors India
NATIONAL CONFERENCE 2022
HOSTED BY BOMBAY CHAPTER
March 2-3, 2022

KEY TAKEAWAY



“ESG Practices is a journey for an organization which is strategic for future growth. Internal Auditors can play signification role for validating the effectiveness of ESG related controls & practices and facilitate Top Management for holistic view.”

UPENDRA PARKHI
EIO Solutions,
Logix Pvt Ltd



The Institute of Internal Auditors India
NATIONAL CONFERENCE 2022
HOSTED BY BOMBAY CHAPTER
March 2-3, 2022

KEY TAKEAWAY



“Risk Managers and Internal Auditors need to get involved in ESG journey of organization, right from identification to mitigation of risks. They can play dual role of providing advisory and assurance services with respect to standards, metrics, KRAs, policies, procedures etc.”

HARESH DUA
Executive Vice President (Internal Audit and Risk Management)
JSW Steel Ltd



The Institute of Internal Auditors India
NATIONAL CONFERENCE 2022
HOSTED BY BOMBAY CHAPTER
March 2-3, 2022

KEY TAKEAWAY



“Managing ESG risk is not optional today and Internal Auditors are expected to play an important role in this journey. Auditors not only need to provide assurance on accuracy, consistency and completeness of data and the framework, but also integrate ESG risk & metrics assessment as part of every audit. At the same time there is a need to build the expertise to make meaningful contribution.”

DEEP JAGGI
Partner
IPMG in India

Mr. Vivek Karve and Ms. Nehal Shah had fire side chat on "Innovation and Emerging Risks - Financial Services".



KEY TAKEAWAY



“Anticipating the likely changes having an impact on Internal Audit & upskilling yourself with analytical tools is rather must now & no more good to have”

VIVEK KARVE
Group CFO
Mahindra Finance



NATIONAL CONFERENCE 2022
HOSTED BY BOMBAY CHAPTER
March 2-3, 2022

Panellist in "Analysis and Automation: The twin levers of transforming the assurance function" included Mr. Vidhya Darshan Batra, Mr. Sathvik Nishanth, and Mr. Mohit Prabhakar.




KEY TAKEAWAY



“Auditors should be trilingual, which is about combining digital and data know-how, with domain expertise.”

VIDHYA DARSHAN BATRA
Partner, Enterprise Risk & Compliance (ERC),
Genpact



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KEY TAKEAWAY



“Assurance functions of the future will have to include skills such as data scientists, data engineers and automation specialists”

SATHVIK NISHANTH
Partner, Enterprise Risk & Compliance (ERC),
Genpact



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KEY TAKEAWAY



“IA should transform their operating model and make advanced analytics and automation as their foundation”

MOHIT PRABHAKAR
Partner, Enterprise Risk & Compliance (ERC),
Genpact



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Mr. Suhas Tuljapulkar presented "Innovations in Adoption of Technology to Aid Compliance."

Mr. Apoorva Yatindra discussed "Internal Audit as a Catalyst for Process Automation - A Practical Case Study."

The IIA Bombay Chapter Excellence Awards were presented following these thought-provoking discussions. The details will be published in the next issue of this magazine.

After participants received prizes, Ms. Nehal Shah gave a **vote of thanks**.

The event was sponsored by Platinum Partner – **Genpact**, Gold Partners – **Mahajan Aibara Advisors** and **Protiviti**, Compliance Knowledge Partner – **Legasis**, Silver Partners – **ANB Consulting** and **KPMG** and Technology Partner – **Etrends**.



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'Internal Audit in the Tech era – Digital, Disruptive & Innovative' – IIA Hyderabad Chapter Annual Conference 2022

A knowledge-enriching and enthusiastic gathering of experts and eminent speakers from both consulting and industry took place on March 12, 2022, to mark the annual conference of the IIA Hyderabad Chapter and the Vizag Audit Club.

The topic of '**Internal Audit in the Technological Era - Digital, Disruptive, and Innovative**' is relevant today since internal auditors look for new ways to demonstrate value with the advancement of technology.

A virtual audience of over 100 participants, both members and non-members, actively participated in the sessions.

Madhuri Krishnaswamy, the Chapter's secretary and Women's Circle Chairperson, anchored the conference. Sunil Rao Addanki, Chapter President, Adithya Bhat, IIA India President, and Nikhel Kochhar, IIA India's Chief Advisor, provided the keynote address.

Apart from inspiring insights, they also announced the upcoming **Internal Audit Premier League**, which exuded excitement in the audience.

In the first session on **Cyberthreats and Mitigation Strategies**, Vaibhav Koul, Managing Director at Protiviti, presented live case studies and enhanced

participants' knowledge of cybersecurity.

A working session on **Software robots, or BoTs** - the current 'hot' topic in the internal audit was then moderated by George Kalliath (IIA Hyderabad Chapter BOG member) and led by Anubhav Srivastava (Director-EY Consulting).

Most internal auditors struggle to find effective ways to use **Robotic Process Automation (RPA)** to make audit processes more efficient. Using a use case, the participants created their BoT during the session and were prepared to 'Get, Set, and Innovate' in their respective careers.



R to L – Aditya Guha Roy, Prashant Sethia, Sunil Rao Addanki, Madhuri Krishnaswamy and George Kalliath

Chadha (Partner, KPMG, India) and moderated by Aditya Guha Roy (IIA Hyderabad Chapter BOG member).

The conference ended with a **vote of thanks** from Tinku Pedia (Vice-President, IIA Hyderabad Chapter). The Conference was sponsored by Protiviti India (Platinum Sponsor), EY (Gold Sponsor), KPMG India, Brandix Apparel India Limited and LNCO Advisors LLP (Silver Sponsors).

A panel discussion on **Digitization Initiatives in Internal Audits** was conducted by renowned speakers Dayaniwas Sharma

(LnCo Advisors LLP), Anand Jena (Managing Director, Protiviti India), Suchira S (Director, Strategy & Investment) and Bharat



Detailed Program Schedule of the Conference

<p>4:00 - 4:15 PM KEY NOTE ADDRESS</p>	 MR. SUNIL RAO President, IIA Hyderabad	 MR. ADITHYA BHAT President, IIA India	 MR. NIKHEL KOCHAR Chief Advisor, IIA India	 MS. MADHURI KRISHNASWAMY Secretary & Chair - Women's Forum, IIA Hyderabad
<p>4:15 - 5:30 PM INDIVIDUAL SESSION - CYBER THREATS AND MITIGATION STRATEGIES</p>	 MR. VAIBHAV KOUL Managing Director, Protiviti India, Cyber Security	<p>5:30 - 6:45 PM BUILD YOUR OWN BOT - WORKING SESSION</p>	 MR. ANUBHAV SRIVATSAVA Director, EY Consulting	
<p>6:45 - 7:50 PM PANEL DISCUSSION - DIGITIZATION INITIATIVES IN INTERNAL AUDITS</p>	 MR. DAYANIWAS SHARMA Principal Advisor, LnCo Advisors LLP	 MR. ANAND JENA Managing Director, Protiviti India, Digital Transformation	 MR. SUCHIRA SURENDRANATH Director, Strategy and Investment, Brandix India Apparel City	 MR. BHARAT CHADHA Partner, Advisory, KPMG in India
<p>7:50 - 8:00 PM VOTE OF THANKS</p>	 MR. TINKU PEDIA Vice President, IIA Hyderabad	<p>OUR PARTNERS</p> 		



Dream to Vision to Reality – IIA India along with IIA Bombay Chapter Acquired New Office in Mumbai

Couple of decades ago, a bunch of like-minded professionals with a dream came together in an informal setting to promote education and help expand knowledge and skill in the field of internal auditing. This initiative was set up as an Association of Person. It was later formalised as a Registered Society and thereafter converted as a Registered Trust – known as The Institute of Internal Auditors, India (IIA – India). IIA India was promoted by six founding chapters in Bangalore (now Bengaluru), Bombay (now Mumbai), Calcutta (now Kolkata), Delhi, Hyderabad and Madras (now Chennai).

Over a period, the group kept expanding across India

with like-minded professionals. Soon the group realised to achieve their dream, they needed to have a vision supported by a strong strategy. Seeds of strategic vision were sowed; the progress was slow but steady and gained steam year on year. One of the key components of the vision was to acquire office space for IIA in India.

March 23, 2022, is a historic day for all IA fraternity – IIA Bombay Chapter, jointly with The Institute of Internal Auditors, India, has acquired a property in Mumbai, which will serve as the nodal office of IIA in India. With this achievement, the dreams of founding members and all past and current IIA members have become a reality and paved a path for

unprecedented growth in the coming years.

Burzin Dubash, Secretary IIA India, and Percy Amalsadiwala, President IIA Bombay Chapter, executed the property agreement.

This was a dream come true for many Board members and with this office we plan to conduct many trainings for upskilling the Internal Audit community, said *Percy Amalsadiwala, President IIA Bombay Chapter*.

Look forward to meeting all members at **503, Sagar Tech Plaza, Saki Naka, Andheri East, Mumbai**, the new home of The Institute of Internal Auditors, India.





Joining The IIA is an investment in your career and the profession.

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Answer to CIA Quiz :

Q1 - D | Q2 - B | Q3 - C | Q4 - B | Q5 - B | Q6 - D