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From the Desk of the CHIEF EDITOR

Rupanjana De

Chief Editor

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Dear Members and Readers,

In order to help an organisation sail through rough waters smoothly and successfully, internal auditors have to be on the watch all the time. When there is an iceberg ahead, the duty of an internal auditor is to shout out loudly and warn those in the ship about it. This metaphor shows how important the role of an internal auditor is.

Internal Audit, as a function within the organisation, is not new. But it has evolved drastically over the years. In its former avatar, internal audit was rather restricted to auditing the financial records of the organisation to identify possible frauds. However, with the advent of technology and largescale digitisation, the scope of internal audit

and the role of internal auditors have undergone a change. Today, under the larger umbrella of Internal Audit comes many things including risk management, data verification, resource conservation, data analysis, as well as compliance and governance of the organisation.

Another new age development is automation, which again, has changed the scope and role of internal audit to a large extent. Automation speeds up processes within an organisation, enhances accuracy, lowers costs, increases organisational responsiveness and helps workers to focus on value-generating activities instead of mundane routine tasks.

Digitisation, technology and automation bring with them many new risks for an

organisation. Needless to say, therefore, that internal auditors are now required to keep pace with these changing scenarios and gear up for a facelift.

However, in the history of internal audit, there has probably never been a time so challenging yet so full of possibilities for growth of the profession. Internal auditors who can successfully keep up with the pace of changes and 'unlearn and relearn' to up their competencies can become important catalysts to growth and major contributors to the organisations. In this fast-changing age only those professionals will survive who embrace the change and reinvent the way of doing their work. Impliedly, the first thing we, as internal auditors, need to do is to change our traditional approach to audit.



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Technology has helped drastically accelerate the rate of growth of organisations that have embraced them, those that haven't are struggling to keep pace and are gradually fading away. Internal auditors are required to play their role as a consultant and risk manager more efficiently in order to help these organisations to sail through. In this regard an important role of an internal auditor would be to identify and assess new risks in advance so as to help the management to make better and timely decisions.

Audits, by their very nature, are a kind of post-mortem exercise. It tells how a manager was performing in a historical moment in an obsolete environment. There is less scope for creativity and even fewer for improvement. Thankfully, the scope of internal audit is now changing, Internal auditors of future should gear up for lesser audits of existing processes and more of upcoming ones and analysis of business risks. From the traditional tick-box approach,

an internal auditor with foresight must move to creative analysis and be the effective risk manager. In other words, they must look beyond the books and develop insight.

In addition to all that has already been said above, internal auditors must also raise their voice, to avoid chances of the management ignoring them when they ring the warning bells. New technology often excites the business community and they end up taking hasty decisions; unfortunately not often are the associated risks measured or controls checked. The result may be spamming, loss of security or data, business, virus, or a total system crash. As risk managers, internal auditors must ensure that their suggestions are heard to avoid such a situation.

"The only constant in life is change", said Heraclitus, an ancient Greek philosopher from around 500 BC. This statement holds true even today. To add to it is the resistance to change; it is

always there in human nature too. We the human beings like routine life. So said, while embracing change is difficult, it is indispensable for evolution and survival. This holds true for us too.

This May 2023 issue of Internal Audit Today brings to you a plethora of insightful articles from some of the great minds in this field of internal audit. Each of these articles has touched upon a different side of the profession while focusing on the upcoming areas and challenges in it. I sincerely hope that readers find them interesting. Please do send us your valuable feedback. Also, we look for good articles for our future editions. So do keep them coming.

My best regards

Rupanjana De
Chief Editor



PROGRESS THROUGH SHARING



President Communiqué

Uma Prakash

President, IIA India

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Dear esteemed members and readers,

With utmost delight and pride, I extend my warmest greetings to all of you as the President of the Institute of Internal Auditors (IIA)-India. As we peruse the thought-provoking articles and captivating features of our esteemed professional magazine, we joyously commemorate the remarkable accomplishments of our global internal audit community.

May is the month of awareness for IIA India and for internal auditors across the world. We exuberantly celebrate this month with passion and pride. It is a month that radiates vibrant awareness and celebrates the remarkable achievements of our global internal audit community. In this spirited month, auditors from all corners of the globe

share their expertise, knowledge and experiences.

It is a time when the collective wisdom of the profession shines brightly, igniting a fire within auditors to excel, adapt, and grow in the face of dynamic challenges. The month stands as a testament to the resilience and dedication of internal auditors, reinforcing their vital role in enhancing governance, safeguarding stakeholders and shaping the future of organisations with unwavering integrity.

I am pleased to share with you that IIA India has consistently garnered recognition for its exceptional aptitude and proficiency in organising riveting webinars and other enlightening knowledge-sharing initiatives alongside

impactful advocacy presentations for our esteemed members and aspiring members of our fraternity.

This year as well, we have diligently organised numerous educational and knowledge-sharing programmes across all six chapters, conscientiously fostering enlightenment among the student community, for they are the torchbearers who will shape the future.

In the ever-evolving and intricate landscape of today's business environment, the role of internal auditors has never been more paramount. We serve as trusted and revered advisors, endowing organisations with independent and objective assurance, augmenting governance processes and safeguarding the interests of our stakeholders.



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This professional magazine serves as a radiant lighthouse of knowledge, expertise, and innovation, magnificently reflecting the collective wisdom of our esteemed members. Within its illustrious pages, you will discover a treasure-trove of thought-provoking articles and profound analyses of emerging trends and exemplary practices in our field.

As internal auditors, we continuously strive for excellence, wholeheartedly embracing the ever-evolving challenges and promising opportunities that come our way. We navigate the intricacies of risk management, technological advancements and regulatory landscapes, ensuring that the organisations we serve remain resilient and agile.

The IIA is steadfastly dedicated to supporting its members throughout their

professional journey. Through this illustrious magazine, we furnish a platform for sharing experiences, exchanging ideas and fostering a harmonious collaboration. Through these invaluable connections, we inspire one another to reach unparalleled heights of accomplishment and drive unceasing improvement.

I wholeheartedly invite you to immerse yourself in the vast abundance of knowledge and insights woven within these pages. Engage with the multifaceted perspectives of our esteemed members, harness the mighty power of shared learning, and find inspiration in the tales of auditors who are making a profound impact in their organisations.

Together, let us embrace the boundless opportunities that lie ahead, upholding the highest standards of integrity,

professionalism, and ethical conduct. By staying at the forefront of our profession, we can continue to effectuate a significant and meaningful difference in the organisations we serve and to the wider business community.

I express my deepest gratitude for your unwavering commitment to excellence. Your unstinted dedication and unparalleled passion propel our profession forward, making internal audit an indispensable function within every organisation.

Wishing you insightful reading and continued success.

Uma Prakash

Uma Prakash
President



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Message from the Chairperson

Arijit Roy
Chairperson,
Publications Committee, IIA India
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Dear esteemed IIA Members and Professional Colleagues,

I am thrilled and honoured to address you on the occasion of the momentous release of the May 2023 issue of "The Internal Audit Today."

The months of March, April and May unfolded an extraordinary tapestry of knowledge and inspiration as we were privileged to witness an array of remarkable and insightful conferences organised by The Institute of Internal Auditors across different chapters. The resounding response from participants, who flocked in significant numbers, is a testament to the unwavering commitment and relentless efforts of our esteemed institute members, Internal Audit and Risk professionals, who have

worked tirelessly to ensure these conferences' exemplary accomplishments and seamlessness.

I must acknowledge the exceptional National Conference convened in Chennai on the 3rd and 4th of March. In an era defined by the rapid pace of the digital realm, the conference's theme, "Digital Resilience: Re-inventing Internal Audit," proved to be a strikingly relevant choice. In this age of disruptions, an organisation's capacity to withstand and recover depends on developing a strong digital resilience strategy. The Internal Audit profession is playing a critical role in supporting organisations in achieving its objectives.

March bestowed another moment of prestige as The Institute of Internal

Auditors, India (IIA India), Delhi Branch, in collaboration with The Asian Confederation of The Institutes of Internal Auditors (ACIIA), hosted the prestigious ACIIA - IIA India International Summit in New Delhi on the 17th and 18th of the month. This grand gathering, focusing on the theme "Internal Audit 2025: Trends & Innovation," owed its resounding success in no small part to the instrumental involvement of the IIA India Women's Forum. It attracted distinguished diplomats, corporate luminaries, thought leaders, and industry experts, highlighting its global significance.

On the 24th of March, the IIA India - Calcutta Chapter organised the 30th Annual Conference in Kolkata, shedding light on the theme "Internal Audit

- Gateway to Survival & Sustainability". Esteemed dignitaries from different spheres of professions across India and Bangladesh converged to address the conference, capturing the attention and active participation of industry stalwarts and experts in auditing and accounting.

On April 15, 2023, the eagerly awaited Annual Conference was successfully hosted by the Hyderabad Chapter of the Institute of Internal Auditors and the Vizag Audit Club on the theme "Go Green - the climate is changing why aren't we?" An impressive range of topics were covered on ESG, Digital Internal Audit and Data Analytics, Cyber Security and so on. A special focus was given to "Wellness," highlighting the deep importance of physical, mental, and emotional well-being in the auditing profession.

The month of May is observed as the "International Internal Audit Awareness Month" by The Institute of Internal Auditors. This is a memorable month for the Internal Audit profession, when The IIA and Internal Audit professionals

across the globe utilize this opportunity to showcase and increase awareness, educate others, and highlight the value that Internal Auditors bring to organisations. The IIA India along with the chapters and members were super active in holding different professional activities during the month thereby living up to the reputation attained over the earlier years. Our institute has consistently demonstrated its unwavering commitment to facilitating conferences and seminars that keep Internal Auditors abreast of the latest developments in our ever-evolving profession. By focusing on critical areas such as Cyber Security, IT Auditing, ESG, Digital Internal Auditing, and Data Analytics, we strive to equip our members with the knowledge and skills to navigate the challenges of a rapidly transforming landscape.

Aligned with this commitment, the current issue of "Internal Auditors Today" presents a captivating array of articles that delve deep into the subjects that matter and takeaways from these conferences, shedding light on the complexities



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and nuances of our field.



I extend my heartfelt gratitude to all members of the Publication Committee and the Editorial Team for their unwavering dedication and diligence in bringing this publication to fruition.

Before concluding, I would like to express my sincere appreciation for your unwavering support and patronage. Your active participation, engagement, and invaluable feedback, suggestions, comments, and contributions to articles are the life force of our community. We encourage you to contact us at publications@iiaindia.co with any thoughts or ideas. Together, let us continue to forge ahead on the path of excellence and shape the future of the Internal Audit profession.

With warm regards,

Arijit Roy
Chairperson



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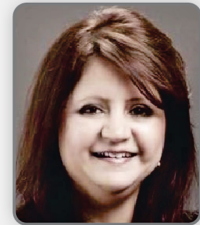
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METaverse

Role of Internal Auditors in the Metaverse World



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Technology has changed our lives dramatically. A few years ago, what people saw in sci-fi films about a futuristic world has now become a reality. Every bit of our lives is now dependent on technology; be it watching a movie at a convenient time over OTT, ordering food through a mobile application, digitally signing documents, paying for services through mobile wallets (and bitcoins which are increasingly becoming acceptable in other parts of the world) and doing literally everything sitting at home besides working from home.

In recent years, Covid-19 has accelerated the adoption of digital technology. Now that we have tasted technology and adopted it as part of our lives, we have no option but to keep abreast of the changes every now and then.

As per Wikipedia, the word 'metaverse' originated in 1992

in the science fiction novel *Snow Crash*. Using technologies like Virtual Reality (VR), Augmented Reality (AR), Artificial Intelligence (AI), social media and a host of other technologies, one creates a virtual world of one's own. The internet is something that people 'browse' and get connected to. But to a degree, people can 'live' in the Metaverse. The internet is a network of billions of computers, servers and other electronic devices used to communicate with each other, view and interact with websites and buy and sell goods and services, amongst other things. The Metaverse is built on the entire internet technology.¹

Metaverse²

Metaverse is a virtual world. It is a digital avatar of yourself and everything you see and experience. You can go shopping, attend meetings, play and enjoy dinner, but then all digitally. 'Meta' means beyond,



and 'metaverse' means beyond the universe we know of. Just like the internet, nobody owns Metaverse, and it is an open platform that encourages everyone - individuals and corporations to have their digital avatar.

What Does Business Look Like in Metaverse?

Interaction and Collaboration:

In the Metaverse, using 3D technology, engagement with employees, clients etc., is bound to change. We would be experiencing something beyond our regular video calls, which did not have a personal touch. Whether for regular meetings with customers, review with team members, training, and possibly even the Board and other meetings can happen in a virtual environment. The immersive experience attracts people to adapt to the new technology and take it to the next level of experience and utility.

Training: Metaverse would provide students of medicine, engineering, information technology, architecture etc., to have a better experience of what they are learning and will help them to be progressive professionals in the real world. Companies like Boeing are using technology for better flight simulation. Other industrial metaverse utilities include defence systems and training, which helps build better maps and navigation applications, and gaming solutions like boxing.³ This allows people to be better trained and experience real-life situations, which would improve their skill sets.

Technology has changed our lives dramatically. A few years ago, what people saw in sci-fi films about a futuristic world has now become a reality. Every bit of our lives is now dependent on technology; be it watching a movie at a convenient time over OTT, ordering food through a mobile application, digitally signing documents, paying for services through mobile wallets and doing literally everything sitting at home....



Further, where the training programme or training is required on a real machine, there are risks to life and the machine, which can be mitigated using the simulators to some extent.

Cost Optimisation: When the business outcomes can be seen virtually, the marketing function would get a fillip to work more efficiently. Using Metaverse helps to run marketing campaigns in a focussed manner. The technologies behind the Metaverse

would enable the company to develop a virtual representation of its physical supply chain. For example, the Jet fuel supply chain was hit due to the Covid-19 disruption. Digital twin was used to simulate the impact of changes in jet fuel demand on supply chain inventory, logistics etc. and identify the moves it should make to increase profitability while reducing risk and cost.⁴

Scalability: As the Metaverse ecosystem grows, there will be innovative business



models in a digital format.

There are possibilities for cost reduction and improving efficiency in the business. BMW's real-time digital twin can simulate at scale, production and scheduling based on instructions and robotics programming in the factory. This enables BMW to improve product quality and reduce manufacturing costs and unplanned downtime while boosting output and ensuring worker safety. Achieving this requires massive amounts of meaningful data related to manufacturing operations, AI and ML for accurate modelling.

Better Internal Controls: Banks⁵, for example, use Metaverse to enhance customer service and support, along with preventing and detecting fraud. They are expected to verify the identity of customers before allowing them to access their accounts and monitor any unusual activity.

The virtual world or Metaverse has brought along certain new challenges which also need to be addressed, some of which are given as follows, especially from the perspective of an internal auditor:

a. Business and Technology Readiness

Is the business ready for the next leap in technology, is the moot question. Secondly, whether the customers are prepared for the new experience is an important criterion to be considered in the business readiness stage. It also depends on infrastructure availability, including user devices, etc., essential for Metaverse and upcoming business ventures. The IA plays a critical role in reviewing the business and technology readiness of the company in jumping to the Metaverse world and cautioning the management on its relative challenges. From a technology perspective, other imperatives need to be considered, including the devel-

opment of interoperability or cross-virtual world interaction, seamless exchange of digital assets and their acceptability and data analytics that may be required to review the result of moving to the Metaverse.

b. Regulatory aspects

Most platforms use cryptocurrencies, non-fungible tokens (NFTs) and other digital assets, which are expected to be the currency in the virtual world. The regulation around these digital assets is still evolving, and there could be an absence of regulations in specific geographies on this aspect. This could lead to legal challenges if there is any incident of cyber fraud etc. Of course, on the other hand, there are immense opportunities for information security professionals to have their expertise for designing and developing defence programmes against possible fraud risks.

c. Possible Accounting and Taxation Matters

Accounting Matters: The emerging accounting issues include the classification of Cryptocurrencies as cash, financial asset, inventory or intangible asset. Though the general understanding of the available literature is to classify it as an intangible asset as the most appropriate classification, it still lacks authoritative guidance. Accounting of various types of crypto tokens viz., asset-backed where the holder has a right to an underlying asset, utility token giving the holder a right to future goods or services, security token giving the right to cash based on the future results of an entity, custodian services for cryptographic assets, accounting of Initial Coin Offerings (another form of fundraising in the digital world), challenges in fair valuation of digital

assets, determining when the specific performance obligations are fulfilled in emerging contracts to use digital services/virtual goods.

The above are just some of the aspects the accountants and standard setters are pondering over to give guidance.

Taxation Matters: We are still unclear on some accounting and tax-related implications, considering that the virtual world has no geographical barriers. For example, will the sale and purchase of land or property in a virtual world using a cryptocurrency have the same implications as in the physical world? What would be the challenges in determining jurisdiction to levy and collect tax? The EU VAT, for example, legislation defines digital services ('electronically supplied services') as services delivered over the internet or an electronic network, the nature of which renders their supply essentially automated, involving minimum human intervention and impossible in the absence of information technology. Online events requiring real-time human involvement will unlikely meet this definition, giving scope for divergent opinions on tax levying. Tax treatment of events held in the virtual world is being highly debated.⁶

d. Privacy Concerns

User identification and safeguards would gain more importance in the Metaverse world. Typical challenges would be manipulating one's identity for interaction or transactions, which could attract anti-money laundering provisions or similar laws. One has also to consider online harassment and other cyber security risks which may harm one's identity.

e. Need for Intellectual Property (IP) Audit

A review of the existing IP rights is criti-



Metaverse and other related concepts are evolving over a period of time. The profession of Internal Audit would have to ensure and rise to the occasion bringing in new risk management techniques, controlling activities and specialisation, and helping businesses adopt the technology to be competitive and relevant. Besides Governance, Risk and Compliance, Technology will be the fourth force equally. The IA could now have to be familiar with the physical and virtual world to serve their respective clientele.

cal to determine whether legal risks are unnoticed in the virtual world. Patents, Trademarks, Copyrights, Design rights and other types of Intellectual Property rights may have to be revisited if used in the virtual world. For example, McDonald's has filed trademarks for virtual restaurants offering home delivery, and Walmart applied for trademarks for financial services for use by members on an on-line community via a global computer network⁷.

f. New Age Frauds

Fraudsters have already started finding ways to make you poorer in the Metaverse world. This could be in many ways, including through identity theft, phishing attack, Art Fraud⁸, and digital assets fraud, including virtual real estate fraud⁹, which has worried businesses, individuals and the respective authorities. It is time to have specific laws, regulations, and crime prevention against Metaverse-related frauds. This is where internal auditors'

crucial role is to prevent fraud and help the management who wants to use the Metaverse for business. At the same time, the internal auditor's knowledge and skill sets would also have to be tuned to meet the new age challenges. **It is time to learn the basics again...**

Conclusion

Metaverse and other related concepts are evolving over a period of time. The profession of Internal Audit would have to ensure and rise to the occasion bringing in new risk management techniques, controlling activities and specialisation, and helping businesses adopt the technology to be competitive and relevant. Besides Governance, Risk and Compliance, Technology will be the fourth force equally. The IA could now have to be familiar with the physical and virtual world to serve their respective clientele.

Ushering the era of virtual auditors!

**Views expressed by the author in this article are personal and are not representing any view of the organisation.*

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A conversation with

The Editorial team of Internal Audit Today was recently in conversation with the President of the Institute of Cost Accountants of India, CMA. Vijender Sharma. During the conversation he provided some interesting insights on the increasing scope of Internal Audit and emphasized on the fact that members of his Institute are largely getting involved in such audit. Here are some excerpts from the interview:

How do you see internal audit as an effective tool for corporate governance and the role of CMAs in it?

There is no doubt about the fact that internal audit function plays an important role in supporting the board and management of the organisation to ensure effective implementation of governance mechanism. Owing to the application of tech tools, business activities and operations are undergoing turbulent change, resulting in increase in risk. Internal Auditors are now not confined to voucher/transaction audit, but are expected to anticipate, assess, assure and advice the different levels of management, in order to help them be on the path for progress, value addition and wealth creation.

The Indian companies are at a stage where they are increasingly adopting risk management framework. To support this framework, the role, scope and focus of internal audit has moved from mere financial audit to risk-based internal audit, operational audit, management audit, IS audit, social audit, and cost audit. In the current scenario, the independent directors are expecting that the negative impacts of risk are reduced to bare minimum level. This can be achieved only when the CMAs take up the practice of Internal auditing and function as 'value auditors'. It is time for internal audit to move beyond being capable of handling old risks and align with the strategic objectives of the organization, stepping into the role of trusted adviser. Risk based internal auditing helps to provide the assurance to the board that risk management processes are managing the risks effectively.

Among all audits, it is the 'Internal Audit' that has become most valuable tool for the management as it assists the organization to accomplish its objectives; to evaluate and improve the adequacy and effectiveness of its operations, internal controls, governance processes, and the risk management and control systems. Besides, internal audit provides assurance to the Board and Audit Committee relating to reliability of financial management and reporting, efficiency of systems, processes and governance, and compliance with various laws and regulations. Such audit has emerged to provide real value addition to the management

to improve the organization's operations and to provide safeguard against potential fraud, waste, or abuse. To sum up, internal audit provides insight into an organization's culture, policies, and procedures, and aids the Board and management maintain its risk appetite.

The Institute is running an Advanced Certificate Course in Internal Audit and has also released a number of publications such as the Internal Auditing and Assurance Standards, Guidance Notes on Internal Audit of various Industries and Risk Based Internal Audit, to providing right guidance and support to the members of the Institute to effectively and efficiently discharge their duties as Internal Auditors and to further improve their professional approach towards providing unfettered services in the domain of internal audit.

Performance Audit, as a type of Internal Audit, can contribute in improving accountability and transparency. What key role do you think CMAs can play in Performance Audit?

The performance audit is an in-depth examination, analysis, review and/or assessment of a program, scheme, project or activity to find how far it has achieved its goal (outcome) and whether the process was performed or whether the projects etc. are operating economically, efficiently and effectively. It includes audit of the performance of commercial organizations to evaluate the efficiency and effectiveness of a plant or unit, department or function, projects/sub projects, technology, process, product, machine, material, customer, market, an employee or a position, and even other contemporary qualitative issues like contribution towards achieving ESG (Environment, Safety and Governance) goals. In this, actual achievements against the targets or the goals as per the strategic plans or key performance indicators, if any, can be compared. This is also known as operations audit, efficiency audit, or management audit. It includes evaluation/analysis of Input(s) vs. Output(s) and their comparison with Norms, Standards, or Best Practices in the Industry. A performance



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CMA Vijender Sharma, President, Institute of Cost Accountants of India

audit is conducted by the internal auditor, or a Cost and Management Accountant (CMA) appointed for that purpose.

In recent years, cost and management accounting has gained significant advancement and application in performance evaluation and analysis and managerial decision-making pathways as there are fundamental differences between financial accounting and cost and management accounting. While financial accounting provides only one-dimensional aggregated data (values) for the entity as a whole; in comparison, cost and management accounting provides detailed and disaggregated three-dimensional data viz. quantity, rate and amount (value) about individual products, activities, divisions, plants, operations etc. Therefore, costing methodologies applied in organizations measures the consumption of economic resources and supports enforcement of the accountability of business performance. Accordingly, CMAs focus on three key areas i.e. Strategic management, Performance management and Risk management.

Therefore, to support the performance audit processes, analysis, impact evaluation, and performance monitoring, various stakeholders should engage CMAs, adopt cost and management accounting techniques, and use right type of data analytics tools to track the entity's performance and find stressed areas, if any. This can lead to various important recommendations towards improvement in the various performance parameters of an organisation.

Social audit is gaining momentum in India. What is your take on this?

In today's competitive globalised world, the most commonly discussed terms as a part of viability and credibility of the organisations are sustain-

ability and social responsibility. Improving the performance and creating a clean image in the eyes of shareholders and various stakeholders are becoming more and more relevant goals among organisations. This has enhanced the need for a non-financial audit which takes into consideration the relationship of an organisation with the factors that may affect the reputation of the organisation. They are environment, health and safety standards, society and governance within and outside the organisation.

Social audit is an assessment of how well the company is achieving its goals or benchmarks for social responsibility. The main reason for the push for social audit is the huge disconnect between what the people need, what the government thinks and what is actually done. A social audit helps to narrow gaps between vision/goal and reality, between efficiency and effectiveness.

I believe CMAs can imbibe 'Value' in Social Audits. They have the instinctive mindset and acumen levered by competency built around theoretical knowledge and experience to fulfil the requirements of Social Auditors. They possess expertise in performance evaluation, cost-benefit analysis, variance analysis, Management reporting, Social audit, Social Cost – Benefit analysis and benchmarking. CMAs possess rich and varied experience in Cost Audits for several years which inter-alia involves analysing productivity of human, physical and financial resources of the enterprise and then ensuring that enterprise resources are channelized to deliver most optimum, productive and intended / desirable outcomes. CMAs have been playing a very proactive role in monitoring and evaluation of various social schemes launched and implemented by the Central and State Governments. These all expertise and experience makes CMAs the most preferred professional option for conducting Social Audit.

GDPR vs. Generative AI: How to Address the Privacy Risks of Synthetic Content



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The General Data Protection Regulation (GDPR) is widely regarded as the gold standard for privacy regulations in Europe and beyond. However, the emergence of artificial intelligence (AI), especially generative AI (GenAI), poses significant challenges to its implementation and compliance. GenAI is an AI system capable of generating text, images, or other media in response to prompts¹. E.g. creating new content from text inputs, auto-completing computer code, or analysing human sentiments. These systems can produce realistic and convincing outputs that mimic human conversations and expressions.

In this regard it is crucial to examine some pertinent questions. How can GenAI operate

within the boundaries of GDPR, which enshrines several core principles for data protection and privacy? Is the problem with the technology itself, the rapid pace of its development, its apparent disregard for some basic legal tenets, or the fact that privacy laws today are not aligned with modern technologies or are failing to keep pace with the advances in technologies?

Let us examine.

Generative AI applications offer new possibilities for creativity and innovation, but they also raise serious risks for various stakeholders. Some of the common issues include:

- **Copyright Infringement:** GenAI systems may generate outputs that infringe on the

intellectual property rights of others or that are not clearly attributable to any owner.

- **Inherent Bias:** GenAI algorithms may reflect or amplify the biases of their training data, resulting in unfair or discriminatory outcomes for certain groups or individuals.

- **Overestimation of AI Capabilities:** Users may rely on GenAI outputs without verifying their accuracy or validity, leading to errors or misinformation (also known as “AI Hallucinations”).

- **Synthetic Content:** GenAI systems

retention limitations should apply to all systems processing personal data, including generative AI. However, in its present form, most of the GenAI models seem to be compromising the aforesaid requirements.

Consent as a Cornerstone

The basic principle of GDPR and most other privacy laws around the world is that personal data should only be collected and processed with the explicit or implied consent of the data subject. This ensures that the person whose personal information/data is being handled has some

only the necessary amount of data should be collected and processed for a specific purpose, and then the data should be deleted or anonymised when it is no longer needed. However, the GenAI models operate very differently. The performance of these models depends largely on their continued access to vast amounts of data for training. Moreover, these GenAI models need the collected data to be available indefinitely so that they can use it repeatedly to refine their outputs. Both the above assumptions of the AI functioning are contrary to GDPR.

Conversational Nature of GenAI

GenAI is a powerful and promising technology that can create new content and insights from data. However, it also poses significant privacy risks that need to be addressed by both the developers and the users of these systems. In their present form, privacy laws such as the GDPR may not be sufficient or adequate to deal with the challenges posed by GenAI and may require revisions or adaptation to reflect the present and future realities of technology. A collaborative and proactive approach involving all stakeholders is essential to ensure that generative AI is used in a responsible and ethical manner

may create “deepfakes” and other forms of synthetic media that can manipulate public opinion or pose risks to public safety by impersonating or deceiving others.

Besides these critical issues, GenAI also poses complex privacy risks to individuals, organisations, and society. Recent reports of leaks of sensitive information and chat histories highlight the need for robust privacy and security measures in the development and deployment of GenAI technologies.

Globally accepted privacy principles such as consented data collection, data quality, data minimisation, purpose specification and limitation, security, transparency, accountability and

knowledge and/or control over how it is shared, processed, accessed etc. This also provides the data subject with a greater degree of transparency for the use of their personal data. However, GenAI systems are not designed to seek any consent from a data subject in case some personal data is being processed. The situation can be even worse if the personal data belongs to a minor, where the issue is further complicated by the lack of consent from the minor or his guardian(s).

Data Minimisation and Retention

GDPR also requires adherence to the principles of data minimisation and retention limitation. This means that

Another privacy concern arises from the astonishing conversational ability of some GenAI models. These models can produce human-like text and computer codes that can impress or fool users. These models are trained on massive amounts of data scraped from the web. It is hard to imagine such a conversation without any form of personal information being exchanged or shared during the process.

These concerns raise doubts about whether the current GenAI models can comply with the existing GDPR or other privacy laws worldwide. International regulators have already initiated actions to address this problem. Earlier this year, Italy’s Data Protection Authority banned Replika², another AI chatbot, from using



the personal data of Italian users, citing risks to minors and emotionally fragile people. It also temporarily banned ChatGPT³ and launched an investigation over the tool's suspected breach of privacy rules. The ban was lifted after OpenAI agreed to implement several changes, such as verifying users' ages, informing users about how ChatGPT processes their data, and providing an opt-out form for data sharing. However, the investigation is ongoing, and OpenAI is expected to comply with the rest of the regulator's demands⁴. Does the problem lie only with the technology, then? Blaming technology alone may not be fair or accurate. Perhaps we should

also question whether the law has been lagging or failing to anticipate future technological developments. Could the legal fraternity have done some crystal-gazing to pre-empt what could come our way? Could the new privacy laws being drafted around the world, including in India, still have a window to consider these issues and address them in a way that could serve us for at least the next half-decade?

Europe's GDPR was enacted in 2016, almost a decade ago when the current landscape of the web, technology and its implications for humans were quite unimaginable. Perhaps the only answer for addressing the current privacy

concerns caused by GenAI models lies in a continuous consultative process between technologists, legislators, businesses, and citizens. Legislation must be able to strike a fine balance between encouraging innovation and addressing privacy and other legal ramifications arising from it.

In conclusion, GenAI is a powerful and promising technology that can create new content and insights from data. However, it also poses significant privacy risks that need to be addressed by both the developers and the users of these systems. In their present form, privacy laws such as the GDPR may not be sufficient or adequate to deal with the challenges posed by GenAI and may require revisions or adaptation to reflect the present and future realities of technology. A collaborative and proactive approach involving all stakeholders is essential to ensure that generative AI is used in a responsible and ethical manner that respects the rights and interests of individuals, organisations, and society.

**Views expressed by the author in this article are personal and are not representing any view of the employing organisation.*

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The basic principle of GDPR and most other privacy laws around the world is that personal data should only be collected and processed with the explicit or implied consent of the data subject. This ensures that the person whose personal information/data is being handled has some knowledge and/or control over how it is shared, processed, accessed etc. This also provides the data subject with a greater degree of transparency for the use of their personal data. However, GenAI systems are not designed to seek any consent from a data subject in case some personal data is being processed.



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DIRECT TAX

TCS on Credit Card spending under Liberalised Remittance Scheme (LRS)

- The rate of TCS increased to 20% from 5% w.e.f. 1st July'23 (except for education and medical purposes) u/s 206C (1G)
- Spending in foreign currency through Credit Card covers under the LRS's annual limit of USD 250,000 per person w.e.f. 16th May'23
- Threshold limit: Rs 7 lakh for international Debit/ Credit Card usage (Clarification Press Release dated 19th May 2023)
- Foreign Remittance:

Financial Year	2022-23	2021-22	2020-21
USD (billion)	24.00	19.61	12.68

Tax Exemption of Leave Encashment

- The exemption limit of leave encashment increased to Rs 25 lakhs for non-government employees (present limit Rs 3 lakh) u/s 10 (10AA)(ii)
- The exemption limit is available for aggregate for payments of leave encashment received from more than one employer during the year
- The increased exemption of Rs 25 lakh is effective from 1st April, 23 (Notification No. 31/2023 Dated 24th May, 2023)

GOODS & SERVICES TAX

Mandatory e-Invoice for B2B supplies

- Threshold for mandatory generation of e-invoice further reduced to Rs 5 crore (CBIC Notification No. 10/2023—Central Tax dated May 10, 2023)
- Effective 1st August 2023, e-invoicing will be mandatory for businesses having annual aggregate turnover exceeding Rs 5 crore
- Schedule of threshold limit since implementation of e-invoice:

Threshold Limit	Effective Date
> Rs 500 crore	1 st October 2020
> Rs 100 crore	1 st January 2021
> Rs 50 crore	1 st April 2021
> Rs 20 crore	1 st April 2022
> Rs 10 crore	1 st October 2022
> Rs 5 crore	1 st August 2023

CUSTOMS DUTY

IGST under MOOWR Scheme (Manufacture and Other Operations in Warehouse Regulations)

- To promote manufacturing in the country, the Customs Act provides for importing without payment of customs duty the goods storing in warehouse designated under MOOWR scheme. The Duty is payable while clearing the goods from warehouse for home consumption
- New section 65A inserted in the Finance Bill, 2023 passed by the Lok Sabha on March 24, 2023 provides for payment of duties like IGST and Compensation Cess for goods imported under the scheme. The changes will be effective from the date of Notification
- Impact on Business:
Non availability of Input Tax Credit (ITC) of IGST paid on goods intended for Non-GST businesses and blocking of funds for GST businesses



E RUPEE - A CLOSER PERSPECTIVE



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E-Rupee is a new, revolutionary digital payment system launched by the Reserve Bank of India (RBI) in August 2021. It is a one-time digital payment voucher designed to promote secure, contactless and cashless transactions or payments for certain specific purposes. It is a step towards achieving the goal of a less-cash economy and ensuring financial inclusion at large. E-Rupee is a unique initiative to keep pace with the fast-growing digital payments mode that has simplified the lives of common people in every age group.

Features of the E-Rupee: The following are the main features:

1. Contactless Transactions:

The E-Rupee promotes contactless payments, meaning there is no physical interface between

the payer and the payee. The vouchers are generated digitally through a QR code, SMS, Mobile app or email, which the user can then share with the intended recipient. It eases the stress of handling multiple currencies, reduces the need to carry cash and scales down the risk of fraudulent activities.

2. Customisable: Another unique feature of the E-Rupee is that it is tailored to the requirement of the user. It can be customised as per the specification and for particular services or products that vendors want to offer. Whether for public welfare schemes or personal utilisation, the E-Rupee provides a secure and reliable platform for digital payments.

3. Secure and Fast Payment:

The E-Rupee is highly secure as it



does not involve exchanging sensitive information between the parties hence protecting the users' confidential data. In addition, the transaction process is fast and hassle-free. It eliminates the time-consuming process of manual paperwork and audits by governments.

4. Safe and Confidential Payment:

The E-Rupee guarantees confidential and safe transactions by eliminating intermediaries in the process. This method of payment provides better convenience and security to citizens, especially in rural areas, where the traditional banking system is challenging to reach. However, internet connectivity is a bare minimum for the E-Rupee to succeed in rural areas or any other alternate technology that might facilitate the E-Rupee's safe operation.

Benefits of E-Rupee: The following are the major benefits:

1. Fiscal and Economic Benefits:

E-Rupee is a significant step towards a cashless economy. The digital voucher helps limit the flow of black money and promotes transparency. It will also reduce the circulation of counterfeit currency that has been damaging the Indian economy for a long time.

2. Inclusion Benefits: E-Rupee was

designed with the sole purpose of promoting financial inclusion. It ensures that the subsidy amount is directly transferred into the beneficiaries' account, ensuring better financial security and stability.

3. Convenience and Accessibility

Benefits: E-Rupee will significantly affect the unorganised sectors like small hawkers and services, thus opening new avenues for small entrepreneurs and service providers. In addition, it will provide greater accessibility to the underprivileged who do not have a bank account, to government schemes and various services like healthcare, etc.

4. Environment-Friendly Benefits:

E-Rupee will also help save the environment by lowering the use of paper and decreasing the environmental impact of transportation expenses. Therefore, it is an eco-friendly payment method.

E-Rupee Usability

1. Public Welfare Schemes:

The E-Rupee can be used to distribute government subsidies and welfare schemes in a more transparent and efficient manner. The scheme will benefit those living in remote and inaccessible areas without much access to physical cash. As mentioned earlier in this article, internet connectivity is a bare minimum necessity for the E-Rupee to succeed in rural areas or any other alternate technology which might facilitate the safe operation of the E-Rupee.

2. Healthcare: E-Rupee can also be utilised to cover treatment costs for patients under government-sponsored health schemes. The payment method will ensure that the beneficiaries receive the amount directly



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and avoid any possible misuse.



3. Education: E-Rupee can be used to make payments related to education, including fee payment, scholarships, and even for purchasing essential items like books.

4. Travel and Tourism: E-Rupee payment can be suitable for paying for public transport, such as buses and trains, and other tourist destinations. This will help simplify the payment process without worrying about carrying cash or dealing with the complexities of foreign currencies.

5. Entertainment: E-Rupee payments can be used for tickets for shows and movies and even for paying for online games and other digital entertainment.

Challenges Associated with the

E-Rupee: The following are the major challenges:

1. Lack of Technical Skills: A considerable number of Indians are not well-versed with technology or digital payments, which might result in many people opting-out or not utilising their E-Rupee benefits.

2. Access Issues: E-Rupee payments are dependent on smartphone/internet access, which poses accessibility issues to rural areas with a lack of reliable connectivity.

3. Risk of Scams and Fraud: With technology associated with cyber-crime improving almost on a daily basis, there is always a vulnerability risk, especially data breaches, identity thefts, phishing attacks etc. Unless adequate safeguard measures are evolved constantly, there will be a credibility deficit around the safety and reliability of the E-Rupee.



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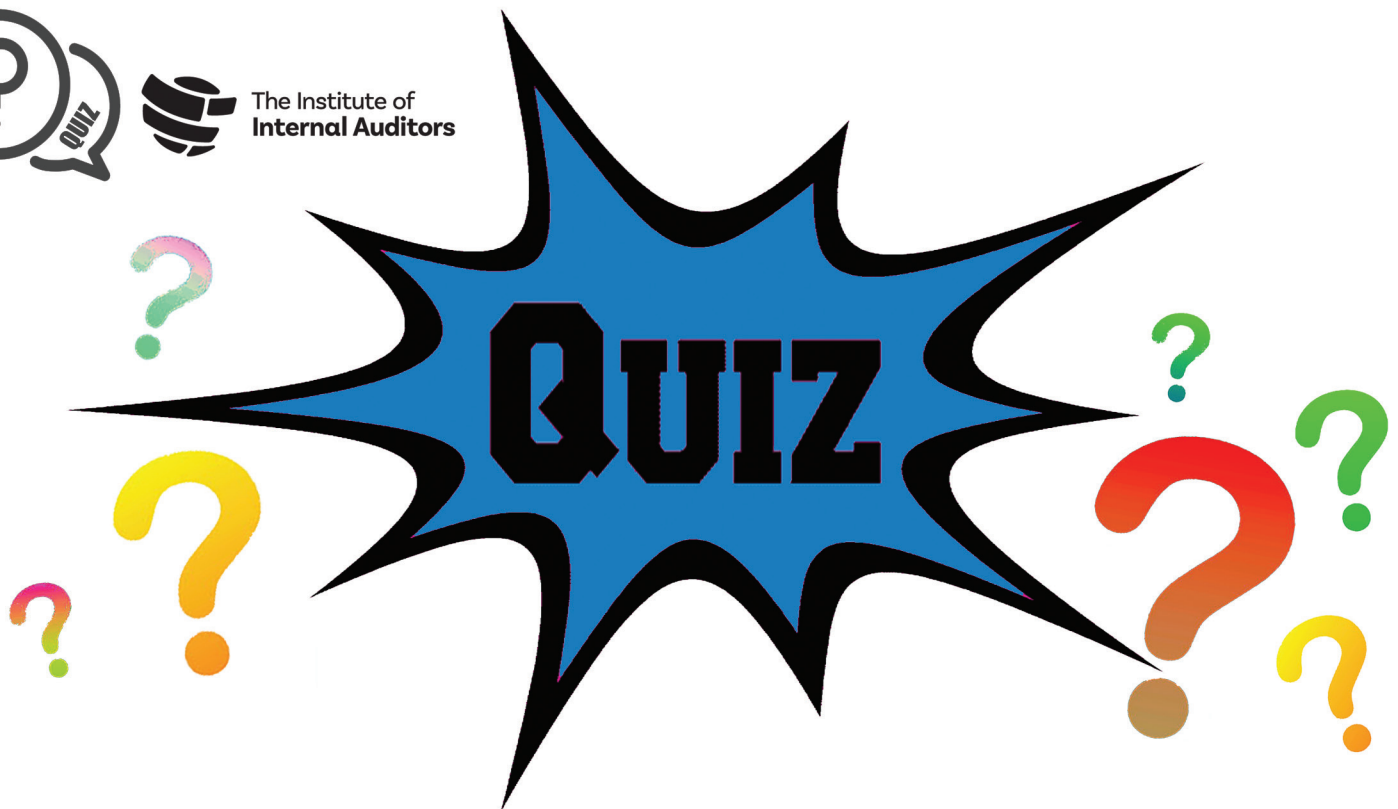
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1. After several years in the engineering department, an engineer was transferred to the internal audit department. One month later, the new auditor was assigned to an assurance engagement for the engineering department. When the auditor's former engineering supervisor suggested a change in the sample selection method, the auditor consulted with the audit supervisor. They determined that the recommended method would not be as representative and that the original selection method should be used. In this situation, the auditor:

- A.** Maintained an independent mental attitude and is, therefore, objective.
- B.** Has subordinated professional judgment, and objectivity is therefore impaired.
- C.** Does not have objectivity since the auditor recently transferred from the engineering department.
- D.** Does not have independent organisational status since the auditor recently transferred from the engineering department.

2. A charitable organisation provides substantial grants for important medical research. Assuming marginal controls are in place, which of the following possible frauds or misuses of organisation assets should be considered the area of greatest risk?

- A.** Senior executives are using company travel and entertainment funds for activities that might be



- considered questionable.
- B.** Purchases of office supplies are made from fictitious vendors.
 - C.** Grants are made to organisations associated with senior executives.
 - D.** A payroll clerk has added a fictitious employee.

3. If earnings on financial statements for internal use only have been manipulated in the past, an internal auditor is likely to focus on which of the following?

- A.** The proper accrual of payables at the end of the interim period.
- B.** The timing of revenue recognition and the valuation of inventories.
- C.** Whether accounting estimates are reasonable given past actual results.
- D.** Whether there have been changes in accounting principles that materially affect the financial statements.

4. Which of the following procedures would provide the best evidence of the effectiveness of a credit-granting function?

- A.** Observe the process.
- B.** Review the trend in receivables write-offs.
- C.** Ask the credit manager about the effectiveness of the function.

- D.** Check for evidence of credit approval on a sample of customer orders.

5. Which of the following best describes how the increased use of computerisation may impact an auditor's assessment of the risk of fraud?

- A.** Access to assets may be available to information systems personnel and computer users.
- B.** Computer controls are generally less effective than human review.
- C.** Overrides of key controls may require less collaboration.
- D.** Audit trails are less effective.

6. An internal auditor plans to use an analytical review to verify the correctness of various operating expenses in a division. The use of an analytical review as a verification technique would not be a preferred approach if.

- A.** The auditor notes strong indicators of a specific fraud involving this account.
- B.** The company has relatively stable operations, which have not changed much over the past year.
- C.** The auditor wants to identify large, unusual, or non-recurring transactions during the year.
- D.** The operating expenses vary in relation to other operating expenses but not in relation to revenue.



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Ten Talks on Astrology

(Part II)



Sidheshwar Bhalla

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Native can have multiple 'Time of Birth.'

- There are multiple points of time that can be considered as the 'time of birth' in the case of a native. These include: 1) Bhu Patana Lagna ~ when the body touches the earth, 2) Siro Darshana Lagna ~ when the head becomes visible, 3) Adhana Lagna ~ the moment of conception, 4) Cutting the umbilical cord and 5) The First Breath (Shawas). 'Lost Horoscopy is an art of pinpointing the time of birth'.

Events in a native's life depend on Kriyamana (present) Karma

- In spiritual practice, Karma is represented with a bow and arrow analogy. The events in a native's life depend on three

types of Karma: 1) Sanchita Karma which means the deeds of past lives which follow in the next life, 2) Prarabdha Karma which is part of Sanchita Karma and is experienced in the present life (incarnation). These get signified at the time of birth in the native's natal/birth chart and 3) Kriyamana/Agami Karma means the effect of our result of current decisions and actions.

Factors leading to fructification of events in a native's life/natives born on the same date, same time and same place will have the same events fructifying during their life

- The fructification of an event in a native's life depends on multiple factors, including 1) Karma (Prarabdh, Sanchita,



Aries



Taurus



Gemini



Cancer



Leo



Virgo



Libra



Scorpio



Sagittarius



Capricorn



Aquarius



Pisces

Agami), 2) Dasha of the ruling planet, 3) Transit (current position of planets), 4) Desh (country), Kaal (time/samay), Patra (family) with respect to the native and 5) Planetary Hereditary Theory.

Fructification of the same event in a native's life can be interpreted differently under various occult sciences

- There are various types of occult sciences including palmistry, face reading, moleosophy, astrology, tarot cards, tasseography (tea leaves) etc. The path to seek direction may be different but the end result is the same whichever occult science is followed.

There are similar trends of events among members of a family

- Astrologically, the 'Planetary Hereditary Theory' concept highlights that people tend to be born with certain astrological features in their birth charts similar to those of their parents. There is a common horoscopic connection between parents and children. For example, similar problems (medical, social etc.) may be contracted by family members. Here, we are

talking about natural births.

Pitru Dosha is a Curse

- Pitru Dosha is not a curse by ancestors. Pitru Dosha is a debt formed due to bad deeds by the ancestors or their progeny. It is the Karmic debt of the ancestors which is paid by the native afflicted with Pitru Dosha. Pitru Dosha implies that an individual has not accomplished enough for the forefathers or they are unhappy with them for whatever reasons.

Only Negative events fructify in a native's life during Sade Sati

- There is no mention of the word Sade Sati in classical books of astrology. Perhaps, the word has been derived from word of mouth based on some traditions. Saturn is termed as 'Nyaya Karka' (Saturn is referred to as Judge in Astrology), i.e. Saturn has the account of Karma performed by a native and provides an opportunity for the native to perform Karma that will enable overcome the past bad deeds, sins committed in the present life. If a native is truthful, honest, and sincere, Saturn will



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give the best results and can elevate an ordinary man to the level of King and vice versa. Saturn can delay but does not deny results.

Only Negative events fructify in case the native's natal/birth chart has Kaal Sarp Yoga

- No ancient standard astrological text has mentioned Kaal Sarpa Yoga. Unlike in the past, today's time one can reach great heights with Rahu and Ketu's influence in their horoscopes.

Count of Guna during Kundali Matching is Sufficient

- While the count of Guna during Kundali Matching will highlight the facet of life which could be weak in compatibility, a detailed analysis of the Bride and Groom horoscopes should be made before the conclusion.

Planets, if weak in the natal/birth chart, will give negative results

- Planets (Sun, Moon, Mars, Mercury, Jupiter, Venus, Saturn), depending on the placement in the natal/birth chart, can give good or bad (negative) results. Further, the impact (good/bad) of these planets will depend on whether these are weak or strong in the natal/birth chart. For example, a planet may be good for a native and in case weak, then the impact may not be that significant.

It is pertinent to note that the natal chart should be seen as a whole to arrive at any firm conclusion along with respective divisional charts. The position of planets in a particular zodiac sign, their aspects, inherent results (malefic, benefic), the strength of planets and combinations which they form in various houses in the natal/divisional chart must be analysed and interpreted collectively. Along with the same planetary, transit is critical and should be considered.



Role of Internal Auditors in product recall situations



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Proof of preparation is in the pudding. That's certainly true in business. The business could be confronted with circumstances that could damage its reputation rapidly and, at times, have resulted in its closure. No business expects consumers to find fault with its products, especially those which are sold on a large scale or retail basis, which could be detrimental to their health, and endanger the lives of their near and dear ones if consumed.

We have seen in the past that even well-known companies

like Cadbury's had issues with their chocolates being found to have worms, or Nestle's Maggi Noodles was found to have some issues with its ingredients which the food specialists indicated is not good for health. Even companies manufacturing automobiles, like Volkswagen, recently reported to have misled its consumers on the quality of its vehicles and it was forced to have large-scale recall of its products. These scenarios indicate that somewhere in the supply chain, right from the point of procurement to the point of reaching the customer, quality control was compromised or remained untested at some point.

Typically, a company would have a planned recall (based on internal or external assessments of the quality of the product) or an unplanned situation where there is a customer complaint, and the authorities have directed the recall with immediate effect.

Communication is the key. Conveying bad news is a daunting task that may lead to losing lives and property. This can make or break the company. Does the company have a crisis-management plan of action? At times, product recall would be the last thing any management would want to have since it's

a nightmare to deal with the negative impact of the loss of customers, market, brand and reputation, legal consequences, financial losses, operational disruptions, logistics issues and whatnot.

Implications: Any product recall or incidents like these would have a long-term reputation, regulatory and market impact on the business/product, which could include:

1. **Regulatory Penalties,** including possible legal suits against the entity and its key managerial personnel or whoever is found to be negligent of the affairs. Investigations by the regulatory authorities could also mean shutting off the operations for some time, including possible interactions with the staff, visiting the facility, involving vendors and other suppliers, reviewing the processes and controls etc.

2. **Loss of Market for the Brand:** Once a product is recalled, the reputation of related products (i.e. sister products) becomes questionable; hence, it is collateral damage.

3. **Significant Loss of Inventory** in hand and in the market, which now needs to be only destroyed in a scientifically-acceptable manner and not



harmful to the environment.

4. **Possible Action** to close the entity or its facilities.

5. **KMP** could be personally liable with possible arrests, depending on the geography in which the entity operates or products are sold.

6. **Plan for Storing** the recalled products and how to dispose them off responsibly under the directions of the respective authorities.

7. **Competitors Gaining Advantage** in the market share and using the opportunity to gain more.

Role of IA in the Product Recall Scenario

The Internal Audit team is expected to know all the nuances of business. Many organisations typically have in-house subject matter experts or may hire them for specific engagements.

Risk Management: Typically, the IA is expected to consider one critical risk of a product recall scenario in any industry and have control activities in place to mitigate such risk.

The control activities could include a review of the following:

- a. The Raw Material Procurement Process, including Vendor Management (how the vendor was selected, history, current operations, infrastructure availability, logistics support, experience in the industry, etc.), the process of receiving and storing the material, quality control verification, compliance with specific technical standards etc.
- b. Review of the production process to ensure that the product quality is always maintained, including the hygiene of the place where it is manufactured.

c. Review of the storing and logistics at the end of the customers or dealers and ensuring that the products are not sold beyond the shelf life.

d. Exploring product recall insurance to cover the product liability claims and other litigation and logistics costs.

e. Simulate crisis-management activities and ensure a standard operating procedure is ready to take on the incident, including reviewing who should be the first to inform and what decisions should be taken.

f. Ensure that the relevant benchmark audit for its quality and consumption is done on time and that the operation's appropriate authorities review reports.

g. Ensuring adequate certification is available in different geographies where the product is sold.

h. Review whether the business involves or has consultation with consumer groups to have their feedback on products which are sensitive to the beliefs of the people and the methodology in which they expect it to be prepared.

i. Review market surveys to understand how consumers perceive the products and whether there are any possible risks of product demands being lowered due to quality issues.

j. Being aware of what's happening on the Social Media account. You may want to hear people discussing your product; some could be just gossip, but as they say, a spark neglected burns the house.

k. Possibility of any Environmental, Social and Governance ('ESG') risk that

could have a negative impact.

For example: Because of the discharge or destruction of a product being recalled, it could pollute the local water and land, the possibility of health issues among the community living nearby etc.

l. Establish a 'recall plan' and share it with the management for feedback and approval.

m. Ensure compliance with industry standards like GFSI (Global Food Safety Initiative), HACCP (Hazard Analysis Critical Control Point) issued by FDA, and SIST 150 10393:2018, provides guidance to suppliers on consumer product recalls and other corrective actions after the product has left the manufacturing facility.

n. Consider possible fraud risk as well. The company could also be a victim of a product recall by its suppliers and consumer fraud. For example, Volkswagen announced to recall about 500,000 VW and Audi diesel-powered vehicles in the US. The company admitted that it lied to customers and installed a 'defeat device' designed to fake low pollution levels during emissions testing.¹

What can IA do when the product recall is announced or there is an impending regulatory investigation into the company's affairs?

1. Take a brief from the management on the scenario and what is expected by the KMP to do the damage control. Help the management ensure that the data provided to them by the operations to submit to the government or to the public domain are vetted quickly. This could be related to the internal processes, statistics or even numbers relevant for regulatory authorities to act. Time is of essence



here, and IA should ensure that, if needed, the resources must be redeployed on an emergency basis to validate the information.

2. Be part of a cross-functional team to investigate the matter and extend cooperation to agencies involved in enquiries/investigations.

3. Discuss with the legal team the possible consequences of litigation and appraise the management to keep the defence ready.

4. Review the procedures or deficiencies that might have caused the product recall and devise a remediation plan.

5. Review the procedures in place for logistics and supply chain to arrange for pickup of material and storing it at a common place either for investigation or later destruction.

6. Establish controls over the inventory that is being received and stored in a separate place.

7. Monitor the effectiveness of the recall and ensure all the goods expected to be recalled are done efficiently.

8. Support the team which is in charge of (a) communicating with authorities, (b) public relations, (c) social media management, (d) legal cell (e.) coordination with dealers/business partners.

9. Review the presentation to be given to the management and committees to oversee the product recall and support by validating the information provided.

10. If it is a material event to be reported to the stock exchange, the communication may need to be reviewed before being sent to authorities for their perusal.

11. Hire a forensic expert, if need be, to

do a detailed investigation to dig deep into the issue and identify the root cause of the issue.

Post-investigation or product recall programme aspects: Where the investigations are through and concluded, the IA should discuss the outcome with the Board to discuss the next course of action, including:

a. How the legal suits are to be dealt with, if any, including discussions with the operations on how the process would be restructured and review the same. Debriefing to other teams as deemed necessary.

b. Review any compensation payable to any aggrieved party or employees or to any other agency as a penalty.

c. Review of any process improvisation to mitigate the above kind of risks.

d. Review existing insurance policy coverage and whether any enhanced insurance is required to cover the risks.

e. Ensure that the control gaps or design inefficiencies are rectified with suitable control activities.

f. Assist in reviewing the vendor facility and ensure compliance with laws and the company's standard operating procedure.

g. Assist the financial reporting team in reporting requirements in the financial statements or reviewing disclosures.

h. Analyse the risk mitigation steps that are being taken to prevent its recurrence.

i. Look at the manufacturing, producing, or sourcing procedures to see 'what could have gone wrong' and

where it can be rectified.

j. Help the management cooperate with any post-review scrutiny by regulators.

Conclusion: In a Product Recall involving, say, thousands or even lakhs of vehicles to be repaired and set right with new parts and components, there would be a substantial financial burden that the company would face. This will mean a sudden financial crunch. A possible risk mitigation measure that could be considered is establishing a Earmarked Fund as soon as a new model of car is launched in the market, which can be funded over a period of time or even consider having a product recall insurance policy which many general insurance companies provide. If a recall is made, this fund will come in handy, easing the sudden financial burden. Any product recall situation is a nightmare for any organisation, which risks its reputation and future. As part of the risk management strategy, the internal auditor should also have a risk mitigation strategy towards a possible situation of product recall and its impact on the company, including its staff, community, consumers and environment. The possible loss of lives of people and the disruption it could cause can be far more than the monetary remuneration that could even be calculated. Hence, IA is responsible for ensuring that these risks are mitigated and taking action as quickly as possible where needed.

**Views expressed by the author in this article are personal and are not representing any view of the organisation.*

References

¹ <https://www.hg.org/legal-articles/volkswagen-to-recall-500k-vw-audi-cars-in-u-s-over-dieselgate-emissions-scandal-after-allegations-of-fraud-36871> [Last Visited 16.05.23]



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Concept of Green Finance and its Challenges



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Today, India continues to move forward on climate issues with immense courage and determination. The country's initiative to contribute to the battle against climate change has grown gradually and reached a new level. Given the urgency and necessity to do more to combat climate change, Prime Minister Narendra Modi announced five nectar ingredients, or Panchamrit, as India's contribution to climate action during the COP 26 Summit in Glasgow.

Panchamrit aims at producing 500 GW of energy from non-fossil sources by 2030. It will help the country meet 50 per cent of its energy requirements from renewable energy by 2030, reduce the total projected carbon emissions by one billion metric tonnes by 2030, and reduce carbon intensity by more than 45%. Finally, by 2070, India will achieve the target of Net Zero. These Panchamrits

will be an unprecedented contribution by India to climate action.

GREEN FINANCE

Since the announcement of five nectar ingredients, "Green Finance" has become a buzzword. "Green" today is a common phrase for a wide variety of topics, processes, goods, and services concerning sustainability and the environment. "Finance" means making investment decisions that consider financial returns. Combining these two together would mean making investment decisions that consider not only financial returns but also environmental aspects. It refers to financial arrangements designed to use environmentally sustainable projects or projects that incorporate elements of climate change. It stands for 'Financing the green economy' with the aim of increasing the level of financial flows toward green projects.

There are many available instruments of green finance, such as green bonds, sustainable bonds, green loans, sustainability-linked bonds, and blue bonds. All these instruments have the common goal of increasing financial flows from banking, microcredit, insurance, and investment to sustainable development initiatives from the public, private, and non-profit sectors. However, an appropriate incentive structure is required for increased allocation of funds towards establishing or adopting environmentally sustainable projects. While different publications provide varying estimations, one thing is clear: the investment required is enormous. The necessary investments will fund established technology and support research and development and capacity building, among other things. Some examples are the development of Carbon markets, value chain of renewable energy, carbon capture and storage technologies, EV ecosystem and robust disclosure mechanisms.

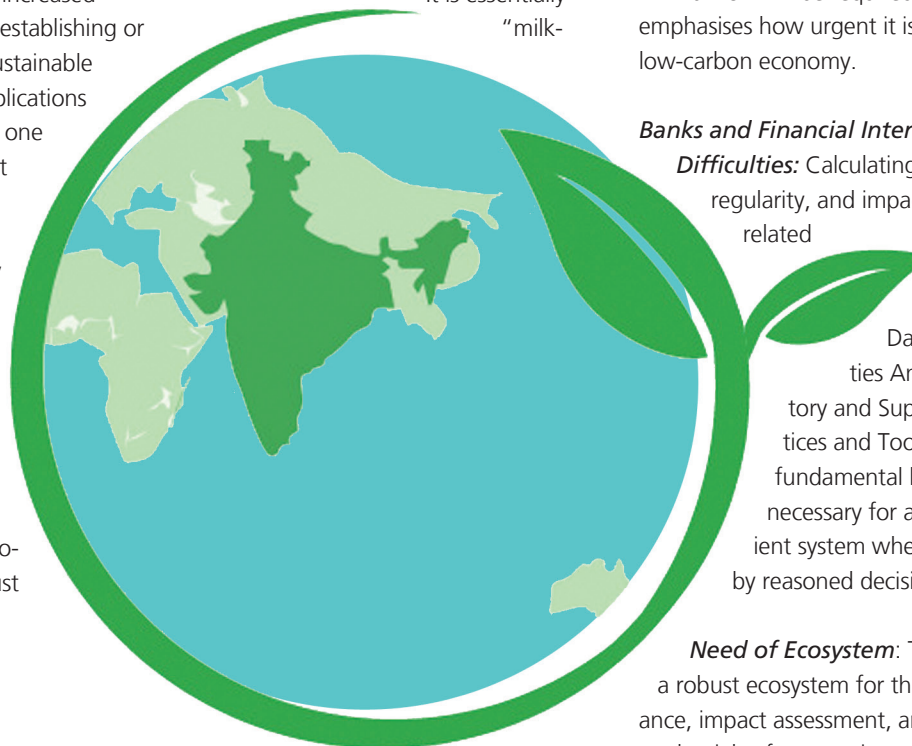
CHALLENGES:

While Green finance is central to the broader discussion of sustainable economic growth, one of the key constraints foreseen is the absence of supportive policies and regulatory frameworks required to mobilise green financing and close the present investment gap. To fulfil the gap, certain key developments are required:

Green Taxonomy Development: India currently lacks a green taxonomy. By offering a precise definition of green, taxonomy can assist in scaling up green financing by removing uncertainty in the industry. This can aid in increasing investor confidence and reducing greenwashing. From the beginning, “greenwashing,” or false claims of environmental compliance, has been the biggest challenge in the development

of green finance. It refers to any false techniques used by businesses to promote themselves as more sustainable, such as creating a misleading image or providing inaccurate information regarding the sustainability of a product or service. The issue with “greenwashing” is that it serves more as a marketing gimmick than a commitment to environmental responsibility.

It is essentially
“milk-



ing,” as companies emphasise the financial benefits of appearing to be environmentally responsible without making the required changes to be eco-conscious. The best way to minimise or reduce the danger of greenwashing is to provide full and comprehensive disclosure about the green initiative and follow through on the promises made in such disclosure, even if they are not legally binding. Facts and figures may support financing that is green and sustainable.

Regulation and Policy Issues: As the regulatory environment for green finance changes regularly, it can be difficult for investors and businesses to

keep up with the new standards. Additionally, there could be inconsistent laws and rules in various jurisdictions, which would be uncertain and discourage investment.

Lack of Urgency: To reach our net zero pledges by 2070, the Council on Energy, Environment and Water has already calculated that a total investment of US\$ 10.1 trillion will be required for India. This emphasises how urgent it is to switch to a low-carbon economy.

Banks and Financial Intermediaries Face

Difficulties: Calculating the occurrence, regularity, and impact of climate-related occurrences. Disclosures, Data, Vulnerabilities Analysis, Regulatory and Supervisory Practices and Tools are the four fundamental building blocks necessary for a financially resilient system when supplemented by reasoned decision-making.

Need of Ecosystem: The presence of a robust ecosystem for third-party assurance, impact assessment, and the green credentials of companies and projects is essential to scale up green finance. This would guarantee the free flow of capital and funding to the entities and resolve any potential worries about greenwashing.

To sum up, we face difficulty in thinking of methods to incorporate climate risk and ESG-related factors into commercial lending and investment decisions while juggling the demands of credit expansion, economic growth, and social development at a time when the global economy must expand quickly. Building on our early successes and tackling the difficulties of climate change would be significantly aided by collective engagement, and green financing can play a crucial role in accomplishing sustainable development.



Groundbreaking IIA India Conference on India Digital Resilience and Re-inventing Internal Audit in Chennai

Chennai witnessed a remarkable event as The Institute of Internal Auditors India, in collaboration with its Madras chapter, organised a power-packed two-day conference on March 3rd and 4th, 2023. The conference's theme, "IndiaDigital Resilience: Re-inventing Internal Audit," proved highly relevant in today's fast-paced digital landscape.

Mr. K Vidyadharan, Past President of IIA, eloquently explained the conference's theme, emphasising the significance of digital resilience. In an era characterised by frequent technology failures and cyber-attacks, digital resilience refers to an organisation's ability to endure and recover from such

disruptions. He said that establishing a robust digital resilience strategy has become indispensable for organisations operating in the digital business environment.

Internal audit assumes a critical role in safeguarding digital resilience within organisations. Traditionally, internal audit focused on assuring internal controls' effectiveness and compliance with regulations. However, the growing reliance on technology and digital systems necessitates that internal auditors offer assurance of these systems' resilience.

Addressing delegates, Mrs. Uma Prakash, President, IIA India, said that the Chennai







conference garnered tremendous response, attracting over 300 delegates comprising audit committee members, independent directors, CFOs, CROs, CAEs, CISOs, and internal auditors/risk professionals from India and abroad. This exceptional turnout reflects the significance of digital resilience and internal audit in the business community.

Distinguished experts graced the inaugural session with their impactful speeches. Mr. Gopal Krishna Agarwal, Strategic Advisor to the Government of India on Economic Affairs, Mr. Romal Shetty,

President of Deloitte India, and CA Dr. Debashis Mitra, Immediate Past President of ICAI, shared their invaluable insights, setting the tone for the two-day conference.

Throughout the event, high-profile speakers captivated the audience with excellent presentations. M P Vijayakumar, CFO of Sify; Arundhati Bhattacharya, Chairperson and CEO of Salesforce India; Sudha Balakrishnan, CFO of RBI; Sivaram Subramaniam, Head of Audit at Titan; Sunil Kumar, Centre Head of the World Bank; Dr. Radhakrishnan Pillai, Director of Chanakya International Institute of Leadership Studies in Mumbai shared their expertise and knowledge.

The conference marked a significant milestone in the field of internal audit, setting the stage for organisations to embrace digital resilience and navigate the complexities of the digital era with confidence. It provided a platform for industry leaders, experts, and professionals to explore the intersection of digital resilience and internal audit. Attendees gained insights into the latest trends, best practices, and innovative approaches to strengthen their organisations' digital resilience. By redefining internal audit in the digital era, the conference empowered participants to navigate technology challenges confidently. It left a lasting impression on them, inspiring them to embrace technological advancements and emerge stronger in the face of digital disruptions.



Internal Audit as a Catalyst for Organisational Success: Insights from IIA India - Calcutta Chapter's Annual Conference

The IIA India - Calcutta Chapter hosted its highly anticipated 30th Annual Conference on March 24, 2023, at the prestigious Taj Bengal Hotel. With the overarching theme of "INTERNAL AUDIT - Gateway to Survival & Sustainability," this conference brought together distinguished guests and luminaries from the industry, imparting their wisdom and insights on the crucial role of internal audit in today's ever-changing business landscape.

The event commenced with a ceremonial lighting of the lamp by esteemed dignitaries, including Chief Guest Dr. Kunal Sarkar, Ms. Uma Prakash (President of IIA India), Mr. Suman Chaudhury (President of IIA India - Calcutta Chapter), Dr. Debashis Mitra (Immediate Past President of ICAI), Mr. Sidheswar Bhalla (Senior VP of IIA India), Mr. Ajit Kumar Paul (President of IIA Bangladesh), Mr. Debshis Ghosh (Joint Secretary of IIA India), Mr. Arijit Roy (Immediate Past President of IIA India Calcutta Chapter), and many more notable personalities.

It was followed by a welcome address deliv-

ered by Mr Debshis Ghosh, Joint Secretary IIA India and an inaugural address by Mr Suman Chaudhury, President. IIA India - Calcutta Chapter.

In the inaugural session, the speakers stressed the importance of using the internal audit function to effectively minimise the risks to business, thus serving as a catalyst to survival and sustainability in an ever-dynamic business scenario. Among the luminaries who graced the session, Dr. Kunal Sarkar wove a compelling narrative with his remarkable experience in the medical field. Drawing parallels between the intricacies of health-care and business, he illuminated the vital importance of effective risk management and the unwavering adherence to operational propriety.

Dr. Debashis Mitra, the immediate Past President of ICAI, delivered the Key Note address to the session. The inaugural session concluded with a vote of thanks from Mr. Subhash Saraf, VP-IIA India Calcutta Chapter.

Following the momentous inaugural session,



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anticipation filled the air as the conference seamlessly transitioned into a press meet in parallel with the main event. The convergence of distinguished guests, industry leaders, and media professionals created an atmosphere charged with excitement and intellectual exchange.

The press meet served as a platform for profound discussions and valuable insights. It was addressed by Chief Guest Dr. Kunal Sarkar, Sr. Vice Chairman, Medica Hospital Pvt. Ltd., Mr Suman Chaudhury, President IIA India Calcutta Chapter, Ms. Uma Prakash, President IIA India, Mr Ajit Kumar Paul, President IIA Bangladesh, Mr. Sidheshwar Bhalla, Sr. Vice President IIA India and Mr Abin Kumar Mukhopadhyay, Joint Secretary, IIA India Calcutta Chapter. The press meet, a convergence of 42 print and electronic media channels, was an unwavering bridge between the conference and the wider world.

At the forefront of the conference's enlightening lineup were three Technical Sessions and a captivating Panel Discussion. The first Technical Session, centered around the theme "Reimagining Internal Audit," set the stage for a journey of transformation and innovation within the profession.

Renowned for his expertise, Mr. N.G. Shankar, a distinguished professional and independent director, graced the session with his profound insights. His wealth of knowledge and experience brought a fresh perspective to the audience.

Mr. Sidheshwar Bhalla, Senior Vice President of IIA India, joined him, adding a touch of gravitas to the session. With his invaluable contributions, Mr. Bhalla shed light on the emerging trends and the evolving role of internal audit in a rapidly changing business landscape.

Guiding the session was the esteemed moderator, Mr. Ravi Patwa, the immediate past chairman of EIRC of ICAI. His skilful navigation of the discussions ensured a harmonious exchange of ideas, fostering an atmosphere of intellectual curiosity and collaborative exploration.

Mr. Sandeep Basu, BOG Member, IIA India Calcutta Chapter, conferred the vote of thanks.

In the spirit of staying attuned to the ever-evolving landscape of business, the conference's second technical session delved into a trending topic that has captured the attention of industry leaders worldwide: "ESG - How Impactful." The session offered profound insights into the significance of Environmental, Social, and Governance factors as a driving force for organisational success. Two distinguished speakers, Mr. Sunit Joshi, the Chief General Manager of IOCL, and Mr. Rajib Basu, a Partner at PWC, graced the stage. Their wealth of expertise guided participants through a deep exploration of ESG as a transformative concept. The speakers shed light on the new reporting requirements prescribed for the top 1000 listed companies, underlining the increasing importance of ESG in shaping sustainable and responsible business practices.

Leading the session with finesse was Mr. Arijit Roy, the Immediate Past Presi-

dent of IIA India Calcutta Chapter. As the moderator, he skillfully facilitated the discussions, encouraging a dynamic exchange of ideas and insights.

After a refreshing lunch break, the conference resumed with a captivating session titled “Internal Audit - Reinvent, Evolve, Lead.” Esteemed leaders from IIA India and Bangladesh took the stage, engaging in a vibrant discussion on the crucial importance of internal audit in today’s ever-changing business landscape.

The session featured Ms. Uma Prakash, President of IIA India, Mr. Ajit Kumar Paul, President of IIA Bangladesh, and Mr. Nikhil Kochhar, Chief Advisor of IIA India, as the distinguished speakers. Their collective wisdom and expertise illuminated the path for internal audit to evolve, reinvent itself, and assert its leadership position within the dynamic business environment.

Moderating the session was Mr. Santanu Ghosh, a Past President of IIA India, who ensured a seamless flow of ideas and insights. This session inspired attendees to embrace change, adapt to emerging trends, and proactively lead their organisations through the challenges of the modern business landscape.

Centered around the theme “Digitisation: Key to Effective Internal Audit,” the conference’s third technical session explored the growing significance of digital tools and concepts in internal audit. Mr. Vinod Kashyap, Director of Next Gen Knowledge Solutions Pvt. Ltd., and Ms. Bhavani Jois, a distinguished Leadership Coach and Trainer, took the stage, igniting minds with their profound insights.

They delved into the transformative potential of digital technologies such as AI, ML, and ChatGPT with precision and clarity. They highlighted how these cutting-edge tools could be effectively integrated into internal audit procedures, paving the way for enhanced outcomes and streamlined processes.

This session served as a guiding light, illuminating the path for auditors to embrace digitisation and leverage its power to drive efficiency and effectiveness. Attendees were captivated by the discourse, recognising the critical role of digital tools in adapting to the demands of an increasingly digital business landscape. Delegates to the conference expressed an appreciation for the transformative potential of digital technologies, armed with the knowledge to harness these tools to propel their internal audit practices into the future.

As the curtains drew close on an enlightening day, the conference culminated in a riveting panel discussion on “Business Survival and Sustainability: Internal Audit, a Key Factor.” The session brought together distinguished speakers representing diverse sections of the profession and society, each offering unique viewpoints and insights.

The esteemed panel comprised Professor Suman Mukherjee, CA A.P. Singh, Rtn. Prabir Chatterjee, Mr. Nikhil Kochhar, Mr. Amitava Saha (Secretary-IIA Bangladesh), and Mr. Arijit Chatterjee. Their collective wisdom and perspectives wove a tapestry of ideas, provoking thoughtful discourse and expanding the



audience’s horizons.

Experienced moderator, Mr. Suman Choudhury, President of IIA India Calcutta Chapter, guided the panel. His deft touch ensured a balanced and engaging discussion, where participants were enlightened by the panellists’ wealth of knowledge and expertise.

The session served as a captivating culmination to the conference, shining a spotlight on the indispensable role of internal audit in navigating the complexities of the business landscape. Attendees were inspired by the diverse perspectives and invaluable insights, leaving with a renewed sense of purpose and determination to uphold the internal audit principles in their respective organisations.

With a sense of gratitude and accomplishment, the conference reached its culmination, as Mr. Abin Mukhopadhyay, Joint Secretary of IIA India Calcutta Chapter, extended a heartfelt vote of thanks. This gracious gesture expressed appreciation to all the attendees, sponsors, speakers, organisers, and contributors who made the conference a resounding success.

In a moment of celebration, chapter members who had achieved the esteemed Certified Internal Auditor (CIA) qualification were honoured and felicitated. Their dedication and commitment to professional excellence were recognised, inspiring others on their journeys within the realm of internal audit.

Article Award Scheme



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IIA India proudly launched the 'Article Award Scheme' to recognize three best articles submitted to IIA India's digital monthly magazine "Internal Audit Today". The three best articles are selected from last quarter editions by an Independent Committee of IIA India and authors are recognized in Magazine's 'Hall of Fame' section and are rewarded with gift vouchers.



All IIA members, CAEs, CFOs, Internal Audit and Risk Management professionals are invited to share articles. Articles sent should comply with the following guidelines:

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| Length: | Approx. 750 words |
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| Clarity / Readability: | The article should be written in clear and concise manner. |
| Practicality: | The article should be of practical value to the Internal Audit / Risk Management professionals. |

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Rupanjana De
Chief Editor, IIA India

Arijit Roy
Chairperson - Publication Committee, IIA India



The Institute of Internal Auditor's Hyderabad Chapter and Vizag Audit Club successfully hosted the eagerly awaited Annual Conference on the 15th of April, 2023. While over 150 participants attended the event in person at the prestigious ITC Kakatiya in Hyderabad, it was also streamed live in Vizag, catering to the enthusiastic audience from the region.

The conference commenced with an inspiring inaugural session that set the tone for the captivating journey ahead. Participants eagerly embraced a multitude of sessions that delved into the latest trends and crucial topics driving the industry forward.

Hyderabad Annual Conference 2023: Exploring ESG, Data Analytics and M&A in Pharma for Auditors' Success

The agenda showcased a remarkable breadth of subjects, including the ever-important Environmental, Social and Governance (ESG), Digital IA and Data Analytics, Cyber Incidents – Internal Auditors Lookout, and a notable panel discussion on M&A in Pharma: Integration Risks and Opportunities. Emphasising the conference's commitment to holistic well-being, a special focus was dedicated to "Wellness," underscoring the profound significance of physical, mental, and emotional well-being in the auditing profession.



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The Environmental, Social and Governance (ESG) session provided participants with fascinating insights into the importance of ESG. The speaker shared her experiences, accompanied by appropriate statistics and compelling examples, creating an engaging and informative atmosphere. As the session neared its conclusion, an exciting announcement elevated the ESG experience even further - a panel discussion on ESG featuring prominent speakers from the industry and consulting sectors. The participants expressed enthusiasm through thought-provoking questions and valuable insights, contributing to a collaborative and enriching environment. The exchange of knowledge and ideas between participants and speakers enhanced the overall experience of the ESG session, leaving a lasting impression on all involved.

During the conference, the importance of Data Analytics emerged as a crucial solution for an augmented client experience and adherence to precise timelines. Recognising the value of preventive controls in capturing risks, the session focused on equipping the participants, particularly internal auditors, with a comprehensive inventory of cyber incident risks. The engaging sessions on "Digital IA & Data Analytics" and "Cyber Incidents – Internal Auditors Lookout" offered attendees an opportunity to delve into the experiences shared by the esteemed speakers regarding the identified risks. The seamless integration of digital intelligence and vigilant risk management ensured an enriching experience for all attendees, effectively addressing internal auditors' challenges in today's dynamic landscape.

The "M&A in Pharma: Integration Risks and Opportunities" session addressed a pressing topic in the industry. The recent surge in mergers and acquisitions has resulted in substantial consolidation, with large biopharma firms swiftly acquiring emerging and speciality companies through bolt-on acquisitions. The panel discussions surrounding this subject were so captivating and thought-provoking that post-lunch fatigue was nowhere to be found among the enthusiastic participants. The session successfully shed light on the intriguing dynamics, risks, and opportunities involved in the integration process within the pharmaceutical sector, leaving attendees inspired and engaged.

As the eventful conference drew to a close, the organisers took a moment to extend their heartfelt gratitude. They expressed their sincere appreciation to the participants, guests, speakers, panelists, and, most importantly, the sponsors whose invaluable support was instrumental in making the conference a resounding success. The organisers recognised and acknowledged the wisdom and expertise the esteemed speakers and panellists shared, significantly contributing to the conference's impact. They emphasised that the unwavering support and partnership of the sponsors played a pivotal role in elevating the event to its remarkable heights.

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Prestigious International Summit Explores the Future of Internal Audit

The Institute of Internal Auditors, India (IIA India), Delhi Branch in association with The Asian Confederation of The Institutes of Internal Auditors (ACIIA), hosted the prestigious ACIIA - IIA India International Summit, on 17th and 18th of March 2023 at The Grand, New Delhi, with a focus on 'Internal Audit 2025: Trends & Innovation'. This Summit was organised by IIA India Women's Forum.

The first of its kind after three years of

Covid-19, this summit was graced by distinguished diplomats, industry leaders, global industry experts, top independent directors, CFOs, CAEs, CISOs, CROs, risk professionals, delegates from the 17 ACIIA affiliate nations and more than 225 enthusiastic members of the IA fraternity in person and 350 virtually.

The opening ceremony [pic 1] had the remarkable participation of the President of ACIIA, Stephen Coates from Australia [pic 26]; Ms. Uma Prakash, President of IIA India; Mr. Bharat Garg, President of IIA India - Delhi Branch; Mr. Sidheshwar Bhalla, Senior Vice President IIA India and Ms. Sana Baqai, Vice President, IIA India - Delhi Branch amongst other esteemed guests. A ceremonial lamp lighting unveiled the proceedings.

The warm welcome address by Mr. Bharat Garg, President, IIA India - Delhi Branch [pic 25], set the ball rolling for this two-day invigorating summit. Following this, in her opening remarks, Ms. Uma Prakash, President IIA India [pic 16], lauded the Women's Forum's efforts in spearheading this inter-

national summit's organisation. A special address by Mr. Stephen Coates, President of ACIIA, showcased how the world of internal auditors was getting impacted by technological changes on a global scale.

The Keynote address was given by Mr. Suresh Narayanan, Chairman and Managing Director, Nestle India Limited [pic 3, 21]. Mr. Gopal Krishna Agarwal, Strategic Advisor to the Government of India on Economic Affairs and Independent Director, gave the special inaugural address. He eloquently shared how the government was in sync with the ever-changing world scenario. Mr. Himanish Chaudhuri, Partner, Risk Advisory, Deloitte India, spoke about the summit's theme and shared his insightful perspectives. Mr. Sidheshwar Bhalla, Senior Vice President, IIA India [pic 18], extended his heartfelt thanks to all delegates, speakers and sponsors.

Sister B K Shivani, International Spiritual and Rajyoga Meditation Teacher Brahma Kumaris [pic 2], delivered an awe-inspiring speech on "Think Right - No Matter What". This transformative experience left a lasting



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impact on all participants as she encouraged them to deeply examine their lifestyles and how those habits negatively impacted their health and relationships.

What followed in the two-day summit were exciting sessions that delved into topics such as Cyber Security and IT Auditing, From Clues to Conclusions: How Forensic Science and Internal Auditing Work Together, Disruptive New Technologies and Emerging Frontiers, Reimagining Internal Audit: Integrated, Solution Driven, and Proactive, Internal Audit Battleground – Excelling in IA through Strategy Games & Simulations, Green is the New Black: How ESG is Changing the Business Landscape and the Future Boardrooms - Challenges and Strategy to Navigate in a Volatile World.

Mr. Dinesh Bahl, Managing Partner, Sahni Natarajan and Bahl eloquently spoke about the IIA India Women's Forum - Scaling New Heights [pic 27].

Mr. Burzin Dubash, Vice-President, IIA India, addressed the issue of Cyber Security and IT Auditing in a thought-provoking session [pic 5]. He was joined in the discussions by Mr. Mohit Kapur, Vice President, Corporate Audit, EXL Service, Mr. Arjun Bhaskaran, Director - CyberSecurity and GRC, SPC NXT, Mr. Rajeev Batra, CIO, Bennett Coleman and Co. Limited and Mr. Alok Gupta, Founder and CEO, Pyramid Cyber Security and Forensic.

From Clues to Conclusions: How Forensic Science and Internal Auditing Work Together was another session that saw the participation of Mr. Amit Gupta, Partner, Risk Advisory, Deloitte India, Mr. Chris Dicks, Director, Risk Advisory, Deloitte China, Mr. Niraj Kumar, Vice President and Group Head of Internal Audit, Forensic and Risk, OYO, Mr. Anant Bhatia, Partner, Bhatia & Bhatia and Mr. Ghanshyam Singla, Group Head of Internal audit, Risk & Forensic, Paytm [pic 8].

Post Lunch, Mr. Karan Gupta, Partner - Consulting and Practice Development, SPC NXT, delivered a captivating talk to the delegates on Reimagining Internal Audit: Integrated, Solution Driven and Proactive [pic 15].

This was followed by an exciting speech by Mr. Kottaram V Ramesh, Founder Director and Chief Vision Officer at SkillsDA, on Internal Audit Battleground – Excelling in IA through Strategy Games & Simulations [pic 14].

Green is the New Black: How ESG is Changing the Business Landscape was an invigorating session that saw active participation from Mr. Vikram Gera, Senior Vice President, TR Chadha and Co., Chartered Accountants, His Excellency Mr.



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David Pine, High Commissioner of New Zealand, His Excellency Mr. Paulias Kornii, High Commissioner of Papua New Guinea, Her Excellency Ms. Marlene Inemwin Moses, High Commissioner of Nauru and Ms. Emily Roper, Minister Counsellor Policy, Australian High Commission [pic 4].

Mr. Amit Sharma, Secretary, IIA India - Delhi Branch, thanked all speakers, sponsors and participants [pic 6].

On Day-2 of the summit, Ms. Sana Baqai, Vice President, IIA India - Delhi Branch, and Co-chair, IIA India Women's Forum warmly welcomed the delegates and expressed her sincere gratitude to the sponsors for their unwavering support. She hoped the insights gained from the summit would enlighten the internal audit professionals. She also shared the various initiatives and activities of IIA India Women's Forum to improve gender diversity in the profession [pic 17].

Soon after, Mr. Stephen Coates, President of ACIIA, took centerstage and addressed delegates in detail on IA Skills and Competencies: Staying Relevant. Sharing his knowledge and personal experiences, he expressed his delight in attending the summit for which he had specially flown in [pic 26].

In a thought-provoking address aimed at IA professionals, Mr. Nikhel Kochhar, Chief Advisor, IIA India, spoke at length about IIA India - Upwards and Onwards [pic 20].

Mr. Prashant Chikhal, Director, Assurance Risk Advisory, NexDigm, spoke about Agile Auditing and conducted a prize distribution among a few lucky delegates [pic 19].

The next session on Disruptive New Technologies and Emerging Frontiers brought unique insights from speakers Mr. Deepak Wadhawan, Former CEO of IIA India, Mr. Babu Thiagarajan, Global Head of FX and Securities Technology and India Technology, OSTRA, Mr. Vinod Kashyap, Director of Audit Services, NGDB UAE, Mr. Abhishek Gupta, Co-Founder, Pierian Services Private Limited and Mr. Kabir Ahmed Shakir, CFO, Tata Communications [pic 9].

A short, interactive session on Technology as an Enabler of Internal Audit by Mr. Sambhav Gaur, Associate Director - Innovation, Fidelity International [pic 22] and Ms. Yukti Arora, Managing Partner, Aumyaa Consulting [pic 24], engaged the participants, highlighting how new technology is shaping our personal and professional lives.

One of the highlights of the summit was a power-packed





session on Future Boardrooms - Challenges and Strategy to Navigate in a Volatile World with the participation of Mr. Sumant Chadha, Managing Partner, T R Chadha & Co LLP, Mr. Sridar Iyengar, Chairperson, Audit Committee Chair, Dr. Reddy's Laboratories, Mr. Richard Rekhy, Entrepreneur, Board Member and Former CEO, KPMG India, Mr. Monish Gaurav Chatrath, Managing Partner, MGC Global Risk Advisory and Mr. Pradeep Chaturvedi, Vice President, Institute of Directors [pic 7].

The post-lunch session on Digital Financial Transformation - Risks and Opportunities saw thought leaders putting in their best to share their knowledge with delegates. Speakers included Mr. Subhashis Nath, Founder and Executive Chairman of Global Risk Management Institute, Mr. Vikas Garg, Co-Founder of Kredmint Technologies, Mr. Dhruv Dhanraj Bahl, COO, BharatPe and Mr. Deepak Abbot, Co-Founder, India Gold [pic 12].

Shortly afterwards, Mr. Naval Kishore Bajaj, Head of Corporate Audit and Assurance, Yokogawa India, spoke about Fraud Indicators in Internal Audit. After that there was a launch their book in Delhi published by IIA India on Fraud Prevention through Internal control along with other two co-authors Mr. K Vidyadharan and Ms. Sana Baqai [pic 11].



Astrologically Speaking (Deep Dive into Divinity) followed next, where Mr. Sidheshwar Bhalla (Jyotish Acharya & Risk Professional) guided delegates to explore the fascinating aspects of Astrology [pic 18].

Mr. Vinod Panicker, Treasurer, IIA India - Delhi Branch, took to the stage to express gratitude to everyone. Felicitations and awards ceremonies ensued [pic 23]. Afterwards, different groups captured memorable moments through group photo sessions [pic 10].

The summit was a brilliant platform for Internal Audit/Risk Management/Finance professionals to connect, learn, innovate, and collaborate with like-minded colleagues from India and Asia-Pacific nations.

The summit organisers expressed their deep gratitude and appreciation to the sponsors for their unwavering and unstinted support, pivotal in making the summit a resounding success. They acknowledged the sponsors' commitment to fostering professional growth, knowledge sharing, and innovation within the realm of internal audit, and they extended their heartfelt thanks for their generous support in making the summit a remarkable and enriching experience for all participants [pic 13].





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