

INTERNAL AUDIT TODAY

MONTHLY MAGAZINE OF THE INSTITUTE OF INTERNAL AUDITORS, INDIA



PRIVACY AND DATA PROTECTION



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THE CONTENT

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EDITORIAL

- 04** From the Desk of Chief Editor
– *Sana Baqai*
- 06** President Communique
– *Thiyagarajan Kumar*
- 08** Message from Chief Advisor
– *Nikhel Kochhar*



ARTICLES & INTERVIEWS

- 10** Mystery Audits
– *Aditya Kumar S.*
- 14** The Personal Data Protection Bill, 2019 |
Information privacy and security
– *Tarun Kher*
- 19** From The Three Lines of Defence to
Three Line Model
– *Jaya Krishna Kapoor.*
- 22** Knowledge Management is
Critical for Internal Audit to Deliver Value
– *Lalbahadur Balkaran*
- 27** Top 10 Things you Should Know as a
New Internal Auditor
– *Jasmine Sachdeva*
- 32** 50 Shades of Fraud
– *Craig G. Bristow*



STUDENT SECTION

- 36** CIA Part 2 Exam- How to Pass the Exam in First attempt
- *Kanwaljeet Kaur*
- 38** CIA Quiz
- *Dr. Paul Jayakar*



WOMEN CIRCLE

- 40** Success is relative and always embryonic
- *Bahroz Kamdin*
- 43** An Unethical Culture is an Enterprise Risk
- *Sandhya Sriram*

MEMOIRS

- 48** How to Convert Obstruction into Opportunity
- *Benktesh Pandey*



IIA INDIA, CHAPTERS AND AUDIT CLUBS UPDATE

- 51** Reskilling IA in New Normal / Digital Age
- 55** Vizag Club Launch
- 56** Madras Chapter - Board of Governors
- 58** Hall of Fame
- 59** Calcutta Chapter Annual Conference

MEMBER NEWS AND UPDATES

- 60** Upcoming Trainings & Webinars
- 61** Jobs in Internal Audit
- 63** IIA Global Updates



OUT OF THE BOX

- 65** Narasimha Avataar
- *Sivaram Subramoniam*
- 67** Medical Astrology
- *Sidheshwar Bhalla*

FROM THE DESK OF CHIEF EDITOR

Dear Members,

We are in the last calendar month of 2020, and as we reflect on how the year has passed, you would tend to agree it has been quite eventful perhaps similar in certain aspects for most of us across the globe primarily on account of COVID pandemic. We all accepted the change with little reluctance in the 'way we work', socialize and take life. The circumstances caused has somewhere brought a positive change making us nimble, pliable, empathetic, which I believe made us accept the change with minimal reluctance. We will continue to be positive in our outlook and welcome 2021 praying for the well-being of all.

Another takeaway from 2020 is we embraced technology and have to tread the path of digital. The stakeholders (Board of Directors, Senior Executive Management, Auditors, Shareholders, Regulators, Vendors/ Customers for the organizations etc.) expect from us as risk professionals to provide comfort on the emerging risks particularly posed by cyber threats and fraud vulnerabilities. Your Institute current edition of the monthly magazine covers articles and interviews on Data Privacy, Three lines Model, Shades of Frauds amongst others.

As a recap, November 24, 2020, has been an iconic date, your Institute launched the Tenth Audit Club of IIA India – The Vizag Audit Club, increasing reach by IIA Hyderabad Chapter to Tier-II cities. Over last twelve months, IIA India has launched seven Audit Clubs. These are at Ludhiana, Lucknow, Jaipur, Ahmedabad, Bhubaneswar, Guwahati and Vizag. Particularly, during the last five months whilst we all continue to face and combat the aftermaths of COVID pandemic IIA India has launched four audit clubs (Jaipur, Bhubaneswar, Guwahati, Vizag). This reflects IIA India members passion for the profession and ability to grow and continue to serve the professional fraternity in spite of all odds.

Your Institute continues to organize multiple webinars and training every month. I am confident as members you are benefitting by attending these to enhance and upgrade skill



Sana Baqai
Chief Editor
IIA India



and knowledge. All free webinars conducted by your Institute are available at its official YouTube Channel.

Your Institute continues to recognize individual members as they refer to new members. Please peruse page 59 to get introduced to your fellow members who receive acknowledgement in the membership scheme 'Membership – Hall of Fame'. Look forward to continue receiving such nominations.

I am confident you enjoyed reading the November 2020 edition with multiple new sections covering initiatives by Women's Circle, your institute endeavours for the student community, specific updates by the Chapters and Audit Clubs.

With the endeavour to make it more enticing, will solicit your views/ feedback and what you would wish to see more in the magazine. Please reach publications@iaindia.org to express your interest.

Enjoy the read!!!

1st Dec. 2020



P R O G R E S S

T H R O U G H

S H A R I N G



PRESIDENT'S COMMUNIQUE

Dear Members,

As we approach the end of 2020, there are positive news of multiple vaccines, recovering economies and the markets. Hopefully, most of us will soon be in our offices and get back to our vigorous professional work. The blessing in the last 9 months has been enormous learnings – personally/ professionally. We have quickly adapted to the new digital realities and have imbibed many practices of remote reviews, audits, analytics and collaborative ways of working with the businesses whom we serve. There is an active realisation among the business leaders and the functional managers that internal audit can be very value-adding, and auditors can bring in their insights and experience in business continuity/partnership. This augurs well for the profession, and we need to raise our standards of service on aspects of Cyber Security and Costs management etc., occupying senior management attention across industries.

We at IIA have been trying to bring you digitally numerous training courses/conferences/ workshops which we believe would have added significant value. The training committee and the chapters have been very enthusiastic and productive. Despite the difficult economic environment, our membership base has been growing, and delightfully more members are coming from tier 2 / 3 cities. Our Hyderabad chapter opened its 1st Audit Club at Vishakhapatnam with a dynamic set of leadership - blending youth and experience. We hope to have more clubs, particularly in the south region, soon.

We are working on learning partnerships to bring the best of the global and the domestic training to our new members planning to pursue the CIA certification. The women's forum is working on organising a power-packed event to promote women leadership in audit, finance, risk management and governance areas. The corporate connects committee and the membership services committee are working on enhancing our reach to corporates for visibility, collaboration, internship, placements, etc. Our website is getting refurbished to serve our members more effectively. You will hear more on these soon.



Thiyagarajan Kumar
President
IIA India



The national and the executive councils supported by the chapter BOGs are initiating number of actions to reach out. They will be rolling out the plans for the regional and national conferences soon.

As we exit the year, we look forward to 2021 with more optimism, energy and ideas to take the profession to greater heights. Your active engagement and inputs will help us serve you better.

Best wishes to all of you and your families for a Merry Christmas and Healthy & Happy New Year ahead. Stay safe.

1st December, 2020



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Internal Audit professionals with expertise in the relevant field and experience in providing trainings are invited to conduct training programmes through IIA India.

Training programmes may cover any topic relevant to the internal audit. Interested professional shall submit the following:

- ❑ Trainer's brief profile (including relevant experience)
- ❑ Academic profile
- ❑ Proposed training topic and brief on how it would add value to audit professionals
- ❑ Other relevant details



***Due to current Covid situation, all training programmes will be conducted online.**

In case of any queries, send an email to coordination@iiaindia.org or call Mr. Chanchal Mishra +91-8287359493

MESSAGE FROM CHIEF ADVISOR

Dear Members,

IIA India hopes that you and your near and dear ones are healthy and safe. Despite announcements about successful vaccines and increasing standardisation of treatment of COVID-19, the need to stay careful remains.

Membership initiatives continue to take root with the launch of our Vizag Audit Club under the aegis of the Hyderabad Chapter. Our best wishes to all the new members. The count of our Audit Clubs, at 10, now reaches double figures. We do look forward to this increasing network spreading awareness, competencies and professionalism in the sphere of governance, risk management, internal controls and internal audit.

Our emphasis on virtual events has continued, post our highly successful Virtual National Conference, which was attended by close to 2000 participants from over 60 countries. The conference was followed up with well-attended webinars highlighting the importance of technology, reskilling of internal auditors and increased risks of fraud and cybersecurity. We are happy to note that we will be comfortably crossing the figure of 100 virtual events and trainings between April and December 2020.

IIA Inc. has recently released its annual risk report OnRisk 2021, which highlights the key risks organisations are likely to face globally. It also brings in an interesting approach by comparing the perspectives of the Audit Committee, CAEs and Management during the pandemic impacted times. To quote “response to the pandemic contributed to generally improved alignment among risk management players on business continuity, risk management, and communications. The pandemic also exposed the strengths and weaknesses of how organisations manage disruption. However, COVID-19’s most influential long-term impact may be the marked acceleration of technology’s positive and negative effects on cybersecurity, talent management, economic and political volatility, and disruptive innovation.” I have no doubt that all members will benefit by going through this report.

With 2020 coming to a close, I take this opportunity of wishing you all a healthier, happier and professionally satisfying 2021.

With Warm Regards

1st December 2020.

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Nikhel Kochhar
Chief Advisor
IIA India



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For any queries, please reach out to publications@iiaindia.org

Sana Baqai
Chief Editor
IIA India
+91-9971938000

Bharat Garg
Chairman Publication & Media Committee
IIA India
+91-9884716160

MYSTERY AUDITS – IT'S IMPORTANCE AND RELEVANCE



BACKGROUND:

In any type of audit, a surprise element is always essential to understand as to how the system works. An essential feature of any formal audit procedure is an audit program, which is expected to be constantly updated to align with changes in business practices, regulations, etc. Still, over a period of time, it is possible that the audit procedures become more or less predictable. The auditee is well prepared for the routine and thereby making the audit procedural. This may not yield the best results always. One can also look into innovative ways to test internal controls and practices by adopting innovative strategies. Familiarity breeds contempt? How can this be breached?

BEYOND AUDIT PROGRAM:

How would it get feedback from a customer or a vendor etc., of their experiences in interacting with the organization etc., may be at one of the shops or delivery experience or vendor onboarding etc. This will help Internal Audit (IA) to get a perspective which is independent, transparent, unbiased and dispassionate. At times, this would also reveal what are the lacunas or gaps in their system, which somebody is



Aditya Kumar S
Partner - R.G.N. Price
& Co., Chartered
Accountants
aditya@rgnprice.com



taking advantage of. Let's take a few examples and understand it better.

Example 1: In hotel industry, there is a risk of revenue leakage on sale of food and beverages. Any amount of internal checks may be difficult to assess risk of any service being rendered without billing or even documenting it. How would it be to hire an external person who could be asked to have an opportunity to experience hotel accommodation and initiate a conversation with one of the executives of the hotel to render a particular service and encouraging them to pay them at a personal level but not to include it in the bill, citing that this may not be allowed to be reimbursed etc.? If the particular executive refuses the customer's offer, it indicates that there is an amount of integrity in service. If the particular executives fall prey to the offer, the result is obvious, and there is a risk that there could have been many more instances before this.



Example 2: A company is onboarding its vendors to supply raw materials. One of them shows interest and not only is offering a lower bid but also offers to sponsor their holiday to one of the members of the procurement team. This could lead the procurement team member to disclose vital information on bids received till now and the internal information.

WHERE DOES THIS HELP?



It helps in the following areas:

- Assessing the integrity of the staff and how they uphold the ethical and moral values of an organization;
- Understand where there are system gaps and how it can be addressed;
- Possibility of what the competitors are doing right and the organization is doing wrong
- To get feedback on new product offering etc.,



IMPACT OF SOCIAL MEDIA:

The regular customers or any business partner for that matter use social media extensively. They immediately report or post any slightest of the discomfort they have with a service. Thereby an organization must deal with deluge of these complaints/comments and scan them which one is actually genuine, and which one is one and attend to it. There is a

drain on the resources and the infrastructure of an organization to do this. This is beyond 'mystery audit'. But then there is also a risk of again people behind the comments or posts be paid to intentionally bring down the reputation and hurt the brand.



WHAT MYSTERY AUDIT COULD ENTAIL?

There is a question of ethical and moral question on can you doubt the integrity of an employee and test it by means which they were not aware of.

Psychological factor: If they were aware of where is the question of 'mystery' behind it. If not, would it be right to sort of spy on an employee? What about the psychological impact on a person who comes to know that their acts were being secretly watched, will they be able to perform to their calibre with free mind. They would start looking onto each customer or prospective contact as a risk of being a 'mystery shopper' or a 'mystery vendor', and they may be abundantly cautious in handling business without a free will or mind. This could jeopardies the business, which at times, requires to go beyond the call of duty to serve, but well within the framework of ethics/regulations and business requirements.

Trust: Secondly, the trust one builds with employees is over a period, and if this is broken, it cannot be replaced, nor can it be undone.

Competency of the auditor representative:

How competent the mystery shopper or person is? Would he be able to judge something as right or wrong in the short attention span? Is there not a risk of they misunderstanding the situation? Are they not gullible (if their remuneration is based on specific results etc.)? These questions have also to be kept in mind before choosing a mystery audit procedure.

Privacy of an employee: It is also important to ensure that there is enough safety net to ensure that name of the employee etc., is not made public which otherwise could have personal repercussions on them and expose other risks of their well-being.

Law and Regulations: One has to be guarded with any specific law or regulation or framework on these practices. For example, MSPA (Mystery Shopping Professionals Association) – North America and other geographies have a Code of Ethics and Professional Standards for its embers. In my view, very few geographies have a dedicated code of conduct for mystery audit practices.

New Profession: Is the fact of being a mystery auditor itself a profession that one can look at? Or part of internal audit practice, never know!.

KPI for an employee/franchisee etc., Would the performance bonus etc., would be linked to results of mystery audit? If yes, in my view, this should be disclosed to employee well in advance that one of the metrics of measuring performance is the outcome of the results of the mystery audit. But then, the other moral question is should there not be an opportunity for the employee to explain from their side their experience or thoughts of the results. And how would one quantify or measure KPI. Is the star rating all sufficient? May not be in all cases. There has to be a clear disclosure or understanding on how the ratings or results play a role and to what extent it carries weight in measuring KPI of employee etc.,



IS THERE ANY POSITIVE ABOUT THE WHOLE PROCESS?

There is a positive side of the mystery audit as well. Recalling a very famous television episode where there was akin to mystery shopping a program where a C.E.O. or a top manager of a company would go undercover and work in one of their offices as say a salesperson, delivery manager, office assistant, etc., and experience the day to day difficulties of the team. After a week's time, the store staff would be invited to one-on-one meeting with the C.E.O. and then the whole thing is uncovered. The store staff would then be told of this undercover program, and in most cases, C.E.O. would resolve the ground-level issues that they faced.

Similarly, there is a possibility to get good feedback on the operations and what could be done at ground level to fix them. It gives first-hand experience to the management on things work. Therefore, it is essential to choose on what operations are to be chosen for mystery audit and how it should be handled.

ILLUSTRATIVE LIST OF OPERATIONS THAT MAY BE CONSIDERED FOR MYSTERY AUDIT:

- a. Revenue leakage in industries where there are lot of dependency on cash transactions;
- b. Getting customer feedback on new product launches;
- c. Assessing knowledge of product or service of sales executives
- d. Trying to influence vendor onboarding
- e. Evaluating whistleblower complaints including behavioural issues, tax-evading complaints, regulatory non-compliance
- f. Investigation of malpractice
- g. Any non-compliance with agreement / checking on competitive restrictions or laws

CONCLUSION:

Any audit procedure would indeed have its share of pros and cons, but one has to be mindful of its repercussions on one's morale, image of the entity, possible backlash of secretly gather information, etc., It would yield results provided it's done in a measured manner with the help of professionals and done well within the framework of accepted guidelines.

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Tarun Kher

Partner - MGC Global Risk
Advisory LLP
tarun.kher@mgcglobal.co.in

THE PERSONAL DATA PROTECTION BILL, 2019 | INFORMATION PRIVACY AND SECURITY



Even as privacy and security of personally identifiable information of data principals remain a key concern the world over, the Personal Data Protection Bill 2019 ('the Bill') was tabled by the Ministry of Electronics and Information Technology on December 11, 2019. As of November 2020, the Bill is being analysed by a Joint Parliamentary Committee ('JPC') in consultation with experts.

On account of rising data thefts and security breaches in India, the Supreme Court had directed the Indian government to formulate a data protection framework to strengthen privacy rights over an individual's personal data. What does this change mean in terms of personal data collected, disclosed, shared or otherwise processed within the territory of India? How does this impact the scope and purview of personal data and privacy? What procedures must be performed to ensure compliance and adopt this change?

SYNOPSIS OF NEW DEFINITIONS

The Bill introduces new definitions of personal data, sensitive personal data, data fiduciary and data principal.

- i. **Personal data** refers to any data pertaining to a natural person which is directly or indirectly identifiable.
- ii. **Sensitive personal data ('SPD')** contains additional

aspects such as religious and political beliefs, caste, intersex/ transgender status, financial status, credit history, biometric data (including photographs) and official government identity documents.

The Bill replaces the traditional concepts of data controller and data subject with data ‘fiduciary’ and data ‘principal’.

- iii. **Data fiduciary** means any person, including the State, a company, any juristic entity or any individual who alone or in conjunction with others, determines the purpose and means of processing of personal data.
- iv. **Data principal** means the natural person to whom the personal data relates and is being collected.

APPLICABILITY



Personal data protection (‘PDP’) compliance applies to the processing of personal data (excluding anonymised data) which has been collected, disclosed, shared or otherwise processed within the territory of India.

- i. **By the State**, any Indian company, any Indian citizen or any person or body of persons incorporated or created under Indian law.
- ii. **By data fiduciaries** or data processors (not present within the territory of India), only if such processing is in connection with any activity which involves offering goods or services and/or profiling of data principals within the territory of India.

The jurisdiction of the Bill under Section 2 is vast, including both territorial and extra-territorial provisions along with horizontal application, applying to both governmental and private actors.

OVERVIEW OF DATA PROTECTION OBLIGATIONS



To work towards ensuring compliance of personal data protection, actions must be guided by 8 key obligations:

- **Fair and reasonable processing** | Emphasises on transparency while respecting the privacy of the data principal.
- **Purpose limitation** | States that personal data shall be processed only for lawful and legitimate purposes.
- **Collection limitation** | Restricts data collection in terms of adequacy, relevance and being pertinent for processing thereof.
- **Lawful processing** | Requires personal data and sensitive personal data to be processed basis grounds specified.
- **Notice** | This obligation is on the part of the data fiduciary to provide pertinent information to the data principal at the time of collection of personal data.
- **Data quality** | This obligation is on the part of the data fiduciary to take reasonable steps and ensure that personal

data processed is complete, accurate, not misleading.

- **Data storage limitation** | This obligation is on the part of the data fiduciary to retain personal data only as long as may be reasonably necessary to satisfy the purpose for which it is processed.
- **Accountability** | This obligation is on the part of the data fiduciary to demonstrate compliance with the expressly stated provisions.

CONSENT

Consent remains to be the primary ground of processing personal data, as per Section 12 (Chapter III). This consent is required to be free, informed, specific, clear and capable of being withdrawn. Clause (5) of this section, states that when a data principal withdraws his consent for processing his personal data which is necessary for the performance of a contract, then all legal consequences for the effects of the withdrawal will be borne by the data principal himself.

SPECIAL CONDITIONS FOR CHILDREN'S PERSONAL DATA



For children, parental consent and use of age verification mechanisms by data fiduciaries will be required under Section 23. It is worth mentioning that the exception created for

parental consent for child counselling services and child protection services is very limited and may pose a concern.

STATE PROCESSING FOR 'PROVISION OF SERVICES' IS ALLOWED

An additional ground under Section 13 (Chapter III) includes the processing of data required for the function of the State (authorised by law), parliament or legislature. This includes processing for the provision of any service or benefit (Aadhaar related) to the data principal within the State.

A broad list of exemptions has also been included under Chapter IX- including for the security of the State and for prevention, detection and investigation of crimes. Other exemptions include legal proceedings, research, domestic purposes, journalistic purposes, and manual processing.

PROCESSING FOR EMERGENCIES, EMPLOYMENT AND REASONABLE PURPOSES IS ALLOWED



Other grounds of processing permissible under Chapter III include the following.

- Compliance with law or judicial order and processing for an emergency like a medical emergency, safety, etc.
- Processing for employment purposes such as recruitment, attendance, or 'any activity'

pertaining to employee assessment has also been permitted.

- Processing for 'reasonable purposes' is specified under Section 17 and includes a broad range of activities including whistleblowing, preventing unlawful activities, mergers & acquisitions, credit scoring, debt recovery and processing of publicly available data.

RIGHTS OF THE DATA PRINCIPALS



Chapter VI provides some basic rights to data principals. These include those set below.

- Right to confirmation and access.
- Right to correction.
- Right to data portability.
- Right to be forgotten.

THE RIGHT TO BE FORGOTTEN, IT IS TO BE NOTED, IS NOT A RIGHT TO ERASURE OR DELETION AS GRANTED UNDER THE GDPR.

Privacy by design, data protection impact assessments and other security requirements

Chapter VII imposes privacy by design requirements which includes transparency obligations, such as with regards to the categories of data collected, the purposes of processing and security safeguards like de-identification and encryption.

Requirements of conducting data protection impact assessments ('DPIA'), record keeping, data

audits and appointing a data protection officer ('DPO') by the data fiduciary are also specified.

ASSESSING 'HARM' FOR DATA BREACH NOTIFICATIONS

Section 32 on personal data breach states that the data fiduciary shall notify the Data Protection Authority of India ('DPAI') only if the breach is likely to cause 'harm' to the data principal. Harm includes 10 factors.

- Physical or mental injury.
- Loss, distortion or theft of identity.
- Financial loss or loss of property.
- Loss of reputation, or humiliation.
- Loss of employment.
- Any discriminatory treatment.
- Any subjection to blackmail or extortion.
- Any denial or withdrawal of a service.
- Restriction of the right to freedom of speech.
- Any surveillance that is not reasonably expected.

Further, this concept of harm is also to be introduced via an amendment to Section 8 (1) (i) of the Right to Information Act, 2005. The new section will allow any information which is likely to cause 'harm' to be exempted from disclosure under the Act.

CENTRAL GOVERNMENT TO APPOINT DPA MEMBERS

The Bill establishes formulation of DPAI, consisting of one chairperson and 6 whole-



time members who would be appointed by the Central Government, based on the recommendations of the Chief Justice of India ('CJI'), the Cabinet secretary and one CJI nominated expert. The Bill specifies the qualifications and expertise of the persons to be appointed.

PENAL CONSEQUENCES

The Bill prescribes steep penalties along the lines of the GDPR. In case of non-compliance, i.e. processing personal data in contravention of the Bill, penalties up to INR 15 crores or 4 per cent of the global annual turnover, whichever is higher, have been specified. Failure to adequately conduct a DPIA constitutes a breach and could lead to penalties of up to 2% of annual global turnover or INR 5 crores – whichever is greater.

Complaints can be filed by an aggrieved data principal before adjudicating officers appointed under the Bill. Appeal from their orders lies to an Appellate Tribunal and thereafter to the Supreme Court.

NON-BAILABLE CRIMINAL OFFENCES

The Bill also prescribes a list of non-bailable and cognisable criminal offences. This includes a maximum fine of INR 2 lakhs or imprisonment of 3 years for obtaining, transferring, or selling



personal data in violation of the law. If the data is SPD, then this goes upto 5 years or INR 3 lakhs.

CONCLUSION

Even as dissent against the Bill is flowing thick and strong on social media and other platforms since its release in the public domain, several opinions are supporting it as well. Industry experts feel this is a big step forward from the current situation where no entity in India is obliged to inform the data principal if their personal data has been compromised.

How much of these “wide-ranging consultations” and “fine-tuning” of the law happens, and how far the Indian Personal Data Protection Bill is amended to become a “global model” is something the entire country, in fact, the world, will be waiting and watching.

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Jaya Krishna Kapoor
Chartered Accountant
Jkapoor728@gmail.com

FROM THE THREE LINES OF DEFENCE TO THREE LINE MODEL

The Institute of Internal Auditors (IIA) published a global position paper in 2013, titled: The Three Lines of Défense in Effective Risk Management and Control.

BACKGROUND

The aim of this concept was to provide a comprehensive framework to manage the risk and exercise control within an organisation along with bridging the gaps in risk management since many organisations do not adopt a structured process for this.

The Model published by IIA has been the most commonly adopted method for modelling and streamlining the responsibilities associated with risk management within an organisation.

WHAT ARE THE THREE LINES OF DEFENCE?

Assurance comes expensive, so it is best when a co-ordinated approach is adopted to deliver a strong, integrated and organisation-wide cost-effective assurance. The Three Line Model provides an integrated approach to accomplish assurance within an organisation.

1. The first line prescribes that the primary responsibility of managing organisational risks rests with the Management by designing proper controls to mitigate such risks along with the review of governance and compliance arrangements.
2. The second line deals with risk oversight and monitors the first line activities. This involves risk management, regulatory compliance and safety.
3. The third line involves risk assurance, where the adequacy and effectiveness of both first and second lines, are evaluated. This is generally undertaken by the Internal Auditors who work independent of the Management with a direct reporting to Audit Committee or any other

The Three Lines of Defense Model



Graphic taken from *The IIA Position Paper The Three Lines of Defense in Effective Risk Management and Control published in 2013*, adapted from *ECIIA/FERMA Guidance on the 8th EU Company Law Directive, article 41*

Governing Body.

These Governing Bodies or senior Management are above these three lines, and they gather the collective responsibility of setting organisational goals, designing strategies to achieve them and exercise control and managing the risks therein.

of an organisation involves appropriate structures and processes that involve accountability, action and assurance. The Governing Body performs this role of ensuring appropriate structures and processes for effective governance.

WHAT HAS CHANGED?

In July 2020, the IIA came up with an updated version of the Three Line Model, which encompasses three key areas and six principles involved therein. This version stresses more upon the effective collaboration of the key players within the organisation.



1. **Accountability:** The Governing Body is accountable to the stakeholders. Principle 1 and 2 provides that effective governance

2. **Actions:** The Management is responsible for taking actions along with designing and implementing controls and procedures to achieve the organisational goals. Principle 3 deals with the management responsibility to achieve organisational goals involved in the First and Second Line. The First line roles are directly related to the delivery of goods and services to the clients, whereas the second line involves assisting in managing the risk.



3. **Assurance:** The function of an independent internal auditor is to provide encouragement towards continuous improvement. The Principle 4 of this Model establishes the concept that the internal audit function provides independent assurance and advice on the adequacy and effectiveness of governance and risk management which is achieved through application of systematic and disciplined procedures, expertise and insight. Principle 5 stresses upon the fact that the independence of the Internal Auditor is of utmost importance in the performance of his duties.

To sum up the benefits of all the above principles and key areas, Principle 6 provides that all the roles should collectively contribute towards creation and protection of value with the prioritised interests of the stakeholders.

This new approach is principle centric and provides greater flexibility in adoption of the Model. It further clarifies the fact that in reality, the Governing Body the senior Management and the Internal Audit do not fit into the rigid structure provided by the initial Model.

This Model focuses on Risk Management and Value Creation. The word “Defence” has been ditched, and the focus now remains upon the creation and protection of stakeholder’s value.

The Internal Audit Heads are now expected to not just work within set defined roles but to broaden their horizons by interacting with Management and other organisational lines to provide strategic and operational benefit to the organisation.

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‘MEMBERSHIP - HALL OF FAME’

The Institute of Internal Auditors, India (IIA India) objective is to advocate the profession, impart knowledge, upgrade skills and demonstrate commitment towards professional community at large. Accordingly, IIA India wishes to enhance the reach amongst audit professionals by welcoming them as members and enable them take benefit by participating in multiple trainings, webinars, events and seek insights on audit best practices, quality standards etc. To take a step forward in this direction, IIA India requests its existing members to spread the word amongst audit professionals on benefits of taking membership and support IIA India endeavor to make the professional base large with common objective.

“ RECOGNITION TO MEMBER -

Top 12 individual members who get another member/ s on board will have their name, one line introduction with photo published in the subsequent IIA India magazine. A certificate of appreciation will also be issued.

”

KNOWLEDGE MANAGEMENT IS CRITICAL FOR INTERNAL AUDIT TO DELIVER VALUE



**Lal Bahadur (Lal)
Balkaran**

MBA, FCPA, FCGA, FCMA,
CGMA, CIA
Past President and
Honourary Member of
IIA-Toronto
lalbalkaran@rogers.com

ABSTRACT

Knowledge is now what matters. The collective knowledge and experience of internal audit staff is a critical factor to the success of internal auditing and to the business as a whole. By developing, harnessing, and codifying existing and new knowledge with the latest authoritative literature, sharing such updated knowledge, and turning it into more effective audit tools, and techniques enable internal audit to contribute to an organisation's improvement and be viewed as a go-to Knowledge Management (KM) resource centre earning internal audit even greater respect and recognition. Effective Knowledge Management is critical to innovation and creativity. Research has proven that internal audit shops that invest in effective Knowledge Management tend to be more successful, have a competitive edge, and add a greater degree of value to an organisation.

INTRODUCTION

We live in a knowledge-based era where knowledge is considered a key resource. Knowledge is a company's

most important asset and if harnessed and leveraged, gives it a competitive advantage. Knowledge Management (KM) or ‘corporate memory’ arrived in the mid-1990s and is generally described as a process of harnessing, maintaining, and using knowledge to enhance organisational performance. Organisations should have systems and processes to capture, document, evaluate and share existing and new knowledge all for the good of the business. If turned into tools and techniques, KM would enable business practices to be subject to the latest and most current information aimed at improvement and is, therefore, one crucial factor for an organisation’s success.

Effective use of knowledge management adds a great deal of value to governance, risks, and controls throughout an organisation and to all stakeholders. Knowledge is now what matters. The late Alvin Toffler, one of the greatest social thinkers of our time and author of **The Third Wave** including the million-sellers **Future Shock** and **Power Shift** articulated a “three-wave model of human development”. The first wave of historical development was agrarian; the second, industrial; and the third being knowledge.

IMPORTANCE



The internal audit function is one of the board’s most powerful mechanisms for understanding the full spectrum of activities and processes throughout an organisation. Also, armed with a deep understanding of the business and its operations, it is often the only function with the requisite skillset and mandate to conduct an entity-wide assessment and gather critical information. It takes time to understand

people, corporate culture, business operations, information technology systems, and interrelationships among business units. Since internal auditors evaluate enterprise-wide activities and processes, they are uniquely positioned to capture and share knowledge about leading practices regarding governance, risks, and controls

The collective knowledge and experience of the internal audit staff is, therefore, key to a successful and effective organisation as a whole. By developing and maintaining a KM effort with the latest literature and converting these to more effective audit tools and techniques to be used on audits makes internal audit a go-to resource centre earning them greater recognition. For instance, new technologies like Blockchain and Cryptocurrency are increasingly being embraced by business. As audits of these areas are in their infancy, there is a need for audit programs and white papers from other associations to be explored and shared. Once acquired, they can be disseminated throughout an organisation for comment and customisation and then used as the basis for auditing these technical areas.

Internal auditors, therefore, have a responsibility toward an effective knowledge management effort and must keep current with the latest changes and developments impacting the internal audit landscape.

IIA STANDARDS

The **International Standards for the Professional Practice of Internal Auditing (IIA Standards)** mandate internal auditors to have proper knowledge and stay current as the following two relevant Standards indicate:

1210 – Proficiency

“Internal auditors must possess the knowledge, skills, and other competencies needed to perform their individual responsibilities. The internal audit activity collectively must

possess or obtain the knowledge, skills, and other competencies needed to perform its responsibilities.”

In its Interpretation, the IIA indicates that the above standard ‘encompasses consideration of current activities, trends, and emerging issues, to enable relevant advice and recommendations.’

1230 – Continuing Professional Development

“Internal auditors must enhance their knowledge, skills, and other competencies through continuing professional development.”

In its Considerations for Implementation, the IIA went on to indicate: “To ensure their internal audit knowledge stays current on a day-to-day basis, internal auditors may seek guidance from The IIA regarding standards, best practices, procedures, and techniques that could affect the internal audit profession or their organisation and specific industry.”

BENEFITS



Research has proven that internal audit functions that invest in keeping staff up to date with the latest thinking in technology, governance, risks, and controls and armed with the latest tools and techniques tend to be more successful, have a competitive edge, and add a greater degree of value to an organisation. It is indeed an unusual audit group that finds its knowledge base to be rusty in this era of instant communication and information from

a range of sources, particularly the internet. It is thus critical to leverage current knowledge, and updated tools and techniques be built into the audit plan and rolled out in each audit engagement to maximise a value-added audit effort.

A sound KM effort motivates auditors to perform at their best and enables them to be prepared to deal with challenges and changes. Benefits include understanding the latest developments and transformation in the auditing and related landscape, a more efficient and effective audit, cost savings, doing more with less (thus ensuring broader coverage of auditable units), improved morale, and a sharply educated audit workforce with a leading-edge which can be used as a benchmark for others.

Organisations manage the capture, retention, and maintenance of knowledge through developing processes, methodologies and tools that support learning, knowledge sharing, and promoting a culture of continuous learning and collaboration. In today’s ever-changing business landscape brought about mainly by technological advancements, internal auditors are required to keep current, adapt and focus on key emerging issues and practices to continually add value to an organisation.

Knowledge management will always be key to innovation and creativity. By codifying new knowledge gained and turning these into new tools and techniques in the audit effort to improve business operations earns a great deal of respect for the audit effort. KM is considered a key factor in keeping auditors current with technological challenges, especially in this digital era with disruptive technologies in a fast-moving business world. Its success starts with sourcing, filtering, and building a repository of KM tools and techniques to embody the following.

SAMPLE CONTENTS OF A KNOWLEDGE MANAGEMENT EFFORT

1. Audit Programs

- a. Programs from the Institute of Internal Auditors
- b. Programs from AuditNet and other authoritative sources
- c. Specialised programs from other associations

2. Audit Tools

- a. Audit Planning Memos
- b. Continuous Auditing Techniques
- c. Computer Assisted Audit Tools & Techniques (CAATs)
- d. Data Mining Tools
- e. Data Analysis Tools & Techniques

3. Audit Reports

- a. Sample audit reports of different areas
- b. Report templates
- c. Report writing resources – generally accepted documentation standards, words to avoid, business writing techniques, etc.

4. Leading Practices

- a. Internal Audit
- b. Enterprise Risk Management (ERM)
- c. Audit Committee
- d. Corporate Governance
- e. Information Technology Audit

5. Industry Specific Risk Profiles

- a. External (Economy; Global; Regulatory; Technology)
- b. Internal (Strategic; Operational; Financial)

6. Risk and Control Matrices

- a. RACM Templates for the industry and business functions

7. Checklists and Questionnaires

- a. Internal Audit Engagements
- b. Internal Control Questionnaires

8. Guides and Manuals

- a. IIA's Global Internal Audit Common Body of Knowledge (CBOK)
- b. IIA's Global Technology Audit Guides (GTAGs)
- c. IPPF Implementation Guides
- d. IIA's Global Knowledge Briefs
- e. Fraud Risk Management Guides
- f. IIA's QAR Manual
- g. ACFE's Fraud Manual

9. Standards

- a. IIA Standards
- b. Risk Standards
- c. ISACA Auditing Standards
- d. Corporate Governance Codes

10. Position Papers

- a. IIA's Position Papers
- b. IIA's Global Public Sector Insights
- c. Position papers from other associations

11. Methodologies

- a. The Internal Audit Process Methodology
- b. Developing the Audit Universe
- c. Developing the Annual Internal Audit Plan
- d. Developing the Risk Universe
- e. Fraud Auditing
- f. Forensic Auditing

12. White Papers

- a. Audit Capability
- b. Systematic Audit Approach
- c. Adding Value
- d. Organisational Improvement
- e. Risk Management
- f. Control
- g. Governance processes

13. Frameworks

- a. International Professional Practices Framework (IPPF)
- b. COSO Internal Control
- c. COSO-ERM

14. Published Articles

- a. Index to IA Magazine Articles
- b. Select articles from other journals

15. Emerging Risks

- a. Key risks internal auditors should be mindful of
- b. Geopolitical and Geo-economic risks
- c. Anti-money Laundering/Anti-Terrorist Financing
- d. Climate Change

16. Emerging Technologies

- a. Big Data
- b. Artificial Intelligence
- c. Blockchain
- d. Robotic Process Automation (RPA)
- e. Digital Transformation

17. Useful sites

- a. Sites of other related professional associations
- b. Sites containing resources that will help the internal auditor

18. Authoritative Reference Books

- a. A listing from the IIA Bookstore
- b. A listing from researching other authoritative books

19. Maturity Models

- a. Internal Auditing
- b. Value for Money Auditing
- c. Procurement Auditing
- d. Operational Auditing

20. Benchmarking Information

- a. KPIs of different functions and audit areas

- b. Critical Success Factors (CSF) of a range of projects
- c. Organisational statistics
- d. Oversight
- e. Operational measures
- f. Performance measures.

21. Benchmarking Tools

- a. Annual Surveys
- b. Trends in different industries
- c. Risk surveys
- d. Fraud surveys

22. Presentations

- a. Presentations, handouts, reports, and other literature from attending conferences and other related forums

23. Information Technology

- a. IT Risk Assessment
- b. IT Project Management
- c. IT Governance
- d. IT Audit Programs
- e. Key IT and Related Risks
- f. Cybersecurity
- g. Social Media Literature
- h. Internet and the Internet of Things
- i. E-commerce

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Jasmine Sachdeva
KPMG Global Services, India
 jasminesachdeva12345@
 gmail.com

TOP 10 THINGS YOU SHOULD KNOW AS A NEW INTERNAL AUDITOR

You might be a bit nervous starting as a new auditor in a new organisation facing new people and new jargon every day. It might appear a little overwhelming at first, but you will be comfortable around in no time once you start following things the right way.

You might be beginning your journey as a young auditor or might have changed your profession towards internal auditing from any other. Nevertheless, in both cases, there is nothing to panic or worry about. Starting in an audit firm could be a little tricky for anyone, but it is just a matter of a couple of weeks when you start easing out and enjoying your work.

With some training and assistance from your seniors, you will surely get there and can soon start making an impact on everyone. Every day, there is a new thing to learn and discover when you are working in an audit firm. Sometimes, it is not an easy job, and you would possibly need to stay for long hours to grasp what's happening around, but it's okay to be lost sometimes, only to find yourself better the next time!

There are numerous benefits of being an internal auditor, and you can read about it all over the net. The journey is extremely exciting, and there is so much to find out and experience.

But for now, here are the top 10 things you should know as a fresher before starting anything out:

1. STUDY ABOUT YOUR ORGANISATION AND YOUR CLIENT THOROUGHLY:

Before starting any job, every person should be well-versed with the varied policies, strategies, and formulations of their organisation. You ought to know what all the organisation is offering you, what is not allowed within the organisation, what all rules are to be followed, and how will you be benefitted from the organisation.

This is of utmost importance as there could be a possibility that you might be questioned about your organisation by any client and may need to write about it in your report/assignment and hence, you ought to do your research properly.

Also, studying and researching about the client you will be working with is equally important. You should know their past revenue figures, their industry, their growth journey as it might assist you a lot while auditing for them, and to form an opinion on their working. Your reviewer or manager also might ask what you know about the client, and it could leave a good impression if you would have done your research properly.



2. SET YOUR GOALS BEFORE STARTING:

Every person has certain set of goals that they carry when they enter into any new job or organisation. These goals are the primary base, according to which they work and perform for the entire year.

You should set your goals thoughtfully and should keep them realistic and extraordinary. They should be kept in such a manner that they motivate you to get up and work every day and enable you to learn more things each day.

Discuss your goals together with your manager or in-charges and ask for feedback or suggestions on how you can improve them. Start working on your goals from day one and set your priorities straight.



3. OBSERVE EVERYONE AROUND YOU:

It's okay for you to only observe what is happening around you for some days in the beginning. You would possibly get to know and notice a lot of things like how people work, what all strategies are being applied for doing a specific task, how the environment and the culture inside the organisation are, how relationships are built up and how employees react to particular situations.

It is always an excellent idea as an auditor to present a sharp eye for these things and be keen to learn more. Staring out in a corporate, it is vital to understand the culture and then go ahead with plans and work.

Also, suppose you are feeling that anything is not being appropriately followed in the organisation. In that case, you can contact your manager anytime and who knows if you maybe get brownie points for that as well!

4. KEEP YOUR INDEPENDENCE AND OBJECTIVITY:

The first and foremost thing every internal auditor is expected to follow is confidentiality

and objectivity. It is vital for you to not share any minor or major client-related information even with your friends and close ones. Sharing any sort of information outside is against your profession, and you should never let your personal and professional lives merge.

You might even have a lot of internal training about independence and objectivity before starting work. You ought to follow up with them properly and always remember to never influence your job with personal connections.

Keep little things in mind such as not keeping your laptop open around strangers or unattended, not mentioning your work and client to any other person even by mistake, keeping all the client-related information and documents at a secure place, not losing any valuable document and other such things.

It is imperative to keep many such little things in mind once you are working as an internal auditor. Trust plays a crucial role in this profession.

5. BE INTERACTIVE AND ASK A LOT OF QUESTIONS:



When you do not understand something or grind to a halt, it is okay to ask as many questions to seniors or colleagues. Posing for assistance is essential to effectively communicate within the organisation as well.

You should be interactive and engaging with everyone and try to initiate conversations by yourself asking questions like what they like about their job, what challenges do they face while working, what are their goals and

expectations from work, and what all did they learn from this job. Even if you casually question people about their day, it creates a significant impact.

Auditing can be confusing at first but engaging around with people helps you understand a lot of things and helps you in working ahead. And perhaps you will also build valuable relationships with people and retain them throughout!

6. BE OPEN TO CRITICISM AND KEEP YOUR COOL:



As a new auditor, it is imperative to make mistakes and feel down, and it is completely fine. But it is extremely essential to listen to what others are telling you in case you make a mistake, accept it, learn something from it, be accountable for your mistake, show improvement with time and move on.

You should be seeking out constructive criticism as you get to find out tons of the latest things along with that. Feedbacks are the foremost important part of doing any kind of work.

At times, you will also receive negative feedback, and sometimes client conversations might not go well. Sometimes you would possibly be questioned on your work strategies and encounter negative criticism. It is also vital to not take any negative criticism or feedbacks personally and do not allow them to distract you from your goals as they are there to better you as well.

You should constantly keep reminding yourself that all this is a part of your job and you will face this at times, and it is absolutely fine. Keep your head high, move past those mistakes, keep working until you achieve those goals, and continue learning something new each day.

7. TRY TO GRASP THE JARGON



There are tons of unique terms and expressions in internal audit, and it appears overwhelming to hear all those for the first time. But it isn't too difficult to get your hands on them eventually.

It is initially understandable to not know the meaning of many such terms, and it is okay to get a little confused around them. Always remember that you are here to learn and grow.

You just need to keep using them daily, ask questions when you do not know the meaning of any term, read previous audit reports and documents where they have used such terms, and make a note of each one of them. You ought to include them in your work papers or your daily conversations to let yourself be comfortable with them and obtain an edge on them.

Make sure you learn the jargon as it helps a lot ahead in your work.

8. ATTEMPT TO LEARN ON YOUR OWN:

You should be taking all the training provided by the organisation seriously and try to make notes of each little thing you would like to recollect. Also, you should be curious to learn and read on your own, advance your skills, and do extra training to get your grip on a specific subject/topic.

If you have no work or are facing downtime, attempt to utilise the time the most by reading articles, internal audit periodicals, and research any relevant internal audit topics which might interest you. Do not always rely on managers and seniors to provide you with materials and get you conversant in concepts, but try to manage some things on your own.

If you are stuck with a topic, try to sit with it and research about it everywhere and try to unravel it on your own first before reaching out to any senior. Self-evaluation and self-learning are vital in internal audit.

It is also important to keep yourself updated with the latest happenings and changes around and thus, it is always a good idea to inculcate the habit of learning and reading and applying your knowledge at work regularly.

9. KEEP AN INNOVATIVE MINDSET:



Every job requires some out of the box ideas and creativity employed by their employees. Experimentation and suggesting new changes is never a bad idea and discussing it together with your senior might even lead them to start

liking you at the beginning itself.

You might even get appreciation or rewards for suggesting a good idea, and if your idea gets implemented, then everyone around you will respect you throughout the job.

As a new auditor, it is also okay to share your silly ideas, and it is okay to discuss whatever comes to your mind with your seniors even if it is not making sense to you. If the thought/idea needs improvement, your seniors will conversate with you about it and suggest your improvements around it which can lead you to find out and experience something new.

Never shy away from contributing something to the firm if you feel it might be useful. Always remember that there is no single way of doing any job and sometimes the things you have studied are not the sole things applicable to the job and the work.

10. ACCEPT LONG WORKING HOURS, HECTIC DAYS, AND BUSY SEASONS:



Internal audit is often super hectic, and you might, at times, need to stay for longer hours even right in the beginning. Sometimes you would possibly get slow in your work as you are new to everything, and thus, it will take longer hours for you to finish the given assignment. Schedules might get filled, and everything might seem fast-paced.

But it is very important to keep going and keep your goals in mind. Give yourself enough

relaxing time during off-days and after working hours so that you are refreshed enough to work hard during the day. Make sure that you set your boundaries between work and personal life which will eventually increase your productivity during working hours.

As a new auditor, learning should be your only priority, and thus, a little overtime and a hectic schedule should be okay if it teaches you something new.

Busy seasons might get tiresome and even more fast-paced, but it is essential to keep your cool and focus on your work and remember that all of it is a part of what you signed up for and is extremely important in your learning process.



If you keep following these tips right from the beginning and keep embracing your profession, you will for sure eventually get better at what you do and will start enjoying your profession and every little bit of it. Internal auditing could seemingly be a tiresome job initially, but it is a lot of fun once you start enjoying and loving it, and gradually, you will thrive at it.

Do not get cooked up as a new internal auditor as there are tons of things which you need to learn and experience yet and thus, being patient and going with the flow and remembering all these tips is extremely important when you are new to the organisation.

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Craig G Bristow
 Head of Group Internal
 Audit – Africa A.P. Moller -
 Maersk
craig.bristow@maersk.com

50 SHADES OF FRAUD



Many recognise the scourge of fraud that tarnishes our global society. I typically hear people citing a ‘general moral decay of our society’, as the reason for increased fraud. But what gives rise to this moral decay?

It is fair to assume that none of you would steal someone’s wallet? That is pretty ‘black and white’.

It is my assertion, however, that not everything is ‘black and white’ and that there is a very large ‘grey’-zone in which many of us operate. I suggest that only 10% of people always operate in the ‘white’-zone. A further 10% always operate in the ‘black’-zone, leaving 80% of people operating in some degree in the ‘grey’-zone.

The fraud triangle tells us why people do this, as they have the opportunity, the pressure and lastly, they rationalise the wrongdoing to themselves, as not even guilty people want to be associated with wrongdoing.

Let’s demonstrate the point with an old joke: This boss wanted to test three of his best employees, so he devised a test.

First, he called in the engineer and asked him to tell him what one plus one was. The engineer thought for a while and said that well, that’s not actually as easy as it seems. Let me get back to you. Sometime later the engineer reappeared with reams of printouts under his arm and began: ‘Well, according to ..., and presented his analyses, concluding with..... and therefore, we can assume that one plus one is essentially two’.

Quite satisfied, the boss thanked him and called in the company lawyer and posed the same question. The lawyer

also returned after conducting research and said: 'The honourable judge presiding over this very same argument ruled... and therefore legal precedent regards one plus one as two.'

Similarly satisfied, the boss called the accountant in and asked him the same question. The accountant looked at him quizzingly, poked his head out of the office door before closing it. He then went to the window and looked outside. He closed window, drew the blinds and tip-toed over to the boss and whispered to him: 'How much do you want it to be?'

Let's consider a few examples to support my assertion:

How accurate are your key performance indicators, self-assessments and dashboards? Are these not portraying a more favourable position than reality? Do you purposefully only measure the figures that reflect positively and exclude those that don't? This is misrepresentation.

Would you keep someone's clearly marked wallet that you found in the office? I doubt it. What about unclaimed client deposits, advances, overpayments and unclaimed benefits (disability or death claims). Is this different when it is another company? I understand that businesses typically only return these upon request, but they are essentially: 'clearly marked'. What reasonable efforts have you made to return these?

What about the accuracy of your tax returns? Yes, government officials may be corrupt and



inefficient, but it is unlawful not to pay your full taxes. Address the source of the error by voting for a better government and do not add new wrongdoing to the mix. It just makes you equally corrupt as government officials.

What about keeping quiet when you can see that something is wrong? I understand that people don't want to get involved or may be concerned about what might happen to them. Keeping quiet is tantamount to aiding and abetting a crime.

Your contract of employment requires you to act in the best interests of the company? Would you not want to know about wrongdoing if it was your company?

Furthermore, you could in certain countries, in terms of the concept of 'wilful blindness', be held criminally liable if you fail to report wrongdoing.

Do you stand up to senior management when they request you to do something unethical? Or do you distance yourself and say that they are the bosses and that it is their responsibility?

What about the numerous seemingly obvious global corporate frauds undetected by external auditors? Do you stand up to your clients in the face of potentially losing the business?

Someone that I was talking to the other day was shocked when I told them that their friend who takes a referral fee for guaranteeing work to a vendor, is guilty of bribery and corruption.

The splitting of contracts into values below approval limits purposefully bypasses controls and misrepresents the true risk to the company.



How do companies manage to report stable profits in turbulent times? Why do accountants release unrelated provisions to make 'target' profits? This purposefully presents a more favourable picture to investors. Playing with profits is financial misstatement fraud and may contribute to the untimely detection of fraud? This is one of the reasons why we have International Financial Reporting Standards (IFRS), to prevent creative accountants stretching the grey zone.

What about groups using their own internal companies for non-market related mark-ups? While this may cancel out at a consolidated level, this artificially inflates individual company profits to bankers, clients and investors.

And lastly, I was recently requested on LinkedIn by a person whom I have never met before, to endorse him for skills and in exchange he would endorse me for skills, to make us

appear better. This is fraud with the intent to misrepresent our true skills to those who use this information! The link of this story to this article is that I noticed that he worked for a group of companies that are currently under investigation for corrupt relationships with the government. My point proven: Corrupt people are corrupt in the workplace and in their personal lives!

If you find yourself needing to explain why your actions are acceptable, then I am sorry to say, but it is most likely that you have crossed over into the grey 80% and you find yourself on the dark grey side of the fraud triangle.

Now that we have come to the end of the article and you have had a chance to hear my arguments: what's the colour of your fraud?



Article Award Scheme

IIA India is proud to launch the 'Article Award Scheme' to recognize the contributors who share their expert articles through IIA Magazine. The scheme will recognize the **three best articles** submitted in this magazine each quarter, starting from Q4 2020-21. The authors of the three articles selected by an Independent Committee of IIA India will be rewarded with **Amazon gift vouchers** and their names and brief profiles will be added to this Magazine's 'Hall of Fame' section.



All IIA members, CAEs, CFO and subject matter experts are invited to share the articles. The submitted articles should comply with the following guidelines:

Length:	It should be around 2500 words.
Originality:	It should be original in nature. It should not have been published or sent for publishing in any other print or electronic media
Clarity/ Readability:	The article should be written in clear and concise manner.
Practicality:	The article should be of practical value to the professionals.

Please send the articles through email. Attach photograph, brief profile of author, executive summary of article of approx. 100 words, editable soft copy of article, declaration of originality and assignment of copyright along with the article. E-mails may be sent to publications@iiaindia.org

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CIA PART 2 EXAM- HOW TO PASS THE EXAM IN FIRST ATTEMPT



This is my second article in the series of - How to pass CIA exam in first attempt. Passing each CIA exam in the first attempt is the most efficient and economical way to become a CIA.

My endeavour towards writing this section is to support the CIA candidates with the exam preparation, in the best possible manner.

This time, I would like to share my tips for CIA Part 2 exam.

CIA Part 2 – **Practice of Internal Auditing** exam is the second step towards the globally recognized certification called – Certified Internal Auditor-CIA.

I must admit studying for Part 2 of the CIA exam is almost the same as studying for Part 1. The difficulty level of Part 2 is not very high. However, Part 2 moves towards more of knowledge application. Instead, you should read through the material and answer all of the practice questions before you sit to ensure that your knowledge is correct and you're ready to pass.

There are 4 important topics in the part 2 exam, under which the knowledge of the candidate is being tested. The topics and their related coverage are as follows:

Weightage	Topics
20%	Managing the internal audit activity
20%	Planning the engagement
40%	Performing the engagement
20%	Communicating the engagement results and monitoring progress



Kanwaljeet Kaur
 Managing Director-
 Kapp Edge Solutions
 kanwaljeet@
 onlineglobalcareer.com



Every topic is important and its equally important to know both, the technical as well as practical aspects of these topics. Part 2 assesses candidates for knowledge, skills, and abilities related to the Performance Standards (series 2000, 2200, 2300, 2400, 2500, and 2600) and current internal audit practices. There may be some knowledge testing from Part 1 as well.

Sometimes, the weightage of topics mentioned above do get changed, however, performing the engagement is the most widely covered topic.

This topic covers sub-topics as follows;

- Information Gathering
- Analysis and Evaluation
- Engagement Supervision

Important Exam topics	
•Information Gathering	<ul style="list-style-type: none"> • Source and reliability of information • Type of information gathering techniques
•Analysis and Evaluation	<ul style="list-style-type: none"> • Ratio's and flowcharts • Everything related to workpapers
•Engagement Supervision	<ul style="list-style-type: none"> • PS 2340 • PS 2500 • CAE's role and responsibilities

SUBJECT MATTER SMART STUDY TIPS

When it comes to online exams like CIA, there can never be any surety that only certain topics will be tested in a certain way. However, at large, there are few topics which are always given some more weightage over others.

The below-mentioned list describes the more widely covered and tested topics in the exam:

Apart from these topics- **Sampling** is another important topic to concentrate on.

The topics mentioned above are more relevant and frequently tested concepts. While preparing for these chapters, candidates are advised to have good knowledge of these concepts. At Part 2 level, the application of concepts is also tested. The candidates are

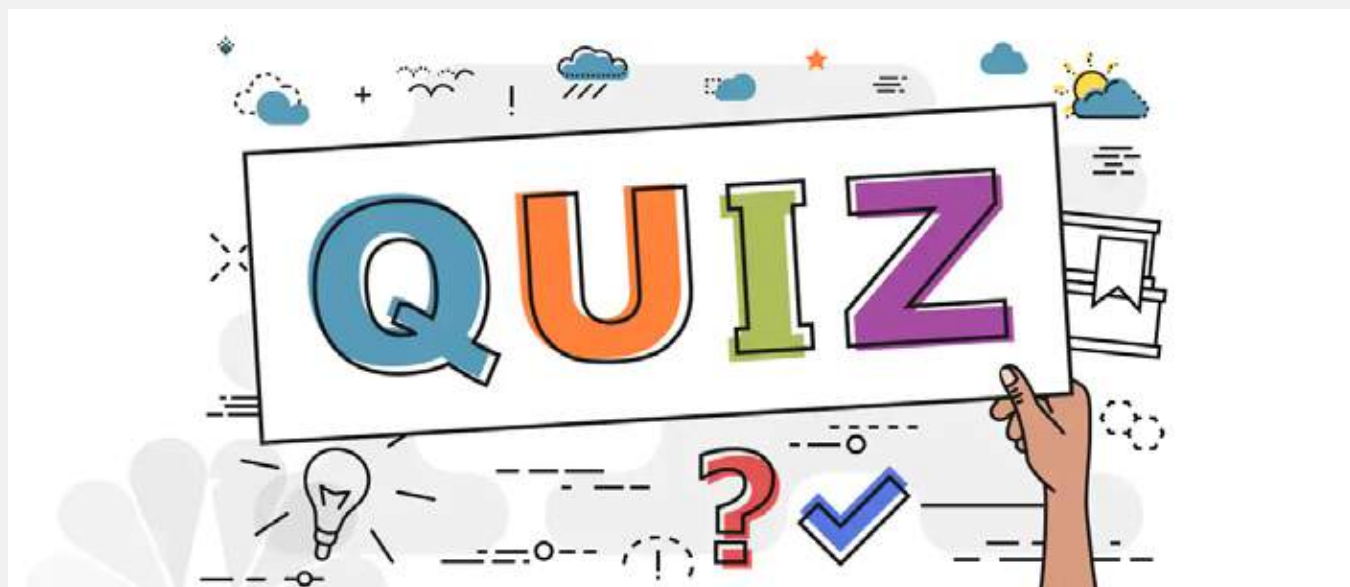
advised to have a good understanding of the concepts. Your practical audit knowledge may contribute here.

CLOSING COMMENTS

CIA Part 2 exam is not a very tough exam to crack. This part tests both the technical as well as application of concepts. The topics may sound generic while studying, however, the exam questions may be slightly tricky. My sincere advice is to concentrate on more in-depth understanding and practising more questions around.

In the next series, I will share my views on the exam tips for CIA Part 3 Exam. I WISH YOU LOTS OF SUCCESS.

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CIA QUIZ

Q1. In an assurance engagement of treasury operations, an internal auditor is required to consider all of the following issues except:

- A. The audit committee has requested assurance on the treasury department's compliance with a new policy on the use of financial instruments.
- B. Treasury management has not instituted any risk management policies.
- C. Due to recent sale of a division, amount of cash and marketable securities managed by the treasury department has increased by 350 per cent.
- D. The external auditors have indicated some difficulties in obtaining account confirmations.

Q2. Regarding an organization's decision to retain an external audit firm, the chief audit executive (CAE) should:

- A. Work with the organization's chief financial officer to evaluate the external auditor's performance and together make the decision.
- B. Not be involved in this decision process as it would compromise the CAE's objectivity.

- C. Evaluate the external auditor's performance and retain the external auditor if quality and cost criteria are met.
- D. Assist the audit committee by facilitating the development of an appropriate evaluation process.

Q3. Which of the following would provide the most reliable information on the risk associated with an auditable activity?

- A. Event scenarios with regression analysis.
- B. Past audit findings and instances of management failures.
- C. Consequences and economic predictability of loss.
- D. Management assessment and corroboration by the internal audit activity.

Q4. To enhance the independence of both the internal and external audit functions, audit committees should be composed of:

- A. A rotating subcommittee of the board of directors or it's equivalent.
- B. A combination of external members of the board of directors and company officers.

- C. Members from all important constituencies, specifically including representatives from banking, labour, regulatory agencies, shareholders, and officers.
- D. Only external members of the board of directors or other similar oversight committees

Q5. Due to urgent requests from management, a busy internal audit activity finds that it can no longer meet all of its commitments contained in the annual audit plan. The best course of action for the chief audit executive to take would be to:

- A. Continue with the plan and seek opportunities to adjust priorities and reallocate resources.
- B. Advise senior management and request that they reconsider these additional requests using more rigorous risk assessment and prioritization factors.
- C. Advise the board and senior management and request a reassessment of the plan.
- D. Advise the board immediately and seek their support for additional resources to meet the needs of the plan.

Q6. The chairperson of an organization's audit committee has obtained a risk management report that identifies significant industry concerns that impact the organization. The chairperson has asked the chief audit executive (CAE) to review these concerns and advise if they are relevant to the organization. How should the CAE respond?

- A. Accept the engagement but communicate only with the audit committee to protect the confidentiality of the request.
- B. Decline the engagement because it is outside of the scope of the internal audit charter.
- C. Decline the engagement because it impairs the internal audit activity's independence.
- D. Accept the engagement but inform senior management of the request.

Answers are printed on the last page.

Contributed by "Dr. Paul Jayakar"

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Bahroze Kamdin
Partner – Deloitte India

SUCCESS IS RELATIVE AND ALWAYS EMBRYONIC



Bahroze was conferred by The New Delhi Institute of Management in October 2019 with “**Business Excellence and Innovative Best Practices Academia Award 2019**”. The Board of Directors and the faculty were highly impressed by her courage, exemplary skills, capacity to take risk, her deep commitment and perseverance to the chosen field making memorable changes to the fabric of society and the country and decided to honour Bahroze with the NDIM prestigious Business Excellence and Innovative Best Practices Academia Award 2019. Such awards help in inculcating the spirit of hard work, innovation and leadership in their MBA students who learn a lot while researching the outstanding activities of women achievers like Bahroze.

Bahroze has been recognised in the category of “Leading” in the Top 100 Women in Finance 2019 by the Association of International Wealth Management of India (AIWMI) in March 2019. There were four categories of the awards:

Guiding: Women professionals who are playing an active role on various Boards, Committees, Think-tanks & Policy Groups.

Leading: Women professionals working in finance/ financial institutions in a CXO role.

Progressing: Women professionals working in financial institutions who are above the age of 30 and not currently in the CXO role.

Promising: Women professionals working in finance / financial institutions who are under the age of 30.

There are 20 winners in category of Guiding, 36 in Leading, 33 in Progressing and 11 in Promising aggregating to 100. Bahroze was recognised in the category of Leading.

Bahroze is a regular writer of articles on topics of tax and regulations specifically with a focus on financial services sector. She also is a regular presenter at seminars and conferences on financial services sector. She also takes lectures on tax on financial instruments and capital markets at the WIRC and ICAI.

Bahroze is a Chartered Accountant by profession and Partner with Deloitte India. The journey, this far, has been through sheer hard work and blessing of my parents and support from the entire family. I am thankful to God for fulfilling my dreams.

Bahroze started her career by doing articleship in a small firm. The best start as people were extremely kind, helpful and provided guidance, teaching, independence to handle work and opportunity to discuss matters with senior management. This training helped me in articulating my thoughts and also building confidence in putting across my views before senior management at clients.



I did CA along with B.Com and was a Chartered Accountant in first attempt both groups at inter and final. Post qualification I joined the then topmost firm and worked for 8 years. This firm is my foundation for interpretation skills and representing skills before authorities. I would on nearly daily basis watch the partners, counsel argue matters and learnt the art and science of representation. I enjoyed my work, and my career also progressed becoming a Manager, then consultant and senior consultant and had a team working under me. I would always say yes to work and always ready to go that extra mile even if it meant sitting up late (in those years!). Everyone was so helpful. One learning in this job was ask, explain, and you may be surprised it will be granted.

During that time, there was one mega event we all waited for THE Nani Palkhivala's post-budget speech, and I was privileged to hear two of his budget speeches live. My goal in life was then formed to make a name / be known in the area of taxation and to present my views on Indian Budget.

I got married and took a sabbatical for six years to be with my husband, who was in the army, and my sons. My decision. I believe that work and marriage & children are not exclusive, especially for the lady professionals and conscious effort should be made.

On return from sabbatical, I joined one of the big tax consulting firms. I was given knowledge management, which I was not aware of but soon realised and thank the Partner for giving me that area as it brought me to speed and also helped me understand how important it is to share information of relevance to clients and build connect with clients. Another area given was a specialised FS sector, which was new for me. *Don't shy away from taking on new matters.* This helped me realise how important

“ DON'T SHY AWAY FROM TAKING ON NEW MATTERS ”



regulations are in financial services sector and also helped me to build relationship not only with clients but other stakeholders in the business model of clients. Practices can be grown by identifying the gaps in the ecosystem of the clients, create the technical skill sets, and that helps to create a niche in that service area which will lead to success.

For better opportunities and also as purposes of certain decisions were not clear to me then, I left the organisation after 7 years, to join another big tax consulting firm.

For a chartered accountant who breathes tax, tax and tax, becoming a Partner in the top-notch tax firm is like a dream come true.

I had a wider canvas, met with several entities in the financial services, built eminence in all sub-sectors of the financial services sector.

It is essential to understand the business of the clients and therefore essential to attend seminars conferences not only on tax but also on regulations, business, risk etc.

Certain qualities which helped me in this journey were ability to take decisions, owning the practice (entrepreneurial quality), going the extra mile, building technical skills, writing and presenting, attending conferences and seminars to learn, present, always think positively and learn from failures, never give up.

Challenges will always be there, there were times when I wanted to quit, have closed myself in a cocoon and have felt lonely not knowing whom to trust, but always came back with more determination to excel and build more friends.

I now would like to share my knowledge with budding students at the Institute, do something for the society, lead my team to success, help women reach their goals.

Sharpen your technical skills, Believe in yourself, create a niche to be known in the chosen field.

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AN UNETHICAL CULTURE IS AN ENTERPRISE RISK

AN UNETHICAL CULTURE IS AN ENTERPRISE RISK

One can never forget the meteoric rise and fall of Enron Corp, the company which had a television commercial ending with the reverberating phrase, “Ask why, why, why? And left the same question on everyone’s lips eventually. While there have been many before and many after, Enron, stands testimony of how unethical culture is biggest enterprise risk.

The Committee of Sponsoring Organisations of the Treadway Commission (COSO) has set the tone for the role of ethics in an enterprise risk management as below:

these digital developments by being adaptive and agile in their approach, which will go a long way in creating strategies that succeed.

“An entity’s strategy and objectives and the way they are implemented are based on preferences, value judgments, and management styles. Management’s integrity and commitment to ethical values influence these preferences and judgments, which are translated into standards of behaviour. Because an entity’s good reputation is so valuable, the standards of behaviour must go beyond mere compliance with the law. Managers of well-run enterprises increasingly have accepted the view that ethics pays and ethical behaviour is good business.”

Culture is becoming more and more critical aspect of risk management in many companies. Ethical behaviour is a key component of strong risk culture, and studies have shown a strong link between the existence of a formal ethics program and ethical conduct of the employees.

Building an effective ethics program is like building a home. Like design of a home takes into account the principles of civil engineering as well as the aspirations of dwellers, creating an ethical culture is both about form and substance. I consciously use the term home instead of a house because what brings a home alive is the energies, values and happiness of the people that dwell in it which is equally true for an ethics program.



Sandhya Sriram
Global Head of Audit,
Risks and Ombuds,
Wipro Enterprises



THE BUILDING BLOCKS OF AN ETHICAL CULTURE:

1. Tone at the Top: Tone at the top is visible willingness by senior management to let values drive decisions, to prioritise those values above other factors including financial results and to expect all others in the organisation to do the same. The Tone at the Top is a Clear Statement of Intent built on the bedrock of fairness, honesty, openness and inclusion. The Tone at the top, however, is really about walking the talk. Here are a few examples of questions we can ask ourselves to self-reflect whether the right tone at the top is set.

- a. Is a bribe of rupees hundred paid less serious than a bribe of rupees one hundred thousand?
- b. Should we take into account the seniority or criticality of the individual who has performed an unethical act in providing him or her the benefit of doubt?
- c. Is it ok for the person in a senior position use his/her power to gain advantage?

“ A LEADER IS ONE WHO KNOWS THE WAY,
GOES THE WAY AND SHOWS THE WAY

– JOHN C MAXWELL ”

There can be made such questions one can come up with. But if we are answering any of the above questions is affirmative, it means that we are looking at hypocritic and opportunistic leadership behaviour. Employees will clearly see through such behaviour, and a climate of trust cannot be built.

Going back to Enron, in its glory days, it did project itself to be a great corporate citizen with all the ethical talks and symbols in place. But many of the stakeholders could sense that it wasn't walking the talk. The tone at the top is really about action, not once, not when one can find the time, but all the time, every time, whether one is being watched or not.

2. Code of Conduct: The Code of Conduct is all encompassing document, that lays down in writing the ethical behaviour expected by the company and employees. A well-designed code of conduct looks beyond compliance to applicable laws and regulations but includes expectation from employees with respect

“ RELATIVITY APPLIES TO PHYSICS,
NOT ETHICS

– ALBERT EINSTEIN ”

TONE
AT
THE TOP

CODE
OF
CONDUCT

CULTURE
AND
VALUES






WHISTLE
BLOWING

GOVERNANCE
AND
REPORTING

to internal affairs, other employees as well as with external affairs, contractors, third parties and clients. The code of conduct has to be supplemented with detailed set of policies and procedures which provide guidance to employees to deal with different situations that may arise in the course of their work and how to deal with them. It is essential to clearly define what situations of potential conflict in explicit and clear terms are.

3. Culture and Values: In 2015, BSR conducted a series of confidential interviews with experts in risk, compliance, and ethics in an effort to identify the common traits of organisational culture in unethical organisations. These interviews were supplemented with research into a wide range of academic theories from the fields of organisational psychology, behavioural ethics, and group relations.

Their finding suggests that companies often

Five Levels of an Ethical Culture				
Organizational Level	Structure and Process	Impact of Initiative	Work Climate and Norms	Impact of Initiative
 Individual	Incentives that consider unintended consequence and proactively reward ethical behavior	Reduces pressure to meet goals by any means necessary	Support diversity and inclusion programs	Employees can align personal and organizational values
 Interpersonal	Support effective whistleblowing and grievance mechanisms	Improved response to ethical challenges that threaten entrenched power structures	Leadership development focused on ethical conduct	Leaders understand how they influence norms, and use this influence to drive ethical conduct
 Group	Ensure role and task clarity within teams	Reduced conflict and role stress, improved accountability	Build psychological safety within teams	Improved performance, motivation, creativity—and ability to raise concerns
 Intergroup	Empower oversight functions	Improved decision making and responsiveness to risk and responsibility challenges facing the organization	Address group boundaries and differing status, authority and access to resources	Improved collaboration with clear accountability
 Inter-organizational	Ensure sustainability commitments are incorporated into strategic decisions	Meaningful commitment to doing the right thing, even when there is an immediate commercial cost	Understand and improve stakeholder trust and relationships	Improved reputation and rights-aware decision making

“ **CULTURE IS NOT AN INITIATIVE; CULTURE IS THE ENABLER OF ALL INITIATIVES**
 – LARRY SENN ”

overlook relationships among and within groups in the organisation. Organisations are open systems. Their properties are greater than the sum of their parts, and these properties nest within other systems, forming a network of relationships.

Efforts to change culture must, therefore focus on every level in the system. These efforts should target individual engagement and motivation, interpersonal interactions, group dynamics, relationships among groups, and interactions with external organisations, including suppliers, customers, competitors, and civil society. Without a comprehensive, multilevel approach, employees will notice any mismatches in the signals an organisation gives, and this will undermine efforts to build an ethical culture. The paper elaborates five levels in which the companies should build an ethical culture summarised below

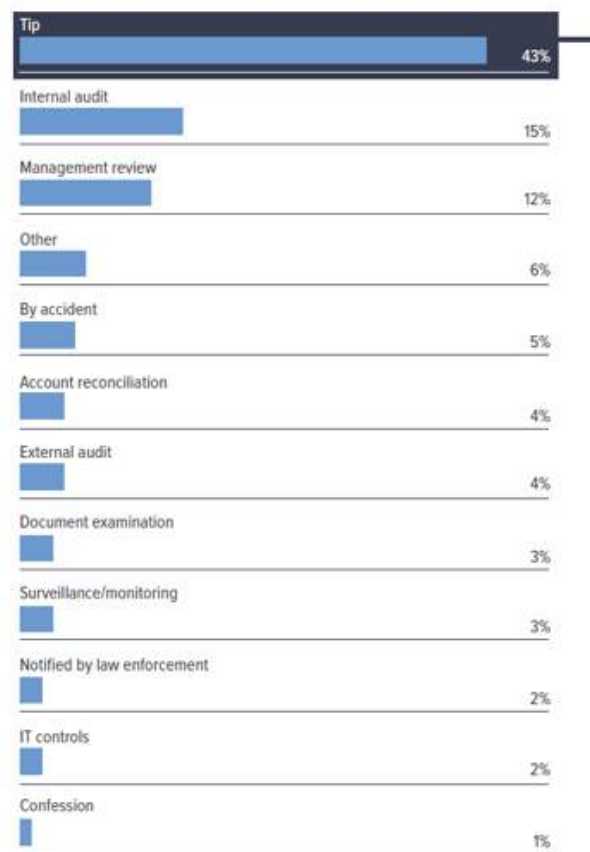
Some times success is considered synonymous with culture. It takes strong value systems in ensuring ethics is not guillotined at the altar of success. Most resistance to culture is passive. Power centres in an organisation can derail the cultural fabric of an institution. It is about what is right and not who is right. It is about inspiring even the lowest-ranked employee to speak freely even against the highest-ranked employee and feel safe doing so. It’s a long arduous journey of putting the organisation and its virtues above oneself.

“ **OUR LIVES BEGIN TO END THE DAY WE BECOME SILENT ABOUT THINGS THAT MATTER**
 – MARTIN LUTHER KING, JR ”

4. Whistle Blowing: The Association of Certified Fraud Examiners (ACFE) presented their 11th study of the impact of occupational fraud. This report called the Report to the Nations 2020 takes into account 2504 Cases of occupational fraud across 125 Countries across the world and estimates 3.6 Bn \$ Loss from these cases averaging a 1.5Mn \$ of Loss per case. An Interesting aspect of this report is that roughly 43% of the occupational frauds were detected through tips. Whistle Blowing is a crucial element of an enterprise’s cultural fabric. Openness to receiving complaints, diligence in investigating them and creating an effective feedback loop after effective closure goes a long way in building trust and engagement. An effective whistleblowing process should, among others have the following mandatory components:

- a. Policies and Procedures
- b. Channels
- c. Independence

FIG. 9 How is occupational fraud initially detected?



- d. Redressal
- e. Training and Communication

An effective training program to communicate the ethics program, making the medium or the channel easily accessible not just for employees but for all stakeholders such as third parties, vendors, customers and continuous reinforcement is critical. As per an Economic times study published in Sept. 19, Nifty 50 Organisations saw a 30% jump in whistleblower complaints in financial year 2019 vs financial year 2018 which indicates a heightened awareness to whistleblowing. This, when coupled with an effective redressal mechanism, creates a virtuous circle of values building.

“ IF YOU QUIT ON THE PROCESS, YOU ARE QUITTING ON THE RESULT – IDOWU KOYENIKAN ”

5. Governance and Reporting: The last and the most important aspect of an ethics program is about Governance and Reporting. An effective, well documented and rigorously reviewed governance of the Ethics program is of paramount importance to build an ethical culture in an organisation. The FSG Guidelines lay down 7 Basic Compliance elements:

- a. Standards, Policies and Procedures
- b. Compliance Program Administration
- c. Communication, Education and Training

- d. Monitoring and Auditing
- e. Internal Reporting Systems
- f. Discipline for Non-Compliance
- g. Investigation and Remediation

MEASURES

It is the role of the Governance function led from the top by the Board and audit committee and anchored by the senior leadership of the organisation to ensure effective governance of an ethics program.

In Summary: The ethics and integrity of an organisation affect the design, administration, and monitoring of the ERM program. The climate of Governance, Tone at the top, Culture and values, communication, monitoring and willingness to stand for what is right is really what makes organisation weather the toughest of storms that may hit them. Taking a minor creative extension to Teddy Roosevelt’s quote, I would say No (wo)man is above the law, and no (wo) man is below it.”

And corporations and its employees have an obligation to step up to create a value-driven ethical culture not just for their own survival but for the prosperity of the community at large.

I would like to end with quoting a couplet from the 2000 year old Tamil book of wisdom called thirukural, written by Thiruvalluvar, a great Poet of the Sangam Period,

“Azhukaru Avaveguli Innachol Nangum
Ezhukka Eyandradu Aram (35)”

அழக்காறு அவாவெகுளி இன்னாச்சொல் நான்கும்
இழுக்கா இயன்றது அறம் (35)

Righteousness is all about removing the four flaws – envy, desire, anger and harsh words.

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**Benktesh Kumar
Pandey**

Partner, V D Tiwari & Co.
Chartered Accountant
benktesh.pandey@vdtc.co.in

HOW TO CONVERT OBSTRUCTION INTO OPPORTUNITY?

After World War-II, humanity is facing the biggest challenge presently due to Corona virus. Lacs of people have lost their family members, who were sole earning members in their family. Many lost their friends and relatives. Many lost their previous savings in treatment. Crores of people got unemployed. Lot of people are struggling economically and socially now. We all are now used to referral requests of few friends regularly on LinkedIn and other forums. Many people got into the trap of depression too. Even few of them committed suicides. Indeed! It's a harrowing situation.

Let me share my story. To begin with, I would like to tell you about myself. I lost my Job in March 2020 just before the corona lockdown. I connected with my spiritual Guruji. He clarified that I lost a job, but I found GOD. He further clarified that none of the problems exists in isolation. Obstruction and opportunity are two sides of the same coin. It is our approach, which side we want to see. Working on goals and exploring the opportunity reaches to destination. That's the way to GOD. After listening to him, all pains disappeared. I was surrounded by new energy to take responsibility and face the situation. My humble Pranam in lotus feet of my Guruji for timely intervention.



Now let us discuss the changes which are taking place simultaneously on the other side of the obstruction. No doubt it is a big crisis, but be assured that this time is preparing a lot of entrepreneurs, best in class leaders, writers and spiritual business leaders who will act as path makers in future. Many professionals who are outboard today will be turnaround experts of tomorrow. Things will improve shortly. We just need to have patience. There is not even a single problem in the world which does not have a solution, and every solution creates an opportunity for new problems. This cycle continues. Therefore, I would suggest to all my friends that you need not doubt your skill capability or fate, it's all part of life. None of the great people could have succeeded without learning to be stable and able. If you want to be one of the enlightened leaders, then please do read below article and implement in totality. All the best.

CONTROL THE DESIRES



Unemployment and economic depression have impacted demand. As a result, the purchasing power of a lot of people has been impacted. Therefore, we need to implement cost control in our spending. Try all possible efforts to fulfil your needs but control your desires. Needs are seeds but want, and desires are weeds. Desires tend to pleasure and give heavenly experience for the time being and hell at the end. Be joyful from within yourself by freeing yourself from pleasurable external objects.



I would like to give a classic example of MTR Group earlier known as Mavalli Tiffin Rooms established 1924 by Sri Yagnarayan Maiya, an Uduppi Brahmin. Being conservative in spending on ambience, but very serious for hygiene and quality of foods. During World War-II, rice was in short supply. Their restaurant business got a bad hit, but they experimented with making idli by experimenting semolina. This experiment became a grand success, and they invented the Rava idlis and ensured business continuity.

Likewise, I am surprised to note my wife's excellent skill in cost savings. Her skill to run the house with lesser resources, preparing several innovative foods at home has surprised me several times. Through her management, she taught me that pain is inevitable, but suffering is optional?

DON'T BLAME ANYONE, TAKE RESPONSIBILITY

We experience different types of weather like hot, cold and rain at different times. Likewise, treat the present grief as temporary seasons which comes and go. Think positive with courage and commitment. Accept the



situation as it is. No one else is responsible for our present position except us. There is no benefit in blaming any person or country. Take responsibility to change the situation.

Lets us discuss one more example of MTR again. During the Emergency in 1970, they were forced to sell food product at very low prices as Government enacted Food Control Act. It caused risk of low profitability and loss of employment. Spiritual businessmen do the ordinary business with extra-ordinary



common-sense. To save the job, they started selling the spices and roasted flour mixes. That became the entry gate for instant food business. By taking the responsibility towards themselves, they converted the obstruction into opportunity.

ANGER CREATES DELUSION

Delusion causes loss of memory, may be a temporary one. A person forgets every good thing done by even friends too and treats them as envy. So always develop ability. Be creative to rise to a higher level of contribution and solution rather than delusion and illusion.

If you feel tensed them remember the mantra of Tension-Intention-Extension-No Tension. Discuss your problem with family and friends. Very hesitantly, I discussed my problem with my friend, and he invited me to join him in his firm. Since last 6 months, I am doing consultancy in Business turnaround, Team empowerment, Value-based branding, Process Excellence, Productivity improvement and Internal auditing.

SEEING THE BIGGER PICTURE

Stable and able leader is a controller and known for all. So just be a good thinker and visualizer of all. See beyond what typically people see. What is dark for the ordinary person is light for the stable leader because he is able to see beyond the ignorance.

Always see the bigger picture. Continuously work for excellence in quality and quantity. By this way, you will create a brand in public which has a long-lasting impact. Today MTR products are exported to Gulf countries, USA and UK etc. Had they not stayed with their values, had they not invested in their people, had they not invested in continuous improvement in quality and quantity, they could not have grown to the level they are now.

Earlier, I was worried and thinking about how I will continue my free medication program, which we arrange for normal people free of cost. I am surprised that all programs are running excellently despite many obstructions. I continue to get opportunity to serve many new patients daily with better experience and rejuvenated feelings.



Finally, remember one line that great people do not worry about pleasure. They are pleasant in themselves. Wishing you all the best. Just remember that "Pain is inevitable, but suffering is optional".

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RESKILLING IA IN NEW NORMAL / DIGITAL AGE

INTRODUCTION:

IIA India, in coordination with Protiviti, conducted its 3rd session as part of webinar series on 27th November, 2020. The esteemed panellists included Rajiv Gupta of Flipkart, Manish Bhatia of EXL, Anuj Agarwal from Maruti and Joly (Joe) Joseph of Target Corporation. The session moderator was IIA India Chief Advisor Nikhel Kochhar.

The COVID-19 pandemic, with associated risks, has forced businesses to embrace digital technologies. Some of the key trends affecting the internal audit profession –

- Proliferation of data, including data lakes and siloes;
- The necessity to work from home;
- Requirement to accept, adopt and adapt technology to be more effective; and
- Need to rethink the role of internal auditing and how it can add value.

IIA Global has just released OnRisk 2021: A Guide to Understanding, Aligning and Optimising Risk, which provides insights to key risks faced on a global basis. It brings together three different perspectives– of the board, the Chief Audit Executive and the management. Further, it outlines the impact of COVID-19 on business continuity management, cybersecurity and disruptive innovation. Some of the key issues discussed during the webinar are highlighted below.

With remote audits here to stay, the internal audit function is likely to grow into a hybrid model of traditional approach combined with digitisation footprints.

There is an increasing need to focus the auditor’s approach towards governance, controls and assurance. The key factors driving this need are –

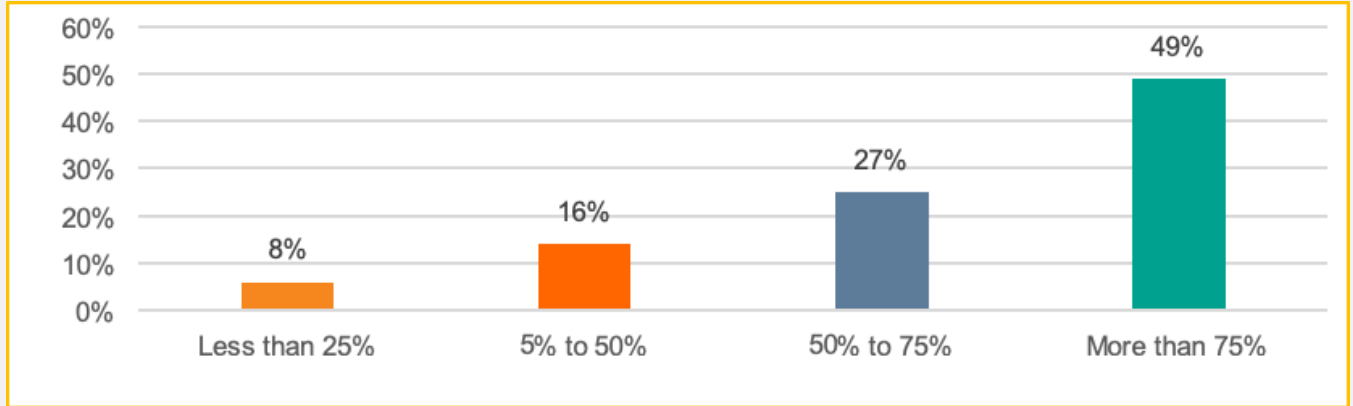
- The exponential speed of changes in the operating mechanism of companies and

the risks associated therewith; and

- The paradigm shift to remote audits, forced upon us by the pandemic. Leveraging AI and RPA tools have allowed auditors to identify new risks.

However, some manual intervention is inevitable. For example, physical controls like physical verification of stock or fixed assets would still require some physical presence.

Poll Q: To what extent were you able to adhere to the audit plan during the new norm?



Interestingly, 49% of the poll responses indicated that “More than 75%” of the audit plan was adhered to during this period.

Global delivery centres are set to see sustained growth as we evolve into a remote auditing environment.

Remote auditing, as a concept, has already been explored and adopted largely by most of the Fortune 500 companies. Over time, there has been a steady trend towards outsourcing to global delivery centres in India. The Indian talent pool has the right skill sets.

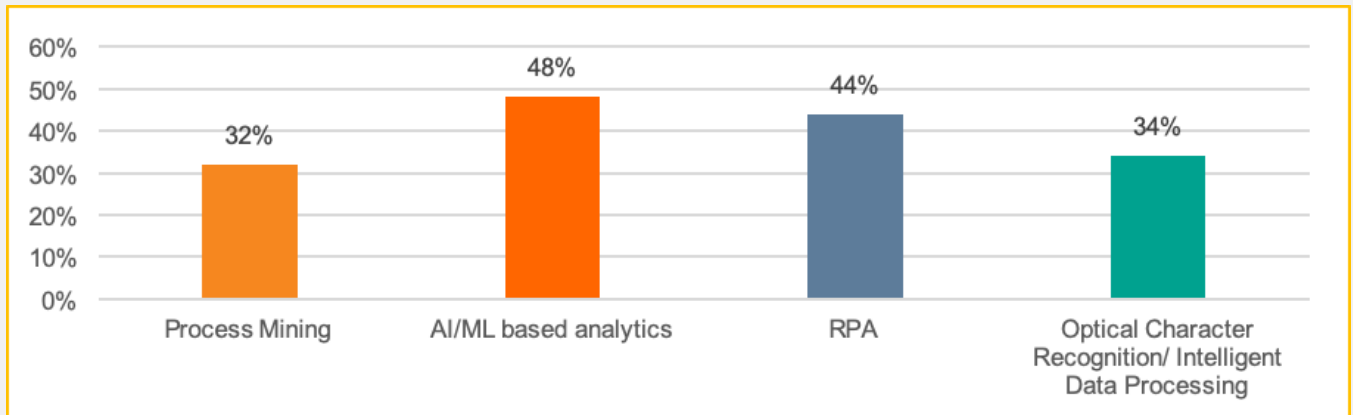
What required auditors to fly from India to global offices for audit planning and

performance has now been inevitably replaced by the use of collaboration tools as well as additional accesses to underlying applications.

While use of Bots and advanced DA techniques isn't really a challenge, but challenges in managing an ecosystem comprising such technologies needs to be addressed.

Internal audit needs to adapt and adjust to innovation and the use of underlying technologies in line with the new norm and the digital age. The rate of such adoption is expected to grow exponentially in the near future. There will be requirement of different skills to operate in a very diverse ecosystem.

Poll 2 - Apart from Data Analytics, which of the underlying technologies would you prefer to use to execute the internal audit project?



Key Audit Skills need revamping to suit the requirements of the new-age audit.

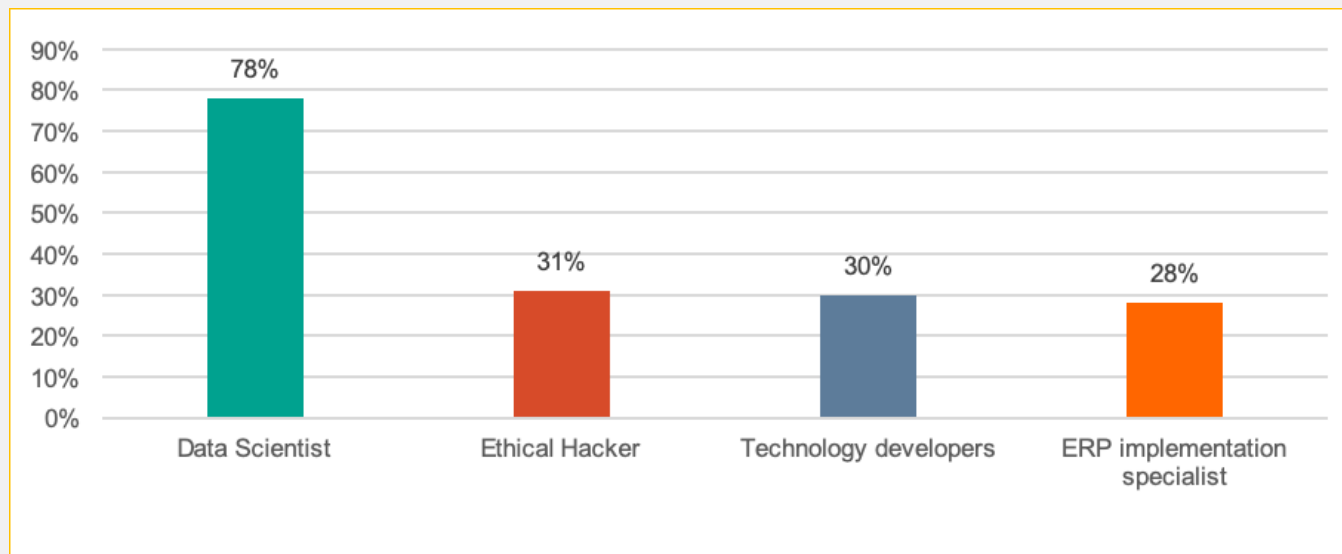
With an abundance of data, the challenge is now on how to use the data effectively. Every business, manufacturing and service alike, is generating huge volumes of data which is varied in nature.

With the advent of IoT's, data lakes and biometrics and proliferation of the social media, data is now available in audio, video and graphical formats; apart from the

other data sources at disposal, e.g. security cameras which capture data every moment from different locations. However, the use of this data source is still relatively unexplored.

Another example is in the form of facial recognition technology that can be used to evaluate how much time a person spends on his workspace. A deeper dive into data analytics would bring up various business insights.

Poll 3 - Apart from professional Risk management, Internal Audit and Management stream, which of the following two skills would you like to have in your IA function?



Audit Planning has evolved into a journey of monitoring data on a continuous basis and initiating audit only if areas of concern are highlighted by such data.

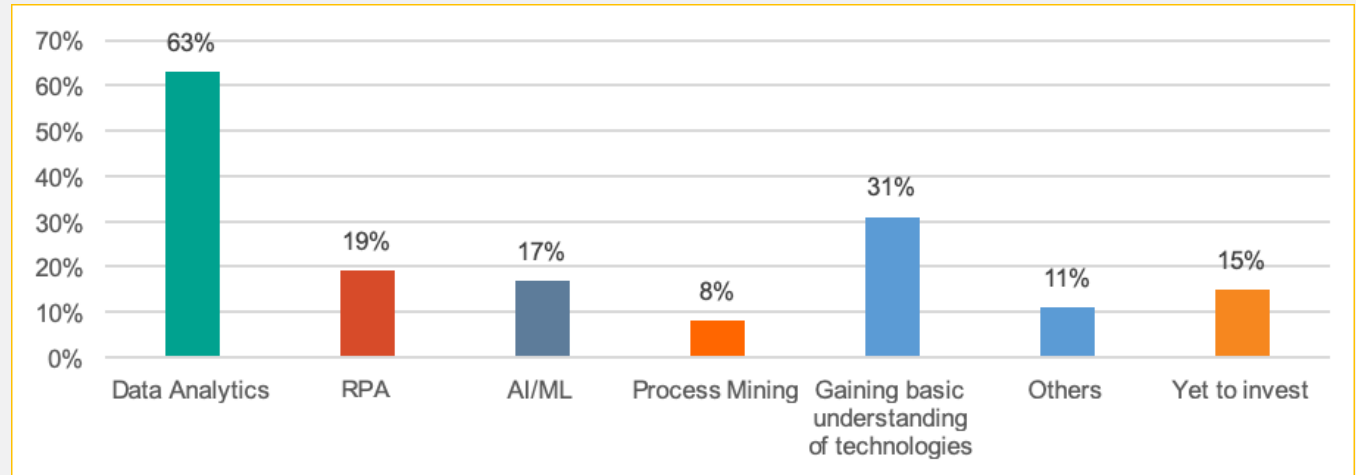
Traditional audit plans were drawn annually to cover all processes once in three years. Today modern audit methodologies including agile audits and continuous, flexible and dynamic audit planning are the requirement of the day. This can be carried out by leveraging historical data available with the business and by creating a system of record. A system of record is a form of dashboard which includes an understanding of the underlying systems, the applications, the data flow and interfaces. This enables us to monitor huge sets of data in a continuous



manner and, when the risks are material, it is pulled into the audit plan. This is an iterative process with continuous real-time data flow. Further, sharing the methodology of selecting

audit areas and drafting of the audit plan with business owners can be a mutual help. Businesses would be ever ready to partner with the internal audit to harness the advantages in such techniques.

Poll 4 - Which new technologies have you invested in to upskill and the IA skills either at an individual capacity or at an organisational level?



Methodologies and approaches for audit execution and reporting are set for a paradigm shift with the advent of multiple GRC tools.

With GRC tools evolving rapidly, there are various tools available in the market, including

RSA Archer, Laser, Auto Audit, to name a few. Tools relating to data coverage and analysis require a three-layer set-up, and some of the most popular tools in each layer are as below:

Database Layer	Access/Integration of Analytics Solutions to ERP systems.
Data Analysis Layer	R Studio, Python, ACL, Altrix, Idea
Visualisation Layer	Tableau, Power BI, Domo

While all tools serve the purpose, Internal Audit needs to remember the fundamentals like knowledge of business, the size of the organisation and type of risks to be anaged.

As we step into the future, the internal audit function should shift its focus from generating the best audit reports to providing best root cause analysis and sustainable business recommendations. The risk appetite of the

management needs to be challenged to ensure that the shareholders’ trust is maintained. Finance professionals and CAs need to be supplemented with technologies and resources to enhance productivity. A mind-set to adopt digital solutions is the key to ensure that we utilise data efficiently to provide assurance and risk insights.



Vizag Audit Club

LAUNCHED ON 24TH NOV 2020



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Secretary



N Chandrasekhar
Jt. Secretary



N Chandrasekhar
Treasurer



Manoj Kumar Jain
Immediate Past President 2019-20



Paul Jayakar
Immediate Past President 2018-19

Madras Chapter

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A R Parthasarathy
Advisor



R.Sridhar
Advisor

HALL OF FAME

The Hall of Fame section covers the name of those IIA Members who spread the word and encouraged new members to join IIA India.



Madhuri Krishnaswamy

BOG Member, IIA Hyderabad Chapter and member of the Hyderabad Chapter Women Circle Committee. She is currently serving in the Financial Controls & Compliance department of Novartis and having more than 14 years of experience in Internal Audit, SOX and other Risk Advisory services.



Sunil Rao Addanki

Vice-President, IIA Hyderabad Chapter and Managing Director, Protiviti India Member Private Limited based out of Hyderabad. Sunil specializes in Risk based Audits, handles several Global clients for Protiviti and is a speaker on various Risk bases topics in his professional networks.



THE INSTITUTE OF INTERNAL AUDITORS
INDIA-CALCUTTA CHAPTER

28th ANNUAL CONFERENCE

Virtual Annual Conference

Internal Audit - Panacea for Business in Future

February 13, 2021 (Saturday)
Time: 2.30 pm to 7.30 pm

Our Speakers



Padma Shri T. N. Manoharan
Ex. Chairman Canara Bank



CA P. R. Ramesh
Ex. Chairman of Deloitte India



Julianne McGarry
Head, Controls and Compliance Tower,
Tata Motors Group



Mohammed Iqbal Hossain
President, IIA Bangladesh and
ISACA, Dhaka Chapter



CA Anil Bhandari
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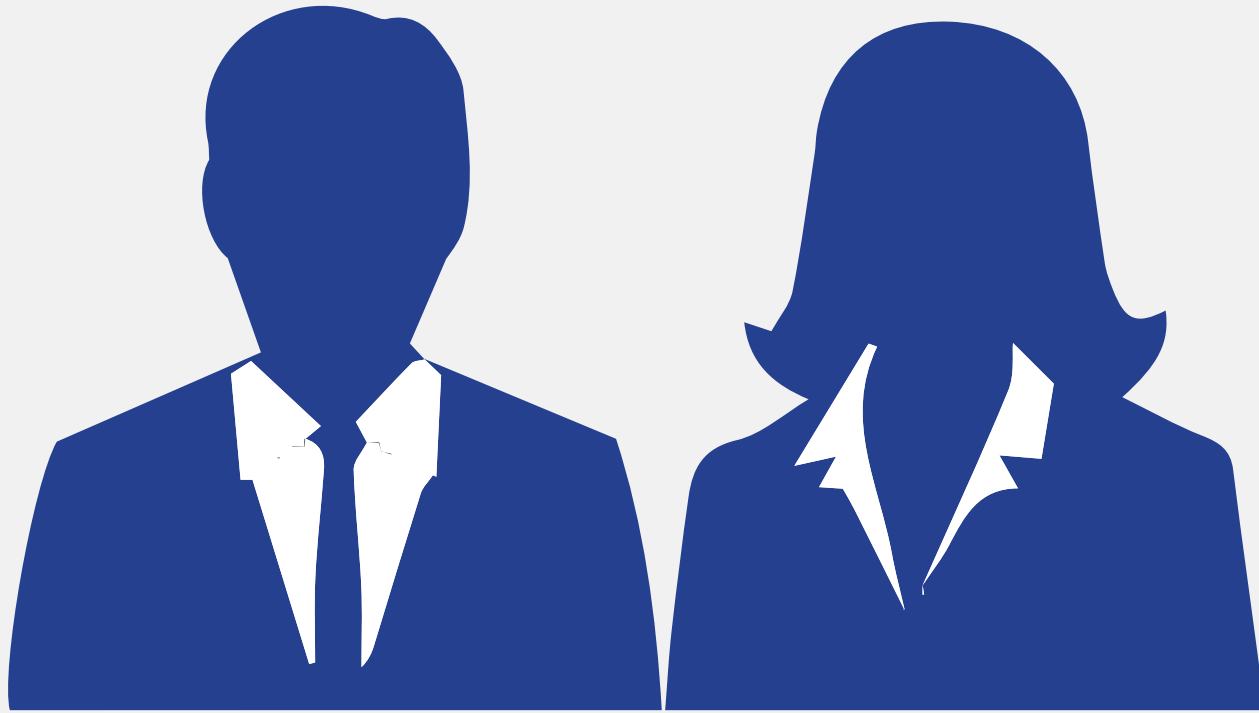
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S.No.	Date	Time	Topic	IIA India/Chapter/Club	Type of webinar	Speaker (s)	Fees-Member (in Rs.)	Fees-Non-Member (in Rs.)	Payment Link/Webinar link
1	03/12/20	4:00 pm to 6:00 pm	Internal Audit in Pharma Industry	Bombay	Free	Mr. Rajesh Bhatia, Head of Global Internal Audit of Sun Pharmaceutical Industries Ltd.			https://attendee.gotowebinar.com/register/5485499105732837131
2	05/12/20	4:00 pm to 6:00 pm	"AUGMENTED ROLE OF INTERNAL AUDIT IN A COST COMPETITIVE ENVIRONMENT".	Calcutta	Paid	Mr. A. N Raman, Chartered Accountant, Cost Accountant, CMA (Sri Lanka), CPA (Australia)	300	450	https://www.townscript.com/e/Webinar-on-Augmented-Role-of-Internal-Audit-in-a-cost-competitive-environment
3	10/12/20	4:00 pm to 5:30 pm	4Fs of IA Excellence – Fairness, Frankness, Friendliness & Finesse	Bombay	Free	Ms. Nandita Parekh - Former Partner - CNK & Associates			https://attendee.gotowebinar.com/register/549851882012450828
4	11/12/20	4:00 pm to 6:00 pm	Unlocking the true value of a business through enterprise wide risk management ("EWRM")	IIA India	Paid	Mr. Mohnish Chatrath	500	1000	https://www.townscript.com/e/Unlocking-the-true-value-of-a-business-through-EWRM
5	17/12/20	5:00 pm to 7:00 pm	"Audit Engagements – Well Planned is Half Done"	Hyderabad	Free	Sunil Rao, Managing Director, Protiviti India and Tinku Pandia, Director-Internal Audit and Sox, Dr. reddy's Laboratories			https://attendee.gotowebinar.com/register/8254117763787884558
6	18/12/20	11.am to 5.00 PM	Virtual Annual Banking Audit Conclave	Bombay	Paid	2500/-	3500/-		https://www.townscript.com/e/copy-of-Training-Program-for-Banking-Sector-Dec-2020
7	19/12/20	11.am to 5.00 PM	Virtual Annual Banking Audit Conclave	Bombay	Paid	"	"		https://www.townscript.com/e/copy-of-Training-Program-for-Banking-Sector-Dec-2020
8	26/12/20	3:30 pm to 5:30 pm	WEBINAR ON "CODE OF ETHICS FOR INTERNAL AUDIT"	Madras	Free	Mr. Raman Narasimham	500	1000	https://www.townscript.com/e/copy-of-Webinar-on-Webinar-on-CODE-OF-ETHICS-FOR-INTERNAL-AUDIT
9	27/12/20	9.00 am to 1.15 pm (8 consecutive Sundays) 27 Dec, 2020 and 3, 10, 17, 24 and 31 Jan, 7 and 14 Feb, 2021.	Online Fluency in English Training Module	IIA India	Paid	Mr. Anthony Thomas	2500/-	3000/-	https://www.townscript.com/e/Fluency-in-English-Online-Training-Module

Note : For offline payment (otherwise than Townscript link) , Rs. 500 per participant will be charged extra for each training



JOBS IN INTERNAL AUDIT

Designation	Company Name	Min-Max Exp	Location	Bitly
Senior Financial Consultant - Audit - CA	Yo HR Consultancy	3-6 yrs	Mumbai	https://bit.ly/37VPkvx
Partner - Internal Audit - CA Firm	Huquo Consulting	10-15 yrs	Delhi	https://bit.ly/31PM0Xt
Manager/Senior Manager - Statutory Audit - CA	Serving Skill	5-10 yrs	Delhi	https://bit.ly/2VOa2rg
Qualified CA with Statutory Audit experience	KPMG	1-3 yrs	Bangalore	https://bit.ly/31PMn4j
CA- Senior Executive / Associate Manager - Statutory Audit	Skillmine	1-4 yrs	Chennai	https://bit.ly/3oHgIEj
CA Auditor	Gmm Coatings	1-5 yrs	Mehsana	https://bit.ly/31LJiCx
Internal Auditor (CA Qualified)	Megsan Diagnostics Private Limited	5-8 yrs	Hyderabad	https://bit.ly/2L8JFdv
Partner - Assurance/ Statutory Audit - Global Consulting Firm - CA	Gudah Consultants	15-20 yrs	Gurgaon	https://bit.ly/2VNOLD2
Internal Auditor	Naprod Life Sciences Private Limited	3-5 yrs	Mumbai	https://bit.ly/2K0pQo4
CA professional with Internal Audit Experience	SS Kothari Mehta Co.	0-1 yrs	Delhi NCR	https://bit.ly/36OHzi6
Associate/Manager - Statutory Audit - CA - Big4	Contactx Resource Management	1-6 yrs	Bangalore	https://bit.ly/3a11VjJ
Internal Audit	PNB Metlife	10-12 yrs	Mumbai	https://bit.ly/2LdMXMO
Manager Internal Audit, Mumbai	Concentrix Daksh Services India Private Limited.	4-8 yrs	Mumbai	https://bit.ly/2IIMYNF

Designation	Company Name	Min-Max Exp	Location	Bitly
Internal Auditor	Samrin Services LLP	3-8 yrs	Mumbai	https://bit.ly/37J8R1N
Senior Executive / Assistant Manager Internal Audit, Delhi	Berger Paints	4-9 yrs	Delhi	https://bit.ly/347d2DZ
Manager Internal Audit	Shinewell Consultants	2-7 yrs	Bangalore	https://bit.ly/33RxmZD
Manager/ Sr. Manager - Internal Audit	TalentAhead	1-6 yrs	Noida	https://bit.ly/3qvilql
Deputy Manager / Assistant Manager - Internal Auditor	Vadilal Industries Ltd.	6-11 yrs	AHmedabad	https://bit.ly/36Qmqxf
Internal Auditor	JHS	3-7 yrs	Mumbai	https://bit.ly/3oBnClf
Internal Audit Manufacturing Senior Manager	Munsar Services	5-9 yrs	Hyderabad	https://bit.ly/3mVcmsG
Internal Auditor-Jalandhar	APEEJAY EDUCATION SOCIETY	5-10 yrs	Jalandar	https://bit.ly/3ov8TkW
Senior Executive - Internal Audit	Kores India Ltd	3-8 yrs	Mumbai	https://bit.ly/3mRLoSE
Senior Consultant/ Deputy Manager - Internal Audit Services	Protiviti	1-5 yrs	Chennai	https://bit.ly/33Qrdgo
Internal Audit-Mumbai	ANB Solutions private limited	2-5 yrs	Mumbai	https://bit.ly/2VPjFWG
Manager Internal Audit	IFFCO KISAN FINANCE LIMITED	4-7 yrs	Delhi NCR	https://bit.ly/39LbcMB
Senior Executive Internal Audit	SLK Software Services Private Limited	2-5 yrs	Bangalore	https://bit.ly/2JYgmK2
Internal Audit Manager	SKILLVENTORY	3-8 yrs	Mumbai	https://bit.ly/33N0ml9
Internal Auditor	R.K Sarang Co.	3-8 yrs	Mumbai	https://bit.ly/2JHvyf0
Team Lead _Internal Audit -Mumbai	Anb Solutions	4-8 yrs	Mumbai	https://bit.ly/39QnROm
Internal Audit - BIG 4	"Yellow Box HR Services Pvt. Ltd.	0-5 yrs	Kolkatta	https://bit.ly/37IfUI5
Internal Auditor	Essilor India Pvt. Ltd.	5-8 yrs	Bangalore	https://bit.ly/39OYFHV
Internal Auditor	Internal Auditor	1-4 yrs	Delhi NCR	https://bit.ly/2VLts0b
Senior Executive Internal Audit - Manufacturing Industry	Hector & Streak Consulting Pvt. Ltd	2-7 yrs	Mumbai	https://bit.ly/37GJaph
Deputy Manager - Internal Audit	Narayana Health	0-2 yrs	Bangalore	https://bit.ly/37GPiHE
Senior Manager - Global Internal Audit	Cognizant Technology Solutions India Ltd	8-12 yrs	Bangalore	https://bit.ly/2JV0GYi
AVP / Chief Manager - Internal Audit - Credit Audit , General Audit	Kotak Mahindra Finance Ltd	7-12 yrs	Mumbai	https://bit.ly/3qzuw5l
Program Manager - Internal Audit & Compliance	Tata Trust	2-3 yrs	Mumbai	https://bit.ly/3mRzrMT
Assistant Manager / Deputy Manager - Internal Audit	Man Industries (India) Ltd.	4-7 yrs	Mumbai	https://bit.ly/3gjdNhQ
Manager / Assistant Manager - Internal Audit	RSM	1-3 yrs	Mumbai	https://bit.ly/37NOnp0

IIA GLOBAL UPDATES

THE IIA'S FINANCIAL SERVICES AUDIT CERTIFICATE

IIA's new Financial Services Audit Certificate will provide you the opportunity to enhance your specialized knowledge and demonstrate your expertise 11 key areas listed below:

Assessing Cybersecurity Risk	Assessing Fraud Risks	Auditing Capital Adequacy and Stress Testing for Banks
Auditing Credit Risk	Auditing Culture and Conduct	Auditing Insurance Companies
Auditing Market and Interest Rate Risk	Auditing Model Risk Management	Auditing Third Party Risk
Foundations of Auditing in Financial Services	Liquidity Risk Management	Financial Services Audit Assessment Exam

This is an innovative self-study program available through the IIA Training OnDemand Platform. For more details, visit <https://na.theiia.org/training/Pages/Certificate-Programs.aspx>

NEW PRACTICE GUIDE ON AUDITING MARKET RISK IN FINANCIAL INSTITUTIONS

The IIA Inc. released a new practice guide on ‘Auditing Market Risk in Financial Institutions’, which is a new supplemental guidance to support internal auditors in the financial services sector with auditing investments in financial instruments relating to market risks.

Topics include:

- Definitions and components of market risk.
- Regulatory landscape.
- Risk governance and management processes.
- Planning and performing the engagement.

[IIA members are invited to download this guidance and all guidance as a benefit of membership.](#)

GLOBAL PERSPECTIVES AND INSIGHTS – THE THREE LINES OF DEFENSE MODEL – AN IMPORTANT TOOL FOR THE SUCCESS OF EVERY ORGANIZATION

The IIA's new report, “The Three Lines Model – An Important Tool for the Success of Every Organization,” outlines essential governance elements and answers questions about implementing The Three Lines Model in different industries, with a focus on accountability, actions, and assurance and advice. Any organization, anywhere can succeed when applying the core elements essential for good governance.

[Download the report here](#)

OUT OF THE BOX



NARASIMHA AVATAAR



In Narasimha Avataar, the fourth in the Dashavataar series, the Lord takes the form of a combination of Man and Beast where the head is that of lion while neck below is of Man. However, the claws are more like that of a lion. This is one of the most ferocious forms of the Lord, but interestingly the Lord does not specifically wield any weapon.

A quick synopsis of the Avataar Story. The Asura Hiranyakashpa is bestowed by a boon from Lord Bramha that he cannot be killed: by either man or animal, by any weapon, either during day or during night, either inside or outside, either in Earth or in Sky.

Hiranyakashpa, propagates, that he alone is the supreme Lord and afflicts unimaginable atrocities on people who worship anyone else. Co-incidentally his own son, Prahallad, happens to be an ardent devotee of Lord Vishnu.

In a debate with his father, Prahallad claims that Lord Vishnu is omnipresent and on being challenged whether the Lord would be present in the pillars of Hiranyakashpa's courtroom, he gets an answer in affirmative both by Prahallad and the Lord as well.

The Lord emerges from one of the pillars in the form of



**Sivaram
Subramoniam**

*Head Of Internal Audit at
Titan Company Limited
ssivaram@titan.co.in*



Narasimha. The Lord, after a ferocious duel disarms Hiranyakashpa at dusk and takes him to the door, places him on his lap and using his claws tears him apart. Thereby, he honours Lord Brahma’s boon by taking this form (neither Man nor Beast), kills him by placing Hiranyakashpa on his lap (neither in earth nor in sky), on the door frame (neither outside nor inside), and at dusk (neither day nor night).

Two key learning for an Internal Auditor here is:

- Focus on the “Neither/Nor” Aspects
- The Lord identified this gap and looked at a solution to address the problem and therefore took a form which was a combination of Man and Beast.
- As an auditor, it is very important to have a separate lookout for controls which slip between the cracks. Some classic examples which I have seen in my career are:
 - Setting up of Shared Services and related bill passing processes – While the Operating personnel still approve the invoice, the onus of validating what aspects of invoice by whom – Operating Personnel or Shared Service-get blurred. Some aspects are neither checked by Operating Personnel nor by Invoice Processor at Shared Service – Neither / Nor
 - IT Configuration – Vendor Order above 10K call for a discount of 10% and below call for a 5%. What about Orders of 10K – a scenario of Neither more than 10K nor less than 10K – Neither / Nor

It is very important as an Auditor to look at the various interlocks between processes and examine the same with this “Neither / Nor” Lens. When you are conducting a Distributor Audit, focus is usually on the Billing Accuracy, Rates, Discounts etc. One of the areas which is missed

out is the Indent raised by many distributors, stock allocation or order prioritisation (should the total indents be greater than stock available). The Supply Chain may want to do it on a first cum first serve basis, the Sales may want to do it basis customer profiling and importance and the Business Finance / Commercial may want to do it basis channel/customer profitability. This probably is more of a question of Either/ Or and if one looks at it more dispassionately, it is a question of Neither / Nor as neither customer profiling, supply chain convenience nor profitability is looked in toto.

- Be Omni Present

The Lord vindicated his devotee’s belief that He is present everywhere and emerged from the pillar. Of course, in today’s world (in fact even earlier), it is not possible to place Auditors at each nook and corner of the Company. The learning from this facet of this Avataar is to be ready to service any request arising from any corner of the organisation. For this, you must ensure scalability, have requisite skill sets and business understanding to pick up any urgent request. Be it a Depot Audit, Cybersecurity (of course, you may need an external expert here), Mystery Customer, Ethics / Whistle Blower Investigation, Review of Financial Reconciliations etc., the ability, intent, readiness and most importantly, the preparedness to take up anything, anytime, anywhere in the Company will catapult the audit function to the next level of recognition and appreciation.

In summation focus on:

N(ara)either / Nor

S(imha)howing your presence everywhere

The views articulated in the note are Author’s personal views only and should not be construed as Author’s current or past organisation’s views.





MEDICAL ASTROLOGY

Medical Astrology deals with health and longevity issues. Each house, zodiac sign (rashi) and planet signify potential diseases the native may contract. In medical astrology, the house, zodiac sign (rashi), planets, lagna chart (D-1), navamsha (D-9), drekkana (D-3), dwadashamsha (D-12) must be analysed together.

To analyse disease (discomfort from ease), following three houses are focussed:

- **Sixth House:** called the **'House of Sicknesses'** in the birth chart is referred to **indicate** disease.
- **Eight House:** called the **'House of Death'** in the birth chart, signifies danger from disease and is analysed for longevity. In addition, 1st and 3rd house should be considered for longevity.
- **Twelfth House:** in the birth chart is the house of hospitalisation. It is analysed to assess defect as a result of a Disease

First, fifth and eleventh houses are analysed to assess cure from disease. Below are few details on these three houses:

- **First House:** Strength of the first house (ascendant) indicates overall health, vitality and vigour. The lord of first house (Lagna) is extremely critical to determine the

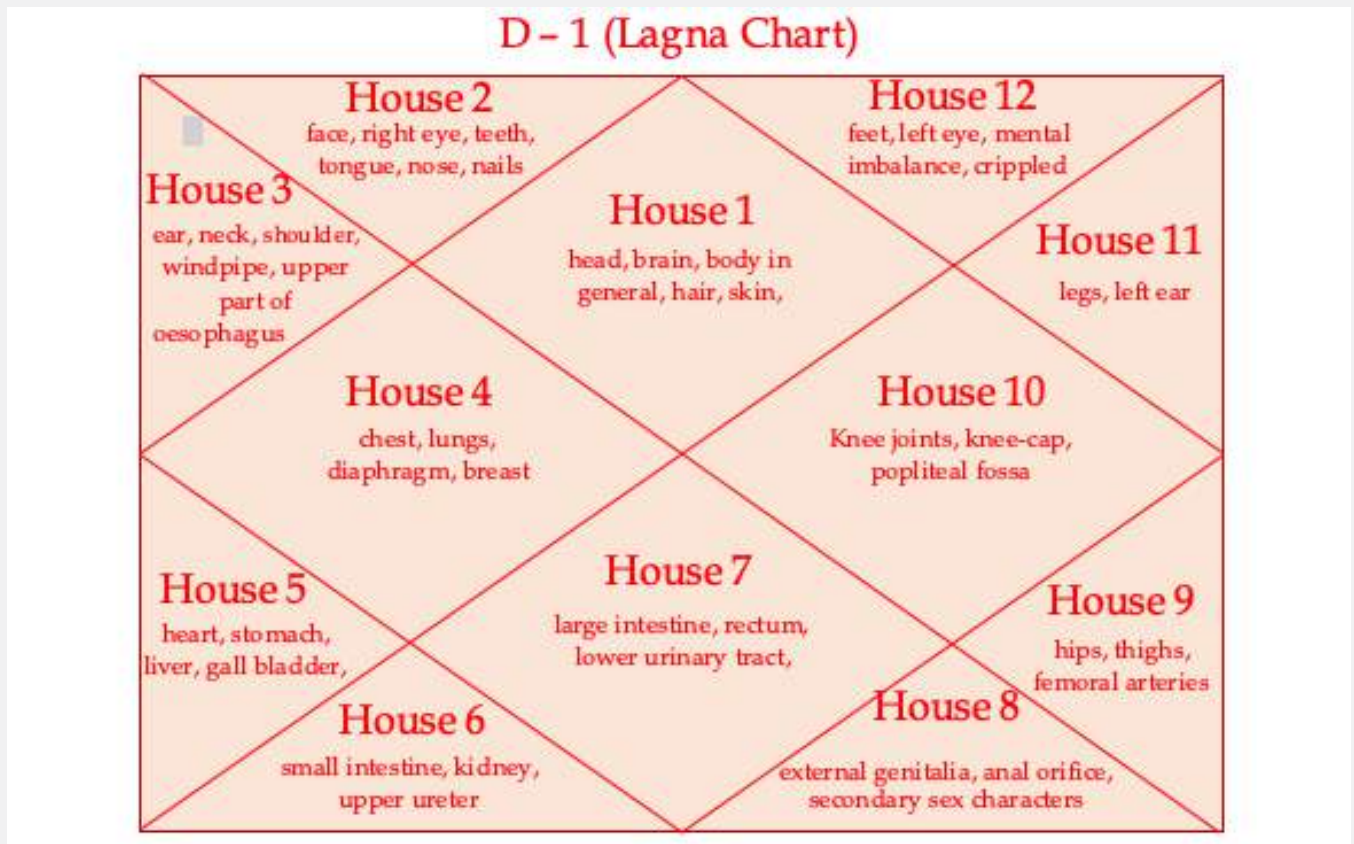


Sidheshwar Bhalla

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

health of a native.

- **Fifth House:** This house is of cure or absence of sickness During the period of the planets connected with 5th house, the health of the native improves.
- **Eleventh House:** Planets connected with 11th house cure disease.



Below are various body parts represented by Houses (Illustrative):

The right half of body is represented by houses 1 to 7 and the left half by houses 7 to 1.

Body part represented by zodiac signs:

Zodiac Sign	Body Part (Illustrative)
Aries (1)	Head, brain, face
Taurus (2)	Throat, neck, lips, ears
Gemini (3)	Lungs, hands, arms, shoulders
Cancer (4)	Stomach, breasts, chest, digestive organs, ribs, elbows
Leo (5)	Heart, back, spine, wrists, forearms
Virgo (6)	Intestines, lower spine, fingers, abdomen, spleen
Libra (7)	Kidneys, skin, lumbar region
Scorpio (8)	Urinary and generative organs, bladder, anus, pelvis, nose, appendix
Sagittarius (9)	Hips, thighs, nerves, arteries
Capricorn (10)	Knees, joints, bones, teeth, skin
Aquarius (11)	Legs, ankles, circulation of blood
Pisces (12)	Feet, toes, lymphatic system

Afflictions in zodiac signs: Each zodiac sign and planet are associated with a number of possible

diseases. Planets in movable signs (Chara, i.e. 1, 4, 7, 10) cause disease of short duration. Dual signs (Dwiswabhava, i.e. 3, 6, 9, 12) indicate neither short nor long. Fixed signs (Sthira, i.e. 2, 5, 8, 11) may cause disease to prolong and become chronic.

Planets and Organs of the Body:

Planet	Organ of the Body (Illustrative)
Sun	Heart, back, spleen, blood, brain, right eye of a man, left eye of a woman, vitality
Moon	Stomach, uterus, ovaries, breasts, saliva, left eye of a man, right eye of a woman
Mercury	Nerves, mind, brain, tongue, speech, lungs, hands, arms, ears, hair
Venus	Throat, internal generative organs, kidneys, ovaries, complexion, veins, cheeks
Mars	External generative organs, rectum, nose, forehead, gall bladder, muscles, bile
Jupiter	Liver, arteries, hip bones, feet, thighs, arteries, right ear
Saturn	Bones, skin, left ear, joints, teeth, spleen, marrow

In present times when we are facing aftermaths of COVID pandemic, it is relevant to share the following (views expressed are personal):

Though Rahu and Ketu are not considered as planets, they do signify certain ailments. Illustratively, Rahu signifies insanity, leprosy, haemorrhoids, chronic boils/ ulcers, poisoning. In collaboration with Moon, Rahu gives rise to various phobias. Ketu produces all the ailments signified by Rahu. Ketu leads to diseases with uncertain cause, epidemics, viral, infective diseases and also diagnostic confusion. As the eighth house indicates ‘research work’ normally the role of eighth house along with Jupiter, Saturn and Ketu is seen to overcome pandemics. In transit, Ketu has entered Scorpio on September 23, 2020, and signifies onset of deep research which should give productive results over a period of time.

It may be noted that position of planets in a particular zodiac sign, their aspects, inherent results (malefic, benefic), strength of planets and combinations which they form in various houses in the native birth chart has to be analysed and interpreted collectively. Along with same planetary transit is critical and should be considered. Based on personal experience, I can safely say that meditation by an Astrologer plays a significant role.

○○○

ANSWER TO CIA QUIZ

Q1.D • Q2.D • Q3.D • Q4.D • Q5.C • Q6.D

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Bengaluru	8022261371	bangalorechapter@iiaindia.org
Chennai	9884716160	madrashchapter@iiaindia.org
Delhi	9650002331	delhichapter@iiaindia.org
Hyderabad	9391690256	hyderabadchapter@iiaindia.org
Kolkata	7980586848	calcuttachapter@iiaindia.org
Mumbai	9326652393	bombaychapter@iiaindia.org
IIA India	8287359493	Coordination@iiaindia.org
	9004512247	Coordinator@iiaindia.org

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