

Internal Financial Controls

Refresher Course on Internal Audit

19th September 2020



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The views discussed are presenter's personal view and not related to his current / previous organisations

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IA

What IS IFC

Policies & Procedures adopted by the Company

for ensuring the **orderly and efficient conduct of its business**,

including

adherence to Company's policies,

the safeguarding of its assets,

the **prevention and detection of frauds and errors,**

the **accuracy and completeness of the accounting records**

and the **timely preparation of reliable financial information.**

INTERNAL FINANCIAL CONTROLS



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Key Guiding Sources



Section 134
143
149(8) / Sch IV
177
Rule 8(5)



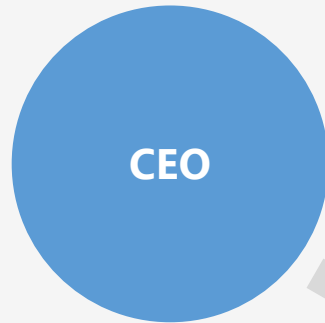
Regulation
4(f)(ii)(7)
18



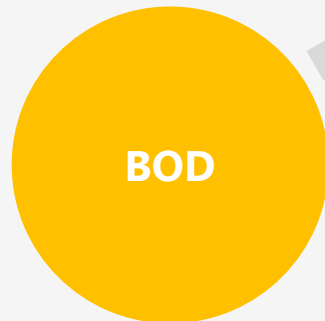
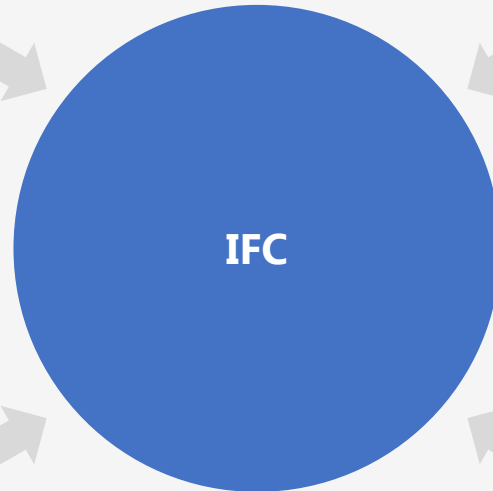
Audit of IFC
Over Financial
Reporting
SA 315

Requirements

Certify **effectiveness** of internal control systems pertaining to **financial reporting**.



State in their report whether the company **has adequate internal financial control system in place** and the **operating effectiveness** of such controls



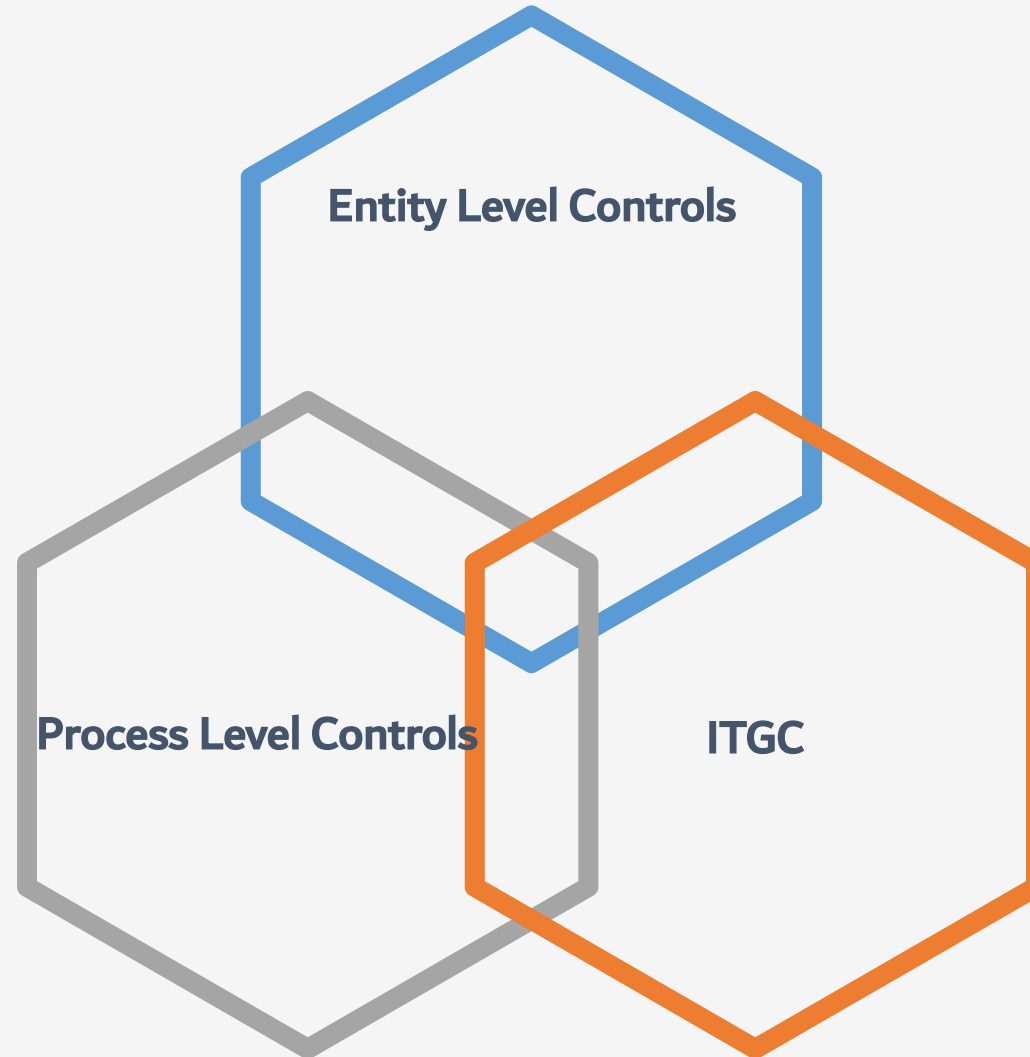
Directors Responsibility Statement to state that the **Directors had laid down internal financial controls and the same were adequate and operating effectively**

Board of Directors' Report to state the details in respect of **adequacy of internal financial controls with reference to the financial statements**.

to **evaluate internal financial controls** and risk management systems

call for **comments of the auditors on internal control systems**, scope of audit, **their observations on internal control systems and financial statements** before submission of the same to the board

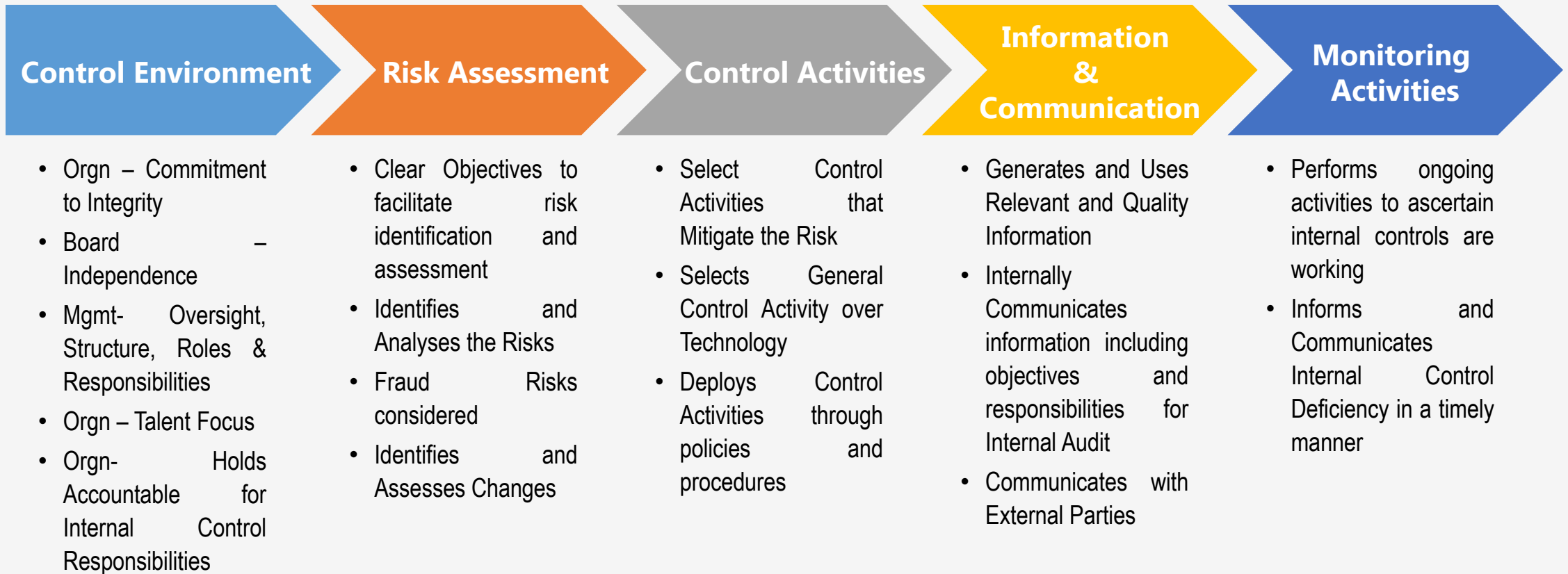
CONSTITUENTS



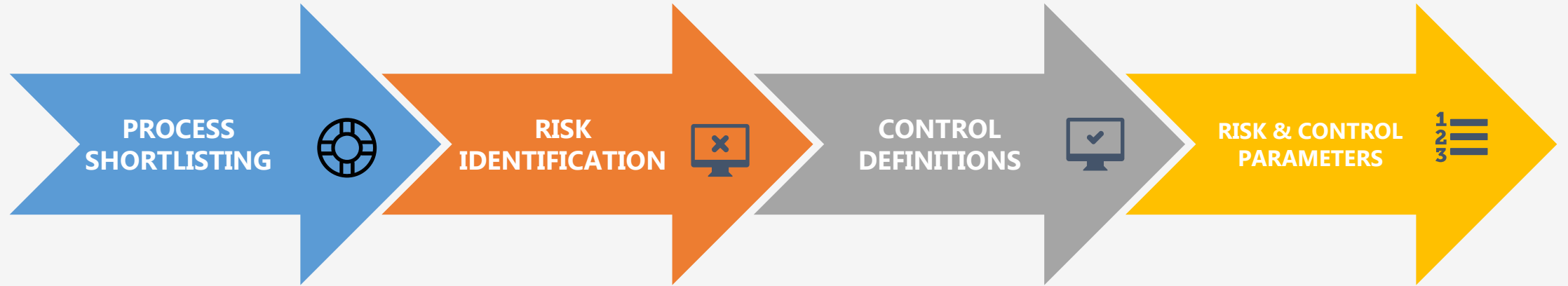
Entity Level Controls



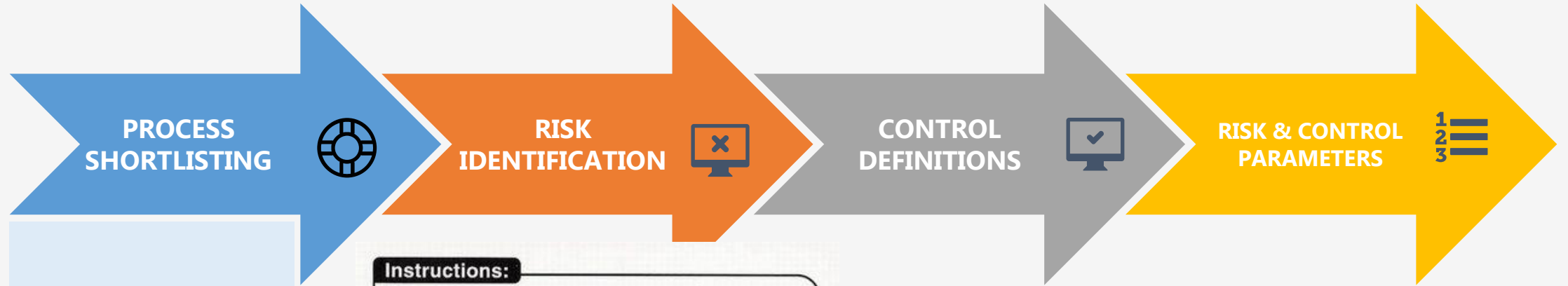
Entity Level Controls



Process Level Controls



Process Level Controls



- Identify Processes Relevant to your Business
- Ensure Proper Bifurcation



Process Level Controls

PROCESS
SHORTLISTING



RISK
IDENTIFICATION



- Engage with Various Stakeholders to identify various risks
- Keep in mind the bifurcation of risks and ensure only relevant (for IFC) are included



"We've considered every potential risk, except the risks of avoiding all risks."

Process Level Controls



- Discussions with various stakeholders to identify controls incorporated to address the risk
- Ensure that the Control addresses the risk
- Ensure that the control is defined properly to facilitate proper testing/ evaluation



Process Level Controls

I WAS HOPING FOR A SLIGHTLY MORE DETAILED EXPLANATION OF HOW CLOUD COMPUTING WORKS THAN - "IT'S MAGIC"!



CONTROL DEFINITIONS



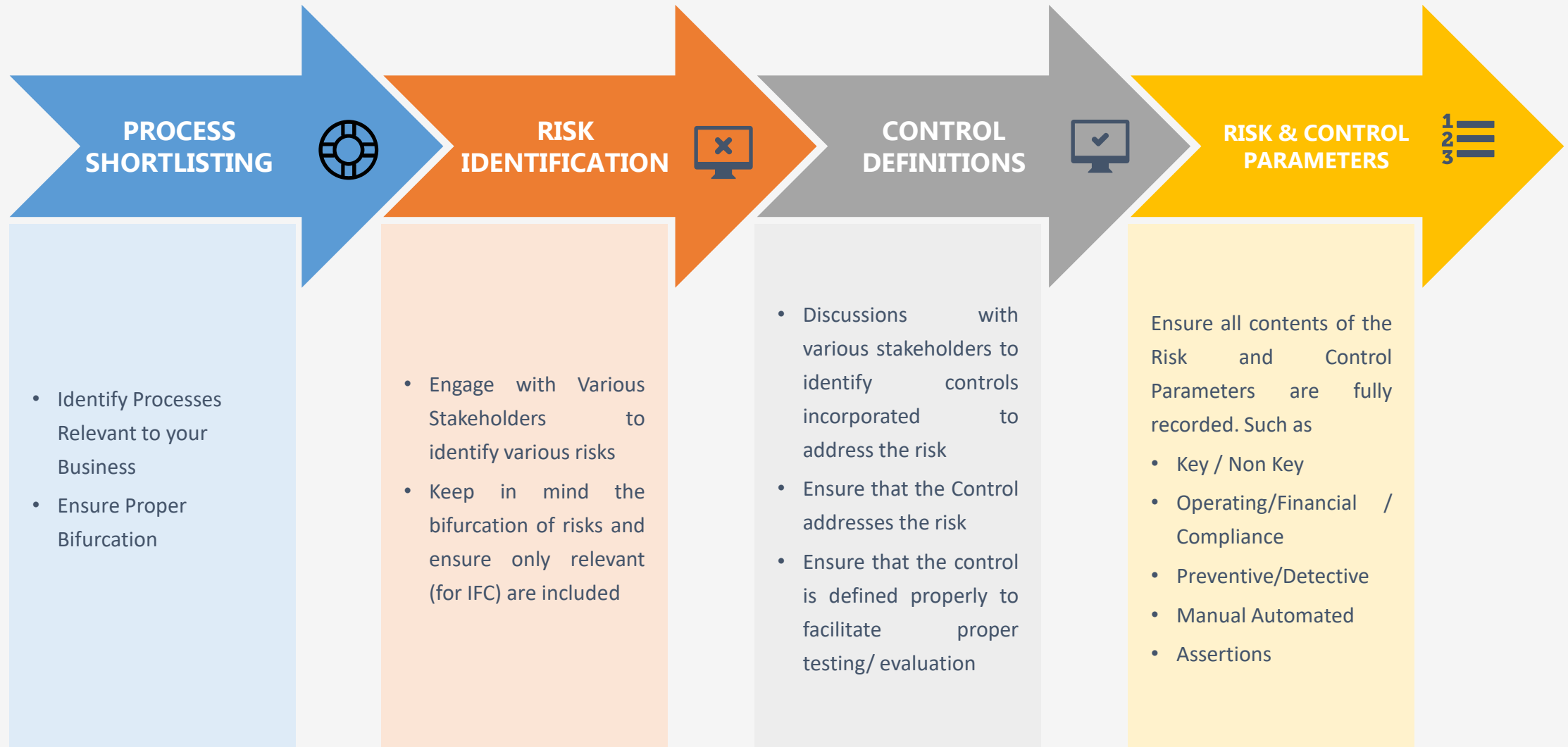
RISK & CONTROL PARAMETERS



Ensure all contents of the Risk and Control Parameters are fully recorded. Such as

- Key / Non Key
- Operating/Financial / Compliance
- Preventive/Detective
- Manual Automated
- Assertions

Process Level Controls



Information Technology General Controls

WRITE YOUR SUBTITLE HERE

User Access



Change Management



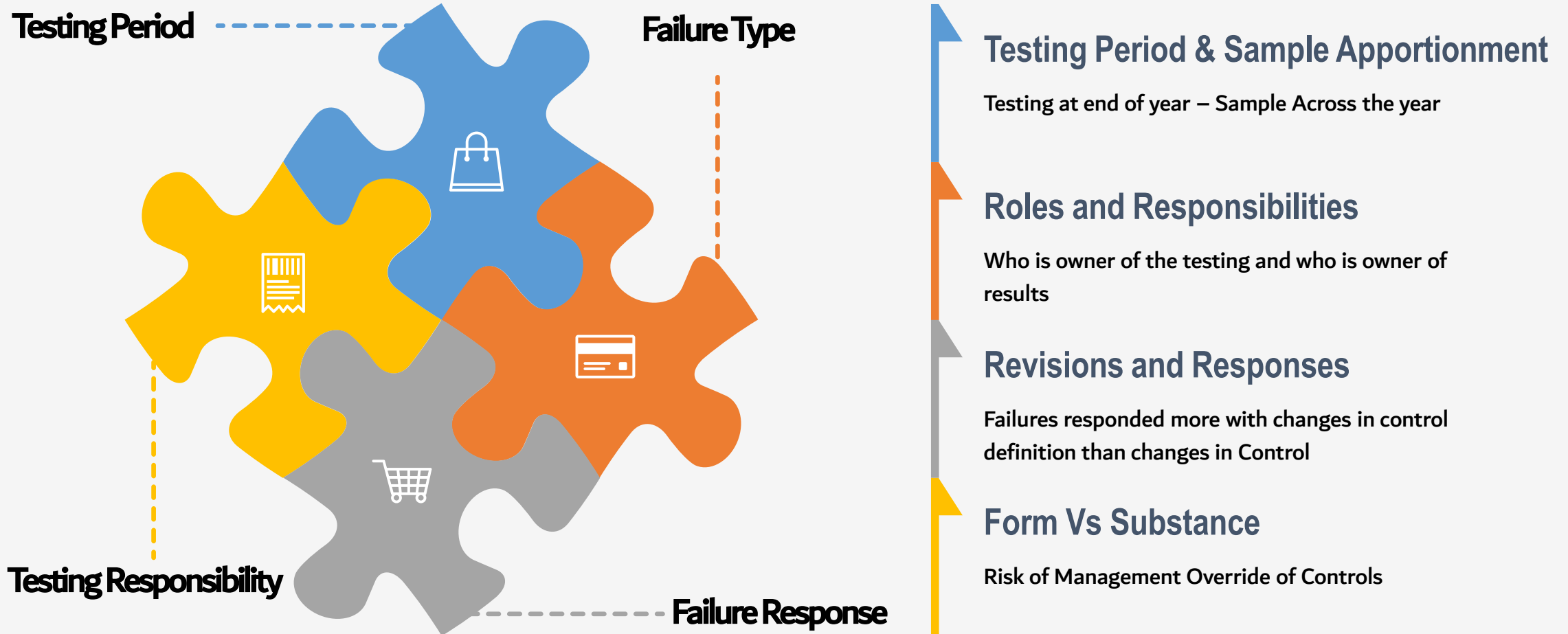
Data Centre / Back Up Policies



IT/ Cyber Security

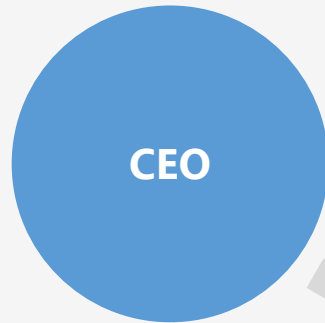


Key Challenges

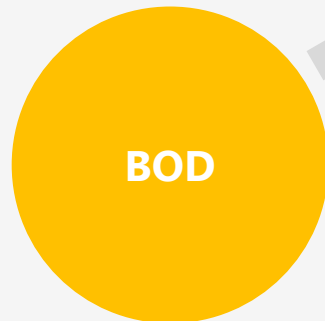
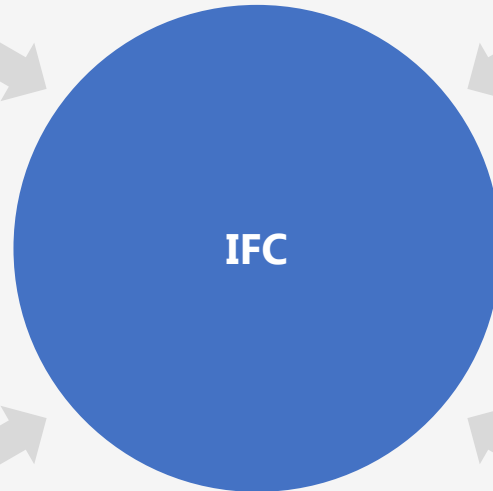


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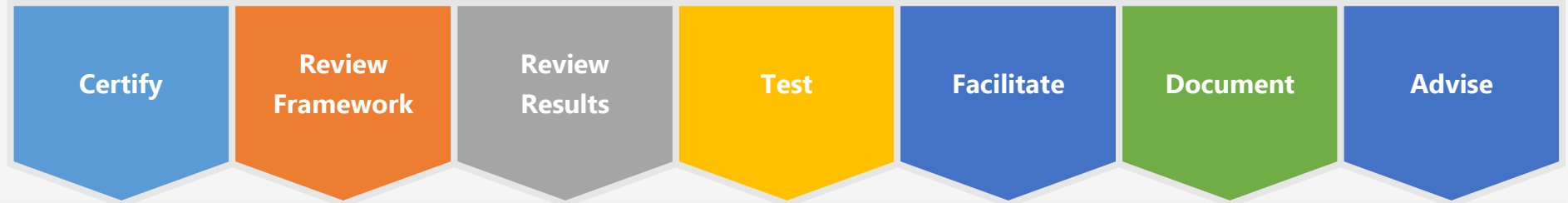
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RESPONSIBILITIES

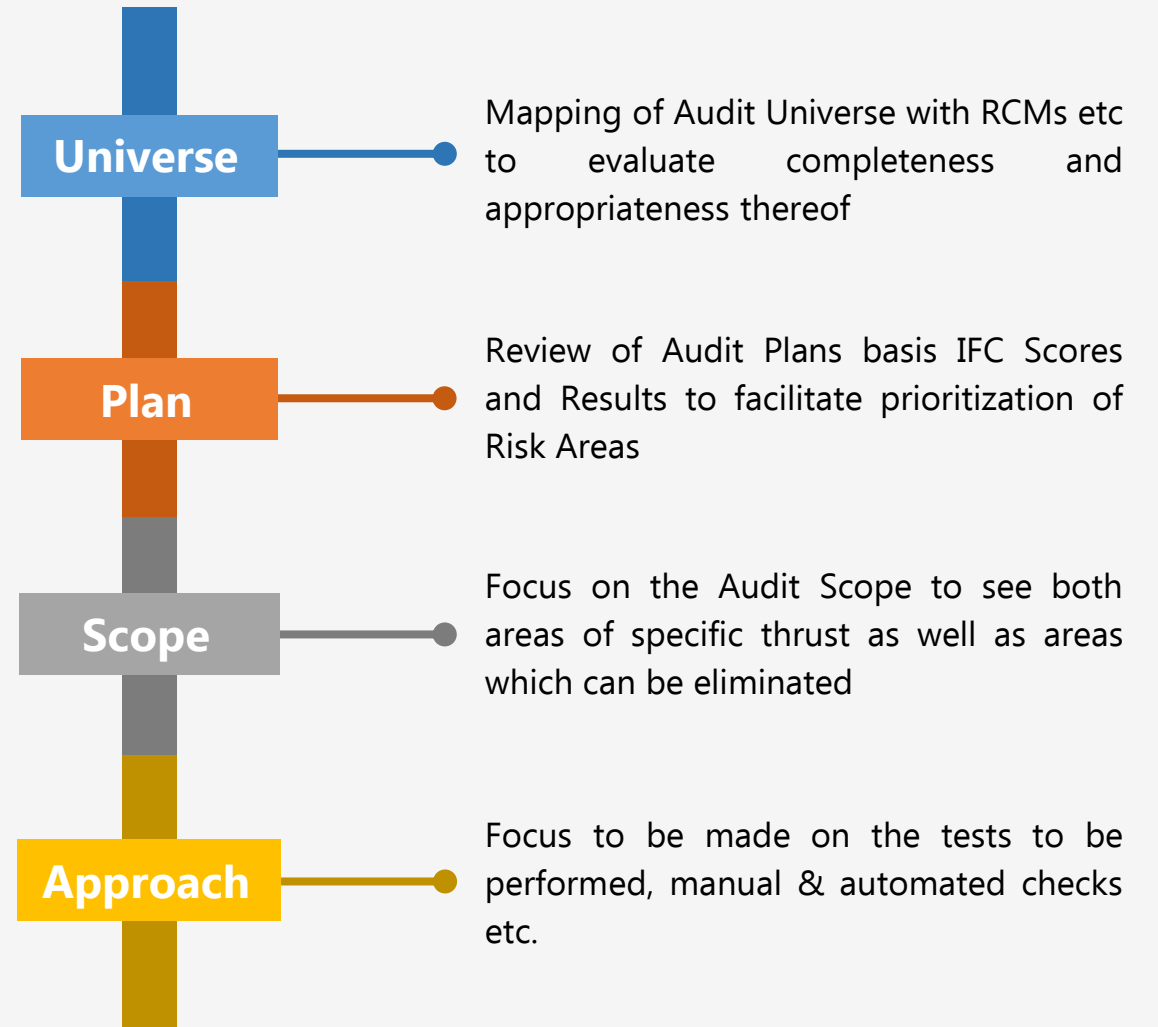
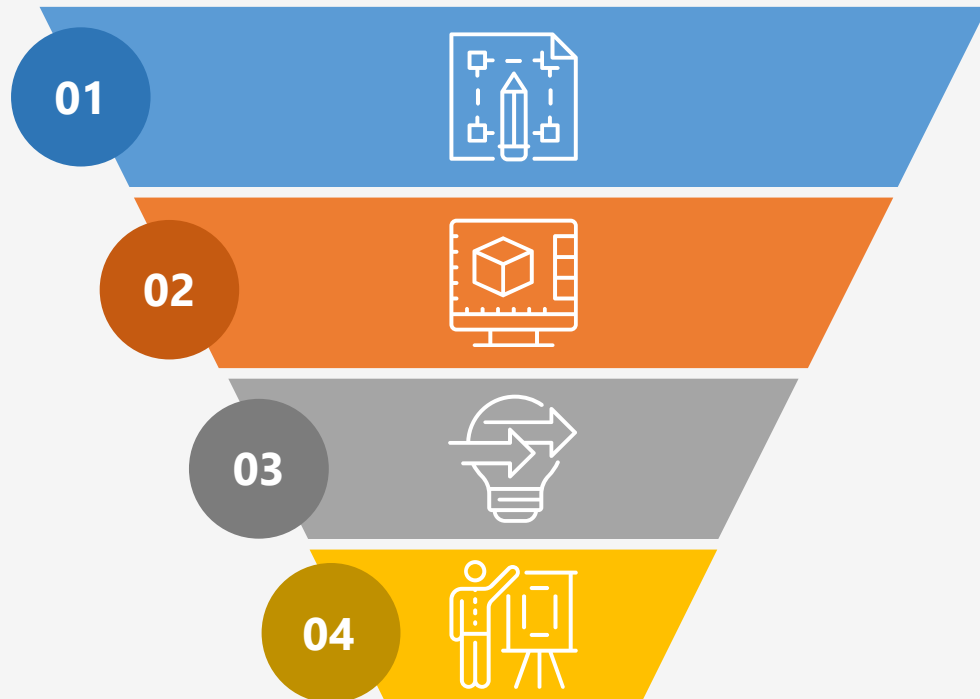


	Certify	Review Framework	Review Results	Test	Facilitate	Document	Advise
Board	✓						
Audit Committee		✓	✓				
Management	✓			✓			
CEO/CXO				✓		✓	
Finance					✓	✓	
Statutory Audit				✓			✓
Internal Audit				✓		✓	✓

Leveraging IFC and Internal Audit



IFC support to Internal Audit



Internal Audit to IFC

