



# Opportunities for Chartered Accountant

Bringing Confidence to a Dynamic World

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# Risk & Control



# INTERNAL AUDIT (IA) SERVICES

With our risk management and internal audit heritage, we have gained unique perspectives on the challenges faced by our clients.

## Internal Audit Co-sourcing

**Protiviti's Internal Audit Co-Sourcing professionals** provide organizations with all of the technical and expert resources they require on-demand, without the need to hire full-time staff. Our breadth of industry, technology and operational risk resources enables to serve as a highly qualified assets for the business.

## Internal Audit Full Outsourcing

**Protiviti's Internal Audit Outsourcing professionals** help organizations meet their internal audit needs under a continuous, full-service outsourcing arrangement. These services can help management better understand and monitor the performance of core operations and support functions, as well as ensure the proper level of control.

## Financial Controls & SOX/J-SOX Compliance

**Protiviti's Financial Controls and Sarbanes-Oxley (SOX) Compliance professionals** help companies establish effective internal control over financial reporting and our J-SOX Compliance professionals help organizations achieve effective ongoing compliance with J-SOX. We assist organizations in implementing a sustainable process to manage compliance costs while working to continuously improve internal control.

## Internal Audit Quality Assurance Reviews

**Protiviti's Internal Audit Quality Assurance professionals** help organizations evaluate conformance with The International Standards for the Professional Practice of Internal Auditing (Standards) and identify opportunities to improve internal audit performance and services.

## Internal Audit Transformation

**Protiviti's Internal Audit Transformation professionals** help organizations align the practice of internal auditing with expectations of key stakeholders, including senior management and the board of directors. Our systematic and disciplined approach aligns stakeholder expectations with leading internal audit practices and ensures the internal audit activity is operating at an appropriate level of performance that provides the highest value to the organization.

## Audit Committee Advisory

**Protiviti's Audit Committee Advisory professionals** help organizations' committees with the effectiveness of internal audit-related activities.

## IT Audit Services

**Protiviti's Information Technology (IT) Audit professionals** help organizations gain insight into the threats inherent in today's highly complex technologies.

## High Value Auditing

**Protiviti's High Value Audits help organizations** create greater value from technology and business processes owned by the organization.

## Internal Audit Technology / Tool Implementation

**Protiviti's Internal Audit professionals** help organizations streamline technology, so it becomes an integral part of their ever-evolving internal audit functions.

# NEXT-GENERATION INTERNAL AUDITING APPROACH

While we are presenting the solution for today, we are also ready with the solution for tomorrow. Our next-generation internal audit is based on the following competencies, qualities and components in three broad categories:



## Next-Generation **Internal Audit**

### Enabling Technology

- Machine Learning (ML) Artificial Intelligence (AI)
- Process Mining
- Robotic Process Automation (RPA)
- Advanced Analytics



### Governance

- IA Strategic Vision
- Organizational Structure
- Resource & Talent Management
- Aligned Assurance



### Methodology

- Continuous Monitoring
- High Impact Reporting
- Agile Audit Approach
- Dynamic Risk Assessment

# INTERNAL CONTROL FRAMEWORK DEVELOPMENT



## IFC Policy and Charter

- Define policy and charter for executing and evaluation of controls defined in the IFC framework
- IFC policy and charter to capture guidelines for –
  - Scoping & risk assessment
  - Risk and control documentation
  - Testing of controls (*including sampling methodology*)
  - Reporting to management
  - Roles and responsibilities

A



## Risk and Control Framework Design

- Perform risk assessment considering qualitative and quantitative aspects
- Review existing processes, system and operating models
- Develop risk and control framework incorporating key risks and controls around finance, operations, ITGC, application controls, anti fraud etc.
- Align to IFC best practices – define entity level controls, IPE, MRCs, financial assertions etc.

B



## Control Testing and Reporting

- Prepare standard test scripts for control testing
- Balance sample testing for monthly/quarterly controls and testing of year-end controls.
- Reporting of test results – BAL Management / Audit Committee

C



## Monitoring through IFC Tool

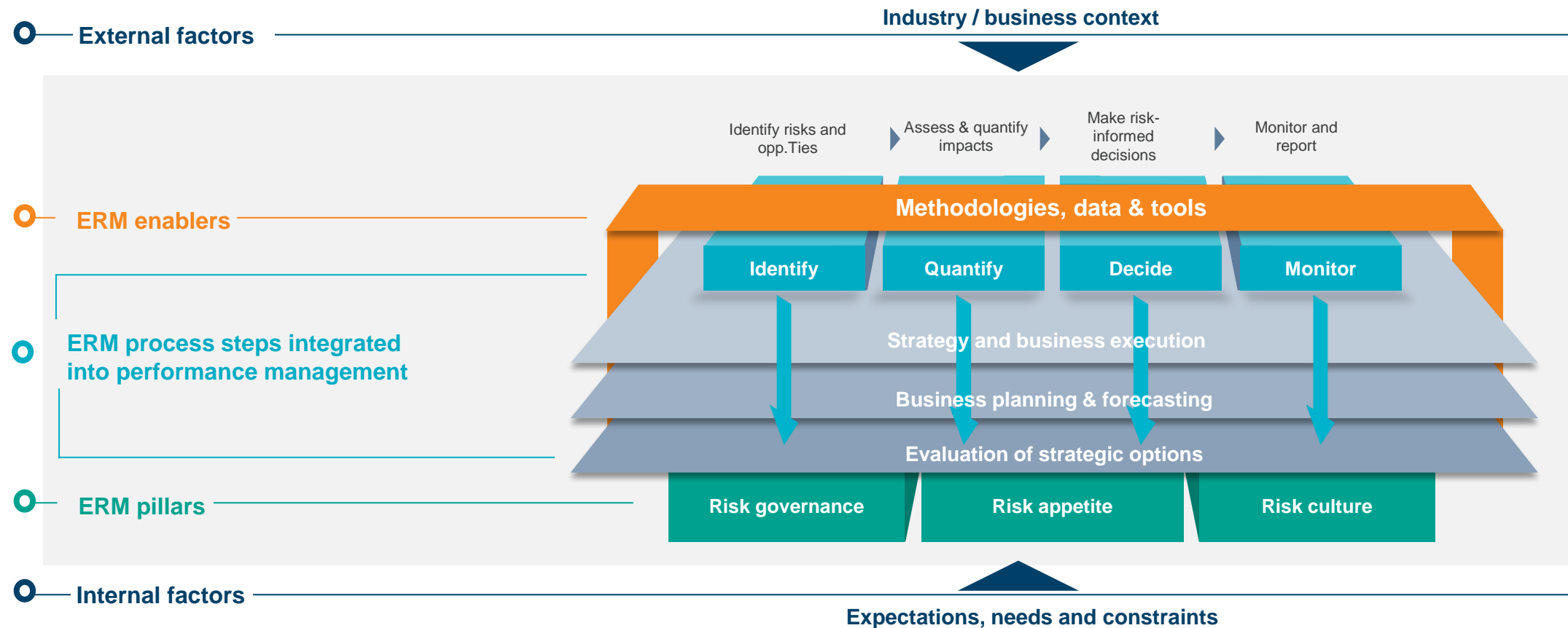
- Build and Deploy low coded technology tool leveraging Share Point, Power BI and Microsoft Automate
- Update the final RCM in the tool
- Ongoing monitoring through tool on real time basis

D

# ENTERPRISE RISK MANAGEMENT (ERM) FRAMEWORK

The new PROTIVITI ERM FRAMEWORK is based on a “RISK INFORMED” PERSPECTIVE

A major goal of ERM should be providing management and the board with information on risks and opportunities that may influence key decision making. This can be accomplished by an ERM journey guided by a trusted advisor to facilitate their success.



# ENTERPRISE RISK MANAGEMENT (ERM) SOLUTIONS



## RISK GOVERNANCE

- Enhance Board risk awareness, accountability and overall oversight
- Design the most appropriate ERM operating model (e.g. Chief Risk Officer, Risk Management Committee, RM function) and reporting lines
- Assign clear ERM roles and responsibilities



## EVALUATION OF STRATEGIC OPTIONS

- Analyze strategic options and related business plans
- Identify risks & opportunities for each option
- Measure the risk-return profile of each option
- Select the option with the risk-return profile that better fits the entity's risk appetite
- Monitor the risk profile of the selected strategy



## METHODOLOGIES

- Based on the nature of the risk, select and develop the most appropriate methodology to support in-depth risk analysis & measurement:
- What if / Scenario Analysis
- Stress Testing
- Data Modeling
- Data Simulation
- Predictive Analytics



## RISK CULTURE

- Understand current Organizational Behaviors
- Define desired Organizational Behaviors
- Design and implement dedicated Risk Culture Program
- Periodically monitor Organizational Behaviors



## BUSINESS PLANNING & FORECASTING

- Understand assumptions and guidelines of the plan
- Identify risk & opportunity events that can influence the plan, measure and model main events, aggregate and calculate the overall volatility of planned results
- Define the acceptable variations of the expected performances, assess the overall plan strength
- Monitor the risk profile evolution of the plan



## DATA & SYSTEMS

- Select relevant data that can support in-depth risk analysis and measurement
- Identify data sources (internal or external)
- Collect and model data to predict - whenever possible - risk event behaviors
- Select and implement IT solutions that can ensure ERM sustainability



## RISK APPETITE

- Understand strategic objectives
- Define risks that are acceptable (i.e., on strategy) and non acceptable (i.e., undesired or off strategy)
- Articulate the risk appetite statement and related thresholds and limits
- Assign accountability, communicate, monitor and report



## STRATEGY & BUSINESS EXECUTION

- Understand and map key "value drivers"
- Identify, assess and prioritize risks that can affect value drivers
- Focus on critical risks in order to predict / measure their impacts, set tolerances and select appropriate risk responses
- Monitor the evolution of risk exposures and risk response effectiveness



## ORGANIZATION & PROCEDURES

- Assess and engage skills and resources that are necessary to ensure ERM effectiveness and sustainability
- Develop and implement "ad-hoc" risk management policies and procedures
- Monitor the effectiveness of existing practices and competencies



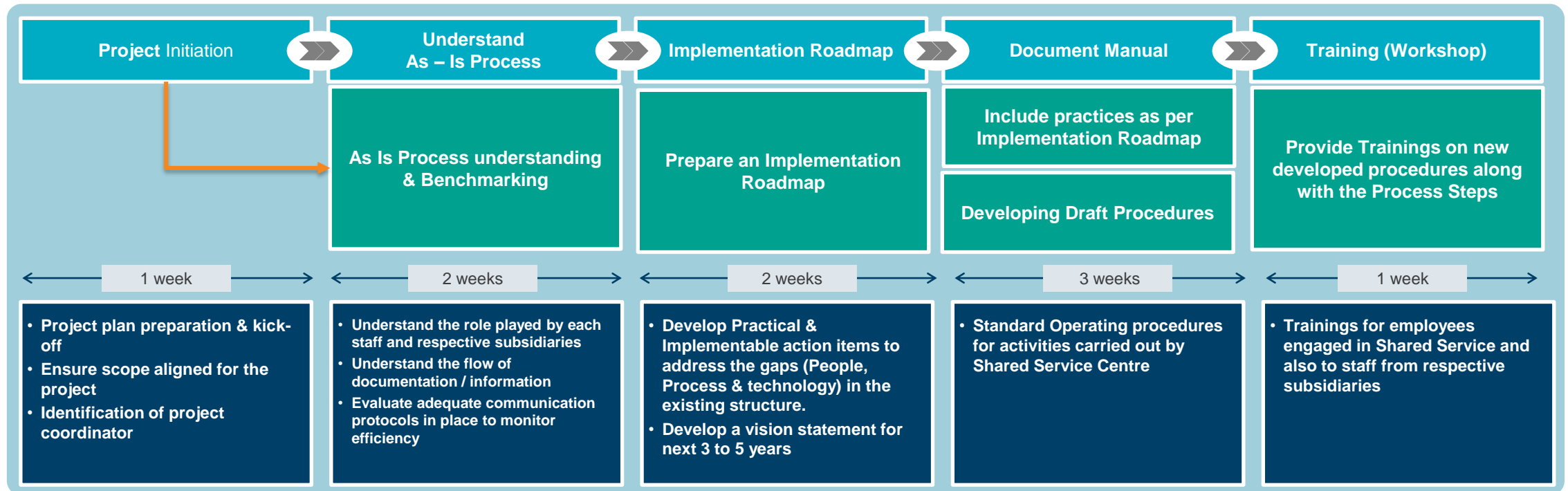
# STANDARD OPERATING PROCEDURE (SOP) DEVELOPMENT

**Key Project Considerations**

- Customer Satisfaction
- Align SCSSC Org Structure
- Minimize Non-value Activities
- Cost Optimization
- Time / Process Efficiency

**Protiviti Frameworks**

*Our methodology represents our overarching Solutions Methodology that we apply to every engagement we execute in order to 'unlock value' for our clients. It is a 'best of breed' methodology, which ingrains concepts of problem solving and benchmarking*



# RISK AND COMPLIANCE

Protiviti helps companies around the globe identify, measure, and navigate the risks they face, within their industries and throughout their systems and processes, using proven value-added solutions.



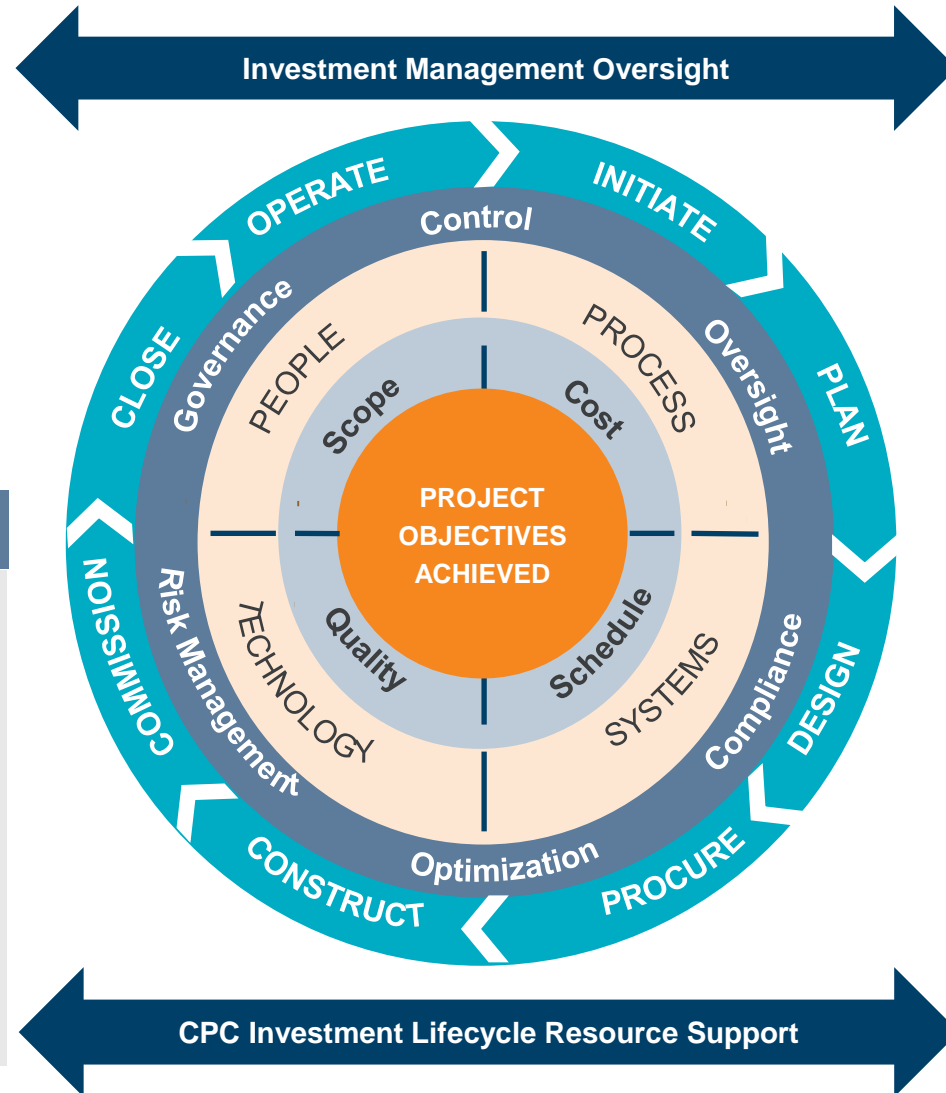
# CAPITAL PROJECTS SERVICES

**1 Strategic Solutions**

- Capability Maturity Model
- Operating Model and Organization Design
- Project Management Office
- Performance Monitoring (KPI's) and Reporting (MIS)

**2 Cost Reduction**

- Project Tendering Estimation and Commercial Viability reviews
- Contract Performance and Cost recovery reviews
- Commissioning & Operation Readiness Planning
- Independent Claims and Variations Assessment and Litigation Support



**3 Operational Excellence**

- Process Efficiency
- Procurement Advisory
- Logistics Advisory
- Project Reviews
- Schedule Delay & Forensics Analysis
- Cost to Complete Reviews
- Profitability and Cashflow Analysis
- Lenders Advisor

**4 Technology**

- Tools and Technology Assessment

**5 Secondment**

- Staff Augmentation

# Corporate Social Responsibility (CSR) and ESG



# Social Audit



# SOCIAL AUDITS IN INDIA (1/2)



**Introduction to Social Audit:** To further tighten the country's CSR regulations, the federal government **intends to make it mandatory for businesses to undergo social audits of their company social responsibility (CSR) spending.** Public sector undertakings (PSUs) would be the first to be included in the social audit, according to officials from the Ministry of Corporate Affairs (MCA).

According to one of the representatives, the Securities and Exchange Board of India (SEBI), which regulates the financial markets, has already given the Institute of Chartered Accountants of India (ICAI) the go-ahead to develop a social audit standard.

**As per SEBI notification, a 'social auditor' is defined as an 'individual registered with a self-regulatory organization (SRO) under the Institute of Chartered Accounts of India (ICAI)'. Social Audit will also assess the projects/programs executed by Social Enterprises listed on the Social Stock Exchange through an independent examination.**



**Formulation of Institute of Social Auditors of India: Council of the ICAI has approved formation of a 'Self Regulatory Organization (SRO)' to be named as the 'Institute of Social Auditors of India (ISAI)' for the purpose of capacity building of 'social auditors' in line with the 'social stock exchange' requirements notified by SEBI on 25/07/2022.**

ISAI is proposed to be set up as a Section 8 company under the Companies Act, 2013, under the aegis of ICAI. The proposed, SRO will focus on capacity building of social auditors through continuous professional advancement with a focus on adherence to the highest ethical standards and compliance with the letter and spirit of social stock exchange requirements.

# SOCIAL AUDITS IN INDIA (1/2)



**Social Auditors Certification Examination-** The examination aims to create a pool of social auditors who would assess the impact of social interventions of various social enterprises who raise funds through the Social Stock Exchange platform. On successful completion of the examination the candidate should.

- **Know the basics of social auditing, Code of conduct of Social Auditors.**
- **Understand the general concepts related to social stock exchange, social audit and social impact assessment.**
- **Know the Social Impact Reporting disclosures and regulations.**

# SOCIAL AUDIT EXAM PROCEDURE (1/2)

SR NO.	FAQ's	Replies
1	Who can take NISM-Series-XXIII: Social Auditors Certification Examination?	<p>The following persons can take NISM-Series-XXIII: Social Auditors Certification Examination:</p> <ul style="list-style-type: none"> <li>• <b>Individuals registered as social auditors (who have been appointed directly by the Institute).</b></li> <li>• <b>Employees of Social audit firm.</b></li> <li>• <b>Students pursuing social work and interested in gaining more knowledge in Social Audit.</b></li> </ul>
2	How can I register for NISM-Series-XXIII: Social Auditors Certification Examination?	<p>Candidates can register at <a href="https://certifications.nism.ac.in/nismaol/">https://certifications.nism.ac.in/nismaol/</a>. After successful registration, candidates may select a <b>test center, date and time slot</b> of their choice on the Test Administrator website. Candidates are required to follow further instructions available on the Test Administrator websites.</p>
3	What is the fee structure?	<p>The fees for "<b>NISM-Series-VIII: Social Auditors Certification Examination</b>" is Rupees One Thousand Five Hundred only (Rs. 1500/-) plus applicable GST.</p>
4	What is the assessment structure?	<p>The examination will be of 100 marks, will have 100 questions, and should be completed in 2 hours. There will be <b>negative marking of 25%</b> of the marks assigned to a question. <b>The passing score for the examination is 60%.</b></p>



# SOCIAL AUDIT EXAM PROCEDURE (2/2)

SR NO.	FAQ's	Replies
5	Is there a study material available for preparing for this examination?	You will receive a soft copy of the workbook/study material after enrolment for the examination. For non-receipt of a soft copy of the workbook/study material, you may contact NISM at: <a href="mailto:certification@nism.ac.in">certification@nism.ac.in</a> .
6	Do I have to pay for the study material?	You will receive a soft copy of the workbook/study material free of cost <b>after enrolment for the examination</b> . Candidate can buy printed workbooks from Taxmann Publications Private Ltd. visit <a href="https://www.taxmann.com/bookstore">https://www.taxmann.com/bookstore</a> to place your orders for NISM workbooks.
7	I have passed NISM Social Auditors Certification Examination, when will I receive the certificate?	Only the candidates who have produced their Income Tax Permanent Account Number (PAN) during registration would receive the NISM Certificate within two weeks of appearing for the examination. Candidates who produced other identification proofs would not receive the NISM certificate. They would receive only the temporary mark sheet at the end of the examination.
8	What is the validity period of the certificate?	The certificate will be <b>valid for 3 years</b> from the date of the examination.

# SOCIAL AUDIT EXAM CURRICULUM

Section	Topics
Introduction To Social Sector And Indian Financial Markets	Social Sector In India, Indian Financial Markets, Sustainable Development Goals (SDGs), Concept of Social Enterprises (SE), Taxonomy related to Social Enterprises, Social Intervention
Introduction To Trading, Clearing, Settlement And Risk Management On Stock Exchanges	Trading Mechanism, Clearing, Settlement And Risk Management
Social Stock Exchange: Introduction, Funding Structures And Instruments	Concept of Social Stock Exchange, Stakeholders of Social Stock Exchange, Funding Structures
Registration And Listing On Social Stock Exchanges	Registration process on Social Stock Exchanges, Rights, Obligations and Disclosures Document, Key Listing Guidelines
Social Audit And Social Auditors	Evolution of Social Audit, Principles of auditing, Code of Conduct for Social Auditors, Certification requirements for Social Auditors
Social Audit Standard Framework	Social Audit Standard, Social Audit Standard (SAS) Framework, Social Audit Engagement, Social Audit Scope, Stakeholders, Social Audit Engagement Acceptance
Social Impact Assessment	Social Impact Assessment, Different organisational models for structuring evaluation, Theory of Change, Guidelines and Tools for impact assessment, Impact Reporting, Issues or Challenges in conducting SIA
Disclosure Norms, Reporting Requirements By Social Auditors And Penalties	Disclosures as per SEBI ICDR Regulations, Disclosures norms under SEBI LODR Regulations, Penalties as per the SEBI Act, 1992, Different books to be maintained as per SC(R)R, 1957
Taxation	Securities Transaction Tax, Capital Gains Tax, Deduction under section 80G of Income Tax Act ,Exemptions for Social Enterprises.

# SUSTAINABILITY REPORTING STANDARDS BOARD

## Functions of the SRSB

- To review the emerging trends globally and evaluate need for standard setting in India. To identify areas in which **Sustainability Accounting Standards need to be developed**.
- To take adequate steps to enhance knowledge of members and other stakeholders for **proper implementation of Sustainability Accounting Standards** by conducting workshops, seminars, courses in India and abroad, and train the trainer's programmes. To formulate and issue Sustainability Accounting Standards.
- To **formulate Sustainability Reporting Awards** in order to recognize and reward excellence in businesses which are seeking ways to be more sustainable and inclusive in their activities. To develop appropriate reporting technology platforms such as, XBRL Taxonomies and analytical tools/ techniques.
- To engage **with and contribute to International bodies** think tank in framing/ development of Sustainability Accounting Standards. To interact with Government and Regulators and to propagate use of these standards both for general purpose reporting and/or specifically for a regulatory requirement.
- To make appropriate measures within ICAI to increase awareness and implement measures to improve sustainability. To deal with **industry-specific issues and interact with national and international bodies** on issues in implementation of Sustainability Accounting Standards.
- To **identify and develop opportunities for chartered accountants** in Sustainability Reporting. To provide guidance on and interpretations of the standards.
- To encourage **adoption of Sustainability Accounting Standards by Local Bodies and Panchayats**. To develop audit guidance for Integrated Reporting.
- To **benchmark global best practices** in Sustainability Reporting.

# SOCIAL AUDIT STANDARDS ISSUED BY THE ICAI (1/2)

The Institute of Chartered Accountants of India (ICAI) has published sixteen Social Audit Standards (SASs), which correspond to the sixteen subject areas specified by SEBI and must be complied with by social auditors when it comes to impact reporting for social audit engagements. When carrying out an impact assessment, one must adhere to these standards, which lay out the minimal conditions that must be met. Additional requirements could be outlined in the form of laws or regulations, and they should be adhered to whenever they come into play. Following is the list of 16 SASs published by ICAI in January 2023 edition:

- i. **SAS 100: Eradicating hunger, poverty, malnutrition and inequality.**
- ii. **SAS 200: Promoting health care (including mental health) and sanitation; and making available safe drinking water.**
- iii. **SAS 300: Promoting education, employability and livelihoods.**
- iv. **SAS 400: Promoting gender equality, empowerment of Women and LGBTQIA+ communities.**
- v. **SAS 500: Ensuring environmental sustainability, addressing climate change including mitigation and adaptation, forest and wildlife conservation.**
- vi. **SAS 600: Protection of national heritage, art and culture.**
- vii. **SAS 700: Training to promote rural sports, nationally recognised sports, Paralympic sports and Olympic sports.**
- viii. **SAS 800: Supporting incubators of social enterprises.**

# SOCIAL AUDIT STANDARDS ISSUED BY THE ICAI (2/2)

The Institute of Chartered Accountants of India (ICAI) has published sixteen Social Audit Standards (SASs), which correspond to the sixteen subject areas specified by SEBI and must be complied with by social auditors when it comes to impact reporting for social audit engagements. When carrying out an impact assessment, one must adhere to these standards, which lay out the minimal conditions that must be met. Additional requirements could be outlined in the form of laws or regulations, and they should be adhered to whenever they come into play. Following is the list of 16 SASs published by ICAI in January 2023 edition:

- ix. SAS 900: Supporting other platforms that strengthen the non-profit ecosystem in fundraising and capacity building.**
  
- x. SAS 1000: Promoting livelihoods for rural and urban poor including enhancing income of small and marginal farmers and workers in the non-farm sector.**
  
- xi. SAS 1100: Slum area development, affordable housing, and other interventions to build sustainable and resilient cities.**
  
- xii. SAS 1200: Disaster management, including relief, rehabilitation and reconstruction activities.**
  
- xiii. SAS 1300: Promotion of financial inclusion.**
  
- xiv. SAS 1400: Facilitating access to land and property assets for disadvantaged communities.**
  
- xv. SAS 1500: Bridging the digital divide in internet and mobile phone access, addressing issues of misinformation and data protection.**
  
- xvi. SAS 1600: Promoting welfare of migrants and displaced persons**

# Business Responsibility & Sustainability Reporting (BRSR)



# SEBI NOTIFICATION REGARDING THE APPLICABILITY OF BRSR

## Origin of Business Responsibility and Sustainability Report

In November 2018, the MCA constituted a Committee on Business Responsibility Reporting (the Committee) to finalise business responsibility reporting formats for listed and unlisted companies, based on the framework of the NGRBC. BRSR reporting is a step towards ESG alignment. The Circular is issued in exercise of the powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992 read with Regulation 101 of the LODR.



### Applicability of BRSR

- **Mandatory from FY 2022-23:** For top 1,000 listed companies by market capitalization
- **Voluntary for FY 2021-22:** For top 1,000 listed companies by market capitalization
- **Voluntary for other companies:** Listed companies (other than top 1,000) and companies which have listed their specified securities on the Small and Medium Enterprises (SME) exchange may voluntarily submit BRSR in place of BRR effective FY2021-22 onwards.



### What efforts do companies need to make?

Extend scope and widen reach, set up high disclosure standards for companies registered/operating in India. The very basis of disclosure is materiality; companies are required to begin with the top three products<sup>3</sup> or services and expand details accordingly. Environment, social and governance aspects have been segregated to capture high-quality disclosures.



### Where and What are the disclosures need to be made?

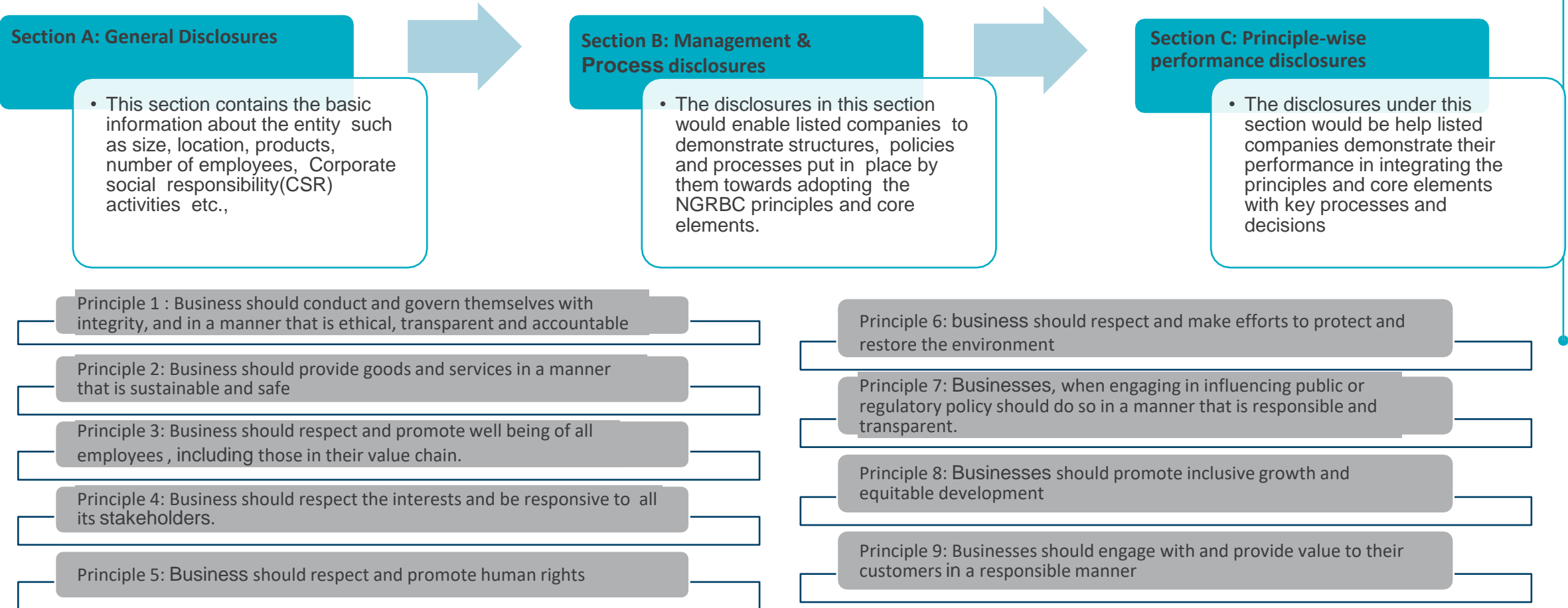
Disclosure in annual report through MCA21 portal in XBRL language. The report should be prepared and submitted by the company's management. Qualitative and quantitative disclosures with essential and leadership indicators for disclosures. Disclosure requirements are divided into three sections:

- **General disclosures** • **Management and processes** • **Principle-wise performance.**

# KEY FEATURES OF BRSR REPORTING

## BRSR

**Basis of Reporting:** The BRSR is structured around disclosures on the nine principles laid down by the National Guidelines for Responsible Business Conduct (NGRBC) accompanied with a guidance note to enable the companies to interpret the scope of disclosures under each principle. The disclosure requirement under each of the nine principles is also divided into 2 sections: Essential (mandatory) and leadership (voluntary). The number of reporting sections have been reduced from five to three, those are as follows:





# BRSR ANNEXURES (1/3)



## Section A – General Disclosure

- **Details of business activities-** The details of business activities shall be in line those given in Form MGT-7 prescribed by MCA.
- **Products/services sold-** The entity shall disclose the top products manufactured or services provided by the listed entity that account for 90% of its turnover (in descending order) along-with the individual contribution of such products / services to the total turnover.
- **Details of employees and workers-** The entity shall disclose the total number of employees and workers, along-with the associated break-up by gender (male / female) and into permanent / other than permanent. The term “Employee” is defined under Sec 2(l) of the Industrial Relations Code, 2020 and means, any person (other than an apprentice engaged under the Apprentices Act, 1961), Differently abled employees / workers may be identified on the basis of the definition of “persons with disabilities” in The Rights of Persons with Disabilities Act, 2016 and rules made thereunder
- **Participation / inclusion / representation of women (including differently abled)-** Key Management Personnel as defined under Sec 2(51) of the Companies Act 2013, in relation to a company, means— (i) the Chief Executive Officer or the managing director or the manager; (ii) the company secretary; (iii) the whole-time director; (iv) the Chief Financial Officer; and (v) such other officer as may be prescribed.
- **Turnover rate for permanent employees and workers-** The entity shall calculate the turnover rate for a financial year, for a particular category, based on the following formula:  $(\text{No. of persons who have left the employment of the entity in the FY} * 100) / \text{Average no. of persons employed in the category}$
- **Subsidiary and associate companies (including joint ventures)-** The entity shall disclose the details of its holding, subsidiary and associate companies along with any of its joint ventures.
- **Grievance redressal mechanism for stakeholders-** Stakeholders are individuals or groups concerned or interested with or impacted by the activities of the businesses and vice-versa, now or in the future. Typically, stakeholders of a business include, but are not limited to, its investors, shareholders, employees and workers (and their families), customers, communities, value chain members and other business partners, regulators, civil society actors, and media.
- **Overview of the entity’s material responsible business conduct and sustainability issues-** Sustainability as per National Guidelines on Responsible Business Conduct is defined as the outcome achieved by balancing the social, environmental and economic impacts of business. It is the process that ensures that business goals are pursued without compromising any of the three elements.

# BRSR ANNEXURES (2/3)



## Section B- Management and Process Disclosures

- **Specific commitments, goals and targets set by the entity along-with performance, if any-** Under this field, the entity may disclose if it has any specific commitment, goal or target against any of the principles. Such disclosures may include the following: 1. Baseline and context for goals and targets 2. Entities covered such as subsidiaries / associates / joint ventures / value chain partners 3. Expected result or outcome, in quantitative or qualitative terms 4. Expected timeline for achieving each goal and target 5. Whether goals and targets are mandatory (based on legislation) or voluntary. If they are mandatory, the organization should list the relevant legislation.
- **Statement by director responsible for the report for to highlight ESG issues-** The listed entity shall include a statement from the director who is responsible for preparation of the report, highlighting the relevance of sustainability to the organization. Such statement can include the following. 1.The overall vision and strategy of the organization for the short-term, medium term, and long-term, with respect to managing the significant environmental and social impacts that the organization causes, contributes to, or that are directly linked to its activities, products or services 2. Strategic priorities and key topics for the short and medium-term with respect to sustainability 3. Broader trends influencing the sustainability priorities of the entity 4. Key events, achievements, and failures during the reporting period 5. Views on performance with respect to targets 6. Outlook on the organization's main challenges and targets 7. Any other items pertaining to the organization's strategic approach
- **Highest authority responsible for implementation and oversight of the Business Responsibility policies-** For the policies disclosed at Question 1 of Section B, the entity shall disclose the highest executive authority in the organization who is responsible for their implementation and highest authority responsible for oversight. Such authority could be a director of the board, committee of the board, senior management personnel or a committee of employees. In case a committee is the highest authority, then the composition of the committee shall be disclosed, including the following: name of individuals, designation and in case of director, DIN and category.
- **Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues-** The entity shall indicate 'Yes' if it has a specified Committee of the Board or a director of the Board of the entity who is responsible for decision making on sustainability related issues. In case a Committee of the Board is responsible, its composition shall be disclosed, including the following: name of individual, designation and in case of director, DIN and category (Chair / ED / NED / ID). In case a director is responsible, DIN and category (Chair / ED / NED / ID) shall be disclosed

# BRSR ANNEXURES (3/3)

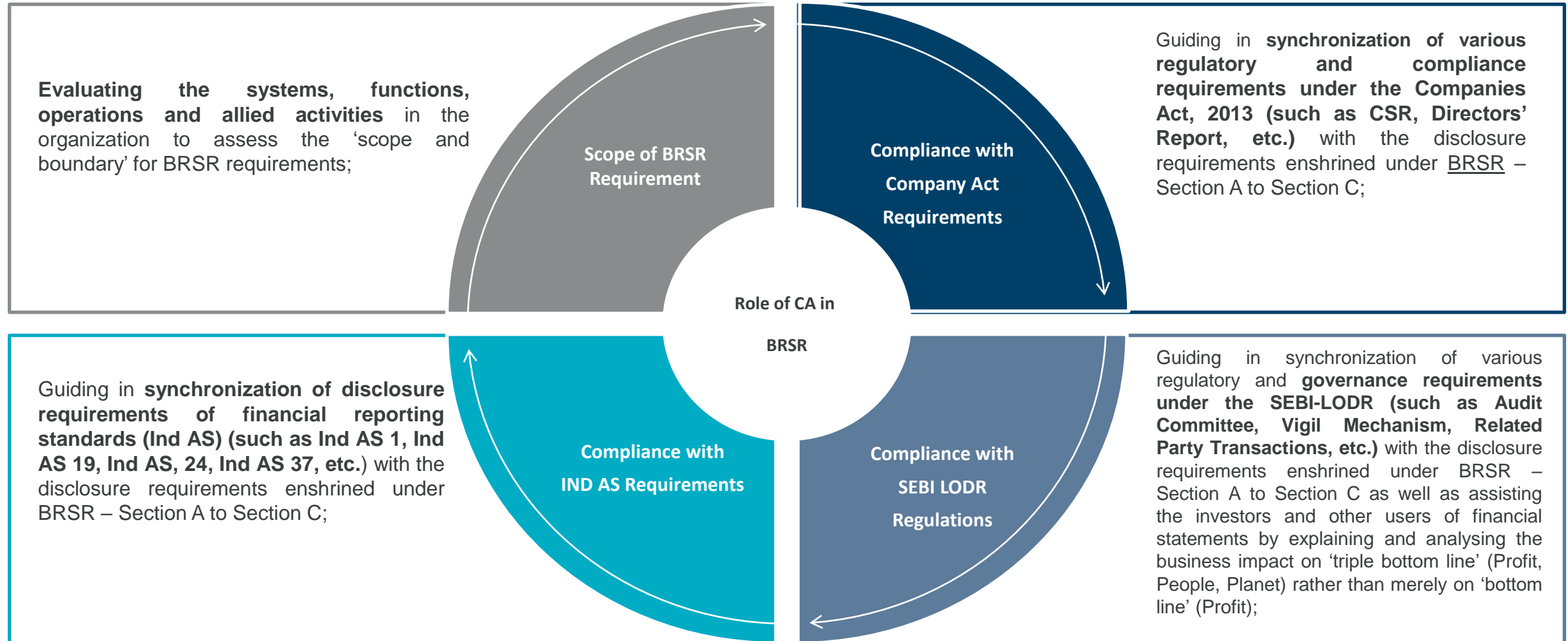


## Section C - Principle Wise Performance Disclosure

- **Principle 1 -Businesses should conduct and govern themselves with integrity, and in a manner that is ethical, transparent and accountable-** 1. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount. 2. Details of anti-corruption or antibribery policy. 3. Processes to avoid/ manage conflict of interests involving members of the Board/ KMPs.
- **Principle 2 – Business should provide goods and services in a manner that is sustainable and safe-** Sustainable sourcing, processes in place to reclaim products for reuse, recycle and safe disposal of products at the end of life, Extended Producer Responsibility (EPR) plan, Life cycle assessment, etc.
- **Principle 3 –Respect and promote the well-being of all employees, including those in their value chains-** Measures for well-being of employees and workers, accessibility of workplaces, Retention rates of permanent employees / workers that took parental leave and Details of performance and career development review imparted to employees, etc.
- **Principle 4 –Respect the interests of and be responsive to all its stakeholders-** Process for identification of Key stakeholder groups, Using stakeholder consultation to support the identification and management of environmental, Details of instances of engagement with and actions taken to address the concerns of marginalized groups.
- **Principle 5 –Respect and promote human rights-** Training on human rights issues and policies, Details of remuneration/ salary/ wages (including differently abled), Disclosure of complaints made by employees and workers on sexual harassment, discrimination at workplace, Child Labor, Forced Labor, Wages or other human rights related issues .
- **Principle 6 –Respect and make efforts to protect and restore the environment-** Details of total energy consumption and energy intensity, PAT scheme of the Government of India and Details of total water withdrawn, consumed and water intensity ratio etc.
- **Principle 7 – Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent-** Details of public policy positions..
- **Principle 8 –Promote inclusive growth and equitable development-** **Details of Social Impact Assessments**, Describe the mechanisms to receive grievances of the local community and Percentage of inputs directly sourced from MSMEs / small producers.
- **Principle 9 –Engage with and provide value to their consumers in a responsible manner-** Details of instances of product recalls on account of safety issues and Channels / platforms where information on goods and services of the business can be accessed.

# OPPORTUNITIES FOR CA IN BRSR

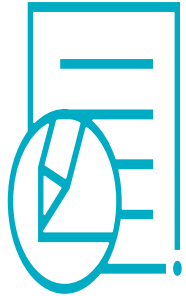
The Chartered Accountants can play a significant and integrated role in sustainability reporting in the following manner:



# Corporate Social Responsibility (CSR)



# CORPORATE SOCIAL RESPONSIBILITY(1/3)



## What is Corporate Social Responsibility

- CSR can be defined as a **Company's sense of responsibility towards the community and environment** (both ecological and social) in which it operates. Companies can fulfil this responsibility through waste and pollution reduction processes, by contributing educational and social programs, by being environmentally friendly and by undertaking activities of similar nature.
- CSR is not charity or mere donations. **CSR is a way of conducting business**, by which corporate entities visibly contribute to the social good. Socially responsible companies do not limit themselves to using resources to engage in activities that increase only their profits.
- They use **CSR to integrate economic, environmental and social objectives with the company's operations and growth**. CSR is said to increase reputation of a company's brand among its customers and society.
- **The Companies Act, 2013 has formulated Section 135, Companies (Corporate Social Responsibility) Rules, 2014 and Schedule VII which prescribes mandatory provisions for Companies to fulfil their CSR. This article aims to analyze these provisions.**
- Projects or programs relating to those activities which are undertaken by the Board of directors of a company in ensuring the recommendation of the CSR Committee of the Board as per declared CSR Policy of the Company along with the conditions that such policy will cover subjects specified in Schedule VII of the Act.

# CORPORATE SOCIAL RESPONSIBILITY (2/3)



## Applicability of Corporate Social Responsibility

1. On every Company including its holding or subsidiary having:

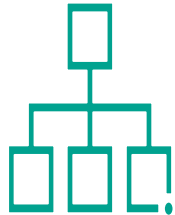
- ❖ **Net worth of Rs. 500 Crore or more, or**
- ❖ **Turnover of Rs. 1000 crore or more, or**
- ❖ **Net Profit of Rs. 5 crore or more**

during the immediately preceding financial year.

2. **A foreign company having its branch office or project office in India, which fulfills the criteria specified above.** However, if a company ceases to meet the above criteria for 3 consecutive financial years, then it is not required to comply with CSR Provisions till such time it meets the specified criteria.

3. The CSR provisions apply to a company registered for a charitable purpose under Section 8 of the Companies Act, 2013. Section 135(1) of the Act states that every company having the specified net worth, turnover, or net profits must establish a **CSR committee**. Thus, section 8 companies must also establish a CSR committee and comply with CSR provisions when it meets the specified net worth, turnover, or net profits.

# CORPORATE SOCIAL RESPONSIBILITY (3/3)



## Formulation & Functions of CSR Committee

Every Company on which CSR is applicable **is required to constitute a CSR Committee of the Board**

- ❖ Consisting of **3 or more directors, out of which at least one director shall be an independent director**. However, if a company is not required to appoint an independent director, then it shall have in 2 or more directors in the Committee.
- ❖ **Consisting of 2 directors in case of a private company having only two directors on its Board.**
- ❖ Consisting of at least 2 persons in case of a foreign Company of which one person shall be its authorised person resident in India and another nominated by the foreign company.
- ❖ The CSR Committee shall formulate and recommend to the Board, **a CSR Policy which shall indicate the activities to be undertaken by the Company.**
- ❖ The CSR Committee shall Monitor the CSR Policy of the company from time to time.. The CSR Committee **shall institute a transparent monitoring mechanism for implementation of the CSR projects or programs or activities** undertaken by the company.



# REQUIREMENTS & COMPUTATION OF THE CSR EXPENDITURE

In our analysis of the Company law and rules, we learned the following key points about corporate social responsibility related expenditure.

- **Requirement as per Companies Act: Companies are required to spend a minimum of 2% of their net profit over the preceding three years as CSR.** The CSR provisions apply to a company registered for a charitable purpose under Section 8 of the Companies Act, 2013. Section 135(1) of the Act states that every company having the specified net worth, turnover, or net profits must establish a CSR committee.
- **Computation of Net Profit:** The average net profit to determine the spending on CSR activities is to be computed as per the provisions of Section 198 of the Act and be exclusive of the items given under Rule 2(1)(h) of the Companies (CSR Policy) Rules, 2014. Section 198 of the Act specifies certain additions/deletions (adjustments) to be made while calculating a company's net profit. **It mainly excludes capital payments/receipts, income tax and set-off of past losses.**

# ELIGIBLE ACTIVITIES FOR INCURRING CSR EXPENDITURE

In our analysis of the Company law and rules, we learned the following key points about corporate social responsibility related expenditure.

- **The following activities do not qualify as eligible CSR activity.**
  - ❖ Activities undertaken in pursuance of the **normal course of business** of the company.
  - ❖ **Activities undertaken outside India**, except for training of Indian sports personnel representing any state/UT at the national level or India at the international level.
  - ❖ Contribution of any amount, **indirectly or directly, to any political party** under Section 182 of the Act.
  - ❖ Activities **benefiting employees** of the company.
  - ❖ Sponsorship activities for **deriving marketing benefits** for products/services.
  - ❖ Activities for **fulfilling statutory obligations** under any law in force in India.

# EXCESS EXPENDITURE & REVENUE FROM CSR ACTIVITY

In our analysis of the Company law and rules, we learned the following key points about corporate social responsibility related expenditure.

- **Excess CSR Expenditure:** The excess CSR spending can be set off against the required 2% CSR expenditure up to the immediately succeeding three financial years subject to compliance with the conditions mentioned under Rule 7(3) of the Companies (CSR Policy) Rules, 2014. However, the excess amount spent on CSR activities can be set off from 22 January 2021. Thus, no carry forward shall be allowed for the excess amount spent, if any, in financial years before FY 2020-21.
- **Revenue from CSR Activities:** Income generated from the spend on CSR activities, e.g., revenue received from the CSR projects, interest income earned by the implementing agency on funds provided under CSR, disposal/sale of materials used in CSR projects, and other similar income sources. **The surplus arising out of CSR activities shall be utilised only for CSR purposes.**

# SECTION 135(5) OF CA ACT, 2013 & INCOME TAX PERSPECTIVE

In our analysis of the Company law and rules, we learned the following key points about corporate social responsibility related expenditure.

- **Section 135(5) of the CA, 2013:** It provides that the company should give **preference to local areas** around where it operates. However, with the advent of IT and the emergence of new-age businesses like process-outsourcing companies, e-commerce companies, and aggregator companies, it becomes difficult to determine the local area for various activities. Thus, **the preference to the local area mentioned in the Act is only directory and not mandatory, and companies need to balance local area preference with national priorities.**
- **Income Tax perspective:** Finance Act 2014 (2014-15 was fiscal year from which CSR was made mandatory u/s 135 of the Indian Companies Act 2013) had made it clear that **“CSR Expenditure” shall not be allowed as “Business Expenditure” under section 37 of Income Tax Act, 1961**

# SPENDING IN CSR (1/2)



## Direct Spending by the company

MCA vide General Circular No. 21/2014 dated June 18, 2014 has clarified that the statutory provision and provisions of CSR Rules, 2014, is to ensure that while activities undertaken in pursuance of the CSR policy must be relatable to Schedule VII of the Companies Act 2013. However, the entries in the said Schedule VII must be interpreted liberally so as to capture the essence of the subjects enumerated in the said Schedule. The items enlisted in the Schedule VII of the Act, are broad-based and inclusive.

- Eradicating poverty, hunger and malnutrition
- Improvement in education
- Improving gender equality and women empowerment
- Reducing child mortality
- Protection of national heritage
- Measures for the benefit of armed forces veterans,
- raining to stimulate rural sports and nationally recognized sports
- Contribution to the Prime Minister's National Relief Fund
- Contribution to incubators or research and development projects
- Contributions to public funded Universities

# SPENDING IN CSR (2/2)



## Indirect Spending through NGO

The contribution by the company to such trusts, NGOs, etc. also qualify for CSR spend if it meets the track record and other criteria as per Rule 4(2) of Companies (CSR Policy) Rules.

Role of the NGO:

1. NGOs working on **single focused themes** such as only education or health care must place before companies clear Project proposals of the ongoing project/s **with duration of three years**.
2. Once the project is successfully completed, the NGO may provide the company with new Project Proposal/s.
3. In any given fiscal year, the NGO may implement **more than one ongoing project for the same company**.
4. The company may consider partnering with the same NGO for as long as it wishes and support new CSR Project/s whether ongoing or otherwise for several years.
5. The concerned NGOs will be required to **obtain registration as “Bodies undertaking CSR activities”** with the ROC. Under the instant scheme the eligible NGO has to register itself with the **ROC by filing CSR-1 Application**.
6. The NGOs should have conducted at least 3 years of permitted social activities. **The NGOs must be registered under u/s 12A and 80G of the Income Tax Act.**

# Social Stock Exchange (SSE)



# SOCIAL STOCK EXCHANGE

Social Stock Exchange (SSE) is a segment of the existing Stock Exchange, that can help **social enterprises raise funds from the public through the stock exchange mechanism**. It aims to provide an alternative fund-raising instrument. In simpler words, SSE is a medium between social enterprises and fund providers. Further, in order to be identified as a social enterprise, the organization shall demonstrate that **67% of its activities qualify as eligible activities to the target population**. SEs have been hosted within the country's existing stock exchanges—the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE)—since they fall under the regulatory ambit of SEBI. The National Stock Exchange of India has received final approval from the Securities and Exchange Board of India (Sebi) to launch Social Stock Exchange (SSE) as a separate segment of the NSE.



- Social Stock Exchange identifies social enterprises as the ones engaged in creating positive impact in the society. These are the following two forms of social enterprises:
  - ❖ **Not-for-profit organization.**
  - ❖ **For profit social enterprise.**
- SSE participation eligibility: Not-for-profit organisation
  - i. a charitable trust registered under the public trust statute of the relevant state;
  - ii. a charitable society registered under the Societies Registration Act, 1860 (21 of 1860);
  - iii. a company incorporated under section 8 of the Companies Act, 2013 (18 of 2013);
  - iv. any other entity as may be specified by SEBI;
- SSE participation eligibility: For-profit organisation.
  - i. A company under the Companies Act, 2013, operating for profit and does not include a company incorporated under section 8 of the Companies Act, 2013 (18 of 2013);
  - ii. A body corporate operating for profit.



# SOCIAL STOCK EXCHANGE LISTING REQUIREMENTS

## 1. Predominance (Any one of the following)

Revenue	Expenditure	Beneficiaries
At least <b>67% of the immediately preceding 3-year average of revenues</b> comes from providing eligible activities to members of the target population.	At least <b>67% of the immediately preceding 3-year average of expenditure</b> comes from providing eligible activities to members of the target population.	Members of the target population to whom the eligible activities have been provided constitute at least <b>67% of the immediately preceding 3 year average of the total customer base.</b>

**2. Target Segment:** Social Enterprise shall target **undeserved or less privileged population** segments or regions recording lower performance in the development priorities of central or state government.

**3. Eligible Activities:** The eligible activities include eradicating hunger, poverty, malnutrition and inequality; promoting healthcare, supporting education, employability and livelihoods; gender equality empowerment of women and LGBTQIA+ communities, and supporting incubators of social enterprise.

## 4. Registration and Listing process:

Type of organisation	Not for profit organisation	For profit enterprise
Registration on social stock exchange	Required (minimal annual reporting requirements)	Not required
Listing	Instruments such as Zero Coupon Zero Principal (ZCZP)	Listing of Equity shares on main board or SME or IGP, Debt securities

# SOCIAL STOCK EXCHANGE FAQ'S (1/2)

SR NO.	FAQ's	Replies
1	Is it mandatory for a Not-for-profit organization to register in order to raise funds through Social Stock Exchange?	Yes, it is mandatory for a Not-for-profit organization to register with Social Stock Exchange before it raises funds through Social Stock Exchange. However, a Not-for-profit organization may continue to raise funds through any other means, as permissible under the law, whether it is registered or not with Social Stock Exchange.
2	What are the criteria for registration on Social Stock Exchange in respect of Not-for-profit organizations?	SEBI vide its circular dated September 19, 2022 has prescribed certain minimum requirements in order for a not-for-profit organization to register on Social Stock Exchange. In brief, these criteria include <b>mandatory age of NPO as 3 years, valid certificate u/s 12A/12AA/12AB of the Income Tax Act, valid 80G registration, minimum INR 50 lakhs as annual spending and minimum INR 10 lakhs of fund</b> in the past year etc.
3	Is it mandatory for the Not-for-Profit Organizations registered with Social Stock Exchange to seek listing?	It is not mandatory for Not-for-Profit Organizations which are registered with Social Stock Exchange under regulation 292F of the ICDR Regulations to seek listing, however it shall <b>mandatorily seek registration with a Social Stock Exchange before it raises funds through a Social Stock Exchange</b> . A Not-for-Profit Organization may choose to register on a Social Stock Exchange and not raise funds through it. It can also continue to raise funds through any other means.
4	Is it mandatory to register for profit social enterprises in order to raise funds through Social Stock Exchange?	No, a for profit social enterprise need not register with Social Stock Exchange before it raises funds through SSE. However, <b>a for profit social enterprise shall comply with all provisions of ICDR Regulations, AIF Regulations [as applicable for its fund-raising modes]</b> before it can raise funds through SSE.
5	Will I qualify for registration if 67% of my activities last year were in one or more items from the list of eligible activities, by my immediately preceding 3-year average is below 67% ?	No, you are not eligible to apply for registration or listing on the SSE till the 3-year average of your activities is not greater than or equal to 67% of your total activities
6	What proof is needed to demonstrate that the NPO has been in operation for 3 years?	Documents such as <b>Certificate of Incorporation and audited financial for three years</b> is required to demonstrate that the NPO has been in operation for 3 years.

# SOCIAL STOCK EXCHANGE FAQ'S (2/2)

SR NO.	FAQ's	Replies
7	Can an NPO that is not registered on the NGO Darpan portal register on the Social Stock Exchange?	No, the registration of NPO on the <b>NGO Darpan portal is mandatorily required</b> for registering it on Social Stock Exchange.
8	Who will certify the documents that are needed to be submitted for registration of an NPO?	The documents are required to be certified by <b>CEO/Managing Trustee/Statutory Auditor/</b> any two authorized signatories from governing body.
9	. If an NPO registers on the SSE, will they have to follow all the compliances even if they do not list any instruments on it?	Yes. NPO is required to <b>comply with all the applicable SEBI (LODR) Regulations, 2015</b> and circular thereof.
10	Will it be possible for an NPO to renew the registration after a year if they have not raised any money in the previous year through SSE?	Yes, NPO may renew the registration after a year if they have not raised any money in the previous year through SSE. This is subject to them having completed all disclosures as required.
11	Who can act as Social Auditor?	An individual who is registered with a self-regulatory organization under the Institute of Chartered Accountants of India (or such other agency, as may be specified by SEBI) and who has qualified a certification program conducted by National Institute of Securities Market and holds a valid certificate can act as Social Auditor.
12	Whether a Registered NPO raised fund outside Social Stock Exchange is required to disclose the details of such funds as a part of Annual Disclosure under LODR?	Yes, Registered NPO raised fund outside Social Stock Exchange is required to <b>disclose the details of such funds as a part of Annual Disclosure</b> under LODR.

# MECHANISM FOR FUND-RAISING IN SSE

<b>Zero coupon zero principal bonds:</b>	<ul style="list-style-type: none"><li>• Allowing NPOs to directly list on the SSE through issuance of bonds in the form of <b>zero coupon or zero principal bonds</b>. This is a feasible option to unlock funds from donors, philanthropic foundations and CSR spenders. These bonds would carry a tenure equal to the duration of the project that is being funded, and at tenure, they would be written off the investor's books.</li></ul>
<b>Social Venture Funds</b>	<ul style="list-style-type: none"><li>• An SVF is a <b>category 1 Alternative Investment Fund (AIF)</b> that is already allowed by SEBI to issue securities or units of social ventures to investors.</li></ul>
<b>Mutual funds</b>	<ul style="list-style-type: none"><li>• An asset management company could offer closed-end mutual fund units to investors. The units could be redeemable in principal terms, but all of the returns could be channeled towards suitably chosen NPOs by the fund which acts as the intermediary.</li></ul>
<b>Pay-for-success models</b>	<ul style="list-style-type: none"><li>• Pay-for-success models through lending partners or through grants are highlighted as effective mechanisms to ensure a more efficient and accountable deployment of capital.</li><li>• For for-profit social enterprises (FPEs):<ul style="list-style-type: none"><li>❑ <b>Equity listing:</b> FPEs would list equity on the SSE subject to a set of listing requirements, including operating practices (financial reporting and governance) and social impact reporting.</li><li>❑ <b>Social Venture Funds (SVFs):</b> AIFs and SVFs already exist for FPEs but do not require social impact reporting.</li></ul></li></ul>

# BENEFITS OF SOCIAL STOCK EXCHANGE



The concept of Social Audit was put forth by the Technical Group ('TG') set up by SEBI on September 21, 2020[2], basis the recommendations of Working Group ('WG') constituted on September 19, 2019[3], where the WG had set forth the framework on SSEs, also shed light on the concept of social audit as well as the proposed framework and uniform reporting procedures. The TG was of the view that Social Audits have two components being: A Financial Audit and A Non-Financial Audit where the latter includes the task of measuring the social impact. Social Enterprises which are registered on the SSEs or have raised funds through SSEs are required to furnish an annual impact report to the SSE or the stock exchanges as per Reg. 91E of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. The said report is to be audited by a Social Audit Firms employing Social Auditors.



**On Funds Raised on SSE-** Though the social audit norms are intended to **audit the impact reports and impact reported by social enterprises listed on the SSE**, this is the first time a framework is being recommended under statute to measure impact. Impact measurement is a means for social enterprises to demonstrate palpable, measurable impact of their work. **This helps to foster the credibility of the social sector and keeps it accountable to the outcomes social enterprises often adopt in their mission and vision statements.** The social audit standards are likely to transcend the context of the SSE and percolate to being adopted by the social sector at large.



**On CSR-** A January 2021 amendment to India's CSR law, made it mandatory for companies with a **CSR budget of INR 10 crore or more** in any fiscal year and all projects with outlays of **INR 1 crore or more to conduct impact assessments by an independent impact agency.** However, the Companies Act or Rules did not notify any framework for social auditors or impact audit. Thus the social impact reporting norms can get easily adopted by CSR donors.



**On Philanthropic Grants-** Philanthropic donors usually have outcomes frameworks that are tailor made to each grantee and its programs. It is likely that philanthropies too will adopt social audit norms notified under the SSE framework, which will reduce the need to reinvent the impact assessment framework for each grantee. However, this will also prejudicially affect non-profits where outcomes are relatively slower to manifest. **Eventually, we believe that non-profits would be compelled to identify an impact measurement framework and get their impact reports audited. This will become a common requirement for eligibility towards all forms of philanthropic capital.**

# OPPORTUNITIES FOR CA

## In Business Responsibility and Sustainability Report

1. Ensuring Compliance with Company Act Requirements
2. Ensuring Compliance with IND AS Requirements
3. Ensuring Compliance with SEBI LODR Regulations
4. Implementing Accounting Systems for BRSR Reporting

## In Corporate Social Responsibility

1. Being The Facilitators Of Updated Mechanisms
2. CSR Reporting and Assurance
3. Guidance and Support on CSR Compliance

## In Social Audit

1. Conducting Social audit by complying with the applicable Social Audit Standards.
2. Issuing Social Audit Report

## In Social Stock Exchange

1. Ensuring Compliance with the listing requirements.
2. Assistance in fund raising activities.
3. Submissions of Annual Impact Report

# SUMMARY

Topic	Summary
<b>Corporate Social Responsibility</b>	Applicability: Every Company including its holding or subsidiary having: ,Net worth of Rs. 500 Crore or more, or Turnover of Rs. 1000 crore or more, or Net Profit of Rs. 5 crore or more.
<b>Social Audit</b>	Applicability: Will be made applicable to PSU who undertake CSR expenditure and Social Enterprises.
<b>Business Responsibility and Sustainability Report</b>	Applicability: For top 1,000 listed companies by market capitalization from FY 2022-23.
<b>Social Stock Exchange</b>	Applicability: Social Enterprise who spend 67% on eligible activities can raise funds through Social stock exchange.



# SUSTAINABILITY SOLUTIONS

How we can help organisation in their ESG journey ...



## Strategy & Planning

- (Gap) Analysis, Benchmarking & Maturity Assessment
- Stakeholder Analysis & Materiality Assessment
- ESG Standard & Framework Selection
- (Full) Sustainability / ESG Strategy Ambition & Roadmap
- Program Management & Execution
- SBTi / Net-Zero: Vision | Strategy | PMO



## Stakeholder Engagement

- Human Rights
- Employee Experience
- Future of Work
- Wellbeing
- Investor Relations
- Safety
- Diversity, Equity, Inclusion & Belonging
- Regulatory & Institutions Collaboration
- Supplier Management
- Customer / Client Experience
- Employee Engagement
- Social Value
- Community Engagement
- Media Communication & NGOs Partnerships
- Competitor Cooperation
- Partnerships
- Reputation Management



## Data Management & Tools

- Key Data Management Assessment
- Data Validation Review
- Data Mining & Analytics
- Data Security & Privacy Management
- ESG Tooling, Software Services & Solution
- Custom Development Software & Tools



## Operations & Supply Chain

- Energy Management
- Water Management
- Waste Management
- Energy Efficiency
- Sustainable Materials & Packaging
- ESG Sourcing & Supplier Monitoring
- ESG Realization & Value Chain Compliance Review
- Emission Management
- Circular Economy
- Product Stewardship
- Traceability, Block Chain



## Governance, Risk & Compliance

- Corporate Governance
- Risk Management
- Compliance
- Internal Audit
- Assurance Readiness
- Internal Control System
- Litigation & Regulatory Response
- Third-Party Risk Management (Contracting)
- Policy Alignment
- Risk Modelling / Transformation
- Risk Resilience



## Performance & Reporting

- Key Performance Indicators, Dashboards & Scorecards
- ESG Reporting Framework Assessment & Implementation
- Reporting Process Design & Improvement
- Report Draft Creation / Disclosure Assistance
- ESG Index, Rating, Ranking & Certifications



## Sustainable Finance & ESG Financial Services

- Finance Services – Green Bond
- Portfolio - ESG Risk Monitoring

# Management Support Services



# COMPLIANCE: OUR SOLUTION OFFERING

Our Framework based on ISO 37301 will facilitate setting-up an effective Compliance Management Program

Single Point platform to manage compliance obligations across the lifecycle

Framework based on ISO 37301 Compliance Management & ISO 31000 Risk Management Principles



# RELATED PARTY TRANSACTIONS REVIEW

## What is covered under RPT Review?



Sale, purchase or supply of any goods or materials



Sale, purchase or lease of property



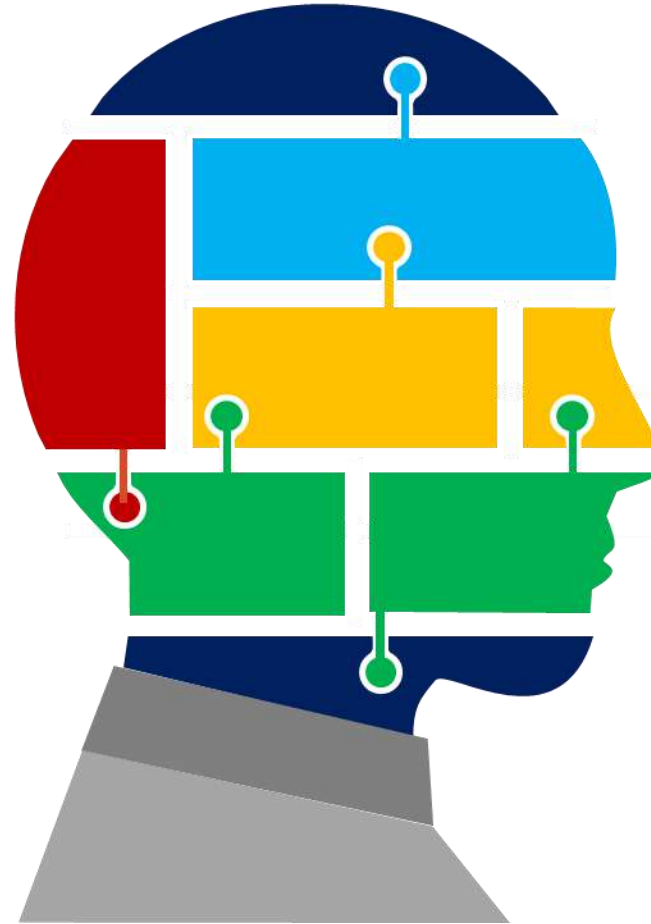
Availing or rendering of any services



Investment and financial transactions including but not limited to inter-company loans, guarantee



Any other transaction influenced or controlled by a related party



## Key RPT focus areas for Audit Committees

**Adequate identification** and onboarding of **RPT** in line with existing/ amended definitions

.....

Control and review mechanism to **identify potential RPTs** not identified earlier

.....

Effective controls over **Contracting** process with related parties

.....

**Compliance** with RPT related regulations  
(Companies Act/ SEBI Regulations/ Income Tax Act/ GST Act)

.....

Robust documentation to support **arm's length pricing**

.....

# EAM SOLUTION : OUR MODULAR SOLUTION OFFERINGS

Enterprise asset management (EAM) involves the management of assets of an organization throughout the asset's lifecycle. EAM is used to plan, optimize and track the needed design, commissioning, operations and replacement activities with the associated priorities, skills, tools, and information.

## Enterprise Asset Management Solution

A Assessment	B Design	C iAsset (PV Application)	D Physical Verification and Tagging	E Asset Discovery	F FAR Reconstruction, Reconciliation and Valuation
<p><b>Illustrative High-level activities</b></p> <ul style="list-style-type: none"> <li>Understand current processes and systems for asset management</li> <li>Conduct walkthroughs and discussions with process owners for as-is assessment and gap analysis</li> <li>Scope finalization for Business Process review from asset hire to retire</li> <li>Identification of gaps and opportunities for enhancements in current processes and systems</li> </ul>	<p><b>Process Design</b></p> <ul style="list-style-type: none"> <li>Draft to-be process and discuss with management to ensure alignment to company's long-term vision</li> </ul> <p><b>System Design</b></p> <ul style="list-style-type: none"> <li>Draft proposed solution architecture</li> <li>Assess requirements for Hardware sizing</li> <li>Formulate and obtain sign-off on Business Requirement Document and Hardware sizing</li> </ul>	<ul style="list-style-type: none"> <li>Configuration of iAsset based on approved Business Requirement Document</li> <li>Conduct UAT (User Access Testing) of iAsset</li> <li>Obtain sign off on UAT and deploy iAsset on company's infrastructure (frontend app and backend portal)</li> <li>Integrate iAsset with company's internal ERP and other systems, as per requirement</li> </ul>	<ul style="list-style-type: none"> <li>Finalization of methodology and attributes for conducting PV; RFID set up</li> <li>Scope finalization for assets to be covered under on-site PV</li> <li>PV PMO identification and PV exercise scheduling for all locations</li> <li>PV QA setup</li> <li>Team mobilization for on ground PV activities</li> <li>PV execution and tagging of assets</li> <li>PV details captured on-site using iAsset app</li> <li>PV data management and Signoff</li> </ul>	<ul style="list-style-type: none"> <li>Deployment of enabler for IT related assets discovery and Software Asset Management (SAM)</li> <li>Discovery of IT related assets</li> <li>Development of Inventory pool for all IT related assets</li> <li>Data validation with IT team</li> <li>Data dashboarding and financial mapping</li> </ul>	<ul style="list-style-type: none"> <li>Analysis of existing asset repository, PO dump and BoQ data</li> <li>Receiving of BoQ data and breakdown of BoQs</li> <li>FAR reconstruction using PV, PO and BoQ data</li> <li>Reconciliation of reconstructed FAR with old asset repository to identify variances</li> <li>Analyze reasons for variances and obtain sign off on their accounting treatment</li> <li>Assess asset valuation in final FAR based on company's valuation methodology and relevant Accounting Standards</li> </ul>

**G ERP (Oracle, SAP, MS Dynamics)**

**H Robotic Process Automation (RPA)**

**I Asset monitoring**

**J Governance and Project Management**

# EAM SOLUTION: IASSET APPLICATION | DIGITAL ENABLER

Protiviti's digital enabler **iAsset mobile application** comes with buildable P/C relationships, maintains audit trail, performs FAR/ Stock report reconciliation and consists of real-time QA & reporting capability. Using the iAsset App for asset verification, reconciliation and device management, significantly reduces errors in data capturing and ensures quality delivery.

## Different Modules

Asset Verification Module	Inventory Verification Module	FAR Recon Module	FAR Maintenance Module	IT Device Management Module	Preventive Maintenance Module	Asset Transfer Module
<ul style="list-style-type: none"> <li>• Customizable Asset Tree</li> <li>• Efficiency &amp; lower cost of field ops</li> <li>• Real time validation checks</li> </ul>	<ul style="list-style-type: none"> <li>• Loadable Item/ Material master</li> <li>• Location-wise verification of Inventory</li> <li>• Reconciliation with stock report</li> <li>• Digital Sign-offs</li> </ul>	<ul style="list-style-type: none"> <li>• User-based Access rights for viewing FAR fields</li> <li>• Floor-to-book mapping and location mismatch audit trail</li> <li>• Re-Verification via barcode scan</li> </ul>	<ul style="list-style-type: none"> <li>• Maintenance of FAR data with tracking of asset code, material code, useful life, asset age etc.</li> <li>• Application of depreciation as per rules of organization</li> </ul>	<ul style="list-style-type: none"> <li>• IT Asset/ Laptop Allocation and Transfer management</li> <li>• Under-Maintenance, Scrap/ Disposal status</li> </ul>	<ul style="list-style-type: none"> <li>• Mapping of asset wise Preventive Maintenance (PM) calendar in iAsset Tool</li> <li>• Periodic asset wise PM alerts</li> <li>• Dashboarding and reporting on overall PM status</li> </ul>	<ul style="list-style-type: none"> <li>• Assets Account Transfer</li> <li>• Assent Information Change</li> <li>• Bulk or Single Asset Transfer</li> <li>• Approval Workflow</li> </ul>



Smart Dashboards



Flexible Dropdowns



Integrated Data Management



ERP Integration



Mobile Application



Quality Assurance and Reporting



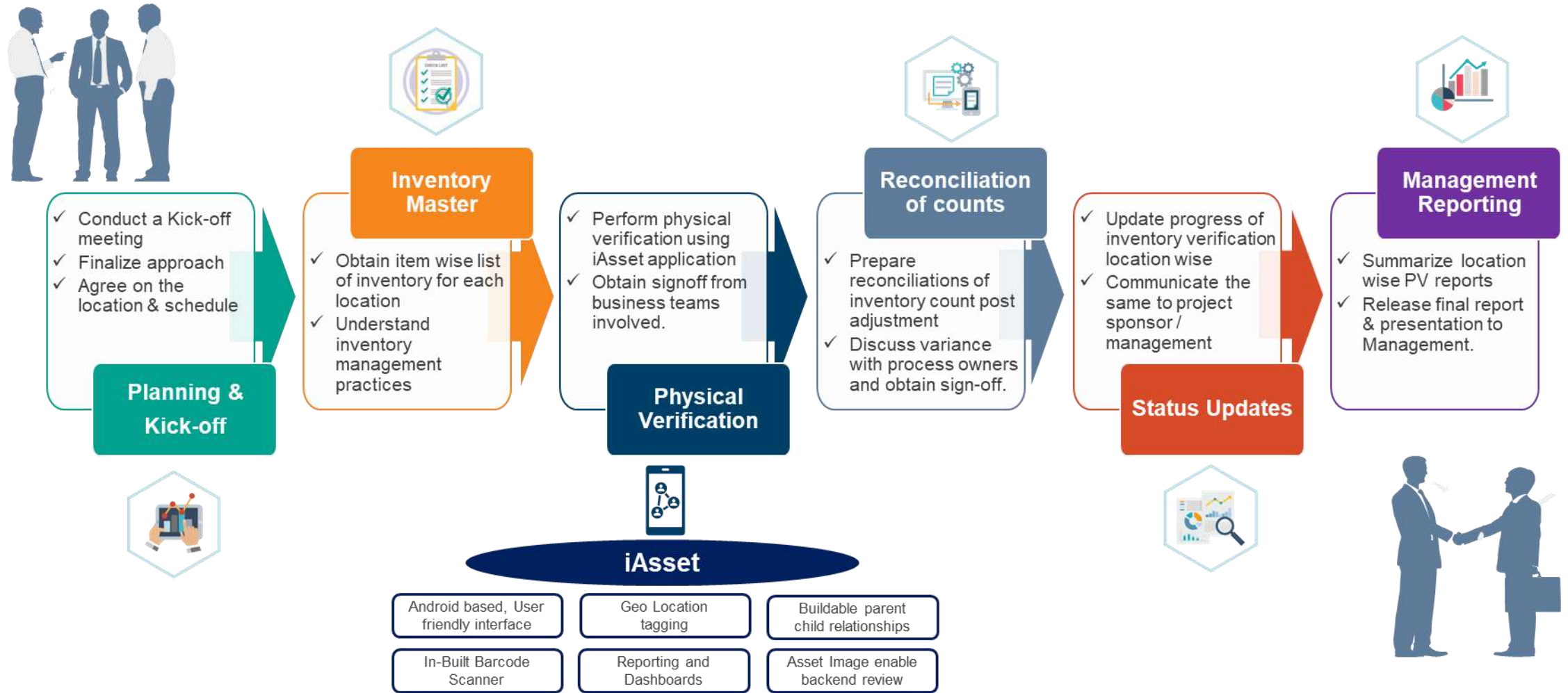
Deployment options (Cloud and on-premise)



PM calendar

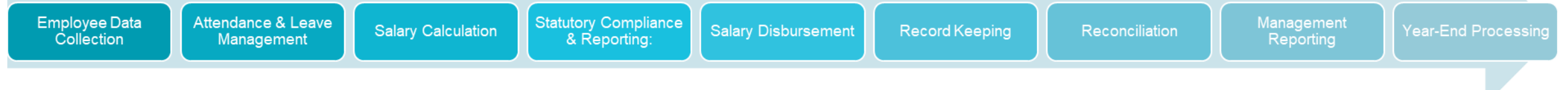
# INVENTORY VERIFICATION: OUR APPROACH

Our illustrative approach for conducting inventory verifications:



# PAYROLL: OUR FRAMEWORK FOR PAYROLL PROCESSING

## Typical Payroll Process



### Protiviti's Managed Business Approach

#### Tollgate#1

#### Assess

- Transition readiness assessment – identify activity interdependence, assess decoupling of control activities, technology infrastructure, data flow etc.
- Diagnose & Identify the current landscape (People, Process, Policy, Systems & Controls)
- Document current AS-IS FTE assessment & technology landscape
- Identify payroll transformation opportunity
- Develop business case and implementation roadmap for 'Go/ No Go' decision

#### Tollgate#2

#### Knowledge Transfer

- Develop 'TO-BE' FTE assessment, organization structure & interaction model
- Agree with management on in scope processes, timelines, project requirements, location, infrastructure, payroll, talent and FTE setup
- Develop SOPs, define dos & don't, operating policies to capture details of knowledge transfer
- Trainings and Transfer of knowledge to the operating team and management
- Manage Business Services Hub infrastructure set up

#### Tollgate#3

#### Stabilize & Operate

- Shadow run to validate information flow, data security, infra set up, accuracy of transaction processing.
- Commence sample delivery under guidance of client
- Continuous Improvement – Real time monitoring & remediation
- Ramp up to 100% of in-scope volume
- Revisit hiring and infrastructure requirements
- Measure and report performance

#### Transform

- Prioritize transformation charter basis ease of implementation and impact
- Design solution elements leveraging tools and enablers like – process mining, automation, data analytics etc.
- Test protocol in sandbox environment
- Implement and Go-Live

#### Solution Enablers

- A** Transition & Operation Approach   **B** Trained Resource Pool   **C** Process & Controllership   **D** IT Infrastructure   **E** Transformation Focus   **F** RPA & Automation

#### Governance Framework

Real Time & Transparent Communication

Quality Deliverables

Project Management & Status Updates

#### Points to consider when outsourcing payroll

Basic and/or add-on services offered

Data confidentiality

Number of clients they have and for how long

Assistance with generating tax forms for local tax filing



# PAYROLL: ILLUSTRATIVE AUDIT SCOPE AND KEY RISKS



## Scope

### Payroll Processing

- Review policy and procedures of Payroll processing and its compliance
- Employee and Payroll master creation, maintenance and update
- Controls over outsourced payroll processing
- Cut off procedures for monthly payroll processing
- Attendance and leave management
- Bonus and incentive payouts
- Employee advances
- Payroll and expense reimbursements to employees
- Statutory compliances (Provident Fund, Employee State Insurance etc.)
- Process for obtaining investment declarations for tax calculations
- Compliance to approval matrix for payroll processing
- Payroll disbursement
- Payroll accounting in books of accounts
- User access management and segregation of duties

## Key Risks/ Areas for improvement

### Internal Payroll Ownership

- In the current state, there is no dedicated internal Company ABC resource that owns payroll.
- Lack of dedicated ownership has created silos where inefficiencies have formed.

### Vendor Management

- Vendor management of outsourced payroll providers is limited. Monthly and quarterly business reviews are not conducted or are conducted informally.
- Vendors either do not produce measurable KPIs, manage to SLAs, or report KPIs.
- Cost recovery opportunities may exist, but are not tracked or exercised by Company ABC.

### GL and Control Report Activities

- Numerous GL activities are currently performed by a third party (Wise).
- Detailed review of the Payroll Register, Payroll Balancing Report, and Batch Totals for Lump Sum Bonus are not always conducted sufficiently.
- Detailed reviews of payroll changes, PTO balances/reconciliation, termination payments, and monies owed are not consistently performed.

### Proactive Review of Changes Impacting Payroll

- Most checks/controls for issues impacting payroll occur during the period of payroll processing.

### Credits/Refunds Tracking for Taxes

- Visible tracking is currently not in place for tax- related refunds or outstanding credits with tax agencies.

### User Access

- User access will need to be reviewed and updated upon the creation of a payroll organization within Company ABC in order to limit or eliminate any segregation of duties conflicts (particularly between performing HR and payroll activities).
- Periodic reviews and clean-ups of user access groups and privileges does not currently exist.

# AUDIT FOCUS AREAS AND KEY THINGS TO CHECK AT STORES (1/2)

## Inventory Management

- Review global count norms.
- Check Inward and outward of stock and its delays.
- Price revision process in POS and physical barcode change at stores.
- Sensomatic tagging norms
- SKUs without barcodes
- Process for damage/defective stock identified during stock take.
- Verification of returnable stock.



## POS Management

- User Access controls.
- Price revisions as per physical stock VS Price in POS.
- Collection as per POS VS as per supporting provided.
- Cash refunded for Ineligible cases



## Instore Displays & Promotional Material

- Review instore displays and promotional material in compliance with visual merchandise policy and related procedures approved by company
- Document reason for variances along with evidence.



## Manual Billing

- Missing handbills identification.
- Correctness in updating manual bills in POS.
- Delays in updating manual bills in POS.
- Authorization of manual bills.
- Check on sequencing of manual bills.



## Cash and Credit Card Reconciliation

- Perform physical cash verification and reconcile the same as per POS.
- Check CMS slips with CMS remittance detail booked in POS
- Check amount of article sold through credit card and reconcile with credit card slips.
- Document reason for variances and obtain sign from store Manager



## Standard Operating Procedures

- Review compliance with standard operating procedures (SOP's).
- Perform root cause analysis and document reason for deviation from SOP's.
- Reporting of the activities not in alignment with the SOP's.



# AUDIT FOCUS AREAS AND KEY THINGS TO CHECK AT STORES (2/2)

## Safety & Security

- Fire Drills.
- CCTV Infrastructure & its backup.
- Store data backup.
- Security agencies & its police verification.
- Fire Extinguishers.
- First Aid.



## Gift Vouchers

- Physical unsold GV's Vs unsold GV's as per books.
- Physical GV's redeemed VS GV's redeemed as per books.
- Acceptance of Expired GV's.



## Store Licenses & Legal Compliance

- Mandatory acts and abstracts required to be displayed.
- Statutory licenses required at store.
- NOCs from Fire department, DG set, Lift operations, etc.



## Physical Verification of Fixed Assets

- Physical verification of Asset (furniture and fixtures, Computers / Printers) at the store
- Ascertain the reasons of the variation in the fixed assets
- Review the assets taken on hire by the stores



## WBC Product

- Review and documents quantities of the product without the barcode and its reporting to HO/Regional office.
- Ascertain and document the reasons for variances.



## Defective/damage/Incomplete Products

- Physically verify claim stock/ defective/ damage/ incomplete products lying at the shop
- Ensure claim slips are supported with the cash memos of customers (in original)/ customer claim number.
- Ensure no items are missing for such stock



# EXAMPLES OF INSIGHTS THROUGH THE STORE AUDIT WORK

## Procurement

- Sales trend vs procurement analysis (excessive procurement of slow moving / nonmoving items causing expiries)
- Purchase of non-moving items already available in stock
- Analysis of inventory holding period vs shelf life of SKU
- Purchase of near expiry items, remaining shelf life on date of GRN
- Requisitions for old fashioned, outdated SKUs not saleable in market
- Potential sales loss due to inadequate procurement of high demand SKUs
- Inventory dumping by vendor (shipment of more than requisitioned qty)

## Store Operation

- Placement of product based on their sales pattern (high demand items to be positioned Infront)
- Cross merchandising to enhance sales and customer experience
- Use of signage, displays, dummies at entrance for New arrivals, new products etc.
- Season off discounts, cash discounts etc. clearly visible to customers or not
- Identify expired items available in store through batch numbers, check placement during PV
- Whether seasonal items, Kids items, daily use items are placed near billing counter or not to increase sales

## Inventory Management

- GRN delays causing non-requisite procurement, sales loss due to incorrect stock position in system
- Revenue loss due to improper distribution planning.
- Excessive storage cost due to higher inventory holding period for slow / nonmoving items , damaged items etc.
- No lead time, re-order level, min / max stock levels defined for high demand SKUs
- Improper handling and recording of promotional Inventory, packaging materials
- Trend of variations, damages, expiries, stock adjustments in last 12 months physical verifications
- Use of retail space for converting stock into sales and hence reducing carrying cost.
- Trend of high demand SKUs with regular stock out position in godown

## Sales

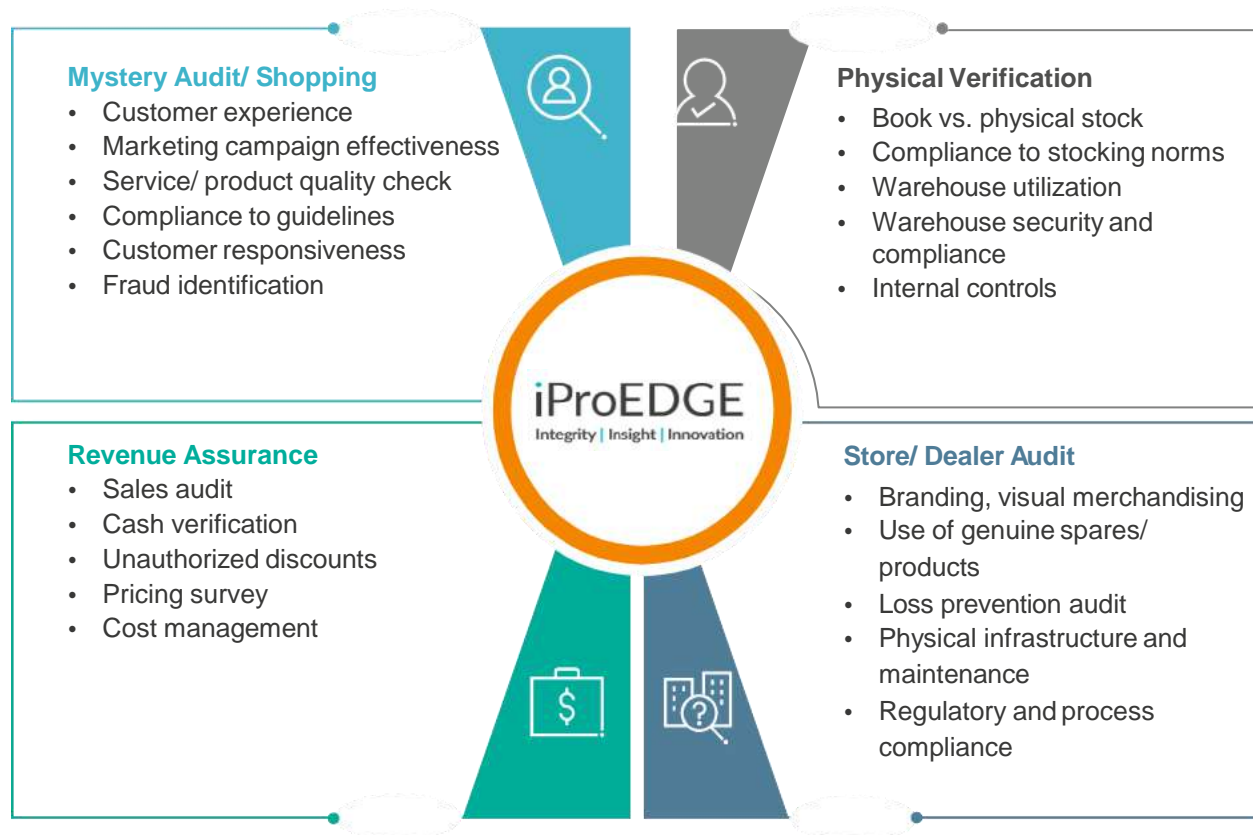
- Top 20 saleable SKUs in the store and their damages ratio
- Season off discounts, cash discounts offered to non-eligible items (if can be traced through batch numbers)
- Non / Improper performance of POS settlement / cashier shift closure
- Trend of manual invoiced transactions and reason thereof
- Sales return analysis (by product, by reasons – damages, others)
- Trend of sales return for orders invoiced at month / quarter / year end
- Sales returns accepted post expiries, damaged condition
- Cash holding period at stores, trend of cash pilferages in past 12 months

● **Store Audits key checks**

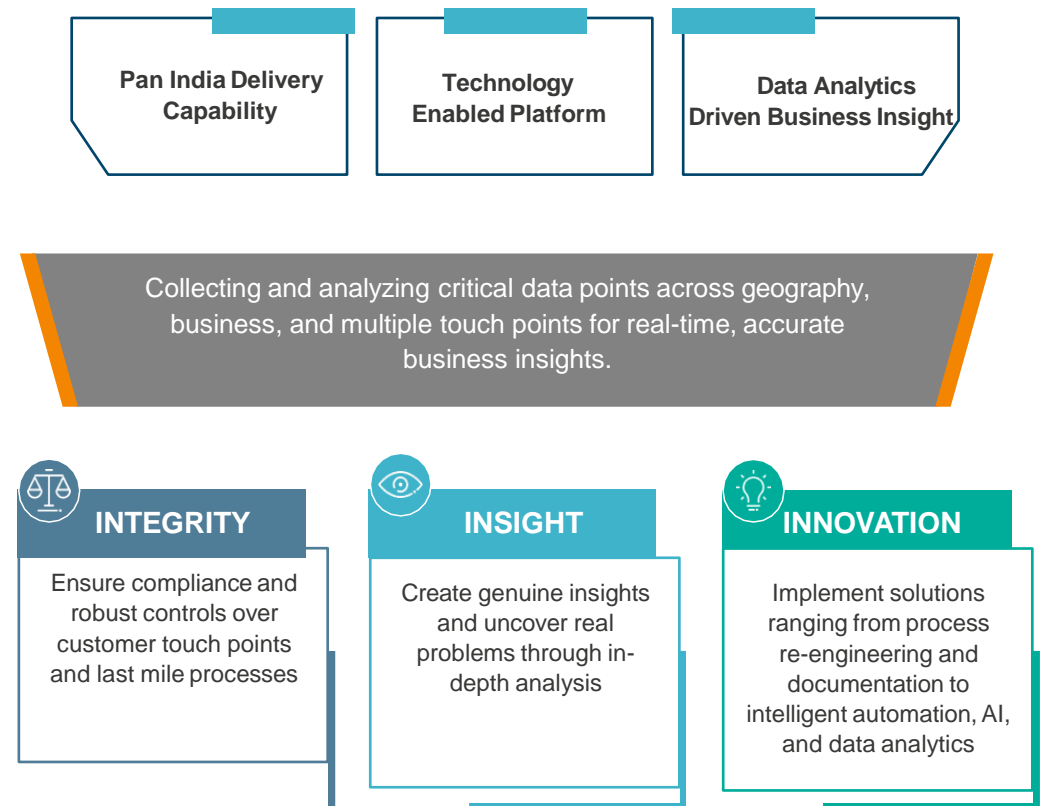
# IProEDGE – MYSTERY AUDITS, REVENUE ASSURANCE, INVENTORY AUDITS, ETC

iProEDGE is a digitally enabled solution, helping businesses gather information and insight on operations spread across geographically dispersed locations. It offers solution options for audits and reviews, that cater to a range of business requirements with focus on process integrity, actionable business Insight, and innovative solutions to business problems.







## Key solutions




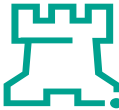




## Key Solution Enablers



# ILLUSTRATIVE USE CASES FOR IPROEDGE SOLUTION (1/2)

Solution	Client	Scope of Work
	<b>Revenue Audit</b> Leading hospitality company	<ul style="list-style-type: none"> <li>Physical check to verify the actual room occupancy vs. the booking records</li> <li>Collation of adequate evidence (photo, audio, video) to prove fraudulent behavior</li> <li>Additional layer of audit integrity through GPS enabled auditor check in real time progress</li> </ul> <b>Scale – 1500+ hotels spread over 100+ cities every month</b>
	<b>Service Center Audit</b> Consumer Electronics	<ul style="list-style-type: none"> <li>End-to-end document verification to identify deficiencies in warranty claims</li> <li>Detailed data analysis of charging rates with warranty clauses</li> <li>Exhaustive training of service partners on company policies and regulations</li> </ul> <b>Scale – 1500+ authorized service centers spread over 150+ cities</b>
	<b>Third Party review</b> Financial Services	<ul style="list-style-type: none"> <li>Developed assessment checklist of applicable RBI norms</li> <li>End to end testing of all necessary safeguards available for storage of customer confidential information</li> <li>Analysis of data security and continuity norms as present at the vendor</li> </ul> <b>Scale – 35+Vendors</b>
	<b>Retail Store Audit</b> Footwear retail company	<ul style="list-style-type: none"> <li>Review of applicable compliances at outlet level</li> <li>Review of Branding guidelines in the outlet (exterior and interior)</li> <li>Review of Billing, Discounts, Pricing, Sales Reversals</li> <li>Review of Collections (Cash/ Card/ eWallet) and Loyalty Benefits</li> </ul> <b>Scale – 10 - 15 stores in a month</b>
	<b>Market Intelligence</b> Leading cement manufacturer	<ul style="list-style-type: none"> <li>Market intelligence on company price vs competition price</li> <li>Geo-tagging of the retailers &amp; dealers present in database of the company</li> <li>Data analysis to recommend opportunities for price correction</li> </ul> <b>Scale – 300-400 dealers / retailers in a month</b>
	<b>Inventory Verification</b> Two-wheeler company	<ul style="list-style-type: none"> <li>Reconciliation of book vs actual stock</li> <li>Checking of compliance to stocking norms</li> <li>Ensure Warehouse security and compliance</li> </ul> <b>Scale – 700+ dealers across 4000+ locations</b>

# ILLUSTRATIVE USE CASES FOR IPROEDGE SOLUTION (2/2)

Solution	Industry	Scope of Work
	<b>QSR Audits</b> QSR Restaurants	<ul style="list-style-type: none"> <li>• Adherence to FSSAI/ Food Safety/ Allergen Management Guidelines</li> <li>• Review of temperature controls, handling of raw material/ finished products and labelling</li> <li>• Review of Branding guidelines in the Restaurant/ Outlet (exterior and interior)</li> <li>• Review of Billing, Discounts, Pricing, Sales Reversals</li> <li>• Review of Collections (Cash/ Card/ eWallet) and Loyalty Benefits</li> </ul>
	<b>CFA / Warehouse Audit</b> Pharma, FMCG, Consumer Durables	<ul style="list-style-type: none"> <li>• Physical Verification of stock and Material Storage &amp; Handling</li> <li>• Review of expired / breakage/ obsolete stock</li> <li>• Review of security infrastructure including CCTV cameras</li> <li>• Regulatory, Legal and Statutory compliances</li> <li>• Controls on Billing, Dispatch and Sales Returns</li> </ul>
	<b>DAS/ ISP audits</b> Media & entertainment	<ul style="list-style-type: none"> <li>• Check compliances with TRAI Guidelines</li> <li>• Check for active customer base</li> <li>• Check for billing system certification</li> <li>• Perform data analytics on different channels and its viewership</li> </ul>
	<b>Mystery Audit</b> Retail, Hospitality	<ul style="list-style-type: none"> <li>• Check for marketing campaign effectiveness</li> <li>• Willingness of staff to provide service without recording sale in system</li> <li>• Check for service/product quality</li> <li>• Check for compliance to guidelines</li> </ul>
	<b>Dealer Audit</b> Automobile	<ul style="list-style-type: none"> <li>• Stock verification</li> <li>• Branding and service quality</li> <li>• Review of billing and discounting records</li> <li>• Service center operations</li> </ul>
	<b>Outdoor Site verification</b> Advertisers with significant outdoor media spends	<ul style="list-style-type: none"> <li>• Validating the creatives on the hoarding across the campaign period along with lat long coordinates</li> <li>• Review the condition of the hoardings</li> <li>• Comment on the visibility of the hoardings (blockage due to other hoardings, tress etc.)</li> <li>• Check compliance to agreed terms (i.e. backlit, neon, front lit etc.)</li> </ul>

# POTENTIAL FRAUDS WHICH CAN BE IDENTIFIED THROUGH DATA ANALYTICS

## Manual Billing

- Use of duplicate manual bill book by store staff for fraudulent purposes,
- Punching of wrong quantity, price and SKU while regularizing the manual bills in POS.
- Using same Manual bill for multiple invoices while regularizing it in POS.
- Store staff not regularizing the manual bills in POS.

## POS

- Cashier/store staff punching cash sales in credit card sales while Invoicing by using his own credit card or his relative/friend's credit card.
- Store staff re-printing invoices to use it against unaccounted sales.
- Store staff putting his own mobile number while earning loyalty points without informing this to customer.
- Punching more sales in specific SKU's where commission and targets are high.

## Inventory Management

- Collusion between two store managers for doing virtual stock movement near to audit dates.
- Abnormal trend in customer returns.
- Unauthorized stock adjustments by store staff to reduce inventory.

## Gift Vouchers

- Misuse of GVs by printing duplicate GV booklet from outside.
- Acceptance of expired GV's by store manager.
- GVs redeemed without being sold.
- GVs redeemed more than once by store staff.



# CENTRAL COMMAND OFFICE (CCO)

Will be responsible for data analytics, regular status reporting through dashboards, submission of final deliverables, overall project management and engagement quality



**Ensure High Impact Points through –**  
Mitigate Material Risks & Add Value to  
Business Operations



**Timely Review Closure –** Enable  
Timely Mitigation of Risks & Reduced  
Efforts



**Provide Guidance & Support to  
Business Operations -** Enhance  
Controls & Improve Processes

We will invest in building a Central Command Office led by Engagement Director, and they will be responsible for:



**Enhanced Focus -** Concentrate more  
on areas with high probability of findings



**Complete Coverage -** 100% transaction  
coverage for identifying hidden problems  
within huge data volume



**Quantification -** Quantify the size of  
problem to convey business impact &  
gain management attention



**Business Support –** Keeps  
track of issues that are similar  
across all locations or unique to  
one. Highlights best practices/  
good controls noted at any  
specific centers



**Continuous monitoring of Field  
Auditor –** CCO will keep track of field  
auditors and keep guiding them on a  
real-time basis as well as ensure quality



**Tangible Value –** Will channelize  
efforts towards better root causing,  
impact assessment and issue closure



**Continuous Improvement –**  
Actionable insights through analytics  
for continuous business  
improvement

# TECHNOLOGY ASSET - IPRO EDGE PLATFORM

iProEDGE is delivered through a digital platform which enables projects to be conducted at scale with speed and transparency thus ensuring better quality reviews, seamless coordination between various stakeholders and quicker decision making.



Digitally plan, schedule and allocate audits/ reviews



Digital audit checklist



Customizable report formats



GPS enabled tracking and check-in



Automated workflow including governance controls and escalation mechanisms



Real-time reporting of project progress



Integrated data analytics and reporting



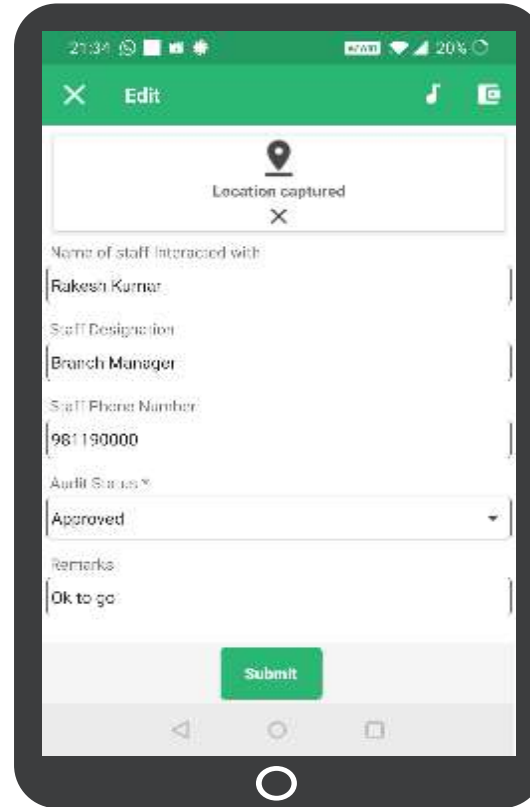
Interactive dashboards showcasing observations and deviations

# AUDIT EXECUTION – EMBEDDING TECHNOLOGY IN AUDITS

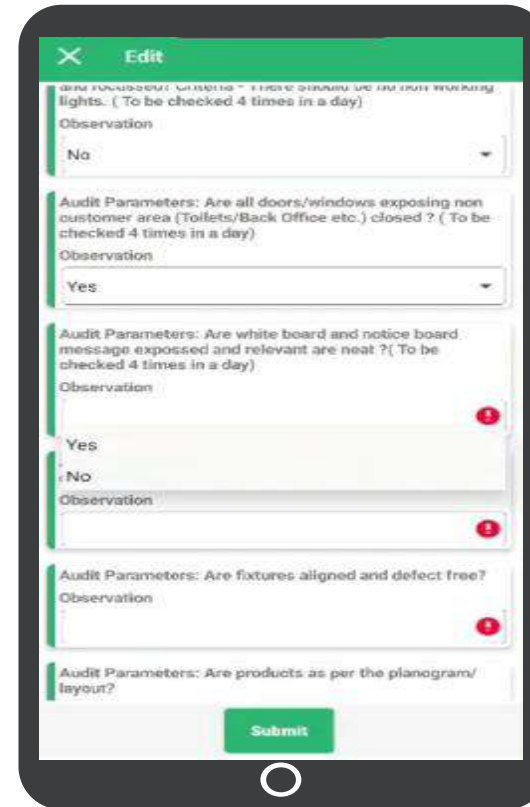
## iProEDGE App



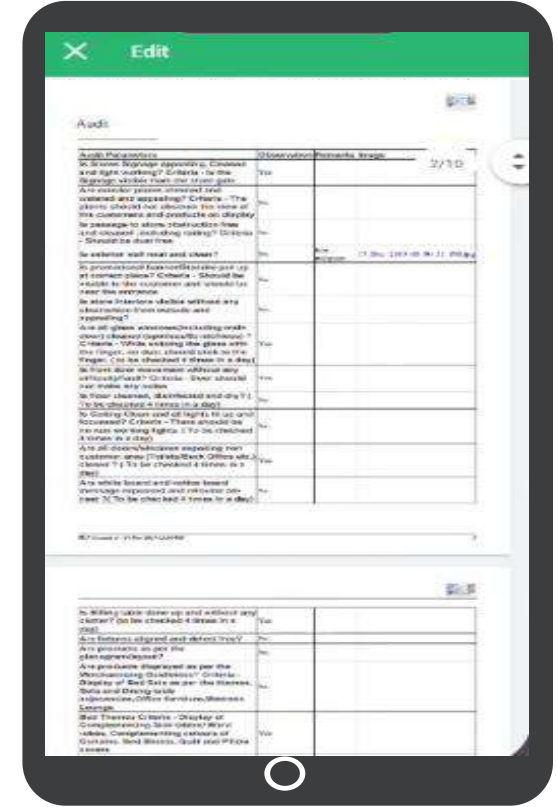
One-stop solution catering to multiple audit themes



Increased 'integrity' as auditor 'GPS location' is captured



Pre-defined checklist of audit tests that need to be updated



Auto-generated Audit Reports (option to include dashboards)

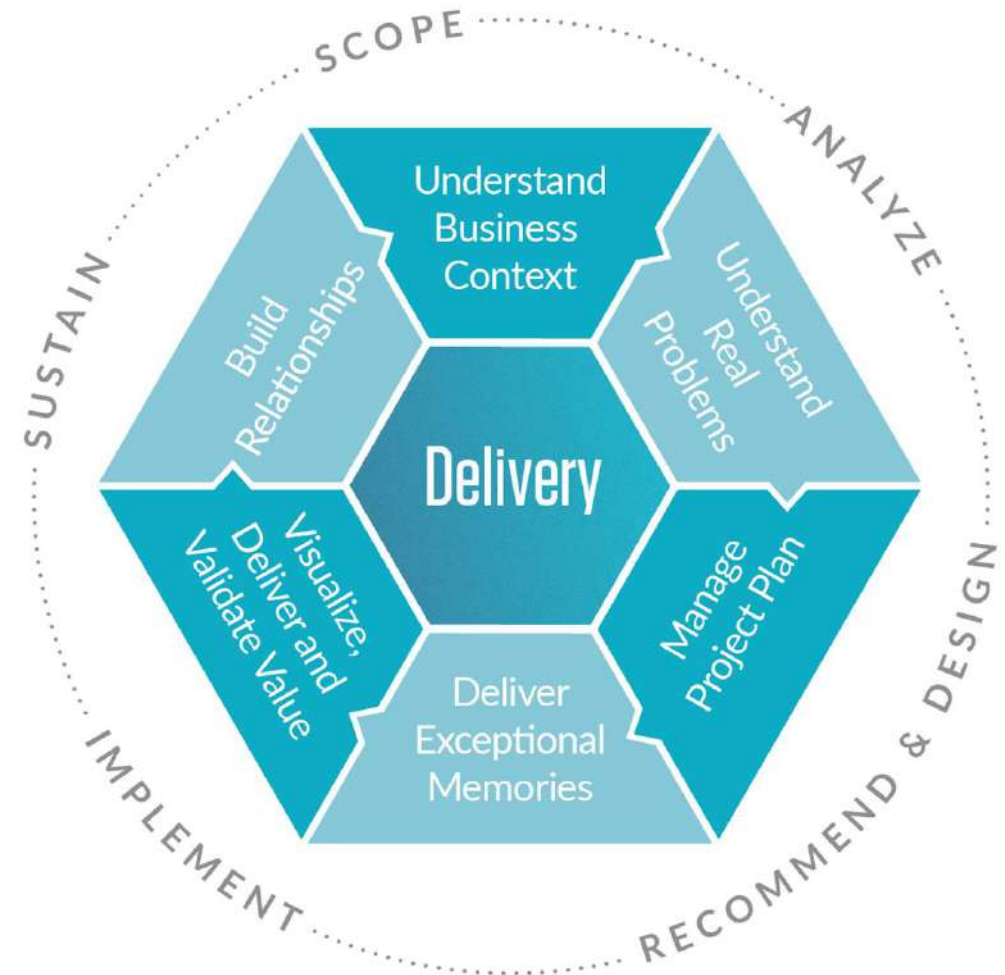
Once we understand client's control environment, we introduce customize iProEDGE and leverage the same for audit purpose

# OUR SOLUTIONS METHODOLOGY

Protiviti's **Common Methodology** is the foundation of our approach to engagement delivery. It is comprised of Six Behaviors that support the various phases of an engagement, shown at right.

Each element of the Common Methodology is supported by a Guiding Principle and a series of Recommended Practices that help align our teams on delivery expectations. Training is provided to our professionals (at all levels) to enable them to apply these Six Behaviors on every engagement.

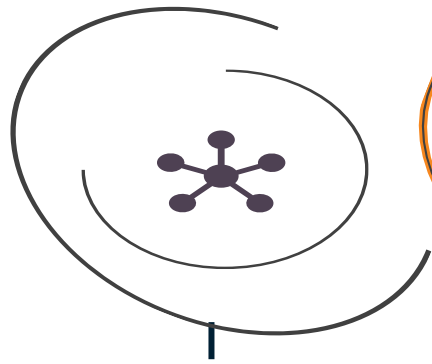
We leverage this principles-based methodology to help drive consistency and quality in the way we deliver value-add solutions to clients around the world.



# Managed Business Services



# SERVICE PORTFOLIO



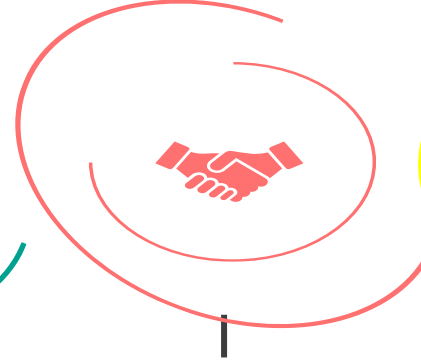
ACCOUNTS AND FINANCE  
OUTSOURCING



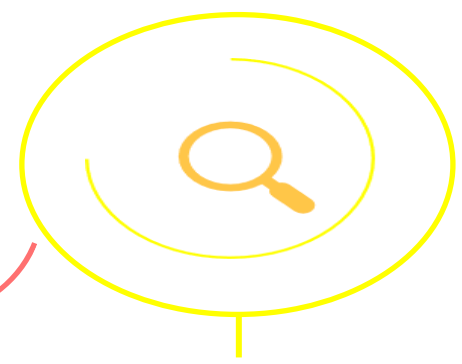
TAX RELATED SERVICES



CFO SUPPORT  
SERVICES



COMPANY SECRETARIAL  
SERVICES



HR AND PAYROLL  
SERVICES

## Accounting and Finance

- Book-Keeping & Accounting
- Periodic Stakeholder Reports
- Year End Financials and closures

## Tax

- Direct tax
- Indirect Tax
- Advisory Services

## CFO Support

- SME Skill set
- Contract to Hire
- Flexible term

## Company Secretarial

- Incorporation & Business registrations
- Secretarial Services
- Approval based activities

## HR & Payroll

- Hire to Retire
- Payroll Solutions
- Statutory & Labor law Compliances

# ACCOUNTING AND FINANCE OUTSOURCING (1/2)

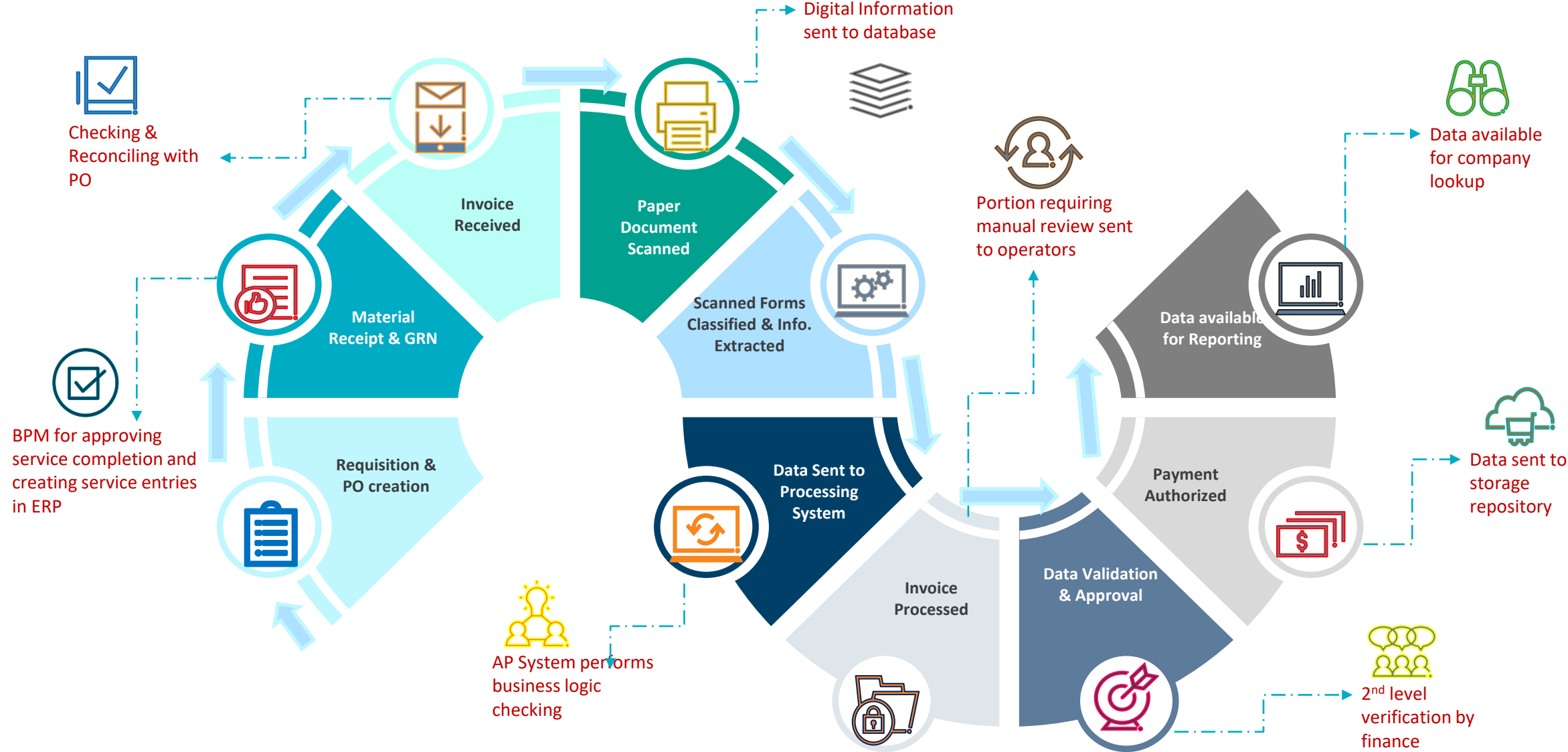
<b>Procure to Pay</b>	<b>Invoice Receipt</b>	<b>Invoice Processing</b>	<b>Invoice Resolution and Helpdesk</b>	<b>Payments</b>	<b>Vendor Master, T&amp;E, and Others</b>
	<ul style="list-style-type: none"> <li>• PO Box set up</li> <li>• Receive paper invoices</li> <li>• Stamp and sort invoices</li> <li>• Scan invoices</li> <li>• Index invoices</li> <li>• Transfer invoices for processing</li> <li>• Rescan</li> <li>• Digital Archival</li> </ul>	<ul style="list-style-type: none"> <li>• Invoice Entry</li> <li>• OCR Validation</li> <li>• Electronic/Bulk Uploads</li> <li>• Rush Invoice Processing</li> <li>• 2-way/3-way Matching of PO Invoices</li> <li>• Non-PO Invoice Processing</li> <li>• Credit Memos</li> </ul>	<ul style="list-style-type: none"> <li>• Non-PO Invoice Authorization</li> <li>• Invoice Resolution – Price/Quantity/Vendor</li> <li>• Error/Hold Resolution</li> <li>• Electronic Rejects</li> <li>• Internal/External Query Management</li> </ul>	<ul style="list-style-type: none"> <li>• Payment Proposal</li> <li>• Discount Capture</li> <li>• Recurring Payments</li> <li>• Final Payment Run</li> <li>• Payment Release</li> <li>• Stop Payments</li> <li>• Resolution of Rejections</li> <li>• Employee Reimbursements</li> </ul>	<ul style="list-style-type: none"> <li>• Vendor Setup</li> <li>• Vendor Modification</li> <li>• T&amp;E Processing</li> <li>• T&amp;E Report Audits</li> <li>• Accuracy Audits</li> <li>• Account/GRIR Reconciliations</li> <li>• Aging Analysis</li> </ul>
<b>Order to Cash</b>	<b>Customer Master, Credit and Contract Management</b>	<b>Order Management and Billing</b>	<b>Collections</b>	<b>Cash Applications</b>	<b>Deductions, disputes and others</b>
	<ul style="list-style-type: none"> <li>• New Account Setup</li> <li>• Changes in Existing Accounts</li> <li>• Price Mapping</li> <li>• Initial Analysis &amp; Review of Credit Limits</li> <li>• Receive/Validate contracts</li> <li>• Contract Renewal / Extension set up</li> <li>• Contract Audits</li> </ul>	<ul style="list-style-type: none"> <li>• Receive/ Validate and Enter PO</li> <li>• Order Fulfillment</li> <li>• Review Sales Order &amp; Release Billing Block</li> <li>• Regular Open Order Analysis</li> <li>• Review Billing Daily Log</li> <li>• Invoicing Generation and Presentment</li> <li>• Pricing Support</li> </ul>	<ul style="list-style-type: none"> <li>• Customer Segmentation</li> <li>• Self-Payer Analysis</li> <li>• Chase / Investigate non payment</li> <li>• Statement and Dunning</li> <li>• Research Bad Debts</li> <li>• Write off Proposals for Uncollectible balances</li> <li>• Collection of Invalid deductions</li> </ul>	<ul style="list-style-type: none"> <li>• Processing/Clearing</li> <li>• Investigation of the Unapplied/ Unidentified payments</li> <li>• Unapplied Credits</li> <li>• Processing of Refunds</li> </ul>	<ul style="list-style-type: none"> <li>• Identification and Validation of Deductions</li> <li>• Resolution on Short Payments/ Deductions</li> <li>• Issue Coding and Analysis</li> <li>• Credit Memos and Reconciliations</li> </ul>

# ACCOUNTING AND FINANCE OUTSOURCING (2/2)

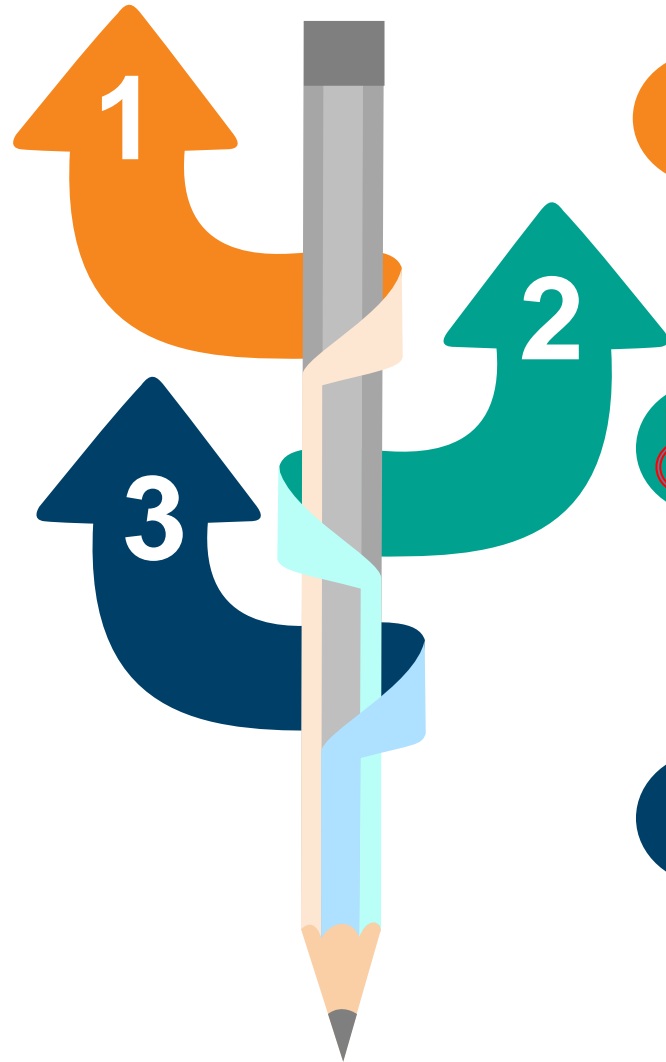
Month end Accounting & Closing	MIS	Stakeholder Reporting	Treasury
<p data-bbox="96 421 137 729">Accounts &amp; Reporting</p> <ul data-bbox="173 339 652 782" style="list-style-type: none"><li>• Journal entry postings</li><li>• Reconciliations</li><li>• Fixed assets accounting</li><li>• Intercompany accounting</li><li>• Sub-ledger balancing</li><li>• Month-end close</li><li>• GL and CC master data maintenance</li><li>• Cost, inventory and management accounting</li><li>• Audit support</li></ul>	<ul data-bbox="733 339 1225 729" style="list-style-type: none"><li>• Reporting by business line / CC / Location, etc.</li><li>• Budget and rolling forecasting</li><li>• Cost management and analysis</li><li>• Set up indirect cost allocation rules</li><li>• Budget consolidation</li><li>• Expense budgeting</li><li>• Revenue, cost, P&amp;L, balance sheet and cash flow variance analysis</li></ul>	<ul data-bbox="1291 339 1758 582" style="list-style-type: none"><li>• US GAAP, IFRS, STAT reporting</li><li>• Management discussion and analysis</li><li>• Stat books (yellow book, green book, blue book)</li><li>• BS analysis and commentary</li></ul>	<ul data-bbox="1849 339 2326 696" style="list-style-type: none"><li>• Bank accounting and reconciliation</li><li>• Fund matching</li><li>• Cash flow forecast</li><li>• Cash management</li><li>• Debt and derivative accounting</li><li>• Foreign currency conversions and hedging</li><li>• Treasury reporting</li></ul>



# PROCURE TO PAY OUTSOURCING: PROCESS FLOW



# PROCURE TO PAY OUTSOURCING: CONTROLS AND AUTOMATION (1/3)



## Requisition & PO creation

### CONTROL CHECKS

1. Approval of Requisition should be done by authorized personnel only.
2. Set access control on your workflow so that unauthorized personnel can't initiate the purchase order process.

### AUTOMATION

1. Configure the Inventory and Vendor Master Data for automatic view tick box.
2. Entire process & Workflow should be mapped out, on basis of that create digital forms using SQL database for Purchase Request Automation.



## Material Receipt & GRN

### CONTROL CHECKS

1. The document date of the goods receipt is checked against the delivery date defined in the PO.
2. Validation of quality and quantity of supplies should be done by requesting department.
3. three-way matching process should be used to match the supplier invoices with supply request notes and goods received notes.

### AUTOMATION

1. Use of Backflush and Auto Goods Receipt Functionality.
2. Validation of quality and quantity of supplies should be done by requesting department.



## Invoice Received

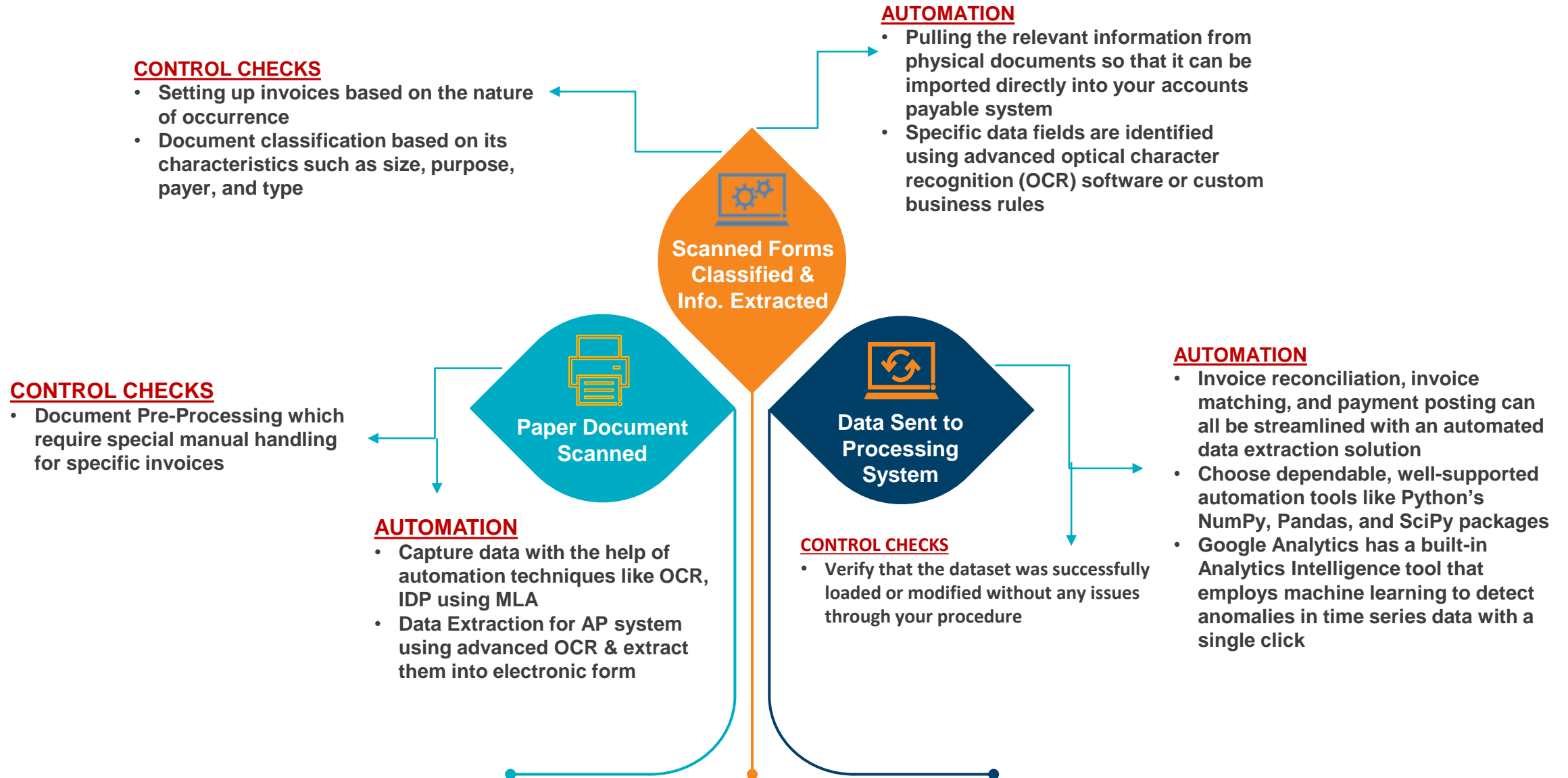
### CONTROL CHECKS

1. An authorized approver needs to approve the validity & accuracy of the Invoice.
2. Matching & Reconciling with PO by using Two Way or Three-Way process.
3. Data entry controls and Segregation of Duties should be placed.

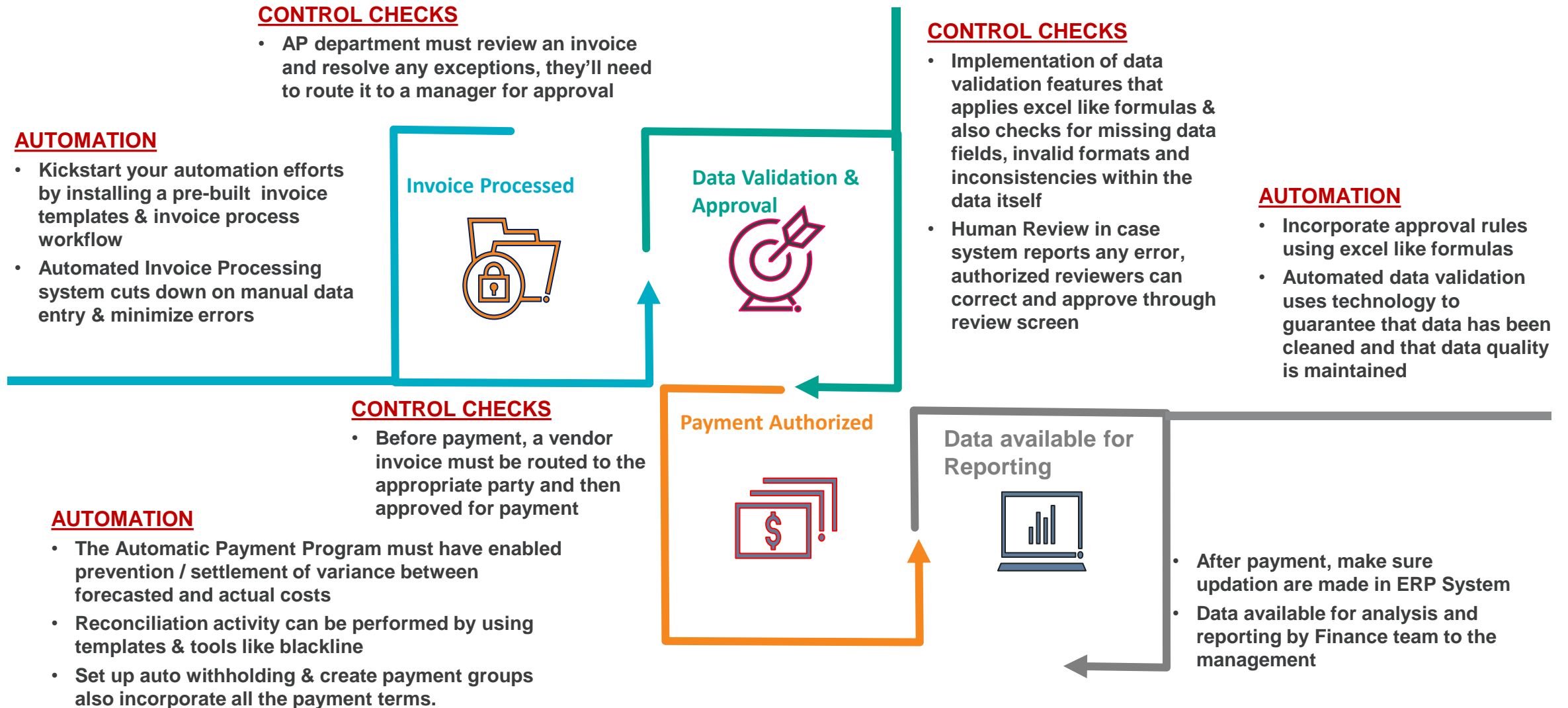
### AUTOMATION

1. Proper Security and Control checks should be in built in Automation Software.

# PROCURE TO PAY OUTSOURCING: CONTROLS AND AUTOMATION (2/3)



# PROCURE TO PAY OUTSOURCING: CONTROLS AND AUTOMATION (3/3)



# CFO SUPPORT SERVICES

The evolving nature of today's business environment has led start-ups, mid sized firms to look at CFO services. Outsourcing CFO services enables businesses to set-up the right practices, controls, minimise risks of non-compliance, validate the current environment and create a robust framework of controls and reporting. Our partner-led approach and in-depth domain knowledge helps our clients in bringing in financial discipline and deploying industry best practices.

AREAS OF FOCUS	OUTCOMES
Finance Controllership	<ul style="list-style-type: none"> <li>Accounting and Book-keeping</li> <li>Banking Support</li> <li>Management of Compliances</li> <li>MIS, Monthly Closures, Group Reporting</li> </ul>
Financial Planning & Analysis	<ul style="list-style-type: none"> <li>Set-up the Budget Framework</li> <li>Budgeting and Forecasting</li> <li>Set up an Environment for Variance Analysis and Course Correction</li> </ul>
Evaluation of ERP and its Implementation	<ul style="list-style-type: none"> <li>Support in defining the Functional Needs</li> <li>Evaluation of an ERP - Costs v/s Benefits</li> <li>Project Planning</li> <li>User Acceptance Testing</li> </ul>
Specialised Services	<ul style="list-style-type: none"> <li>Working Capital Enhancement</li> <li>Cash Flow Management and Profitability</li> <li>Optimisation of Assets, Process and Leverage</li> </ul>

AREAS OF FOCUS	OUTCOMES
Financial Statements & Audit Closure	<ul style="list-style-type: none"> <li>Preparation of Financial Statements</li> <li>Liasioning with Auditors</li> <li>Audit Closure Support</li> </ul>
Streamline Reporting	<ul style="list-style-type: none"> <li>Define a MIS Framework with Metrics</li> <li>Construct a Dashboard and Reporting Norms</li> <li>Provide insights to Key Stakeholders</li> </ul>
Controls & Compliance	<ul style="list-style-type: none"> <li>Evaluate and Set in Process Controls</li> <li>Roll out Policies and guidelines</li> <li>Adherence to Accounting Standards</li> <li>Compliance with local Regulations, Policies and Procedures</li> <li>IFRS Transition</li> </ul>
Support Valuation Activities & Funding	<ul style="list-style-type: none"> <li>Coordination with the valuer</li> <li>Providing supporting documents</li> <li>Adherence to the Accounting Standards</li> </ul>

# COMPLETE SOLUTION FOR HIRE TO RETIRE (1/2)

1

## CORE HR

- Org structure
- Custom Roles
- Access Rights
- Workflows
- Policy Engine
- Employee Database



2

## WORKFORCE

- Job Posting Portal
- Offer and Appointment Letters
- Candidate Engagement
- Pre-boarding
- Confirmation
- Transfer
- Separation
- Exit & Clearance
- Employee Letters



3

## ATTENDANCE

- Shift Management
- Holiday Calendar
- Check-in Policy
- Leave Management
- Attendance Policy
- Overtime & Comp-Offs
- Paid days processing



4

## PAYROLL

- Auto CTC
- Flexi-Basket
- Reimbursements
- Invest Declarations
- Employee Loan
- Salary Process



5

## COMPLIANCE

- Withholding Tax
- Professional Tax
- Provident Fund
- Employee State Insurance
- Labour Welfare Fund
- Labour Compliances
- Expatriate Compliances



# COMPLETE SOLUTION FOR HIRE TO RETIRE (2/2)

6

## PERFORMANCE

- Smart Goals & OKR
- Reviews
- Continuous Feedback
- 1 on 1 Meetings
- Initiatives
- PIP
- Increment Calculator
- 360 Degree Feedback
- 9 Box Matrix



7

## ENGAGEMENT

- Mood bots
- Badges
- Reward Points
- Candidate Engagement
- Fundraisers
- Surveys & Pulse Surveys
- HR Posts
- Announcements
- HR Handbook



8

## EXPENSE

- Expense Policy
- Advance Policy
- Expenses Bills
- Submission & Approval
- Expense Reimbursements
- Travel Plan
- Ticket booking
- Exceptional Workflows



9

## ASSET

- Asset Management
- Inventory Management
- Asset Request & Return
- Asset Allocation



10

## HELPDESK

- Ticket Categories
- Ticket Delegation
- Ticket Creation & Resolution
- Escalation Matrix
- Ticket Closure Feedback



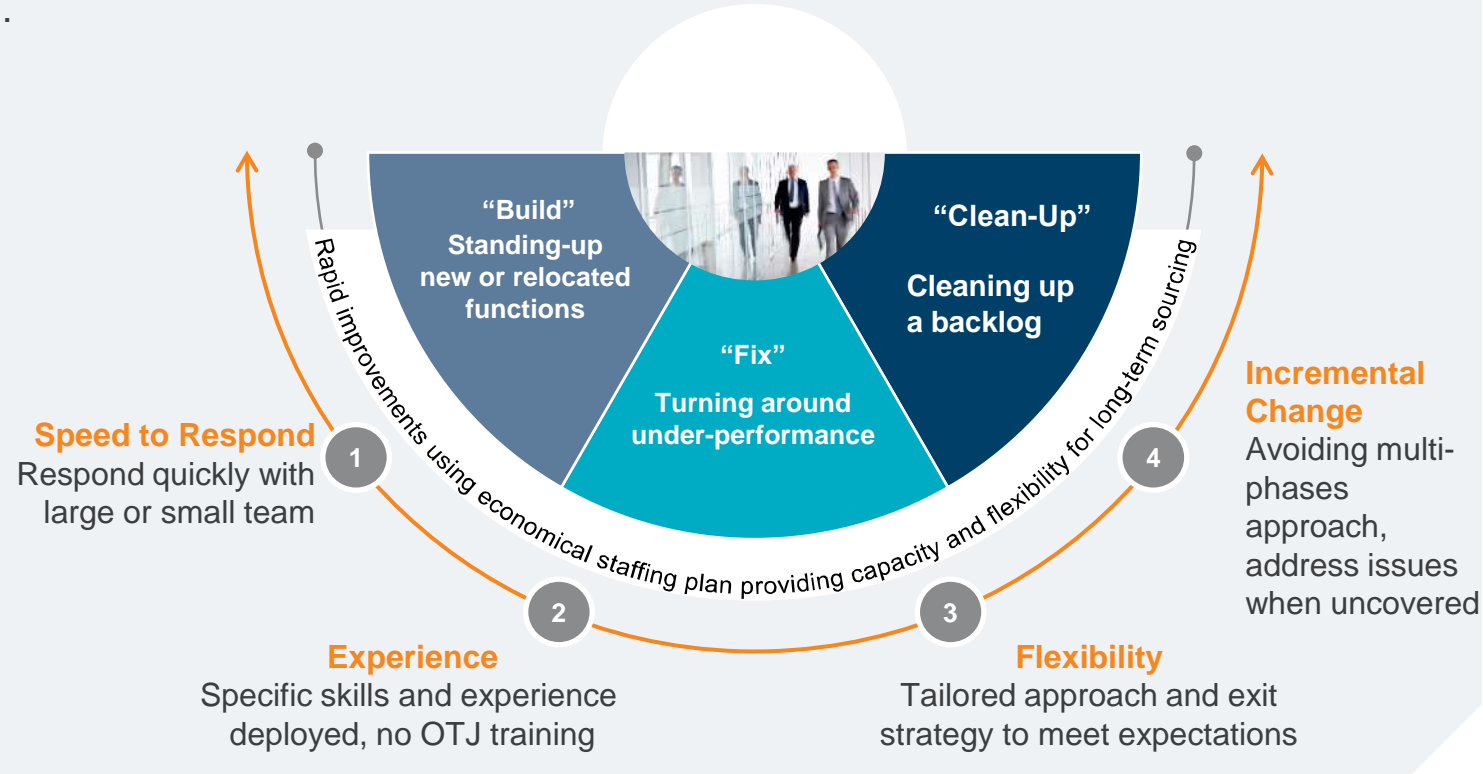
# MANAGED BUSINESS SERVICES

01	Project / operational design
02	Project management
03	Efficient problem resolution
04	Embedded analytics & MI
05	Improved performance through incremental, or “agile” changes
06	Deep subject-matter expertise
07	Seamless startup and resource-scaling, both up and down
08	Exit engagement flexibility
09	Integrated resource-tracking, including consolidated invoicing
10	Quality assurance
11	Knowledge transfer

## Protiviti Managed Business Services delivery model

Protiviti provides project management and consulting experience, mixed with resources from our world class associate network of subject matter experts.

The MBS model has been deployed in several scenarios. It provides design, governance and support as business functions are being “stood-up” and/or optimised.









# Talent Solution



# BUSINESS PERFORMANCE IMPROVEMENT

**Executable strategy requires fusing insightful thinking with disciplined execution to achieve breakthrough performance.**

As organizations face challenges in attaining profitable growth, strategically managing costs and intelligently navigating risk, our full-suite of Consulting Portfolio of Business Performance Improvement (BPI) solutions drive sustainable and profitable growth addressing on the real issues affecting businesses today of our clients and making them stay ahead in the industry

 OPERATION EXCELLENCE AND SUPPLY CHAIN	 ORGANIZATIONAL TRANSFORMATION	 SOURCING AND PROCUREMENT	 SALES AND MARKETING TRANSFORMATION
<ul style="list-style-type: none"><li>• Manufacturing operations and process enhancement</li><li>• S&amp;OP and Inventory Management</li><li>• Working Capital optimization</li><li>• Order fulfillment and Network planning</li><li>• Supply chain towers (SCM 2.0)</li></ul>	<ul style="list-style-type: none"><li>• Strategy and Business design</li><li>• Post Merger Integration and Divesture support</li><li>• Enterprise wide cost transformation</li><li>• Workforce strategy and Productivity enhancement</li><li>• Industry 4.0</li></ul>	<ul style="list-style-type: none"><li>• Strategic Sourcing</li><li>• Spend analytics and Category management</li><li>• Procure to Pay transformation</li><li>• Third-party and Contract lifecycle management</li><li>• Digital Procurement</li></ul>	<ul style="list-style-type: none"><li>• Sales Acceleration, Pricing and Profitability</li><li>• Customer analytics and Insights</li><li>• Advertising, Marketing and Trade spend optimization</li><li>• Service and Service / contact center excellence</li><li>• Sales automation (SFA/DMS) Experience Platform (CX)</li></ul>

# REVENUE ASSURANCE SOLUTIONS OVERVIEW

Our Revenue Assurance Solutions offer a multi-pronged approach to optimize business performance through maximizing revenue and margin and minimizing costs across all functions of the service provider's business landscape.

## Revenue Enhancement and Cost Optimization



Bouquet of solutions that use methodologies backed by our Revenue Analytics Center and offer a multi-pronged approach to optimize service provider's business landscape by maximizing revenue, enhancing margin and minimizing costs across various functions.

## Functional Advisory



Specialized Solutions based on global frameworks and methodologies to uplift the Maturity, Risk and Controls Universe and Governance of RAFM Functions within the organization. Assist them through knowledge transfers and specialized trainings on emerging products and technologies.

## Offshoring and Managed Services



Solutions to provide a strategic partnership with an offshoring and shared service operations support. Capability of providing pre-trained resources to derive operational excellence and specialized support for RAFM initiatives that can successfully step into the environment with minimal-to-no-delay associated with onboarding or general RAFM ramp-up.

## Transformation to RAFM 2.0



Prepare future ready RAFM function by helping in setting up transformation goals and processes to drive productivity and efficiency. Elevate maturity through digital transformation and automation of internal systems.

# STRATEGY AND TRANSFORMATION CORPORATE AND BUSINESS UNIT STRATEGY

## It is all about Options

- Strategy involves deciding on *how* to use resources effectively to compete in the market.
- We help companies make tough decisions by connecting the dots and helping them define what success looks like.



## Value Created

- Design and build a winning strategy
- Focused execution
- Articulate the CEO and Board's agenda



# STRATEGY AND TRANSFORMATION CORPORATE AND BUSINESS UNIT STRATEGY

## Strategic Planning Approach

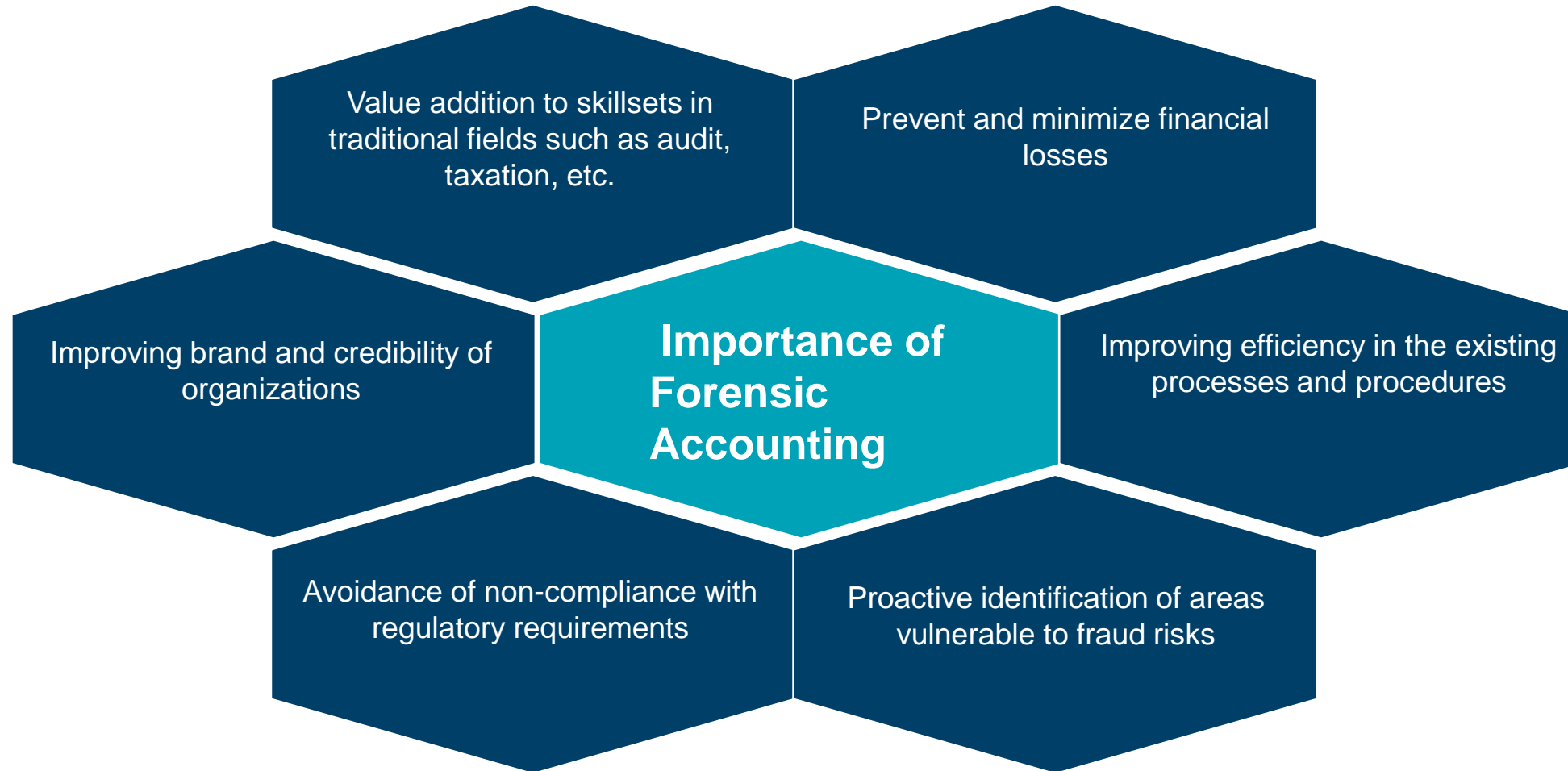


# Fraud & Forensic



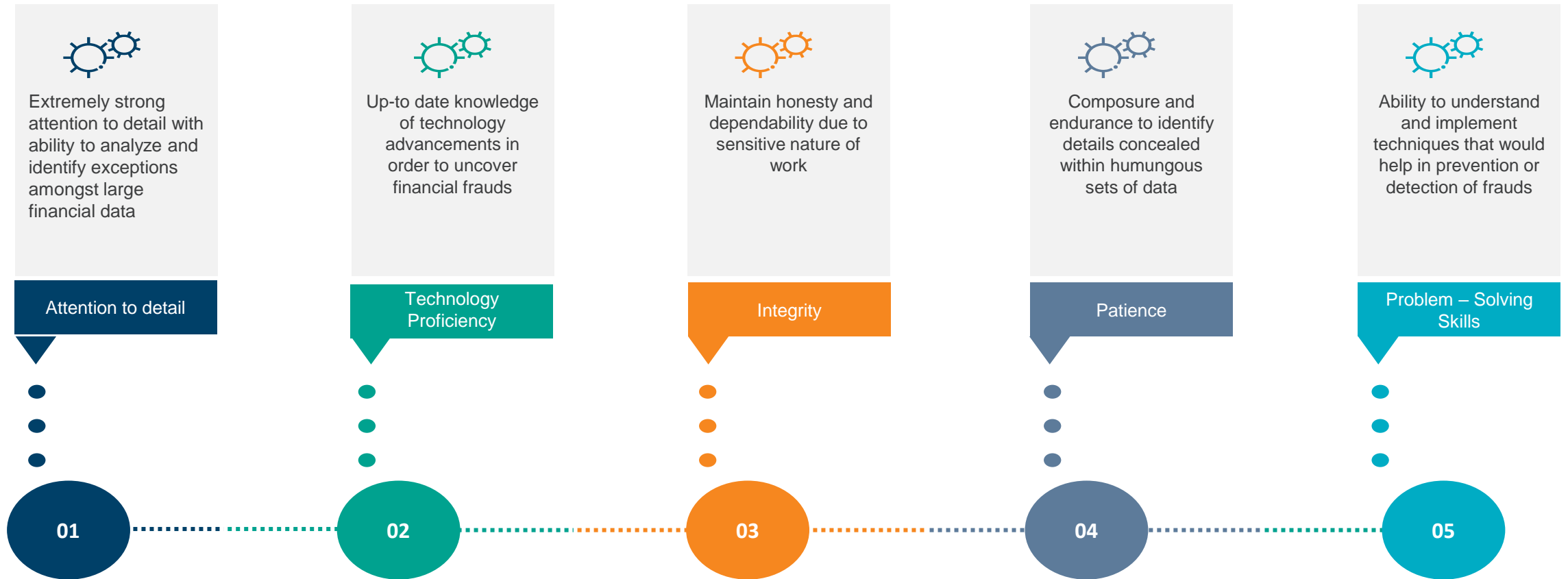
# OVERVIEW AND SIGNIFICANCE OF FORENSIC ACCOUNTING

Forensic accounting is a combination of accounting and investigative techniques used to discover white-collar crimes such as fraud, insider trading, embezzlement, money laundering, etc. A Forensic accounting professional performs detailed procedures such as tracing funds, identifying assets, conducting due diligence reviews to gather the evidences which indicate potential financial crimes which are then presented before the court of law.



# KEY TRAITS OF FORENSIC PROFESSIONALS

In order to specialize in the field of forensics, aspiring candidates need to possess certain characteristics in order to identify various kinds of financial crimes such as money laundering, embezzlement, tax frauds, etc. The key traits of forensic professionals have been illustrated below:





# ROLE OF CHARTERED ACCOUNTANTS IN FORENSICS

The field of forensics has seen a multi-fold growth in recent history due owing to rapid increase in white-collar crimes. There has been an increased demand for Chartered Accountant (CA) professions who can use their knowledge and skills to detect large volumes of financial fraud and thereby contribute to various stakeholders across the society.

## Growing opportunities for CAs in forensics:



Financial services sector is vulnerable to internal / external fraud, end use monitoring of funds, money laundering, etc. which requires expertise of CAs.

CAs can offer their skills in risk assessment programs for businesses to strengthen their internal controls and thereby ensure accomplishment of key goals and objectives.

Often the insurance claims for loss of stocks and loss of profits are inflated where CAs can take up the role of valuation experts, arbitrators and expert witnesses to provide similar allied services.

CAs may help in compliance verifications for charitable trusts and similar organizations which are vulnerable to frauds and misappropriation.

CAs can provide expertise in fraud detection and prevention including early warning indicators.

# OVERVIEW OF FORENSIC ACCOUNTING AND INVESTIGATION STANDARDS (FAIS)

India has been the first country to develop forensic related accounting standards in order to bring about uniformity in the forensic accounting process. These standards have been issued by Digital Accounting and Assurance Board (DAAB), under the authority of the Council of the Institute of Chartered Accountants of India (ICAI). The standards that have been issued as on 31<sup>st</sup> August 2021 have been illustrated below:



## Key Concepts

- FAIS 110 : Nature of Engagement
- FAIS 120 : Fraud Risk
- FAIS 130 : Laws and Regulations
- FAIS 140 : Applying Hypotheses

## Engagement Management

- FAIS 210 : Engagement Objectives
- FAIS 220 : Engagement Acceptance and Appointment
- FAIS 230 : Using the Work of An Expert
- FAIS 240 : Engaging with Agencies
- FAIS 250 : Communication with Stakeholders

## Executing Assignments

- FAIS 310 : Planning the Assignment
- FAIS 320 : Evidence and Documentation
- FAIS 330 : Conducting Work Procedures
- FAIS 340 : Conducting Interviews.
- FAIS 350 : Review and Supervision. FAIS 360 : Testifying Before a Competent Authority

## Specialized Areas

- FAIS 410 Applying Data Analysis
- FAIS 420 : Evidence Discovery in Digital Domain
- FAIS 430 : Loans or Borrowings

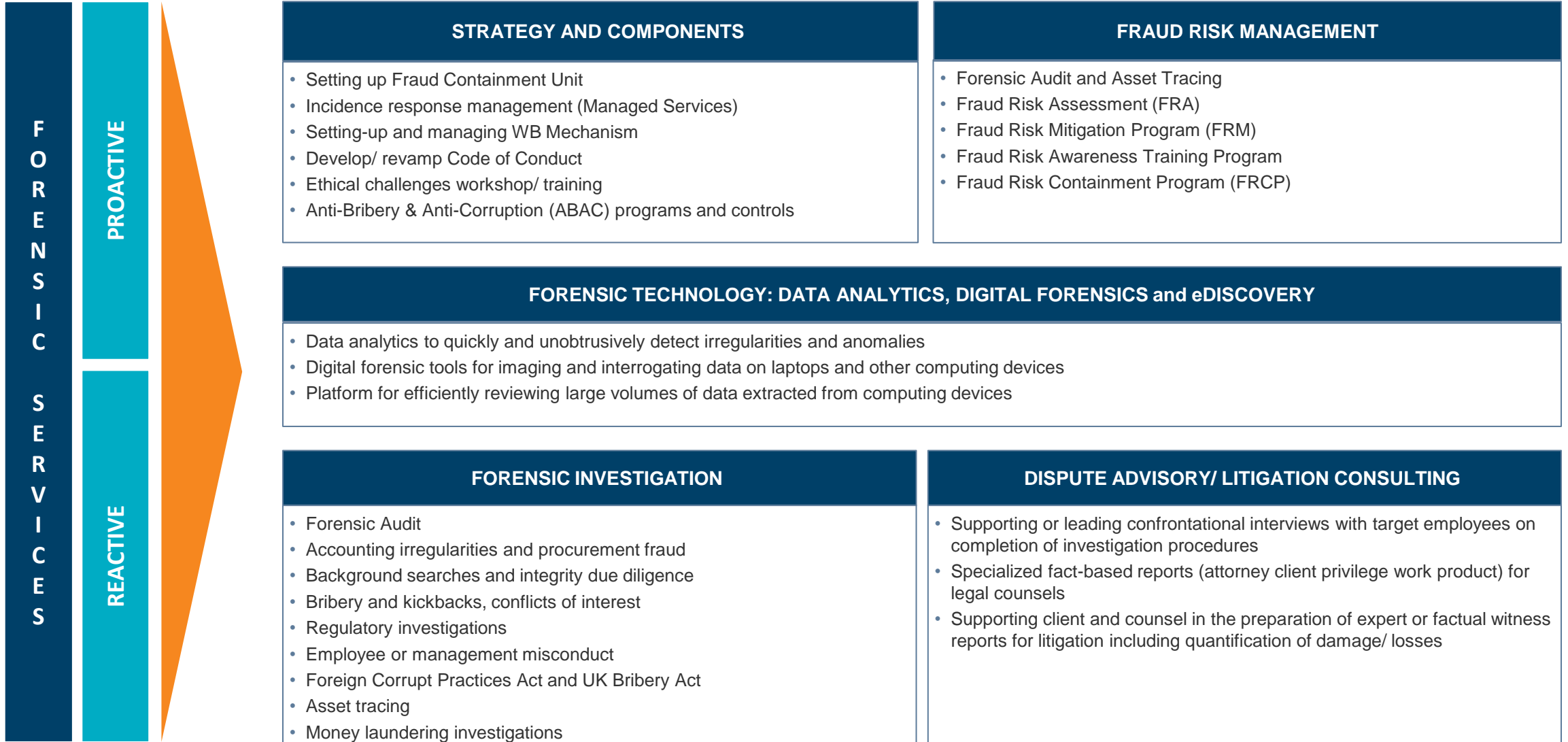
## Reporting

- FAIS 510 : Reporting Results

## Quality Control

- FAIS 610 : Quality Control

# VARIOUS FORENSIC SERVICES AND SOLUTIONS



# Transaction Advisory Services (TAS) Accounting Advisory Services (AAS)



# CORPORATE FINANCE AND TRANSACTION SERVICES

Capable and highly qualified team of 40+ professionals with the relevant experience in handling M&A and Corporate Finance transactions.

## 1 M&A and Fund Raise

- Lead advisory – lead generation, deal ideation & screening
- Business plan evaluation, valuation & transaction structuring
- Preparation of marketing material and scheduling road shows/investor meets
- Deal negotiation, documentation and closure
- Private Equity fund raise



## 2 Transaction Support

- Financial, tax & forensic Due Diligence including VDD
- Technical, Commercial, Environment and Social Due Diligence
- Vendor / sell-side assistance, deal preparation and support
- Financial Modelling (Preparation and Review)
- Post merger integration support (PMI)
- Completion Accounts and PPA



## 3 Valuation

- Business valuations
- Impairment testing (Assets Goodwill and Intangibles etc.)
- Fixed Asset Valuation (Land and Building, Plant and Machinery)
- Purchase Price Allocations
- Intangible asset valuations



## 4 IPO Advisory

- IPO Readiness Assessment and Reporting Accountant Work
- Preparation of Prospectus and NOMAD Support Role
- Registration Process Support








## 5 Corporate Advisory

- Corporate advisory support focusing on market entry strategy, sales acceleration, supply chain management, performance improvement and footprint advisory
- Growth advisory – Opportunity scanning, Go-To-Market strategy & Diversification
- Strategy execution cockpit – Project, PMO set up, Monitoring & Evaluation
- Business Case Planning – Footprint Advisory, Sales Acceleration, Supply Chain & Sourcing and Feasibility



# INTEGRATED DUE DILIGENCE SOLUTION

As companies pursue M&A and divestment for actively managing business portfolio, and we at Protiviti provide deeper, tech driven and efficient due diligence to uncover risks and potential upside for the companies

				
Financial Due Diligence	Commercial Due Diligence	Technical Due Diligence	ESG Due Diligence	Forensic Due Diligence
<ul style="list-style-type: none"> <li>• Determining whether or not company accounts are consistent</li> <li>• Understanding revenue and cost drivers</li> <li>• Evaluating the real situation of assets &amp; liabilities</li> <li>• Understanding consolidation of financial statements</li> <li>• Identification of exceptional, nonrecurring, extraordinary / quality of earning type items affecting the level of maintainable EBITDA, free cash flows, net margins, financial ratios etc.</li> <li>• Restrictions on cash and other working capital balances</li> </ul>	<ul style="list-style-type: none"> <li>• Market sizing and growth (triangulation)</li> <li>• Value chain analysis</li> <li>• Market drivers and influencing factors</li> <li>• Competitive landscape and major actions</li> <li>• Primary assessment of customers and its segmentation</li> <li>• Pricings trends and sales realisation</li> <li>• Opportunities and risks including as-is and to-be</li> <li>• Marketing, Sales and Distribution effectiveness</li> </ul>	<ul style="list-style-type: none"> <li>• Location and layout assessment</li> <li>• Technology, process and material flow effectiveness</li> <li>• Assets management – repairs and maintenance, capacity utilization factors</li> <li>• Supply chain capabilities and effectiveness assessment</li> <li>• Product quality and cost advantages</li> <li>• Skills and manpower capabilities</li> <li>• Innovation and technology capability and roadmap</li> <li>• Statutory and regulatory aspects affecting business operation - licenses, approvals, permits, etc.</li> <li>• Operational synergies</li> </ul>	<ul style="list-style-type: none"> <li>• Assessment of existing policies on ESG</li> <li>• Disclosures and control mechanism of the Company</li> <li>• Potential risks to environment – energy mix, air, water, or soil due to production or distribution</li> <li>• Systems and performance on social parameters –wellbeing, Equality Diversity and Inclusion</li> <li>• Governance score from financial reporting, fraud prevention, executive pay, and organization</li> <li>• Mapping ESG performance as per applicable standards and guidelines, e.g., IFC, GRI framework</li> <li>• Performance monitoring on ESG KPIs</li> </ul>	<ul style="list-style-type: none"> <li>• Analysis of contracts and identification of critical terms</li> <li>• Assessment of the effectiveness of internal controls</li> <li>• Assessment of risks in key operational areas</li> <li>• Performance of informational interviews</li> <li>• Transaction testing and verification of supporting documentation</li> <li>• Understanding and assessment of governance and transactional information</li> </ul>

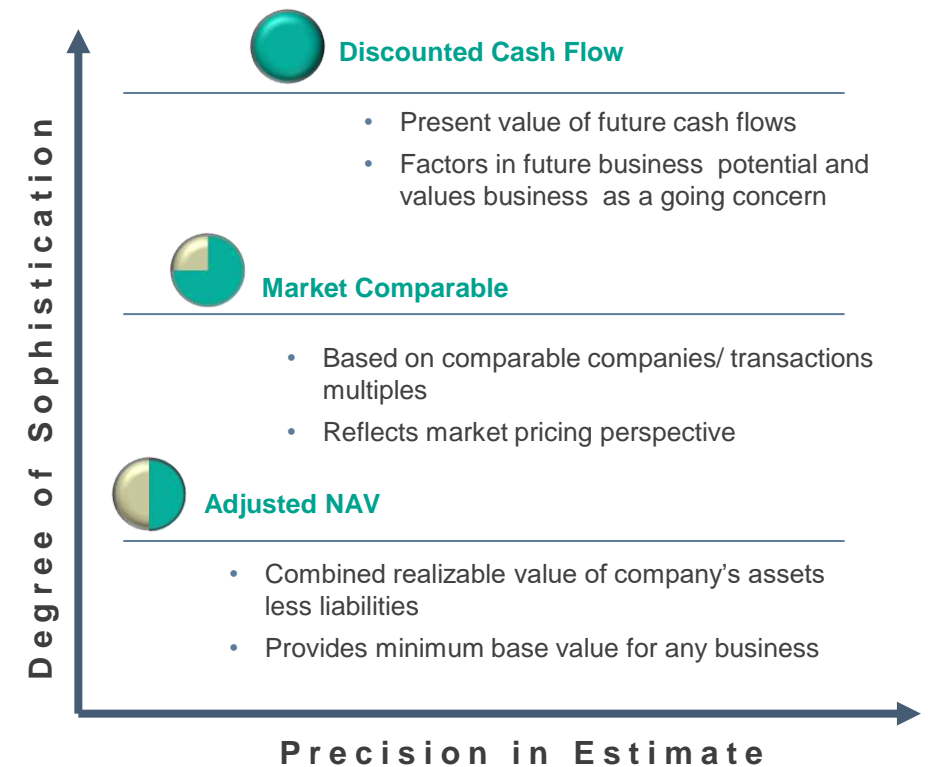
# BUSINESS VALUATION SERVICES

Our Transaction Services professionals are highly qualified and possess industry specific competencies to uniquely meet your valuation needs for financial reporting or transaction assessment requirements. As a non-audit independent firm, our reports are free from conflict that may arise from external auditor relationships.

## Key Activities Requiring Valuation Services

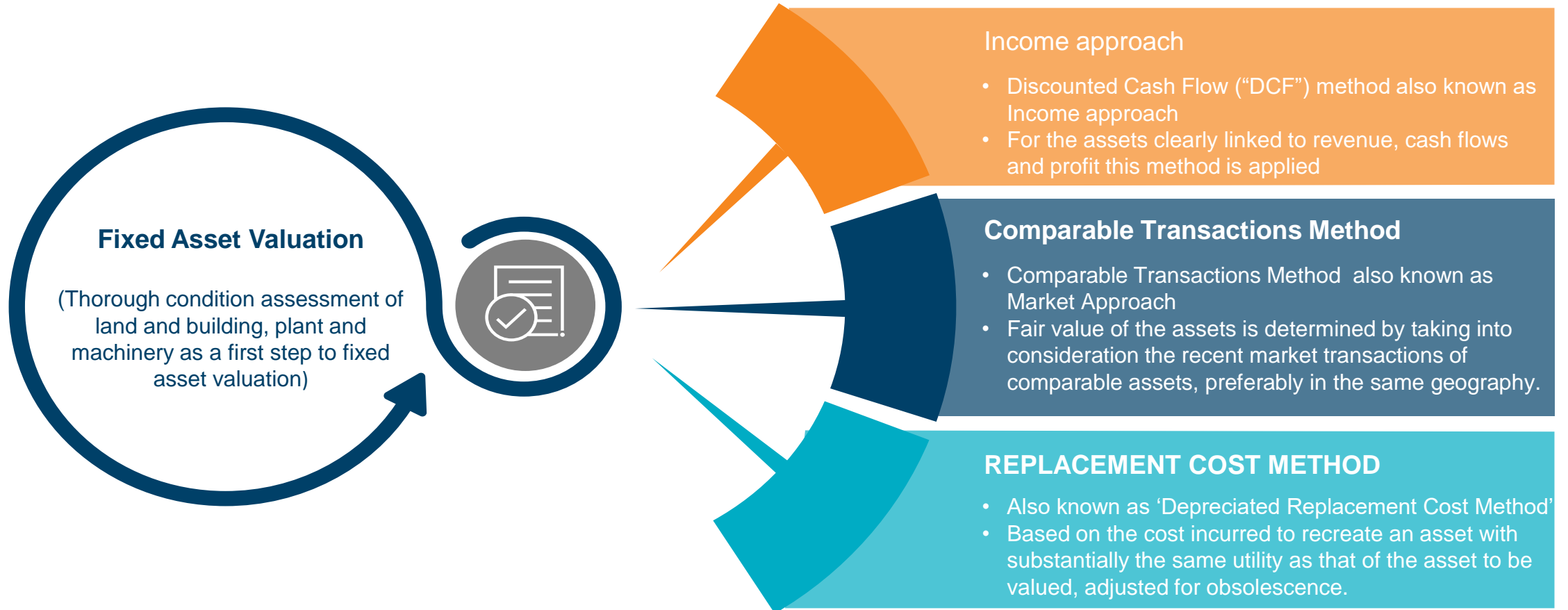
Accounting and Financial Reporting	M&A Advisory	Regulatory
<ul style="list-style-type: none"> <li>Requirements under IFRS/GAAP</li> <li>Investment Portfolios</li> <li>Purchase Price Allocations</li> <li>Impairment Testing</li> <li>Stock Options / Share Based Payments</li> </ul>	<ul style="list-style-type: none"> <li>M&amp;A Transactions                             <ul style="list-style-type: none"> <li>Sell Side</li> <li>Buy Side</li> </ul> </li> <li>Strategic Divestments, Spin-Offs, Carve Outs</li> </ul>	<ul style="list-style-type: none"> <li>CMA Requirements</li> <li>Liquidation</li> <li>Claims Assessment</li> <li>Stakeholder Disputes</li> </ul>
	<b>Fund Raising</b>	<b>Others</b>
	<ul style="list-style-type: none"> <li>Equity Funding</li> <li>Debt Funding</li> </ul>	<ul style="list-style-type: none"> <li>Collateral Valuations</li> <li>Tax Purposes</li> <li>Transfer of Assets</li> </ul>

## Multiple Valuation methods bring forth different valuation perspectives and aid in decision making



Protiviti India is not a registered valuer. We work with reputed certified valuers for any certification or attestation.

# FIXED ASSET VALUATION





# FINANCIAL REPORTING



## GAAP Advisory & Conversions

- Transition to new accounting standards such as IFRS 9, IFRS 15, IFRS 16, IFRS 17 etc. (and equivalent US GAAP / Ind AS)
- End-to-end GAAP conversion
- Assistance with complex accounting topics including Impairment testing, Purchase Price Allocation, and fair value accounting etc.
- Preparation of pro-forma or projected financial statements



## Accounting policy and procedure manuals

- Identify applicable GAAP requirements and document the current activities
- Detailed guidance along with process flows, examples and illustrations
- Alignment with industry best practices
- Standard templates for routine activities
- Journal entries and system compliant processes



## Restatement of financial statements

- Assess the need for restatement of financial statement
- Quantify the impact of restatement
- Prepare restated financial statements and disclosures along with GAAP reconciliation report
- Provide journal entries for restatement of books of accounts



## GAAP Training for Finance team

- Assess training requirements
- Develop customized training material as per applicable GAAP
- In-classroom training sessions led by subject matter experts
- Interactive presentation and Q&A session
- Post training study material and questionnaire



## Project Management

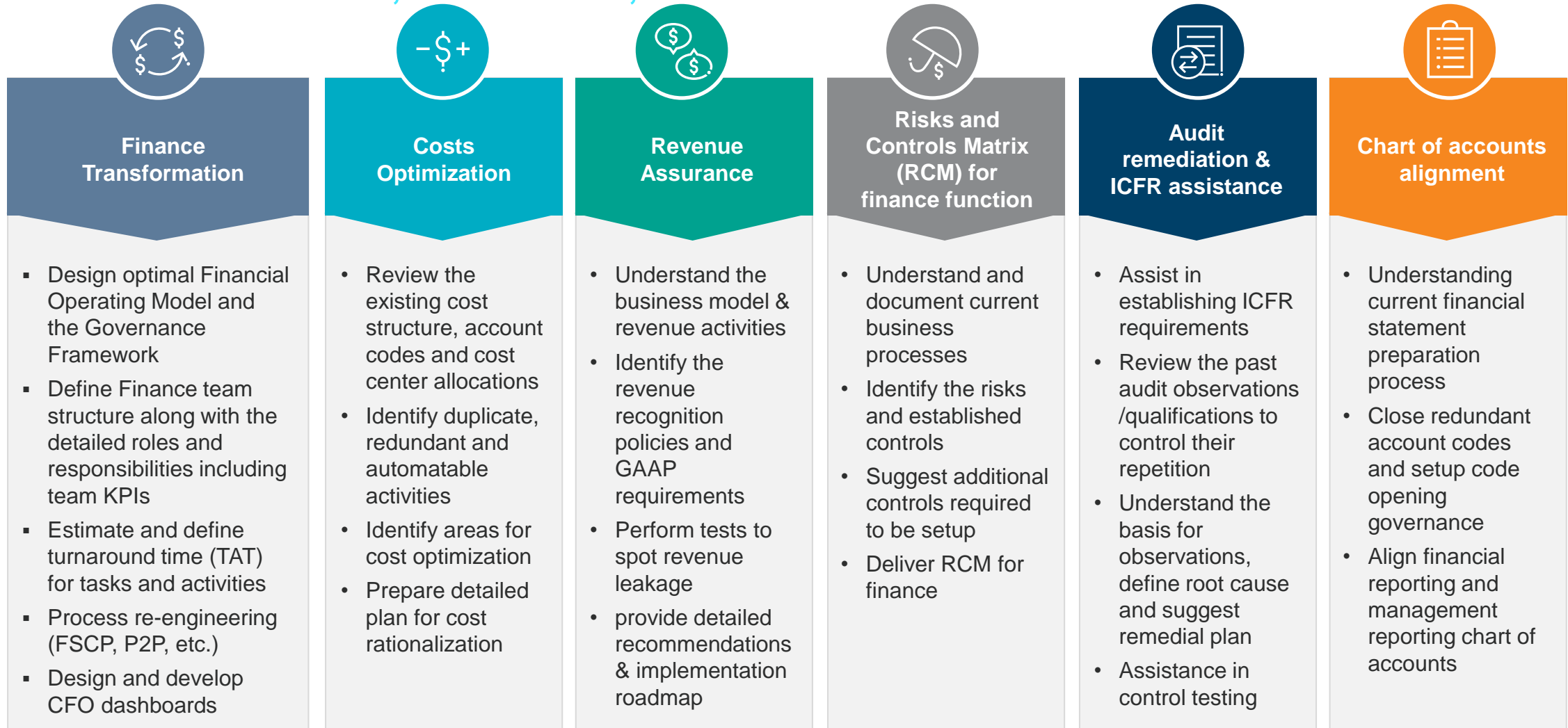
- Extend specialized PMO skills for management of medium – to large projects
- Assistance in optimal utilization of project resources
- Conduct project efficiency test and variance analysis
- Use PMO tools and technology enablers for stakeholder management



## Executive assistance

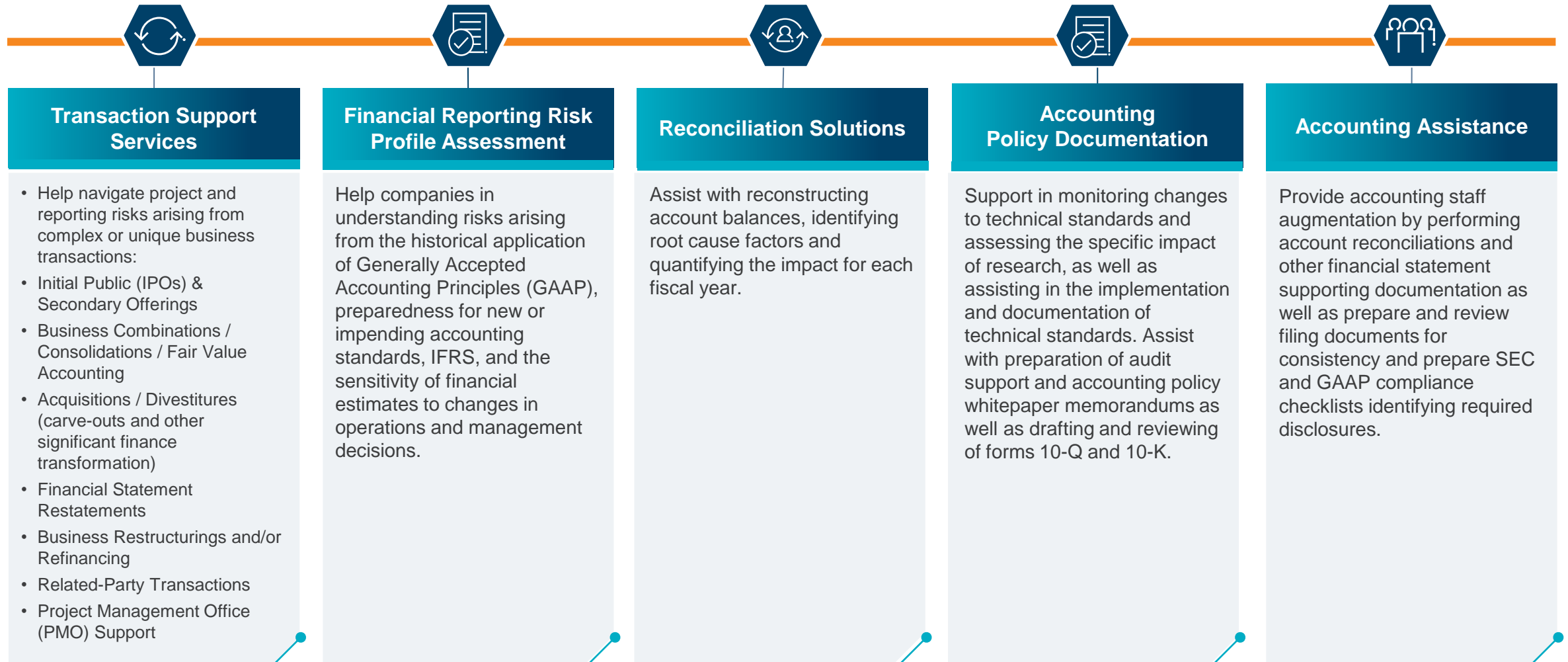
- Help meet short to medium term demand for accounting professionals with deep industry / GAAP knowledge
- Provide finance outsourcing facility for efficient management
- Assistance in establishing operational support team

# ORGANIZATION, PEOPLE, PROCESS AND GOVERNANCE



# FINANCIAL REPORTING REMEDIATION AND COMPLIANCE

Our Financial Reporting Remediation & Compliance (FRCC) Services have helped companies implement processes to address changes and risks surfacing from financial transformation initiatives, new financial accounting requirements, historical application of standards, or unique business transactions.



# TRANSACTION ACCOUNTING SOLUTIONS - SERVICES



## Pre-Deal Phase

- Assist Management in the Accounting implications on structuring of a transaction Including but not limited to:
  - identifying key accounting implications of proposed structure
  - IFRS 3/Ind-AS 103 impact of business combinations
  - Disclosure for off balance sheet items e.g., Contingent liabilities
- Review draft contract/s to assist management for scenarios and related tax and accounting consequences. For example: revenue contracts, contracts with suppliers/partners
- Vendor assist including preparation of carved out financial statements, merger/de-merger accounting
- Vendor due diligence – financial and tax
- Reporting process transformation including COA alignment, consolidation, Ind-AS/IFRS transition
- Proforma Financial Statements



## Post Deal Phase

- Purchase Price Allocation exercise Incl. valuation of assets/liabilities
- Impairment testing and assessment for Assets
- Merger Accounting Incl. Post merger integration support (PMI)
- GAAP Conversion i.e. Old GAAP to new GAAP e.g., Indian GAAP to IFRS/Ind-AS
- Complex transaction related accounting issues Including transaction with minority shareholders, related parties etc.
- Preparation and Digitize the Accounting Policy and Procedure Manual (APPM) for the Group
- White Paper on complex transactions
- Accounting standard implementation (Revenue, Leases, Financial Instruments, share-based payments, etc.)
- Post deal Financial Reporting i.e., Preparation of Financial Statements

# TECHNOLOGY AND AUTOMATION



## Management / Investor Reporting & CFO Dashboards

- Identification of key contents and performance indicators
- Restructuring of management reporting pack
- Development of excel based tool for management report and CFO dashboards



## Supporting Finance teams for ERP Implementation

- Development of BRD (business requirement document)
- Support in Data migration and change management
- Project management
- Perform UAT (user acceptance testing)
- Development of minimum system controls



## Technology enablers for complex accounting matters

- Development of tools for specific accounting matters e.g. Deferred tax & ETR, EIR, purchase price allocation, fair valuation, ECL
- Development of assessment tool (e.g. control assessment tool, functional currency assessment tool etc.)



## Automated Consolidation

- Development of consolidation tool to handle critical challenges such as
  - Multiple entity consolidation
  - Intercompany eliminations
  - Equity & Non-controlling interest adjustments
  - Goodwill recognition/ elimination

# ERP Capabilities



# ORACLE CAPABILITIES SNAPSHOT

## Service Offerings: Key Facts

- Specialized: Oracle Cloud Applications, Oracle E-Business suite R12, Business Intelligence & Analytics
- Focus on Oracle Implementation and Oracle enabled business process transformation services
- Global Implementation & Upgrade projects capabilities

## Oracle Team

- Deep industry and domain expertise with global implementation, upgrade and consulting experience
- Key hires from top consulting and technology firms
- Good mix of Chartered Accountants, MBA's and Technology professionals with Oracle certifications gives a unique proposition

## Industry Competency

Knowledgeable professionals having experience working with clients in a broad array of industry sectors.

Implementation and Enablement	Rollouts	Program Management and QA	Data Migration, Customization and Integrations
Reporting and Training	Enhancements	Annual Maintenance Support	Post Implementation Review
BI Financial Analytics	BI Procurement Spend Analytics	BI HR Analytics	BI Project Analytics

Financials	Supply Chain Management	Human Capital Management
Financial Controls & Reporting	Procurement	Payroll
Budgeting, Planning, & Forecasting	Process & Discrete Manufacturing	Benefits
Financial Consolidation	Order Fulfillment	Compensation
Governance, Risk & Compliance	Inventory	Talent Management
Project Costing	Advanced Supply Chain Planning	Time & Labor
Project Billing	Project Management	Absence Management

Financial Services	Energy & Utilities	Healthcare & Life science	Industrial Products	Technology & Consumer services
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Oracle Cloud  
Oracle E-Business Suite

# ORACLE BASED IFRS SOLUTIONS CAPABILITIES



## IFRS 9

- Effective January 1, 2018
- The IASB's (IFRS9) new financial instruments standards specifies how an entity should classify and measure financial assets, financial liabilities, and some contracts to buy or sell non-financial item.
- Oracle modules on which we have developed capabilities to support IFRS9 requirements:
  - Fusion Accounting Hub (FAH)
  - E-Business Suite (EBS) integrated solution with Fusion Accounting Hub (FAH)



## IFRS 15

- Effective January 1, 2018
- The IASB's (IFRS15) new revenue recognition standards replaced Deferred Revenue accounting with Performance Obligation accounting.
- Oracle modules on which we have developed capabilities to support IFRS 15 requirements:
  - **Revenue Management Cloud Service (RMCS)**
  - **E-Business Suite (EBS) integrated solution with Revenue Management Cloud Service (RMCS)**
  - **Oracle Projects Billing**

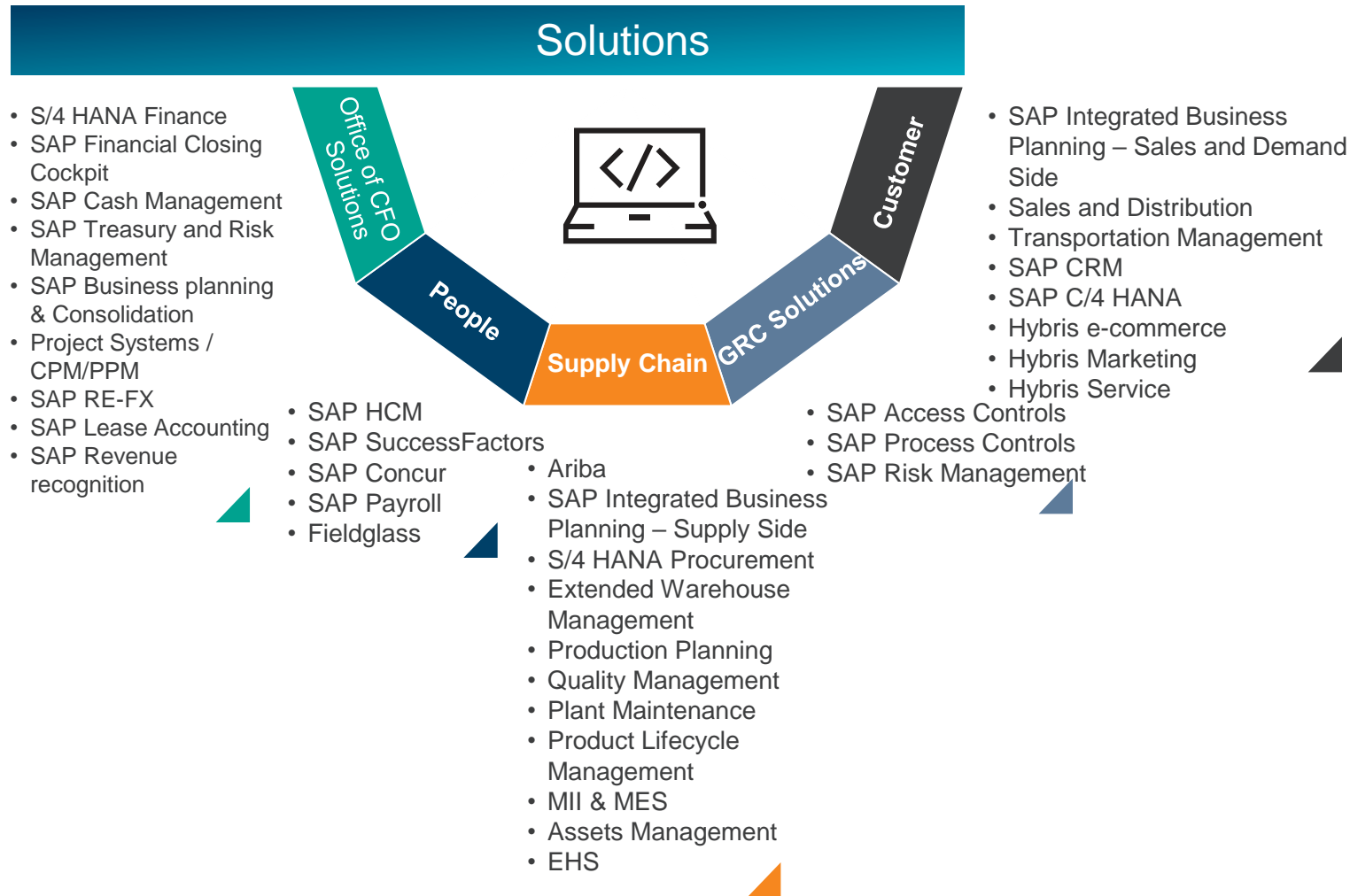


## IFRS 16

- Effective January 1, 2019
- The IASB's (IFRS16) new lease standards require nearly all leases to be reported on lessees' balance sheets as assets and liabilities
- Oracle modules on which we have developed capabilities to support IFRS 16 requirements:
  - **Property Manager**
  - **Oracle Lease and Finance Management**
  - **Oracle Financial Consolidation and Close Cloud (FCCS)**
  - **Oracle Fusion Assets Cloud Service**



# SAP SOLUTION PORTFOLIO



## Enterprise Technology



## Industry Expertise



# SAP OFFERINGS

## SAP Consulting Solutions – An Overview

### Key solutions and areas where Protiviti can assist

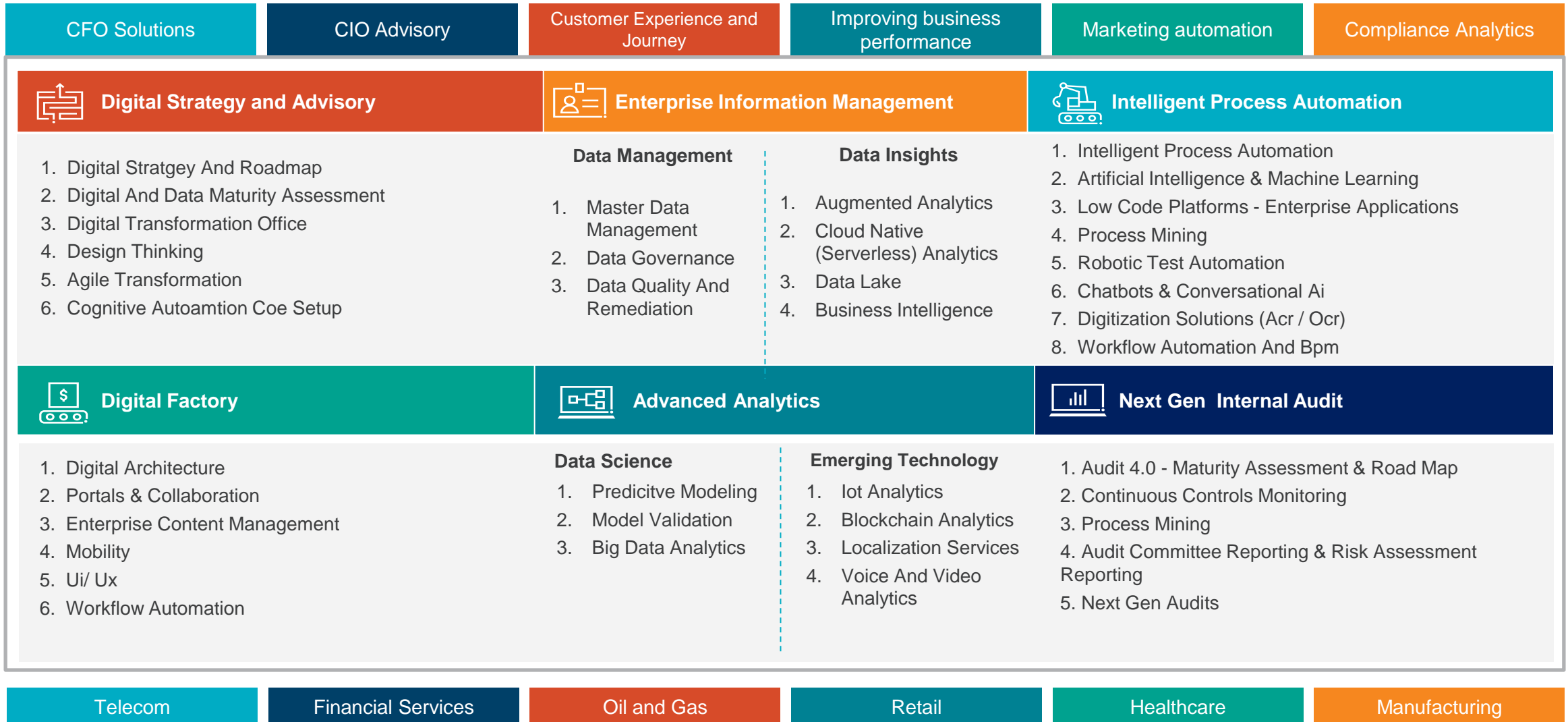
- Pre-SAP solutions: SAP readiness study, Implementation Partner selection, Contract review, TCO/ROI study
- Program management solutions: Project Monitoring, SAP enabled reengineering, Project health check, Change management
- Ongoing ERP solutions: Reviews of Business Blueprint, Configuration, SOD, network architecture and security, implementation integrity and user profiles
- SAP Enablement – Greenfield SAP S/4 HANA Implementation, Technical Conversion from ECC to SAP S/4 HANA, SAP GRC, SAP BPC, SAP cloud solutions viz., SAP ARIBA, SAP Success Factors, Concur, IBP
- Post-implementation solutions: Configuration review, Process integrity, Implementation Benefit assessment
- SAP optimization: Process reviews, process re-modeling, costing, forensics, financial process optimization

<b>Pre-SAP solutions</b>	SAP readiness study	Contract review	Implementation Partner selection	TCO /ROI Study	
<b>Program Management Solutions</b>	Project monitoring	Program Management	Project health check	Change management	
<b>Ongoing ERP Solutions</b>	Business Blueprint Review	Configuration review	Controls Assessment	Architecture & security	
	Implementation integrity	User profiles and SOD reviews	Training for users and Management	Integration testing review	
<b>SAP /4 HANA and Cloud Solutions</b>	SAP S/4 HANA Implementation	Technical Conversions to SAP S/4 HANA	SAP GRC Implementation	Cloud Solutions enablement	
<b>Post-implementation Solutions</b>	Configuration review	Process integrity	Authorization profiles review	SAP Infrastructure review	Benefits assessment
<b>SAP Optimization Solutions</b>	Process reviews	SAP optimization	ERP forensics	Process Transformation	
	Process re-modeling	Costing	Process T	Performance management through SAP	

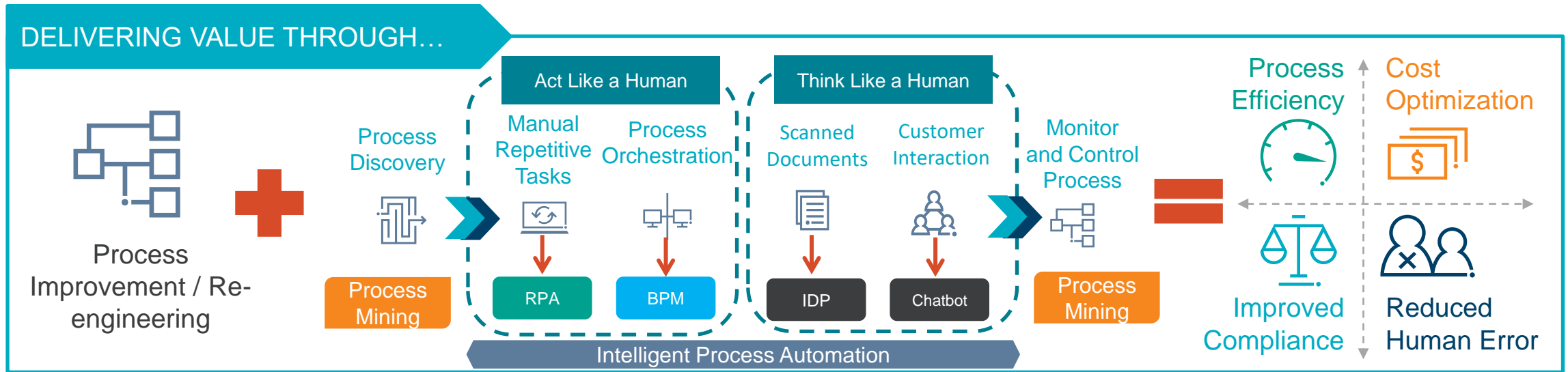
# Digitalisation and Automation



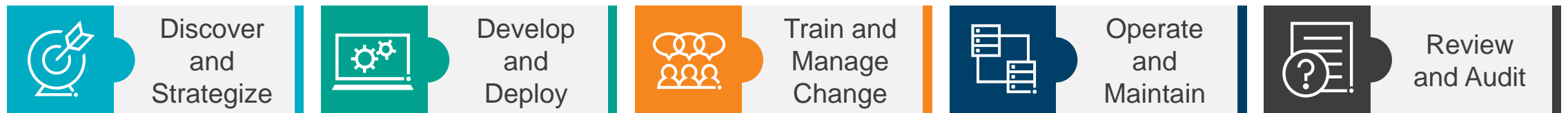
# DATA ANALYTICS AND DIGITAL TRANSFORMATION



# INTELLIGENT PROCESS AUTOMATION (IPA) SERVICES AND VALUE DELIVERY

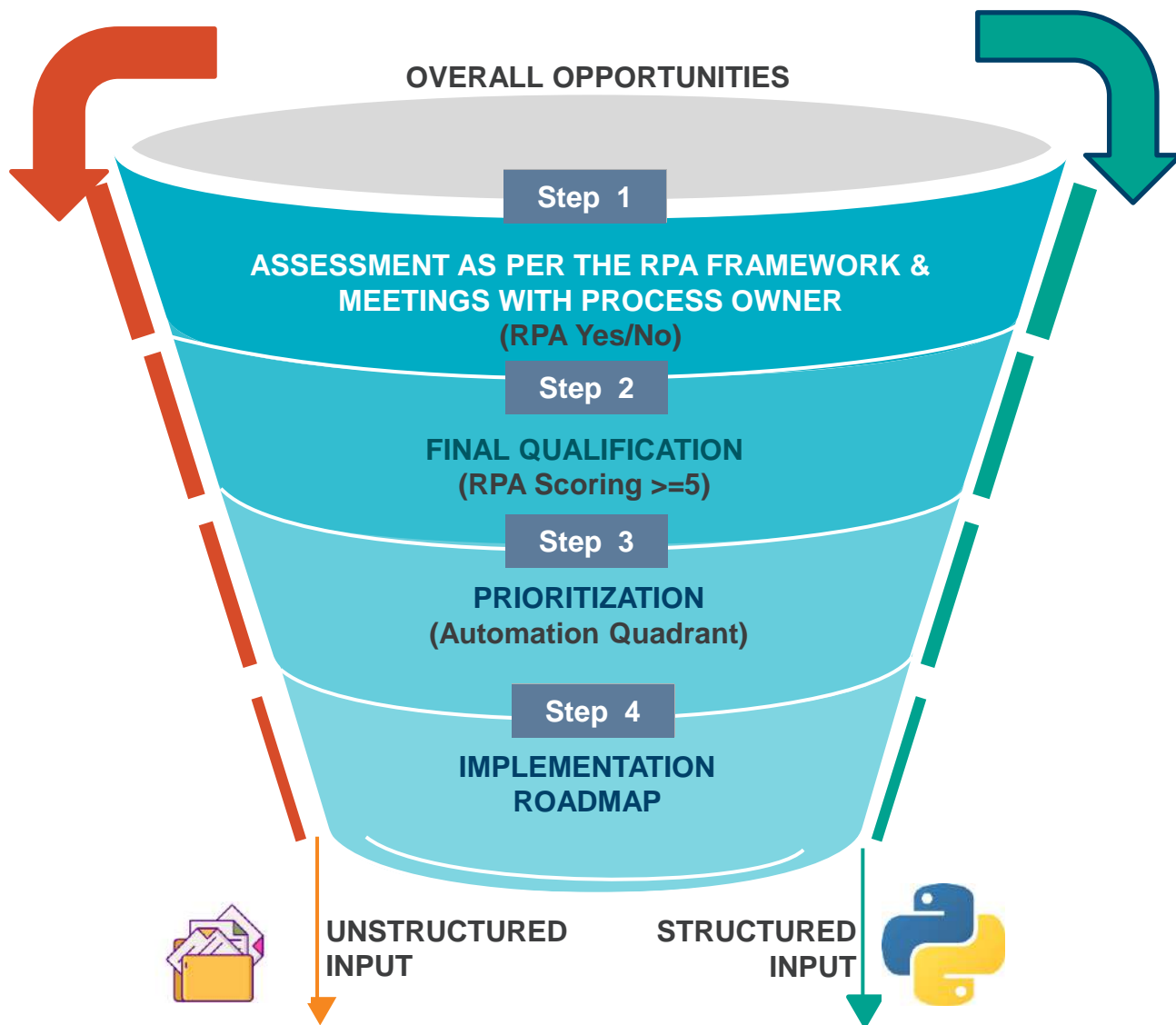


## PROTIVITI SERVICES ACROSS THE RPA LIFECYCLE



Manage Digital Projects and Programs Across their Lifecycle

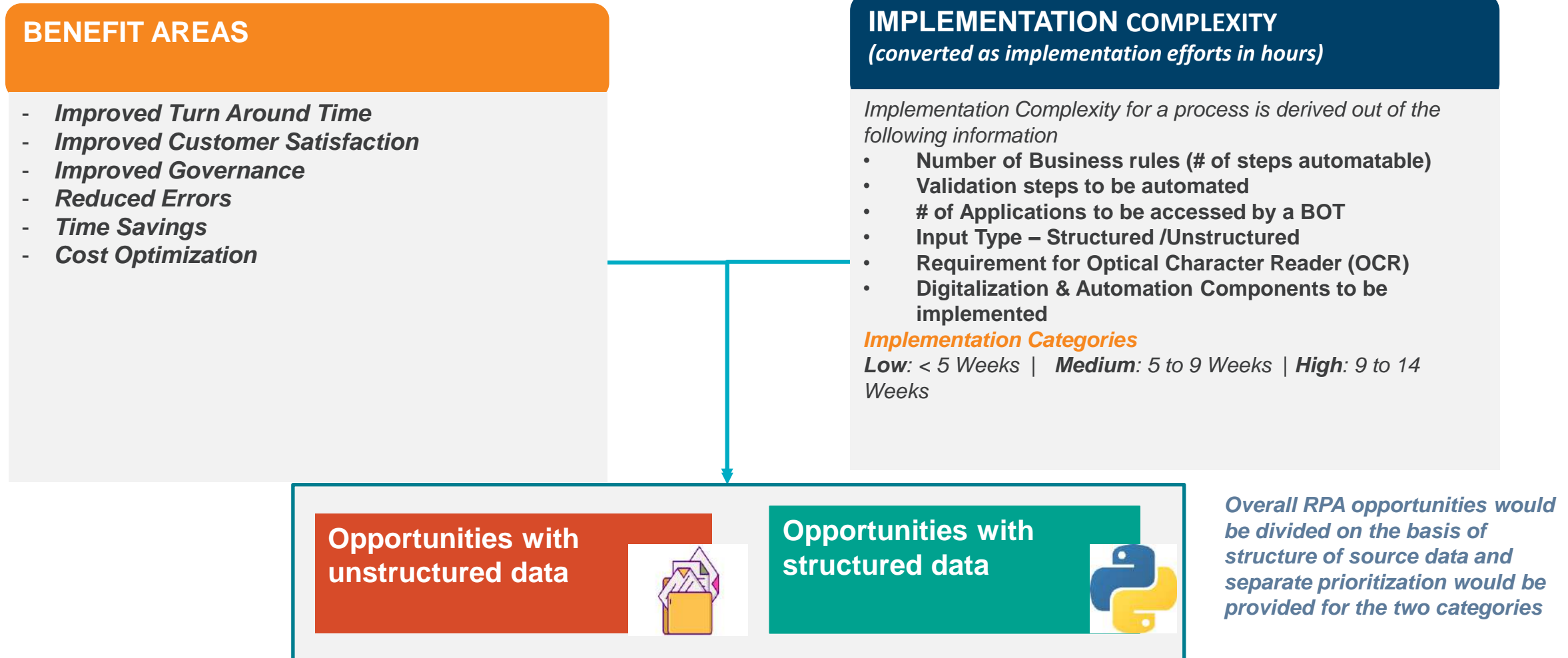
# RPA - ASSESSMENT METHODOLOGY – APPROACH AND STEPS FOLLOWED



- 1 REVIEW OVERALL PROCESSES IN SCOPE
- 2 ASSESSMENT AS PER THE TRANSFORMATION FRAMEWORK & MEETINGS WITH PROCESS OWNERS
- 3 CATEGORIZATION & QUALIFICATION OF OPPORTUNITIES AS PER
  - *PROCESS IMPROVEMENT*
  - *DIGITALIZATION*
  - *INTELLIGENT AUTOMATION*
- 4 PRIORITIZATION AS PER
  - *BUSINESS CASE /SAVINGS /COST OPTIMIZATION*
  - *CUSTOMER SATISFACTION*
  - *ERROR REDUCTION*
  - *PROCES SYNERGIES*
  - *GOVERNANCE & CONTROL*
- 5 FINAL IMPLEMENTATION ROADMAP

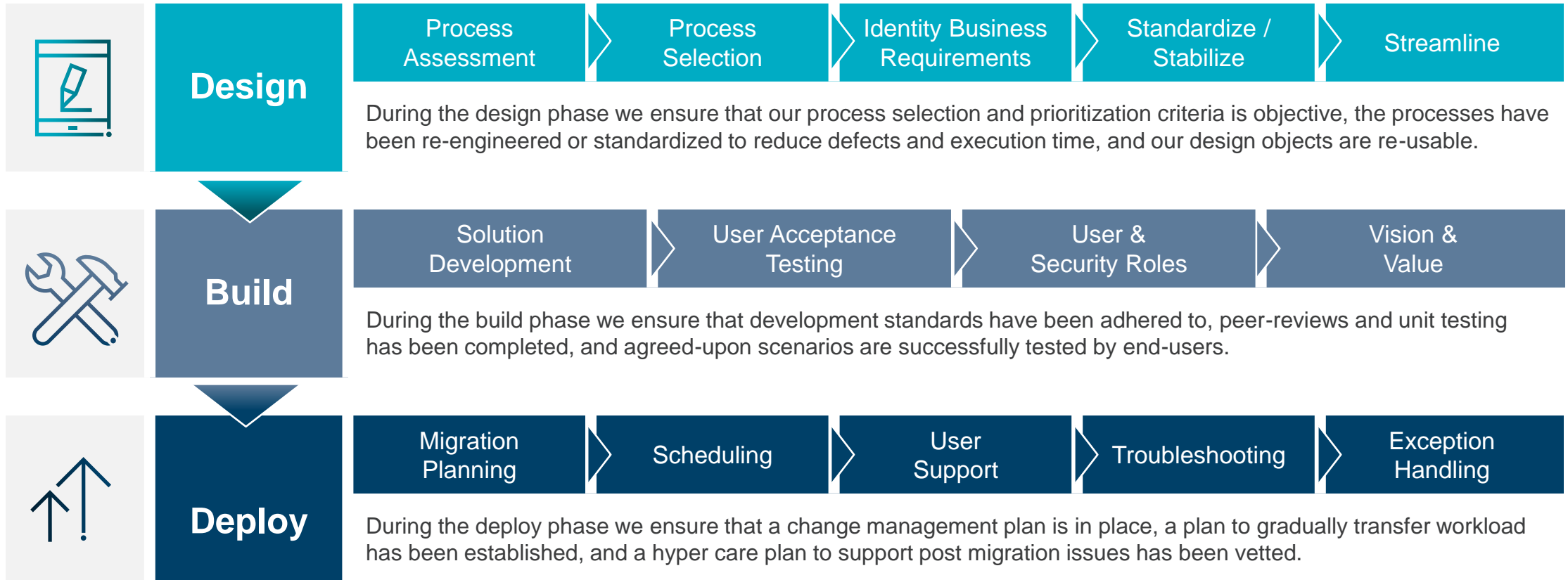
# RPA - ASSESSMENT METHODOLOGY – BENEFIT VS IMPLEMENTATION COMPLEXITY

Overall opportunities are divided into customer facing vs Internal and separate prioritization provided for the two categories



# RPA - OUR AUTOMATION DELIVERY FRAMEWORK

We have an established process to manage quality and consistency throughout the automation development life cycle. Below is an overview of our solution development process, including key aspects of our quality control procedures.





***Q&A Time!***



***Thank you** for being  
a lovely audience,  
learning together is  
always a pleasure....*

**CA Murtuza Kachwala**

Contact no. +91 9833 015 334

Email: [murtuza.kachwala1@protivitiglobal.in](mailto:murtuza.kachwala1@protivitiglobal.in)