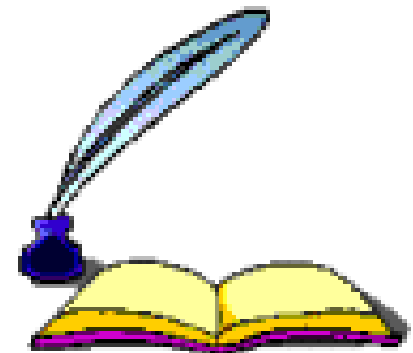


Looking beyond traditional practice



Outcomes

- AREAS OF OPPORTUNITIES
- HOW WE CAN ADD VALUE TO CLIENT'S BUSINESS
- FUTURE OUTLOOK



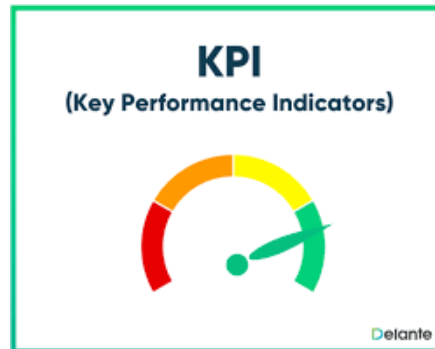
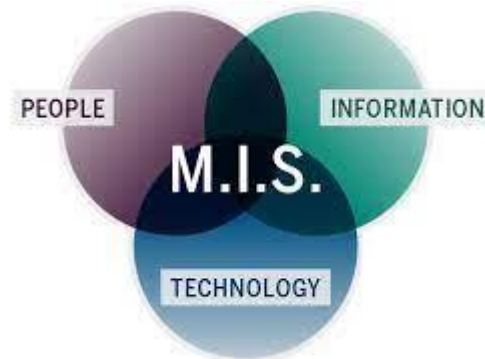
Outcomes



Strategic & Operational Planning



Enterprise Performance Review



ENTERPRISE RISK MANAGEMENT



Changing scenarios

- Accounting and taxation are dying profession
- MBA's are preferred in IT
- It is said that CA lacks management thinking
- Engineers are taking management degrees and are preferred.(IIM's and other B Schools)
- NFRA
- Online scrutiny in taxations
- Digitization in all areas
- Disciplinary cases have increased
- Overseeing by cooperative auditors now (news)

TOP NEWS

ति चिदंबरम को साथ बैठाकर CBI ने

ZEE BUSINESS

ऐसे टैक्स कंसल्टेंट से सावधान

बेंगलुरु के टैक्स कंसल्टेंट नागेश शारत्री पर CBI FIR



BREAKING

BEST FARE HIKE?

ITR कैसे भरें?

Z BUSINESS

कैसे फाइल करें अपना रिटर्न



Ved Jain



Brijesh Srivastava



Sunil Garg



ऑनलाइन ITR भरने की प्रक्रिया को सरल बनाया

टैक्स भरना होन वाला ह पल्प

RECO

4 मिनट में टैक्स रिटर्न!

IT विभाग आपका ITR फॉर्म भर कर भेजेगा

करोड़ों टैक्सपेयर्स को होगा फायदा

MCLR में 0.05% बढ़ोतरी की केनरा बैंक: MCLR में 0.05% बढ़ोतरी की M&M 2.7m 721.10

चुटाकया न फाइल

RECO



प्री-फाइल्ड फॉर्म भरके भेजेगा IT विभाग

रूसी, आदि समस्याओं का समाधान शुक्रवार को सेंसिबल ITC 11 8.00

THINK OF VALUE ADDED SERVICES

ENTERPRISE'S CONCERN

OPERATIONAL:

- Revenue and Profit
- Cost control
- Efficiency
- Compliance
- Avoid losses
- Effective MIS

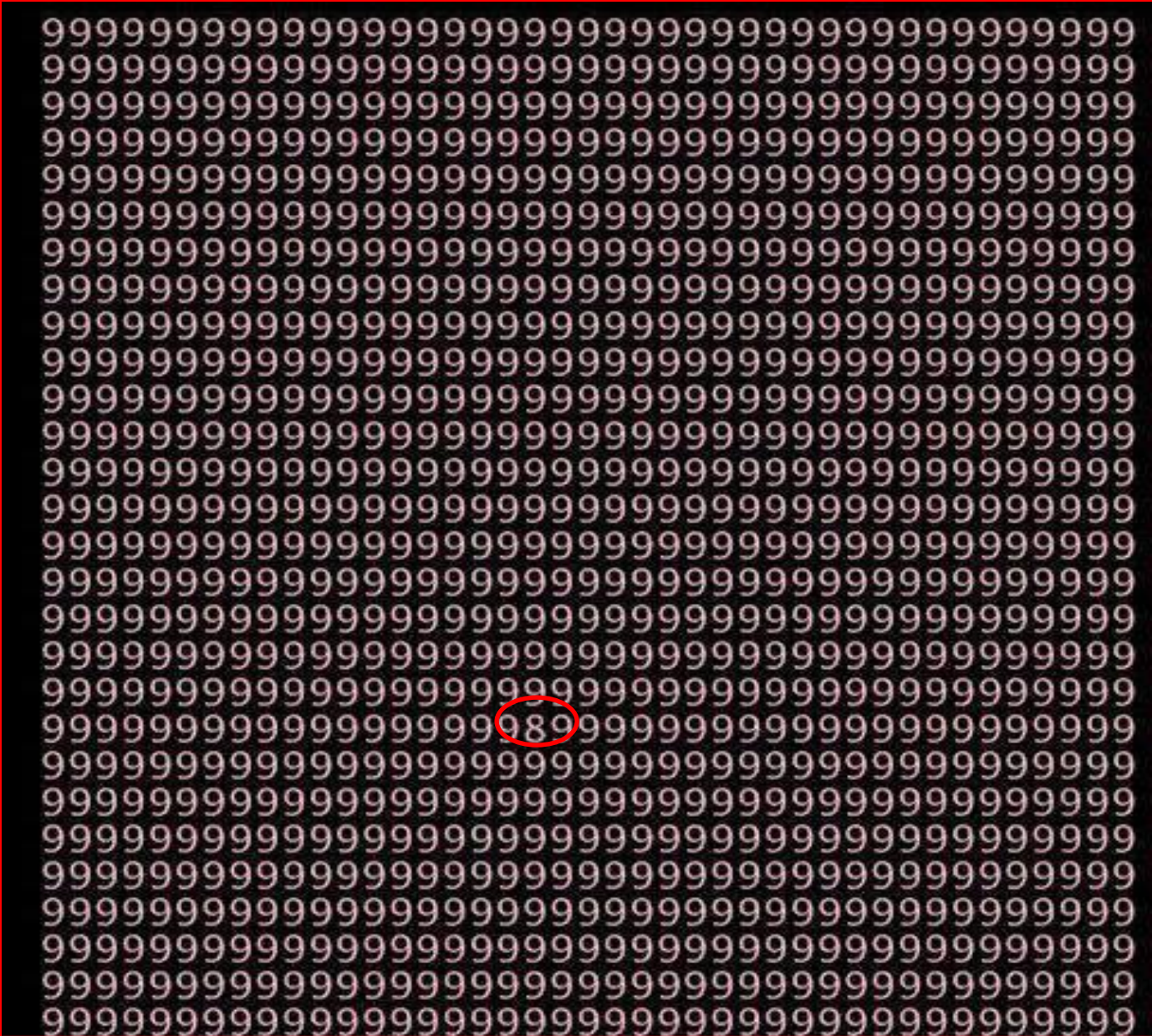
STRATEGIC:

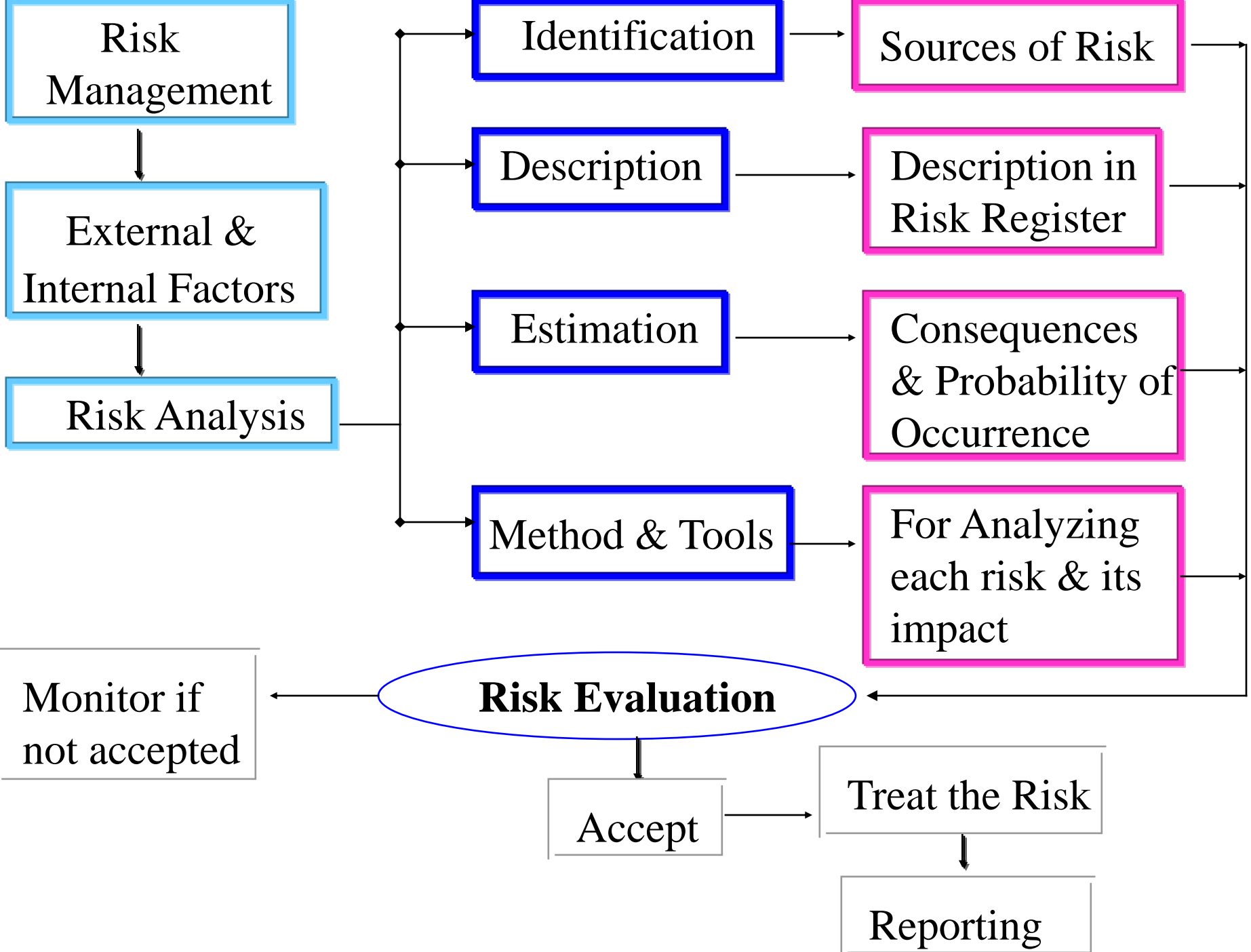
- Productivity
- Business expansion/growth
- Employee empowerment
- Ethics and Values of the organization

ISSUES IN BUSINESS

- Competition
- Liquidity
- Pricing
- Delays in operations
- Incompetency in functions
- Staff size limitations
- Overdependence on person
- Management's involvement in daily operations

Enterprise Risk Management





TYPES OF RISKS

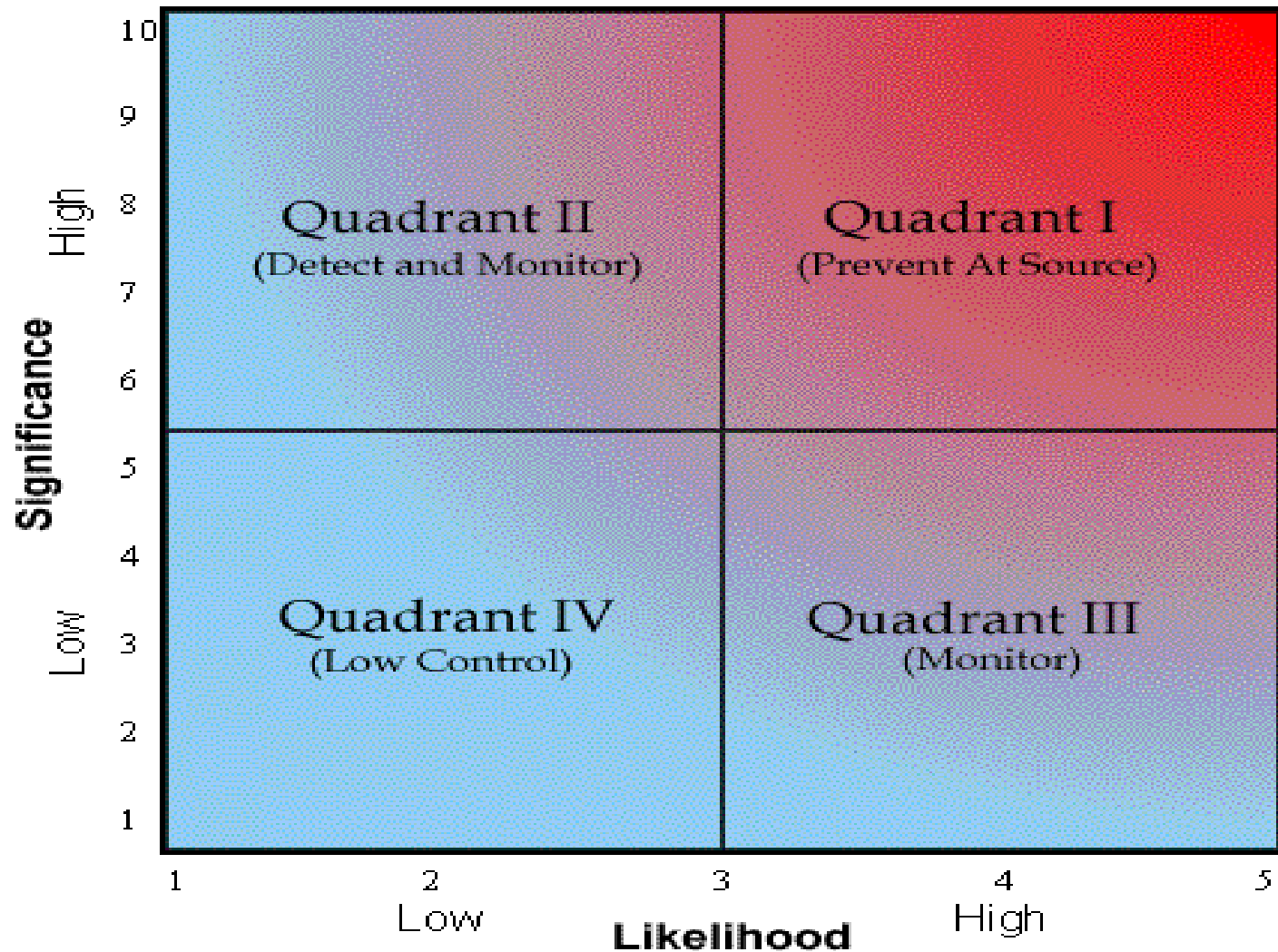
- 1) Business and Operational Risk
- 2) Reputation risk
- 3) Financial Risks
- 4) Political and Social Risks
- 5) Human Resource
- 6) Legal Risk & Regulatory risk
- 7) Marketing Risk
- 8) Environmental Risk
- 9) Fraud Risk

Risk Identification **Techniques**

- ✓ **Questionnaires**
- ✓ **Business Process reviews**
- ✓ **External factors**
- ✓ **Industry benchmarking**
- ✓ **Scenario analysis**
- ✓ **Risk assessment workshops**
- ✓ **Incident investigation**
- ✓ **Auditing and inspection**

Risk Map

Risk Map



BUSINESS PROCESSES



ITS WHAT YOU DO AND HOW DO YOU DO

Process Improvements aims at

- Minimize errors,
- reduce waste,
- Improve productivity/Quality
- Improve internal controls
- Streamline efficiency.
- Improve User's experience

“Manage the cause, not the result.”

BUSINESS PROCESS REVIEWS & RE-ENGINEERING-

- **Identify Processes**
- **Rethinking**
- **Redesign**
- **Reorganize**
- **Monitor Processes**

KEY BENEFITS TO BUSINESS.

- **Increased Productivity**
- **Enhanced Controls**
- **Align Processes with Strategies & Performance Goals**



VALUE CHAIN ANALYSIS -



Resources Involved vs. Value Driven



Below are some indications that fraud might be or is actually occurring

- ✓ **Employee won't take a vacation.**
- ✓ **Unexplained variances.**
- ✓ **Complaints.**
- ✓ **checks writing procedures.**
- ✓ **Missing reports/documents.**
- ✓ **Failure to investigate reconciling items.**
- ✓ **One employee "does it all".**
- ✓ **Duplicate payments or documentation is not original.**
- ✓ **Using "exemptions" to use particular vendor over and over.**
- ✓ **"One off transactions"**

FINANCE

- Budgeting (Insist for budgeting, No goal, No Growth)
- Use of money – working capital and Ideal money
- Accounts receivables & Accounts payables policies
- Debt restructuring
- Loan & Equity syndication
- *Cash flow management*
- *Value building – Making ready for IPO and PE*



Cost Analysis, Control & reduction support

- Sunk cost (AMC's, Marketing, Hiring, liquidated damages)
- Avoidable costs (Penalties, Interest, transport on mat return, lost available inputs)
- Fixed and Variable cost (must know the nature & relativity)
- Direct cost /Indirect cost
- Functional cost (Admin, S&D, Factory cost)(Map with Accounts chart)
- Controllable costs
- Cost of non conformity with standards (Quality)
- Non value adding costs (set up cost)
- Preventive /breakdown cost
- Cost reduction and benchmarking
- Expense Reporting(Spend management)

CHANGING SCENARIO IN INTERNAL AUDIT

FROM
ROUTINE
ACTIVITY



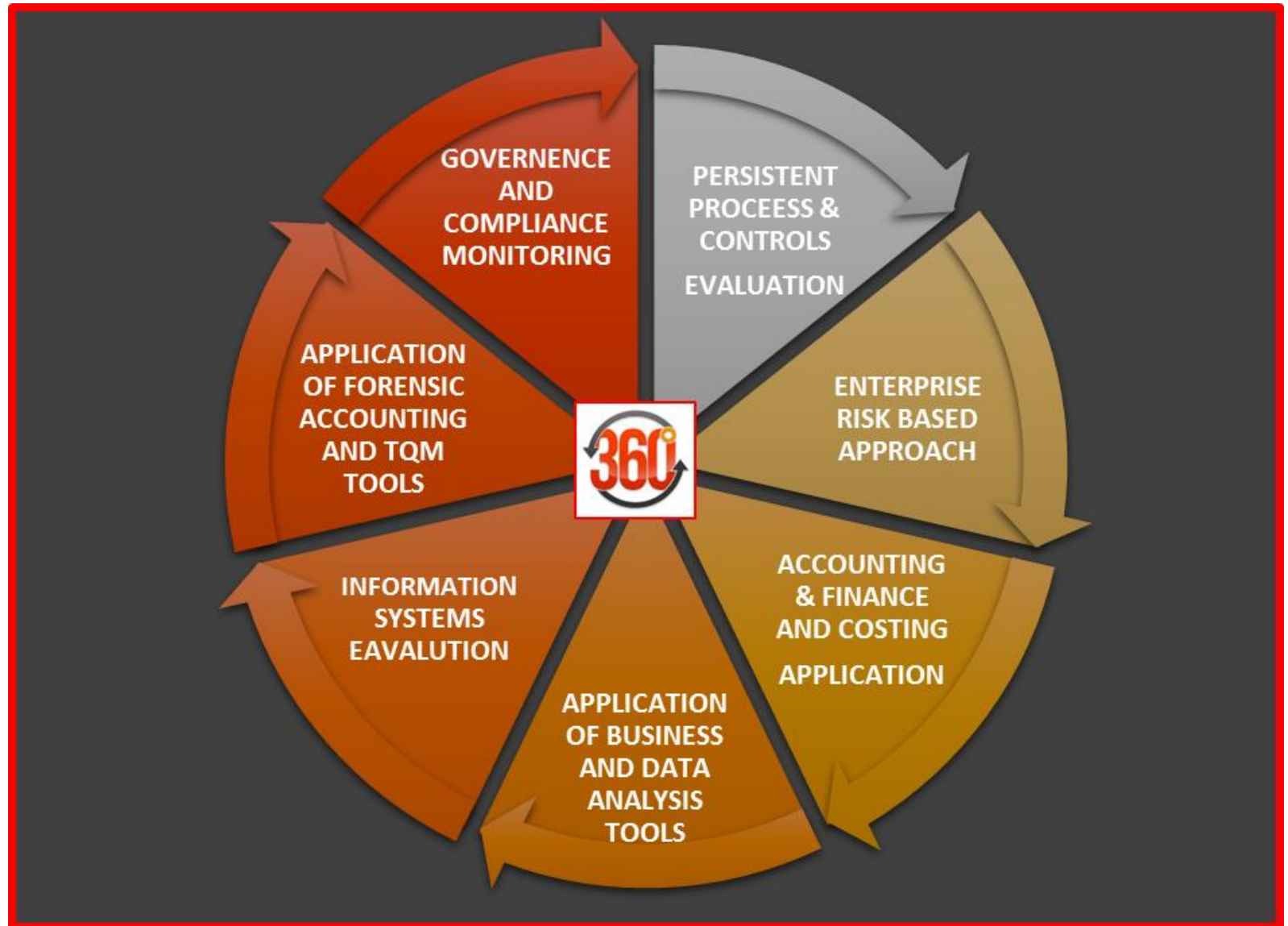
CONSULTING
ACTIVITY

FROM COST
CENTER



VALUE CENTER

INTERNAL AUDIT WITH Integrated Approach



Policies & Procedures (QMS)

- Fixed Assets
- Accounts Receivables
- Accounts Payables
- Accounts Manual
- Internal control Manual
- Audit manuals
- Inventory Procedures
- Framing Standard Operating Procedures



Accounts transformation

- Accounting systems , implementation and advice
- Accounts Manual
- Accounts charting

Monitoring accounts function

- Proper accounts chart
- Accounting process should be accurate
- Accounting process should help MIS
- Accounting Process should help Compliance
- Accounting process should help Governance
- Accounting process should help analysis
- Accounting process should help controls- expense reporting
- Accounting process should safeguard assets
- Accounting process should support finance function.

Enterprise performance management

- Budget analysis
- Key performance indicators analysis
- Balanced scorecard



MIS & DASHBOARDS

Improvement by way of:

- Accuracy
- Timing
- Format
- Person
- Decision support



Whether all
Exceptions in process
are captured in MIS
for decision support

?????

IT services

- IT security services
- IT system audits
- Functional consultancy-- SAP

Other Areas

- Business Intelligence
- Digital forensic
- Valuations
- Value enhancement strategies (Cash flows, Main tenable profits, co specific risks, track record, DD effectiveness, peer co ref)
- Business Analytics and analysis
- Business reporting and sustainability reporting (BRSR)
- Business plan- for start up

Essentials

- Soft skills
- Communication
- Drafting skills
- Networking
- Ability to execute what client wants
- Extensive Research, reading
- Speak the language what businessman understand.

To give anything less than your best is to
sacrifice the gift.

Small gestures can have big impact. Create
where it matters— Transformation starts
here

Thanks to All of You

Nitin D. Alshi

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