

CASE STUDY

Quality Assurance Review

ABOUT THE CLIENT



Headquartered in Gurgaon, the client is a leading NBFC and amongst the top 3 credit card issuers in India.

It aims to offer Indian consumers access to a wide range of world-class, value-added payment products & services.

Its dedicated and customer-oriented approach has won industry accolades for customer service, branding, product innovation and marketing.

The Company Management wanted an independent Quality Assurance of the Internal Audit (IA) function to evaluate its Effectiveness.



BUSINESS REQUIREMENT

IA function's conformance with internal guidelines and standards



IA policy and procedures rated against the regulatory requirements

Judge Efficiency and Effectiveness of the IA function & identify improvement opportunities



Our Approach



1

Assess the IA function's adherence to company's policies and standards



Understanding the company's existing policies and procedures for the IA function guided by Risk Based IA principles.

Reviewing the Audit plans, Audit reports, Risk Assessment sheets, RCMs and other methodologies practiced by IA function.

Verifying whether the IA team assessed the appropriate risks and controls and identified insightful issues for the organization.

2

Test IA function's adherence to RBI requirements



Test for alignment of IA policies & procedures with regulatory guidelines specifically the RBI Circular on Risk-Based IA.

Ensure that the risk assessments conducted include the necessary parameters as per RBI and determine the level of risk.

The IA function could not be outsourced. However, where required, experts can be hired after due approval.

The following are the Key Attributes of Risk Base IA:

The IA function must have sufficient authority, stature, independence and resources thereby enabling internal auditors to carry out their assignments properly.

Requisite professional competence, knowledge and experience of each internal auditor is essential for the effectiveness of internal audit function.

Except for the entities where the IA function is a specialized function and managed by career internal auditors, the Board should prescribe a minimum period of service for staff in the IA function.

Except for the entities where the IA function is a specialized function and managed by career internal auditors, the Head of IA shall be appointed for a reasonably long period, preferably for a minimum of three years

The Head of IA shall directly report to either the ACB/Board/ MD & CEO or to the Whole Time Director (WTD).

The remuneration of IA audit staff should not be linked to the financial performance of the business lines they audit.

3

Reporting



Document the observations/ scope of improvement points that are being observed during the assignment.

Document the opportunities for improvement/ suggestions as per the industry's best practices.



VALUE CREATION



Valueonshore Advisors assisted the Company to be compliance with the RBI requirements on Risk Based IA. Our team conducted the review based on the RBI circular on Risk Based IA and intense discussions, reviews of documents, IA policies, working papers, reports, IA Manual and the understanding obtained from the IA team. We relied on the IA quality assurance framework and standards issued by IIA and ICAI.

ABOUT US



Headquartered in Gurgaon, Valueonshore Advisors is a specialized professional services firm managed by the Big 4 alumni and industry executives. Our portfolio includes multi-billion-dollar companies, mid-cap public, and pre-IPO companies that range from late stage to early stage. We are a trusted, preferred partner for various multinational and Indian clients who engage us for our functional expertise, industry knowledge and for our objective solutions for complex problems.

If you need any further information on our services, please contact us:

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