

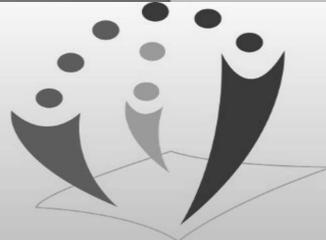


# Progress Partners Business Advisory LLP



**Boutique  
Management  
Consulting Firm**

**Presence – Mumbai,  
Pune, Delhi, Kolkata,  
Bangalore**



**Progress Partners  
Business Advisory LLP**

**Multidisciplinary  
Team**

**Elite Clientele**

**Business  
Advisory**

**Risk Assurance**



**Progress Partners  
Business Advisory LLP**

**Legal Compliance  
Assessments**

**Project Feasibility  
& Funding**

# Internal / Management Audit



# Background

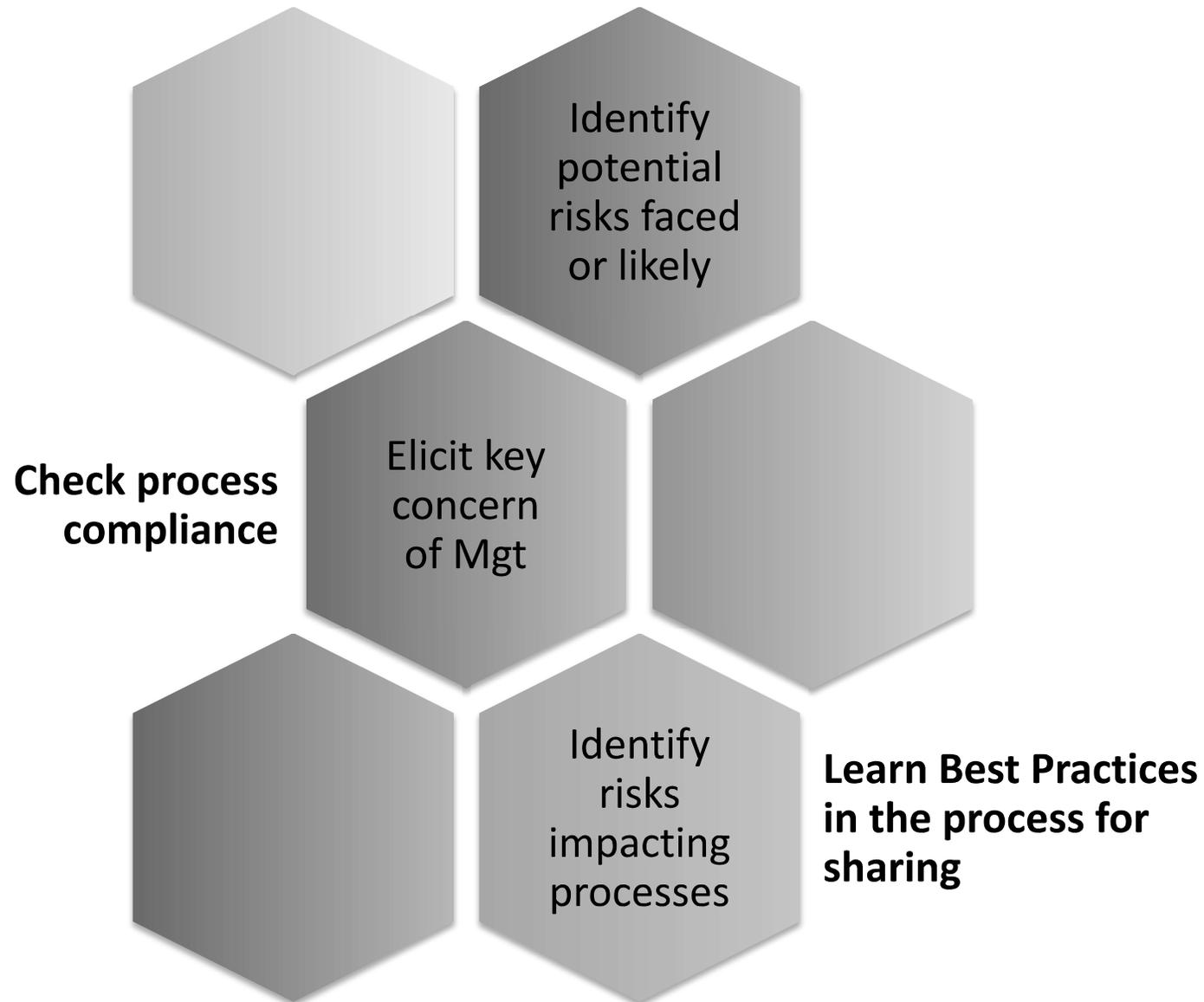
- Expanded Polymer Systems Private Limited is a 40-year-old reputed Speciality Chemicals Company.
- It has manufacturing facilities in Navi Mumbai and Dahej
- As the businesses have grown over the previous decade, the management feels it is now time to have a proper Internal Audit Systems, both for the business requirement as well as for statutory compliance.
- Since the company's turnover is close to ₹ 650 cr, Internal audit is required to be conducted under section 138 of the Companies Act, 2013 read with rule 13 of the Companies (Accounts) Rules, 2014
- Internal Audit will also provide the management with insight into the working of the company, help monitor wastage, identify potential control gaps and mitigate risks.
- In view of the above, the management has decided to engage a firm of external auditors to undertake Internal Audit on a regular basis
- Progress Partners Business Advisory LLP, being an audit firm, with experience of having done such audits in the past has therefore put in this proposal for the same.

# Internal Audit Approach

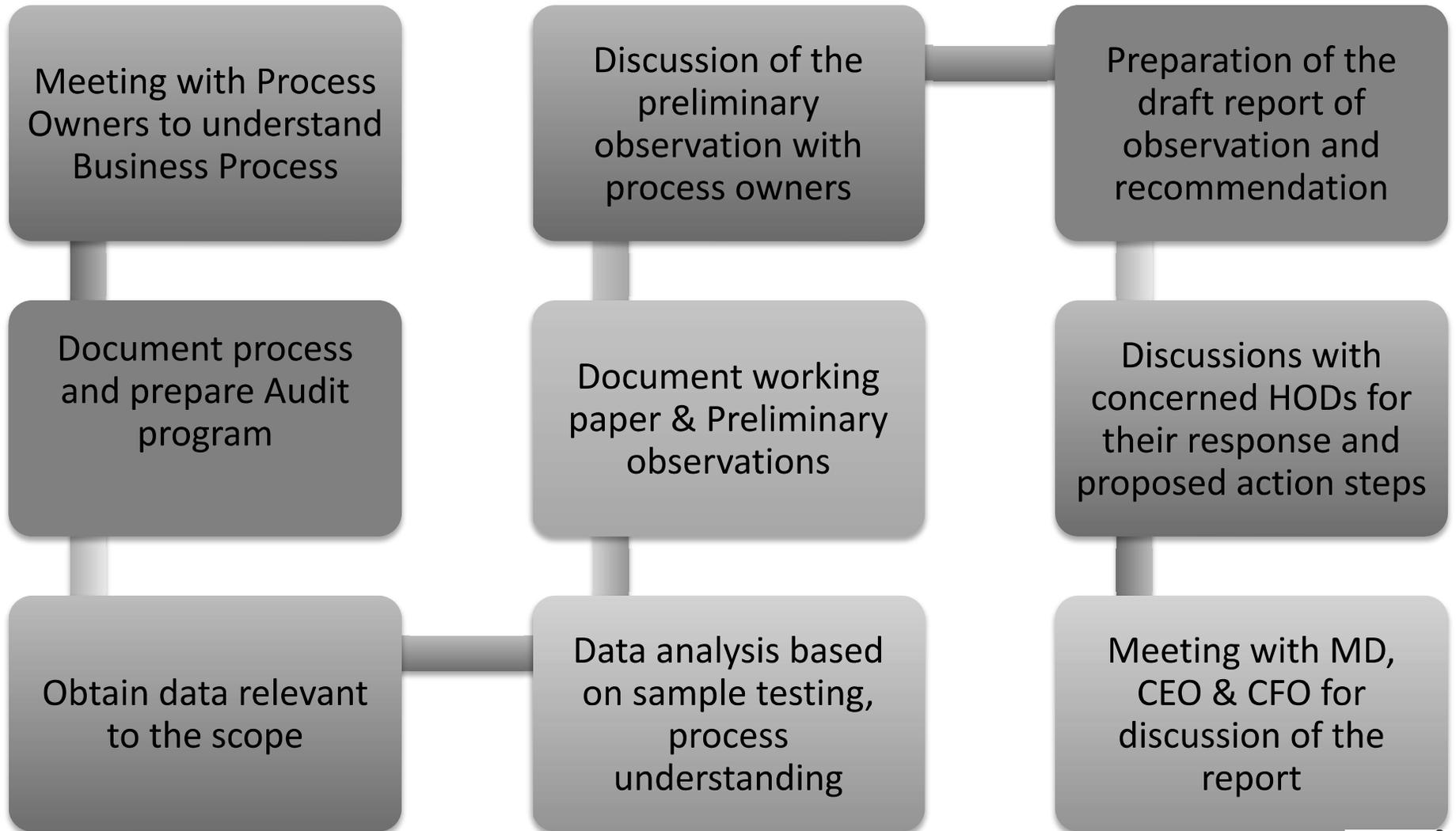


**Progress Partners**  
Business Advisory LLP

# Audit Approach



# Audit Approach



# Audit Approach

## Risk Based

Audit Approach helps Prevent Issues

Improve Internal Risk Management Practices

Efficient Testing

Focus on Controls Effectiveness

Extensive focus on IT Infrastructure

Prevents Future Problems

Increase use of Data Analytics

Reduced Time requirements



# Transparent Communication

We believe in :

- Continuous and transparent communication during and after an audit
- Providing clear and actionable reports capturing:



- Observations



- Root Cause



- Impact



- Recommendation



- Management Action Plan



# Reporting & Follow-up

- Audit to be conducted quarterly
- Some critical areas may be taken up each month
- Reporting will be quarterly
- Critical items will be reported immediately to the management without waiting for quarterly report
- All subsequent reports will have a section on status of previous observations

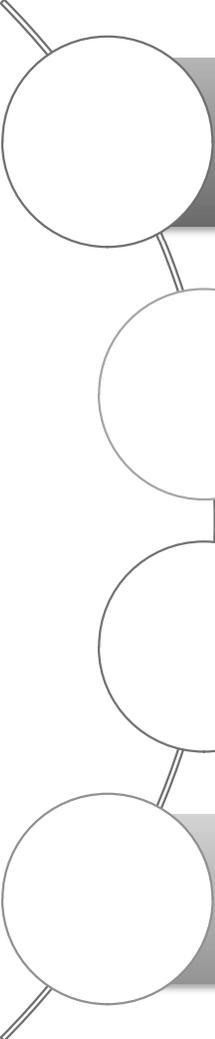


# **Internal Audit Scope & Commercials**



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# Audit Scope



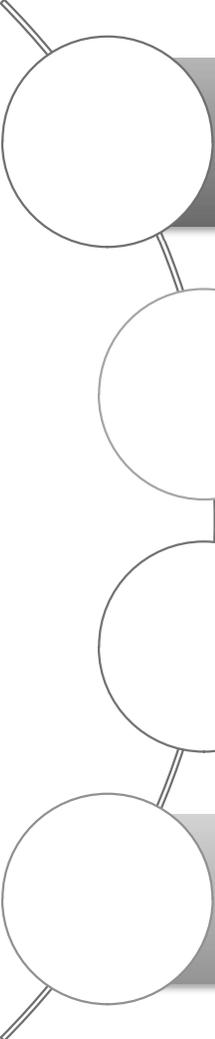
Risk assessment of all types of business risks

Evaluation of Control Environment and Management's control activities

Evaluation of risk and controls on Information and communication

Effectiveness of Monitoring and Reporting

# Audit Scope



Identify all significant risks and assess on an ongoing basis

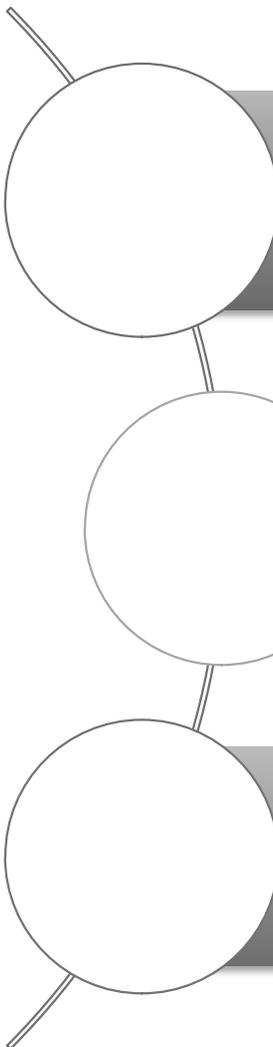
Measurable targets and indicators where possible

Evaluate the risk mitigation procedure or system in place

Discuss cases of unmitigated risks and its acceptability to the Management



# Control Environment



Policy and a strategy for managing significant risks

Clearly defined authority, responsibility and accountability

Clear communication of expected employees' behavior



# Information & Communication



MIS & Reporting - Timely, Relevant and Reliable

Evaluate IT / ERP Systems - Security, Availability & Reliability

IT Security Management

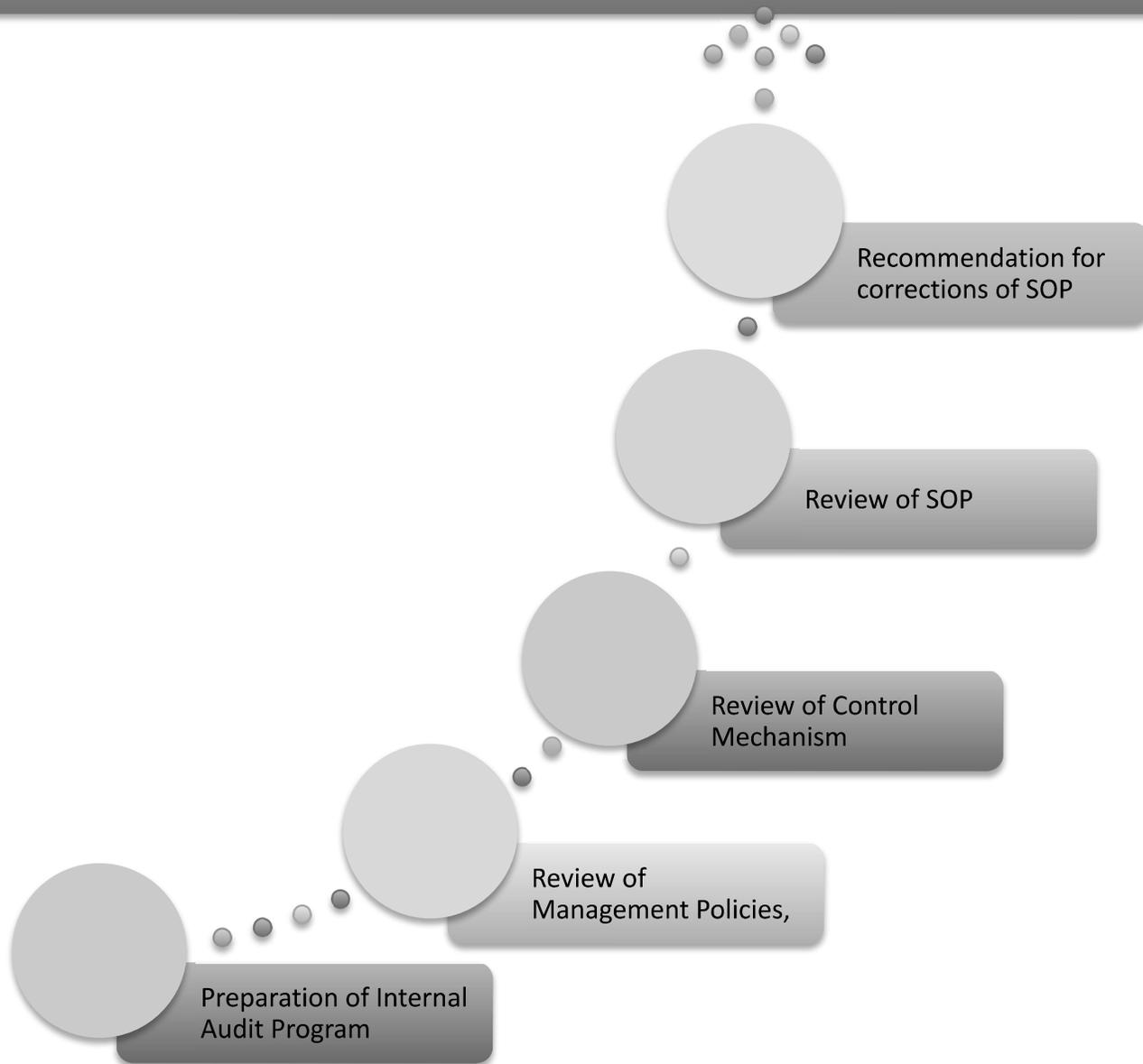
Meeting legal requirements



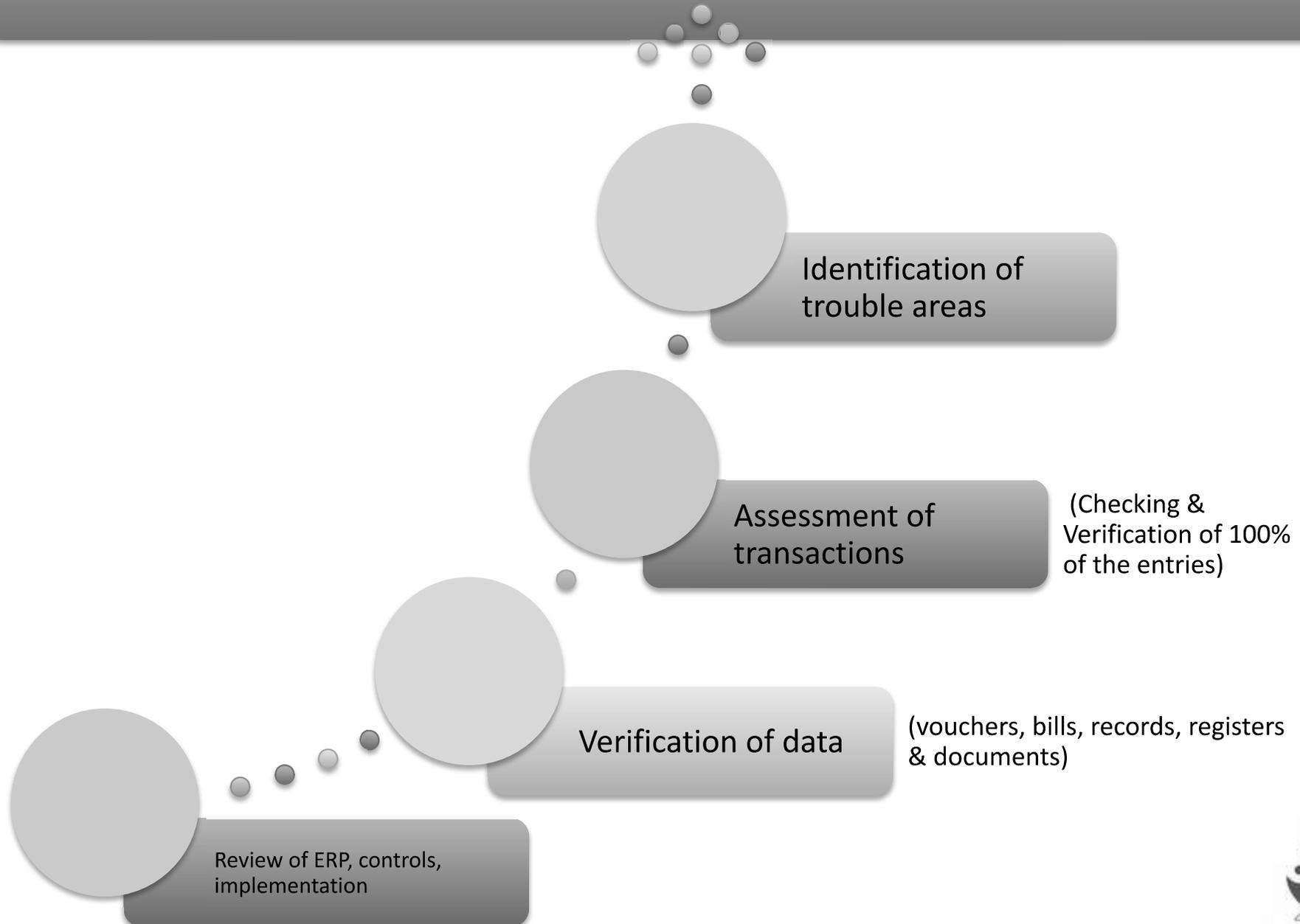




# Methodology



# Methodology



# Methodology

## Audit Visits

As required  
(expected  
10 days a  
month)

## Surprise Visit

For  
activities  
like Cash  
verification,  
Stock  
Verification

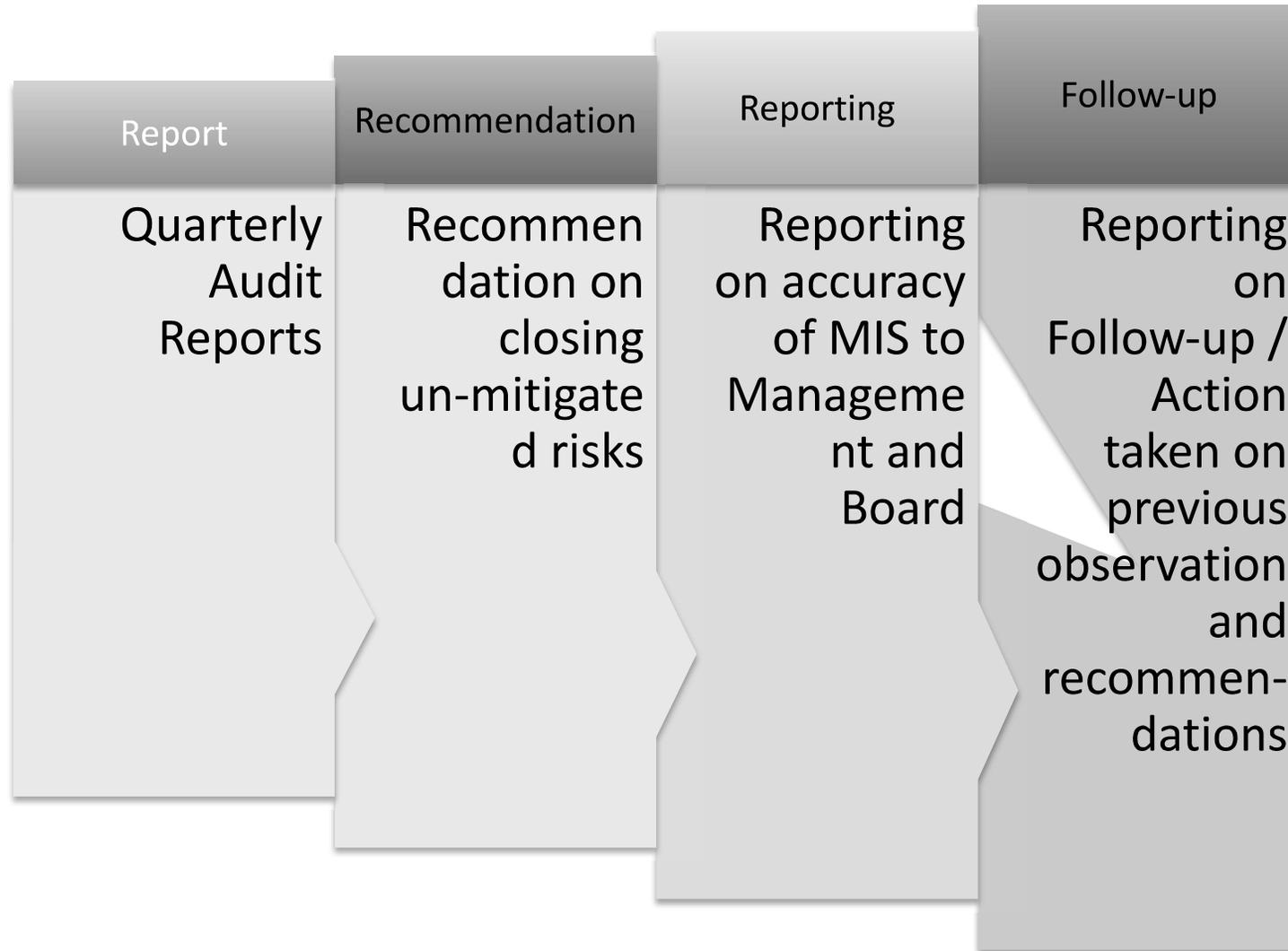
## Quarterly

Discussion  
with CEO /  
Directors

## Reporting

Submission  
of Final  
Report with  
auditee's  
responses  
where  
applicable

# Deliverables



# Why Progress Partners



**Progress Partners**  
**Business Advisory LLP**

# Our USP



# Experience & Exposure



Undertaken a significant amount of work of similar nature.



Working with Large as well as SME clients.



Extensive experience in Distribution / Supply Chain for

- Manufacturing companies
- Trading businesses
- Independent distribution



Clients including Logistics companies, Chemicals, Pharma, Mobiles.



Audit and consulting assignments with Textile & Garment industries, Hotels / Hospitality businesses

# Time & Fees

- **Professional Fees** ₹ 4,50,000 per Quarter  
(covering both plants and Corporate Office)
- Out of Pocket Expenses in connection with the audit will be charged to the client.
- **Payment Schedule** : Payable within 15 days of submission of invoices
- GST and other Government levies (if any) at prevailing rates shall be added to our invoice



**Progress Partners**  
**Business**  
**Advisory LLP**

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