

Auditing & Control–New Chapter



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1. BRING IN AI TO MAP

DEVICES
HUMAN INTERFACE WITH DEVICES
TRANSACTIONS IN EACH DOMAIN
- EXPENSE - ASSET
- INCOME - LIABILITY
DECISION RULES
POLICY FRAMEWORKS

2. BRING IN PATTERN RECOGNITION & ISOLATION OF EXCEPTIONS USING MACHINE LEARNING

- All relevant patterns to be examined for root cause
- Continuous elimination of root causes using continuous auditing
- Daily reporting of unusual transactions to business units
- CFO to collate chief corrections every quarter to appraise ACs

3. BRING IN SYNC BETWEEN PREVENTIVE ACTIONS, CONTINUOUS MONITORING, DISCIPLINE & REPORTING

- Strict protocols for software updates, patching on-line and requiring software “live” and protected
- Discipline in back ups
- Use of most advanced vaccinations on a continuous basis
- Incident response plans to be updated every week
- Ethical hacking, penetration testing, islanding & data protection on random basis through the year
- Incident analysis
- Perimeter defence break attempts to be studied
- Onboarding of supplies, customers, employees & isolation of their actions
- Track response times for all incidents. Also evaluate for effectiveness

4. BRING IN SIMULATIONS & ALGO BASED EXPECTATIONS vs REALITY

- Simulate attacks / Frauds / Thefts / Attempts to disrupt / Stealthy activities / unusual contacts
- Search for heuristics driven action which would benefit individuals vs the organisation
- Acquire libraries of attempted frauds
- Based on evolving external events, continuously model expectations from each account balance and activity and compare reality against these.
- Go deep into violations

5. BRING IN DATA ANALYTICS

- Impose Analytics on every set of co-related activities & map organisational responses in different circumstances
- Continuously look for disruption threats & opportunities and document all actual situations
- Map original assumptions on CAPEX and any other large expenses and commitments and find causes for major deviations. For example, in an infra finance company – track all commitments to coal based power projects by:
State – PPA value – entrepreneur background – time & cost to complete vs original estimates – seek out other sanctions to those who have made even a request for deferment of interest or principal - initiate Insolvency and Bankruptcy Code (IBC) action where intent is suspect.

6. MAKE A. C. MEMBERS DOMAIN EXPERTS TO QUESTION EVERY ASPECT CRITICALLY

7. MOVE RAPIDLY TO INTEGRATED REPORTING

8. BRING IN PARTNERING APPROACH ALL ROUND, WITH :

- a. Suppliers
- b. Customers
- c. Service providers
- d. Regulatory authorities
- e. Government
- f. Institutions

- Monitor deliverables from these partnerships carefully for continuous improvement
- With joint offerers eg, Cisco + Apple : Partnership for reducing Cyber-Security insurance premiums as they together create the most secure systems.

9. MODEL THE IMMUNOLOGICAL SYSTEM OF THE BODY

Make sure you are able to continuously ward off external and internal threats

10. BRING IN FRESH WAYS TO CONSUME DATA AND SHARE IT

- Create 3 contexts :
 - a. Budget v/s Actual
 - b. Past v/s Present
 - c. Competition v/s us
 - Consume and report all data by product line in ROE or ROI terms.
 - Validate PBT to Sales and ROA depending on domains
 - Create anticipation – not a sense of noting the past reality
 - Examine and report, both internally and externally in a manner that the sustainability or otherwise of the business is discernible.
 - Take action on the analysed data in time
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