

# GRC Audit Checklist

### **Governance Framework**

### **Board Governance**

- Board composition meets Companies Act 2013 requirements
- Independent directors constitute required percentage
- Board meetings held as per statutory requirements
- Minutes of board meetings properly documented
- Board committees established (Audit, Nomination, Remuneration)
- Director training and familiarization programs conducted
- Board evaluation process implemented annually
- Related party transactions properly disclosed and approved

#### **Management Structure**

- Organizational chart clearly defined with reporting lines
- Roles and responsibilities documented for key positions
- Delegation of authority matrix established
- Management committees functioning effectively
- ─ Key managerial personnel appointments comply with regulations
- Succession planning for critical roles documented





### **Corporate Policies**

- Code of conduct for directors and employees adopted
- □ Whistleblower policy implemented with proper channels
- □ Anti-corruption and bribery policies established
- Conflict of interest policy documented
- □ Information security policy implemented
- HR policies comply with labor laws

# **Risk Management**

### **Risk Assessment Framework**

- Enterprise risk management policy approved by board
- Risk identification process covers all business areas
- Risk assessment methodology documented and consistent
- Risk appetite and tolerance levels defined
- Business continuity and disaster recovery plans tested
- Insurance coverage adequate for identified risks

### **Operational Risk Management**

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- Key operational risks identified and assessed
- Internal controls designed to mitigate operational risks
- Regular monitoring of operational risk indicators
- Incident reporting and management system operational
- Vendor and third-party risk assessment conducted
- Cybersecurity risks assessed and managed





### Financial Risk Management

- Credit risk management policies implemented
- Liquidity risk monitoring mechanisms established
- 🗌 Market risk exposure regularly assessed
- Foreign exchange risk management procedures active
- Interest rate risk management strategies defined
- Capital adequacy maintained as per regulations

# **Compliance Framework**

### **Regulatory Compliance**

- Companies Act 2013 compliance verified
- SEBI regulations adherence (for listed companies)
- □ RBI guidelines compliance (for financial institutions)
- □ GST compliance and return filings current
- Income Tax Act compliance verified
- Labor law compliance across all locations
- Environmental clearances and compliance verified
- Industry-specific regulatory compliance checked

### **Statutory Filings and Returns**

- Annual returns filed within prescribed timelines
- E Financial statements filed as per requirements
- Board resolutions passed for statutory matters
- Regulatory approvals obtained where required
- $\Box$  Compliance certificates from statutory auditors obtained
- E-forms filed with MCA within due dates





### **Internal Compliance Monitoring**

- Compliance calendar maintained and updated
- Compliance monitoring system operational
- □ Regular compliance reports to board/management
- Non-compliance incidents tracked and resolved
- Compliance training programs conducted
- Legal and regulatory updates communicated

# **Internal Controls and Audit**

### **Internal Control Systems**

- Internal financial controls designed and implemented
- Control activities address identified risks
- Segregation of duties maintained adequately
- ☐ Authorization levels clearly defined and followed
- Documentation and record keeping standards met
- □ IT general controls and application controls effective

### **Internal Audit Function**

- Internal audit charter approved by audit committee
- Risk-based internal audit plan developed annually
- Internal audit findings tracked to closure
- Management responses to audit findings documented
- □ Follow-up audits conducted for high-risk areas
- Coordination with external auditors maintained





### **External Audit Coordination**

- Statutory auditor independence maintained
- Management letter points addressed timely
- Audit committee review of audit findings conducted
- External auditor recommendations implemented
- Coordination between internal and external auditors

# **Data Protection and Privacy**

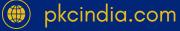
### **Information Security**

Information security policy comprehensive and current
Data classification and handling procedures defined
Access controls and user authentication systems robust
Regular security assessments and penetration testing
Incident response procedures documented and tested
Employee training on information security conducted

### **Privacy Compliance**

Personal data protection policies implemented
Data processing agreements with vendors executed
Customer consent mechanisms for data collection
Data breach notification procedures established
Regular privacy impact assessments conducted
Cross-border data transfer compliance verified





# ESG (Environmental, Social, Governance)

### **Environmental Compliance**

- Environmental management system implemented
- Pollution control measures and monitoring active
- Waste management procedures compliant
- Energy consumption and efficiency monitored
- Carbon footprint assessment and reduction plans
- Environmental reporting requirements met

### **Social Responsibility**

- CSR policy and committee established (if applicable)
- CSR spending compliance with statutory requirements
- Stakeholder engagement processes documented
- Employee welfare and safety measures implemented
- Diversity and inclusion policies active
- Community development programs monitored

# **Technology and Systems**

### **IT Governance**

- IT governance framework aligned with business strategy
- IT risk management integrated with enterprise risk
- IT service management processes documented
- Business continuity plans for IT systems tested
- Software licensing compliance verified
- Cloud services governance and security assessed







### Data Management

- Data governance framework established
- Master data management processes implemented
- Data quality monitoring mechanisms active
- Data retention and archival policies followed
- System integration and data flow controls effective
- Regular data backup and recovery testing conducted

# **Financial Reporting and Controls**

### **Financial Reporting**

- Financial statements preparation process documented
- Accounting policies consistently applied
- Management discussion and analysis comprehensive
- Quarterly and annual reporting timelines met
- Related party disclosures complete and accurate
- Fair value measurements and impairments assessed

### **Internal Financial Controls**

- Control environment assessment completed
- Risk assessment for financial reporting conducted
- Control activities designed and operating effectively
- Information and communication systems adequate
- Monitoring activities for controls implemented
- Deficiencies in controls identified and remediated







# Sector-Specific Compliance

### **Banking and Financial Services**

- Basel III capital adequacy requirements met
- Know Your Customer (KYC) norms compliance
- Anti-Money Laundering (AML) procedures effective
- Loan classification and provisioning accurate
- Regulatory returns and reports submitted timely
- Consumer protection measures implemented

### Manufacturing

- Factory licenses and approvals current
- Product quality and safety standards compliance
- Supply chain risk management implemented
- Intellectual property protection measures active
- Export-import compliance verified
- Industrial safety and health regulations followed

### Information Technology

- Software development lifecycle controls implemented
- Client data security and confidentiality maintained
- Service level agreement compliance monitored
- Intellectual property and contract management effective
- Export control regulations compliance (if applicable)
- Quality management system certifications current







# **Documentation and Reporting**

### **Policy Documentation**

- All policies reviewed and updated annually
- Policy approval process followed consistently
- Policy communication and training documented
- Policy exceptions tracked and approved appropriately
- Version control for policy documents maintained

### Audit Documentation

- Audit working papers complete and organized
- Evidence supporting audit conclusions adequate
- Audit findings and recommendations clearly documented
- Management responses and action plans recorded
- Follow-up on previous audit findings tracked
- Audit reports distributed to appropriate stakeholders

### **Compliance Reporting**

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- 🗌 Regular compliance dashboards prepared
- Exception reports generated and reviewed
- Compliance metrics and KPIs tracked
- Board and committee reporting comprehensive
- Regulatory reporting accurate and timely
- Stakeholder communication on compliance matters effective

