

CMDD

Compliance management, Audit and Due diligence

- ↳ employment
- ↳ compliance officer

↳ practicing

↳ check करना |
merger / acq. करतें
time 50 करोड़ का

21st Sep 24

Lec 1

CH=1

Compliance Framework

Compliance management System

22nd Sep

Lec 2

Corporate Governance

- ↳ Accountability ✓
- ↳ Responsibility ✓
- ↳ Transparency ✓
- ↳ fairness ✓
- ↳ Shareholder's Interest ✓

(Ethics & values)

Internal Control System == Leads to fraud.
↳ if kharab then ↑

30th Sep 24

Lec 3

compliance management

CS = compliance officer of company.

company के अंदर various kinds of laws applicable हैं, जहाँ compliance किया तो Non-compliance होगी, Risk भी उत्पन्न है।
 (Penalty, fine, imprisonment, etc... & company literally Date
 don't want ye to face kisi bhi follow krni usse)

जिम्मेदारी
Board
(CS)

Compliance Framework

Compliance Advisory

(team of experts)
जहाँ advise करेगा

Chart

(an overview)

↓
 Laws Risk mitigation techniques

Score card

tool ✓
(to manage the compliance)

compliance Management System (A box)

- ① Identification of ~~Risk~~ Law | Rule | Reg.
- ② Risk Assessment
- ③ Risk Mitigation Techniques / Strategies (हस्ताना)
- ④ Monitoring = ownership Allocation
- ⑤ Reporting

↑ इसी box की अंदर chart form में डाल दिया तो वो compliance chart बन जाता है।

03/10

Lec 4

(importance) (odometer)

Signification of Compliance mgmt system

benefits of Compliance mgmt system

SIGNIFICANCE of CMS | "compliance mgmt system"
(Pno. = 1.10)

Safety ~~value~~ ⇒ Non-compliance

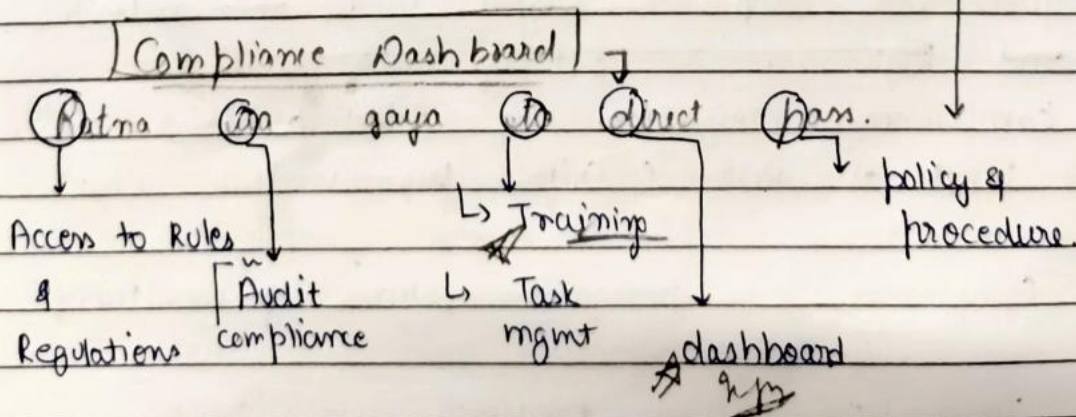
hence,

- no penalty = Cost ↓
- = Goodwill ↑
- = credibility ↑
- ⇒ Good Corporate Citizen

Lec 5

CMS properly बना है, but वो implement हो रहा या नहीं,
if CMS का फायदा क्या है?

if well designed Compliance mgmt System → Advantages



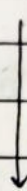
Lec 6

V. imp.

#

compliance chartis an Overview

- Laws applicable
- Risk assessment
- Risk mitigation

Techniques# *Techniques ⑤

- ① Identification of Law
- ② Risk assessment
- ③ Risk mitigation
- ④ monitoring
- ⑤ Compliance Reporting

content of compliance chart

c.c. should contain all information relat to compli...

- ↳ ① Reference to compliance related laws, rules, reg.
- ↳ ~~and risk arising out of such~~
- ↳ ② compliance obligations of risk arising
- ↳ ②③ Level of Risk (Critical, high, medium, Low)
- ↳ ④ Compliance risk mitigation policies of monitoring
- ↳ ⑤ To whom & how frequently compliance related findings of results are reported.

Compliance chart

Point ① Identification

Date

Identification of Applicable Laws & Regulations

① CS has to identify the Laws rules / Regulations applicable on the company.

↓
to frame the compliance framework ✓

② To make a compliance framework CS has to be aware of Business model ✓

How?

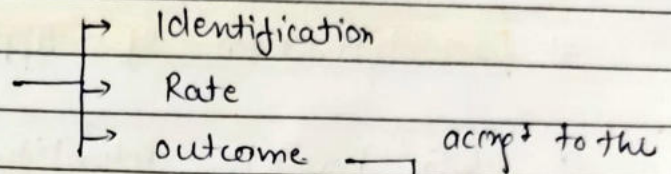
↓
③ Source:

- A. Engaging with the management
- B. Identifying Laws & Regulations
- C. Order / Guidance given by Regulatory Auth.
- D. Permits / License → company has obtained.
- E. Treaties / Agreements
- F. Judgements of Tribunal
- G. Internal policies
- H. Code of Conduct
- I. Attending Seminars
- J. Membership of Professional Groups
- * etc.

④ Laws applicable on the company.

Loc 7 07/10

Risk Assessment



① Identification of Areas of Non-compliances

Risk mitigation strategies

[Detailed Risk Assen.]

[high level Risk Assen.]

② Rate the Risk

- ↳ Critical
- ↳ High
- ↳ medium
- ↳ Low

on the basis of =

- # legal effect
- # financial effect
- # Business effect
- # Reputational effect

③ outcome

on the basis of this - Risk mitigation strategies are made.

Mitigation of # training #

Policies & procedures

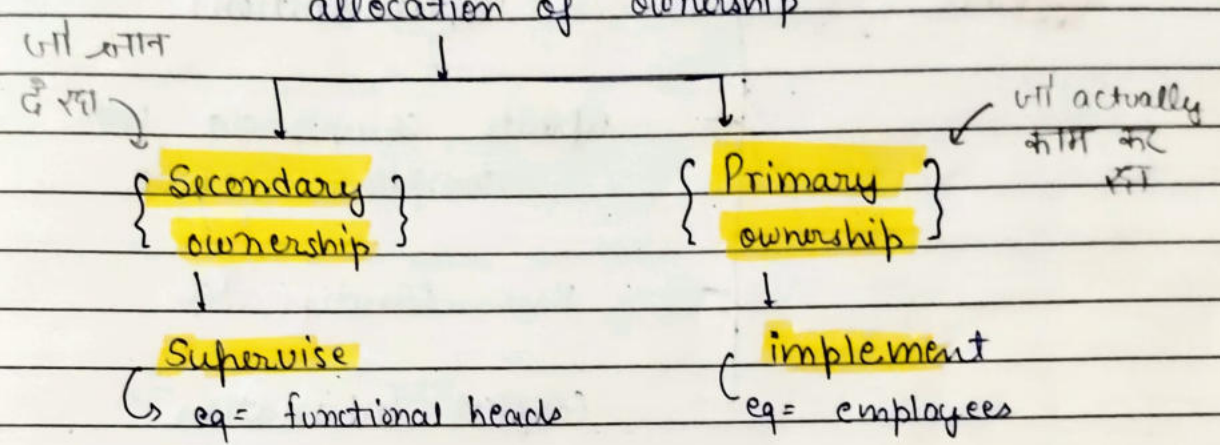
training

Point III Monitoring

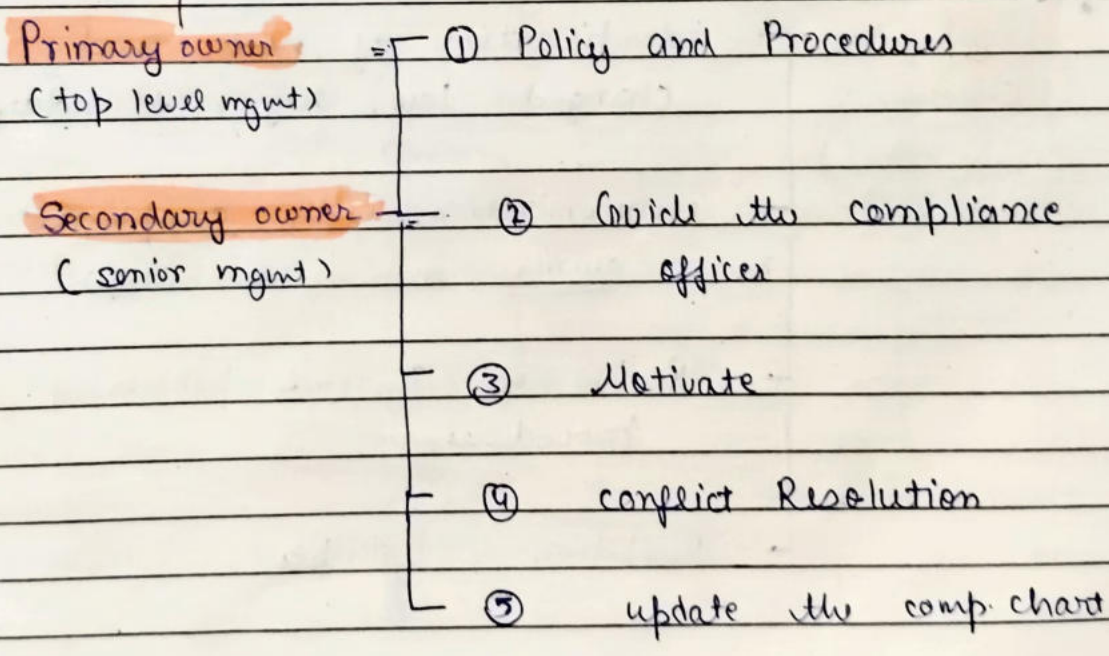
Date

Monitoring

allocation of ownership



- (1 Identify laws) (2 Policy & procedure) (3 motivation)



Compliance officer
(Lower)

→ Compliance implement

Lec 8

compliance officer

- compliance obligation (implementation)
- update comp. obg. into compliance chart
- Risk identification
- Conflict intimation

* Legal cell

- identification of new and changed law, reg., standards
- communication with compliance owner (primary ownership)
- Review of System & policies & procedures
- Resolution of doubts

Lec 9

Reporting

Cyclical Reporting

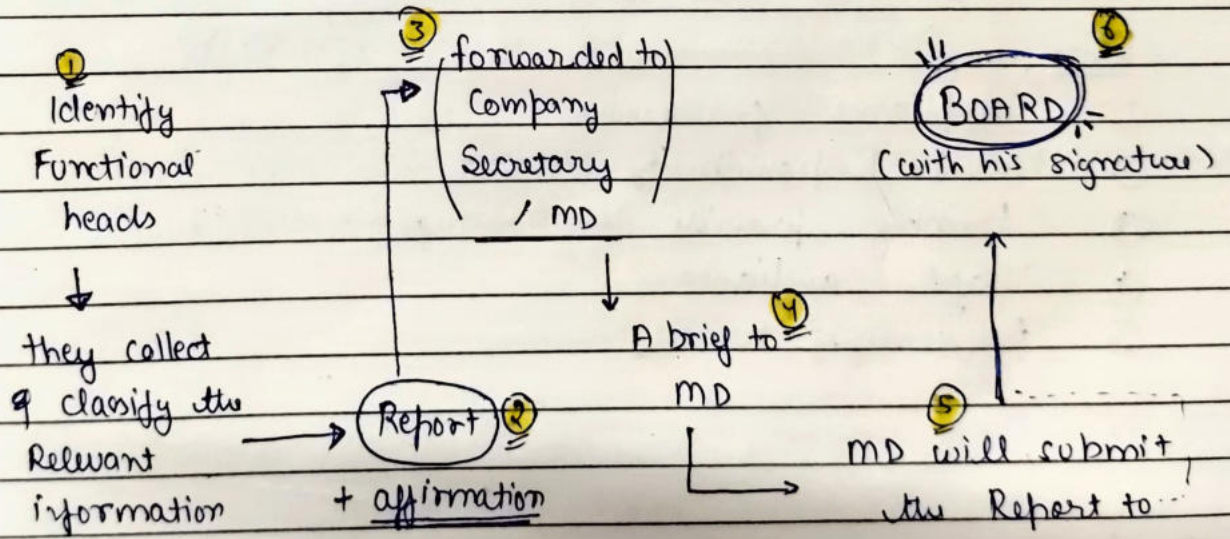
(you have to follow years, quarterly, weekly, etc.)

Incidental Reporting

(VTA incident / occur. only jab q' karta hoga)

Procedure of Reporting

(Pro. 1.15)



Lec 10

Training and Implementation

(Risk mitigation)

Compliance training

(क्यू व्हाई) why?

what? (क्या आयेगा)

• to create awareness

- ① Compliance framework
- ② Role & Responsibility
- ③ Critical and High Risk obligations
- ④ Performance (कैसे करना) process of compliance
- ⑤ Consequences of non-compliance

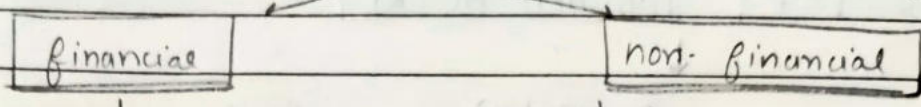
what? (training program में से क्या आयेगा)

- ① Compliance framework
- ② Role & Responsibility
- ③ training provide (क्या training provide कर रहे हैं)
- ④ Target audience
- ⑤ frequency of training

Ques → Explain object & content of compliance training programme

Date

एका company # disclosure / Audit aspects Independent auditor



Audit done by CA
(Statutory audit)

compliance audit done
by CS
(Secretarial Audit)

(Compliance Audit)
(III party द्वारा करा proper है या नहीं)

Lec 11 | 17th Oct 24

compliance Audit

Regulatory

compliance with relevant
laws, rules, reg. applicable

(internal)

Propriety

compliance of internal
Rules & mgmt.

- ICS
- compliance framework

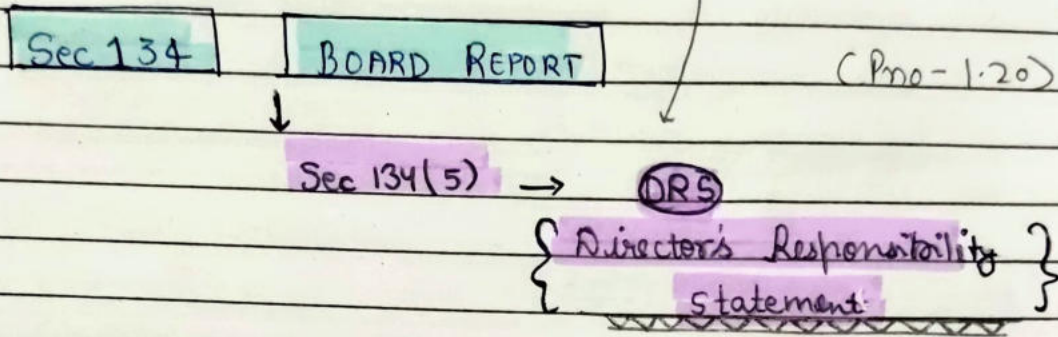
Role of CS in Compliance management.

↳ A compliance manager/officer.

★
Part

- ⇒ CS ensures corporate disclosures
- ⇒ CS provide advise on various aspects
- ⇒ CS guide the board and the company
in all matters.

concept base of Cochran committee }
for Good Corporate
Date Governance



Declaration =

- ① Fin. st' are prepared on going concerned basis
- ② Accounting standards are followed
- ③ Accounting policies is of such a nature that gives true and fair view of the affairs of the company.
- ④ Safeguarding of assets and to prevent fraud in the company
- ⑤ To comply with the Rules, Laws and Regulations.

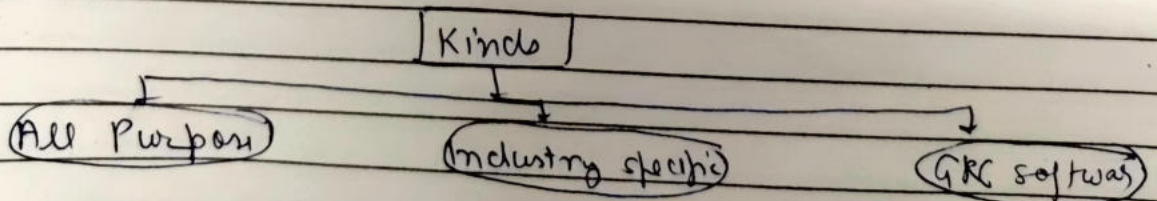
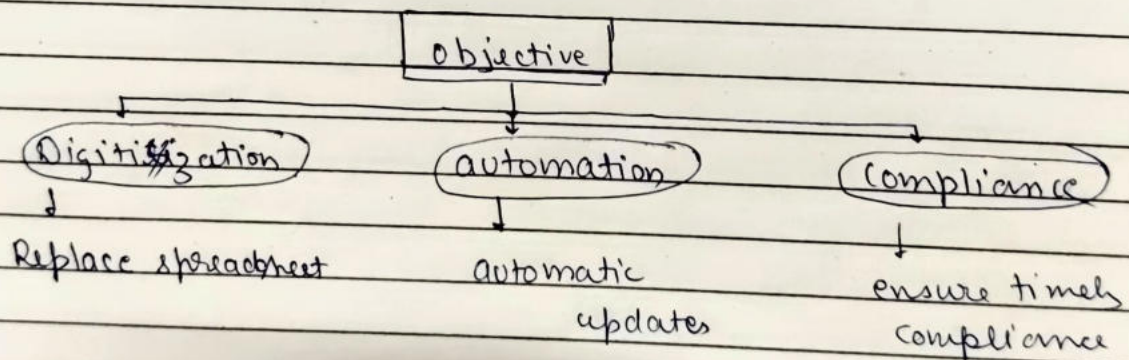
Lec 13

Lec 14

Law studies ✓

Compliance management Tool

- A Software that helps building compliance mgmt and comply with legal Procedure.
- A tool that handles & controls businesses processes
- it facilitate all imp. workflows on a digital platform



G = Governance
R = Risk
C = compliance

Date

Benefits of comp' nent. tool

- ① Reduction of manual work ✓
- ② streamlining implementation ✓
- ③ monitoring & Reporting ✓
- ④ Human error chances are low ✓
- ⑤ Builds org' Reputation ✓
- ⑥ Creates a roadmap for businesses. ✓