

Process Review and Improvement

Process Review and Improvement exercise for one of the largest Bulk carriers plying across the globe facing high attrition leading to change management issues and process risks

Challenges

- Huge Duplication of work (maximum manual)
- People Dependent processes
- Risk of reliability of data in the reports
- Manual Data Entry in 2 software, without integration, thus prone to errors
- Gaps in actual working and the existing SOP, thus defined controls became non-existent
- Closing of Books every month takes too long (almost 10 to 12 days)

The Benefits / Objectives Achieved

- Design Evaluation of Automated Processes
- Updated Documentation (SOP)
- Risk and Control Scorecards
- Process Flow Charts (MS Visio)
- SOD Matrix

Deliverables / Process Followed

- Design Evaluation of Automation & Interfaces to ensure completeness, integrity and accuracy
- Control gaps were identified & the recommendations to improve on the processes were discussed & finalised
- Updated documentation for all the gaps identified, finalized and approved

XXXX- Revenue															
Identification and Documentation of Risks and Control Objectives															
Control Objective No.	Business Process Activity	Risk Ref	Risk	Control Objective	Con. Ref.	Control Procedure	Person in charge of Control activity	Related documents / module / screen	Control Activity Attributes				Primary COSO	Final	
									Frequency of Control	Automated Business Process	Preventive / Detective	Control Activity Coverage			
B-RR-1	Contract Management - New Contracts	R1	If contracts are not approved, invoices may be processed at unauthorized prices or terms of sale	Valid contracts are appropriately reviewed and approved by the Management	C-1	Vertical CEO/ CFO provide information compliance with respect to 4 of the 10 point checklist to the AVP legal (viz pricing, bandwidth, hardware, creditworthiness)	Vertical CEO/CFO	10 point compliance sign-off sheet	As and when	Manual	Detective	X	X	X	
						C2	All contracts are reviewed and approved by legal.	AVP Legal	10 point compliance sign-off sheet	As and when	Manual	Preventive	X		X
						C3	Contracts are signed by authorised signatories ensuring that internal rules w.r.t. documentation requirements and others as specified in the CONTRACT COMPLETION POLICY, are adhered to.	Signing Authorities approved by the Board/Vertical CEO	Copy of a signed contract	As and when	Manual	Preventive	X		X
						C4	The AVP legal maintains a copy of all signed contracts. Additionally, AVP legal maintains compliance for all the 10 rules in the 10 point checklist, including the 4 that come from Vertical CFO	AVP Legal	Copy of a signed contract	As and when	Manual	Detective	X		X
						C5									

Impact	1	2	3	4	5
High	Insignificant <5%	Minor >5%	Moderate >10%	Severe >15%	Critical >20%
Medium	<5%	>5%	>10%	>15%	>20%
Low	<5%	>5%	>10%	>15%	>20%
Very Low	<5%	>5%	>10%	>15%	>20%
None	<5%	>5%	>10%	>15%	>20%
Frequency	<1 error	>1 error	>2 errors	>3 errors	>4 errors
Materiality	<10 lac	>10 lac	>20 lac	>30 lac	>40 lac
Compliance	NA	NA	Policy defined and some exceptions	No policy defined and several exceptions	Policy does not exist
Reputation - Investors	De Payroll reduced by <1%	De Payroll reduced by <1%	De Payroll reduced by <5%	De Payroll reduced by <10%	De Payroll reduced by <20%
Reputation - Bank	NAI down by 1%	NAI down by 5%	NAI down by 10%	NAI down by 15%	NAI down by 20%
Reputation - Customers	Broken by <1%	Broken by <1%	Broken by <5%	Broken by <10%	Broken by <20%
Reputation - Employees	Minor compl. from key customers	Minor compl. from key customers	Serious compl. from key customers and signs of delinquency	Delinquency of key accounts and damage to customer relationships	Delinquency of key accounts and damage to customer relationships
Compliance	Minor unmet	Some localized employee unmet	General employee unmet	Underlying Company as employer of choice	Company not viewed as employer of choice
Prevention	NA	NA	NA	NA	NA
Frequency/Inherent	<1 lac	>1 lac	>2 lac	>3 lac	>4 lac
Likelihood	1	2	3	4	5
Rate of event occurring	<1 in 1,000 (0.1%)	<1 in 100 (1%)	<1 in 10 (10%)	<1 in 2 (50%)	<1 in 1 (50%)
Severity	Low	Medium	Possible	Probable	Most Probable

