

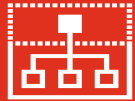


PwC FS GRC Risk Consulting Capability

June 2023



Our Services - GRC Portfolio Overview



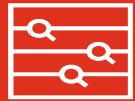
Governance

- Design / Review of Enterprise Risk Governance framework and Risk Appetite aligned with COSO framework
- Set up Risk, Compliance and IA framework, function, policies & procedures
- Quality Assurance Review of Risk Management and Internal Audit
- Culture & Conduct Risk Assessment



Risk Management / ORM

- Common Risk & Control Taxonomy & Risk Assessment Framework across 1st, 2nd and 3rd LOD
- ORM Framework – Design, Assessment & Benchmarking
- RCM Building & Controls Testing pan Entity
- Third Party Risk Management / Outsourcing Risk Management / Vendor Risk Reviews
- Operational Resiliency (Policy, Strategy & BIA)



Internal Audit

- Risk based Internal Audit – Planning, Assessment and Execution across
- Concurrent Audits for Critical processes
- Continuous Controls Monitoring / Internal Audit Analytics
- Internal Audit of business processes like Treasury / Trade Finance / Credit / Digital & Direct Banking / KYC etc
- SOX/ICOFR/IFC – Design, Planning & Testing



Business Transformation

- Review target governance operating model
- Process, Risk and Controls Documentation
- Creation & Updation of Pan entity Policies & Procedures
- Business Process reengineering
- Program Management & Change Management
- Review Application Security Functional Controls

Our Capability



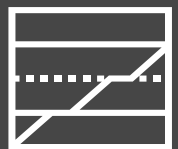
Teams

- Team of **90+** professionals & 1 Partner in risk, compliance & audit with specialization in 2nd and 3rd line functions across Banks, Non-Banking Financial Institutions (NBFC), FINTECHs, Insurance, Asset Management Companies.
- **Focused review** and **Quality Assurance** by Partner and Senior team members as an Investment



Offerings

- Working with some of the **largest Financial Services companies** in India & globally across BFSI sectors
- **In-house Technology Team and Tools.** – Compliance; Internal Control; Risk Management; Audit workflow; Data Analytics.
- **Global and local alliance with technology partners**



Accelerators

- Deep connects & regular interaction with various senior bankers at the C-Suite level in the **FS** industry to understand the concerns across the regulatory domain through various seminars, events & roundtables.
- As a part of the team, we have **SMEs, professionals, who help establish connect with different departments**, to discuss and obtain clarity on pressing industry issues
- **Knowledge Organization** - always been in the forefront of **sharing industry trends, industry analysis and innovations** in the financial services space

Select Case studies – Risk management & TPRM

QAR of Risk Management function

What was the client’s challenge?

The client wanted to ensure that their risk management practices are commensurate with the entity’s evolving needs and growing book size, while being on par with leading industry and peer practices.

Outcomes

PwC assisted the client in strengthening their existing risk management practices across risk types (credit, market, liquidity, operational, reputation, model risk etc.) as well as enhancing the enterprise level risk management including Risk governance framework, ICAAP review, limits management framework, Risk Culture and Operational resilience.

Recommendations were provided on way forward for setting up an ERM function and putting in place an ERM framework commensurate with the size of the entity.

Operational Risk Management Review

What was the client’s challenge?

The client needed to overhaul and enhance the existing ORM framework around RCSA, KRI, Incident Management and PAC including assessing readiness for migration to TSA. Refresh RCMs for Treasury / Trade Finance / Credit function.

Outcomes

PwC prepared a detailed report of recommendations for enhancement of the RCSA and KRI framework. A risk-based approach for conducting RCSA was put in place, and the top-down approach was aligned to the existing bottoms up approach. RCMs were refreshed.

Recommendation were provided on measures for improving role of senior management and 1st Line of defense in the RCSA and KRI process. Recommendation were also provided to enhance the incident identification, collection, recording and reconciliation process

TPRM Review

What was the client’s challenge?

The client needed to align the TPRM Policy & it's framework with the RBI regulations and have integrated approach for financial outsourcing, fintech & partnerships and technology outsourcing

Outcomes

PwC conducted an end to end review of the governance framework, onboarding due diligence & risk categorization, oversight & monitoring, agreement & contracts, materiality assessment and exit management

PwC refreshed their existing policies & procedures on TPRM, including forming of Executive Committee, defining roles & responsibilities of 3 LODs, provided them with checklist & templates for due diligence, risk assessment, risk categorization, parameters for oversight & monitoring.

Conducted background verification and due diligence for a set of Vendors including site visits.

Select Case study – Digital and Direct Banking Audit

Digital Banking

What was the client's challenge?

The client wanted to ensure that the Digital Banking products such as Multi currency travel cards, Prepaid cards and wallets, UPI, IMPS, AEPS, FasTag, Domestic Money Transfer, Internet Payment Gateways, Merchant onboarding are in line with internal as well as regulatory guidelines.

Outcomes

PwC prepared key observations for the client which included regulatory and internal guidelines observations along with process improvement suggestions.

Some of the Key issues identified were as follows –

- Debit cards and MCTC were used for Schedule I prohibited Foreign Exchange transaction leading to the violation of FEMA regulations.
- Instances were identified wherein FFMC were involved in sale / purchase of foreign exchange for purpose other than business / personal travel.
- Breach of Regulatory limits (Debit and Balance) prescribed for Min KYC PPI. CKYC ID not available for FKYC PPIs.

Direct Banking

What was the client's challenge?

The client needed to ensure Direct Banking products like Debit cards, ATM, Cash Recycler Machine, Mobile banking, Internet banking, External Payment Interface, Chat Bot are in line with internal as well as regulatory guidelines.

Outcomes

PwC identified observations which included regulatory and internal guidelines observations along with process improvement suggestions.

Some of the Key issues identified were as follows –

- Customer deposited more than Rs. 49,999 in an account in a day without a valid PAN card.
- Debit cards were issued and linked to loan accounts.
- Debit cards were used for Schedule I prohibited Foreign Exchange transaction leading to violation of FEMA regulations.

Select Case study – Regulatory Return Review



Regulatory Returns Review

What was the client's challenge?

The client was facing challenges in accurate reporting of the regulatory returns and RBS Tranche 1 data points on an ongoing basis resulting in regulatory and internal audit observations. The client intend to do a comprehensive review of regulatory return preparation and submission process to identify the gaps, take remedial actions and put in place checks & controls such as variance analysis, cross validations etc. to avoid regulatory actions.

Outcomes

PwC identified instances of:

- Incorrect regulatory reporting,
- Incorrect assumption for preparing the return,
- Segment or product not considered for reporting
- Delayed reporting,
- SOP not updated,
- Staff not aware of return preparation due to outsourcing,
- Make checker process not followed,
- Missing checks & balances to identify data entry errors,
- Data inconsistency between different returns
- Automation opportunities.

Thank you

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