
Management Assurance Services

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Governance and Internal Control Structure



Management philosophy: “No Surprises”

Group Philosophies and Policies

- Well articulated Group Philosophies on all aspects of business.
- Group Philosophies are available to all employees on the intranet.
- Formalized operating policies and procedures, aligned to Group Philosophies.
- System of self-assessment by operating entities.
- Compliance to Group Philosophies and Policies is audited periodically.
- Conservative approach and fiscal discipline

Risk Management Framework

- Structured risk management approach embedded within the organization.
- Each risk has an “Owner”.
- Risk register and risk matrix are periodically updated and reviewed by an internal committee comprising of CEO, CFO and Head of Internal Audit.
- Risk matrix providing details of key risks, controls pertaining to those risks and management action plans is presented on half yearly basis to the Audit Committee.

Management Assurance System and Practices



- Top Management sponsorship of Management Assurance function.
- Believe in philosophy of “No Surprises” and “Effective Assurance”
 - Financial information backed by physical verification and MIS audits on a monthly basis.
 - Periodic audits to check compliances with Laws, Regulations and Statutes.
 - Review of Businesses Processes – leading to improvement.
- Internal Audit Plan is aligned to the key risks identified.
- Concept of internal audit using independent “Big 4” firms like E&Y, PwC and KPMG.
- Audit observations, management action plans and gradings form an integral part of the monthly management reviews at company and Group level as well as Audit Committees.
- Sterlite Industries is required to be SOX compliant by March 2009. SOX framework has been put in place with the help from KPMG ahead of time and the review as at March 2008 was carried out by Deloitte.
- Management Assurance function of Vedanta Resources Plc received the Recognition of Commitment (ROC) award from the Institute of Internal Auditors (IIA), Florida, USA.

Thank You
