

Meeting Walkthrough Report

1. **Introduction**

Good morning, everyone. Today, we will walk through **Control ID LR-301**, which is designed to manage high-value foreign currency payments, specifically those exceeding ₹50 crores. This control is critical to safeguarding the organization from financial, regulatory, and reputational risks associated with large-scale transactions. Our goal is to provide an in-depth understanding of how this control operates, the risks it mitigates, and its overall effectiveness.

2. **Overview of the Control**

Control ID LR-301 is a **preventive control** aimed at managing foreign currency payments that cross the threshold of ₹50 crores. The control's key feature is its **automated flagging mechanism**, which alerts the system when a payment exceeds this threshold. Once flagged, the payment is put on hold until it undergoes a **dual-approval process**:

- First, the **treasury team** reviews the payment documentation, ensuring compliance with regulatory standards.
- Second, the **executive team** provides the final approval, adding an additional layer of oversight to prevent unauthorized or incorrect payments.

This control is designed to ensure that no significant payment goes through without proper scrutiny, mitigating both financial losses and regulatory penalties.

3. **Execution and Effectiveness**

In terms of execution, the control operates efficiently by combining **automation** and **manual reviews**:

- The system automatically flags any payment crossing the ₹50 crore mark, ensuring that large payments are identified without delay.
- After flagging, the manual review process by the treasury and executive teams ensures thorough oversight, allowing the organization to meet both financial and regulatory standards.

The control has been largely effective in preventing unauthorized payments. Although there was a minor issue of **delayed approvals** due to senior management's workload, the team

implemented a **backup approval process** to mitigate bottlenecks. Additionally, an **audit trail** provides documentation of every step, ensuring accountability and transparency.

4. **Conclusions and Recommendations**

In conclusion, Control ID LR-301 is a well-structured and effective control that minimizes the risks associated with high-value foreign currency payments. The combination of automated flagging and manual oversight has been instrumental in safeguarding the organization from errors, regulatory issues, and reputational damage.

However, as a recommendation, further **automation of the initial document checks** could enhance efficiency, especially during high-volume periods like quarter-ends. Nevertheless, maintaining human oversight in final approvals remains essential to ensure sound judgment in complex transactions.

With these measures in place, the control continues to function effectively, contributing to the organization's financial stability and compliance.