

Management Audit – Scope & Process – FY 2025-26**1. Scope Coverage**

Management Audit shall cover all management practices, policies and procedures of the Company in general. It will specifically cover the Management's Philosophy, Attitude, Operating Style and Effectiveness with regard to-

- a) Organization Structure with lines of reporting
- b) Brand Purpose and Brand Values of the Company and its adherence
- c) Delegation of Authority & its Adherence
- d) Board approved / Departmental policies and the extent of its implementation
- e) Need, Efficiency, Effectiveness and Robustness of the Company's systems and processes
- f) Adaptability of the existing Management functionaries in a dynamic environment
- g) Co-ordination and co-operation between various departments and offices of the Company
- h) Risk Management practices and Compliance procedures

Management audit shall cover all activities, processes, operations and aspects of the Company that are not subject to audit by the Internal Audit department as a part of their regular audits.

Management audit coverage at SBI Life-

- Regional Offices (ROs) including Regional Operations Centre (ROCs)
- Departments at the Corporate Office (HO) and Central Processing Centre (CPC)
- Any other area or activity as directed by MD & CEO / Dy. CEO

Departments / Units that will be covered under Management Audit

Particulars	No of Departments / Units
Departments at Corporate Office (HO)	22
Departments at Central Processing Centre (CPC)	15
Regional Offices (ROs) including Regional Operations Centre (ROCs)	17

2. Data Collection

Templates for collecting data shall be developed depending on the scope of the audit and shared with the auditee along with the advance intimation. The audit intimation should be timed in such a manner that adequate time is provided for the auditee to peruse and revert with the requisite data, while at the same time allowing the auditor enough time to conduct a preliminary analysis of the data received before start of the actual audit. This will enable the auditor to prepare a detailed audit plan, flagging areas of concern, identifying areas that require in-depth examination / discussion(s) with the auditee during the onsite visit.

3. Onsite visit

On the first day of the Management audit, the audit process should be initiated with a 'Kick-off' meeting wherein the approach adopted and the areas that will be covered as a part of the Management audit and the expectations from the auditee is communicated. Thereafter the audit is executed as per the audit plan by inspecting the relevant documents, interacting with the concerned personnel, seeking additional information and recording the submissions made by the auditee.

Findings / observations / deviations should be documented and classified into 'Major, Moderate or Minor. Observations / deviations / findings that has or may lead to regulatory non-compliance; or non-achievement of the Company's strategic objectives; or adversely impact the reputation of the Company or the group as a whole shall be classified as 'Major.' 'Moderate' observations would be deviations / lapses that impact multiple departments. Chief Audit Officer (CAO) shall be the final authority on the categorization of observations / deviations / findings into 'Major,' 'Moderate,' and 'Minor.'

An audit closure meeting is conducted at the end of the onsite visit. Major observations, recommendations made are discussed in the closure meeting and response of the auditee is recorded.

Internal

4. Audit Report

After the onsite visit, the management auditor consolidates and validates the information obtained during the onsite visit with the data collected during the data collection stage. The efficacy of the management strategy, internal controls, risk management, governance is assessed and weaknesses, if any observed, is documented in the audit report.

The Management Audit report shall be structured in the following manner-

- Preface including the scope of the audit
- Executive Summary of the report
- Scores and rating on the basis of scores (Refer annexure III & IV)
- Observations / Findings and recommendations
- Initial ATR / Response of the auditee to the observations, findings and recommendations
- Annexures, if any

Recommendation(s) for closing the gaps, improvement of the processes will also be recorded. Critical observations, if any, along with remedial actions are also flagged as a part of the executive summary.

The Executive Summary shall be shared with the relevant EXCOM member for their perusal and response. The audit report including the executive summary shall be shared with the auditee with copies to the concerned EXCOM member.

The audit for one unit should be completed within 15 to 30 working days from the start of respective unit. Audit report for that unit should be submitted to CAO office post completion of audit. The entire activity of Management Audit of all covered units along with Audit Report and Executive Summary should be submitted to CAO office on or before 31st December 2025.

5. Responsibilities of Auditor

- Plan and conduct the management audit as specified by Internal Audit department.
- Conduct the kick-off and closure meeting as per the schedule.
- Be courteous and polite while conducting the audit and during interactions with the auditee.
- Timely completion of the onsite visit and issuance of the audit report.
- Document the observations and the auditee's response to the same and include them in the audit report in a clear and concise manner.
- Classify the observations into 'Major,' 'Moderate,' or 'Minor.'
- Prepare an Executive Summary of the audit report covering critical findings / recommendations and the auditee's response to the same.
- Validate the ATRs provided by the auditee and recommend closure of ATR / audit report post satisfactory evaluation of the action taken wherever required.
- Compute the rating of the office, department, activity based on the laid down parameters.
- Promptly report any actual / perceived conflict of interest to the CAO.
- Audit should be conducted in person.
- Auditors to work within SBI Life environment / infrastructure.