Preface

"We all need people who give us feedback; that's how we improve."

~ Bill Gates

If the concept of auditing finds its documented presence in the colonial era, the intent and the execution have always been a part of the ancient Indian Kingdoms and empires. The foundations of auditing in India can be traced back to ancient times, with Kautilya's Arthashastra providing one of the earliest documented systems of financial oversight. And thereafter during the Mughal era, where the Diwani system implemented audits of land revenue and treasury records, with Wazirs overseeing financial accountability.

These early systems primarily focused on preventing treasury fraud, establishing principles of financial oversight that would endure through the centuries. The modern-day auditing mechanism – with its bifurcated segments intends to take this thought forward – ensure greater transparency and heightened accountability.

Internal Audit, amidst the various forms of audit, has fondly been referred to as the first line of defence, and indeed quite rightly so, for it is at this very stage, step and level that an Organisation or entity is able to recognize its shortcomings as regards compliance and governance.

Primarily aiming for nipping governance issues in the bud and striving for continual improvement within organizations, Internal audit plays a significant role by being a key contributor to strategic decision-making, sustainable business success and stakeholder confidence.

Understanding the impact of Internal Audit in strengthening the corporate governance frameworks and the broad-based responsibilities entrusted with the professionals undertaking the activity, the Institute of Company Secretaries of India has developed a Handbook on Internal Audit encompassing Checklists to serve as guidance in conducting Internal Audits in the best manner possible.

I extend my sincere appreciation to the members of the **Task Force on Internal Audit** for their dedicated efforts in bringing this publication to fruition. My special gratitude goes to CS Ashish Karodia, Council Member, ICSI and Chairman of the Task Force for his enthusiastic leadership from conceptualization to release. I immensely commend the efforts placed in by CS Ravi Kumar Mandavilli, Expert on GRC matters, for bringing in the practical element to this publication.

I would like to place on record my heartiest appreciations towards the Directorate of Corporate Law headed by CS Deepa Khatri, Joint Director and her Team comprising CS (Dr.) Pooja Rahi, Deputy Director; Dr. Pratap Kumar Manne, Executive (Academics) and Mr. Ujjwal Kumar under the overall guidance of CS Asish Mohan, Secretary, ICSI for developing the manuscript of this publication.

We firmly believe that continuous improvement is the hallmark of progress, and this publication stands as no exception. I warmly invite readers to share their suggestions and comments to further enhance its relevance and utility.

Place: Chennai
Date: January 11, 2026

CS Dhananjay Shukla
President
The Institute of Company Secretaries of India