

# Internal Audit Policy

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## 1. Purpose

The purpose of this policy is to establish the principles, authority, and responsibility of the internal audit function. Internal audit provides independent and objective assurance and consulting services to improve the organization's operations, risk management, control, and governance processes.

## 2. Scope

This policy applies to all departments, processes, systems, and activities of the organization, including subsidiaries and branches, as applicable.

## 3. Objectives

- - Evaluate the adequacy and effectiveness of internal controls.
- - Ensure compliance with applicable laws, regulations, and policies.
- - Review and assess risk management practices.
- - Safeguard assets and ensure the accuracy of financial records.
- - Promote operational efficiency.

## 4. Authority

The internal audit function has unrestricted access to:

- - All records, personnel, physical properties, and functions relevant to the audit.
- - Senior management and the Audit Committee/Board of Directors.

## 5. Independence

To ensure objectivity and independence:

- - The internal audit function reports functionally to the Audit Committee and administratively to the Managing Director/CEO.
- - Auditors must not have direct operational responsibility or authority over any activities they audit.

## 6. Responsibilities

The Internal Audit Department shall:

- - Make an internal auditing at least twice as per the instruction from the audit department
- - Conduct audits in accordance with professional standards.
- - Report significant findings and recommendations.
- - Follow up on audit findings to ensure corrective actions are taken.
- - Maintain confidentiality of all information accessed during audits.

## **7. Audit Planning and Execution**

- - Risk-based annual audit plan to be prepared.
- - Audits may be planned or unannounced.
- - Audit reports shall be shared with the audited unit, senior management, and the Audit Committee.

## **8. Reporting**

Audit findings shall be:

- - Documented in a formal report.
- - Categorized based on severity (high, medium, low).
- - Followed up for implementation of corrective actions.

## **9. Quality Assurance**

- - Internal audits will be in a standard format.
- - The internal audit function will undergo periodic external quality reviews.

## **10. Review of Policy**

This policy should be reviewed annually or as required by changes in regulatory frameworks or organizational needs.

DATE 28.11.2017

**Revised on board meeting dated 06/08/2024**