



## Charter of Internal Audit Department Univentures Public Company Limited

### 1. Objective

Internal Audit Department has responsibility to support the Audit Committee to govern and review work operations, internal control system, and risk management of all departments in the Company in order to ensure that the Company has effective internal control system with proper compliance which will lead the Company to operate its business according to its objectives, with sustainable growth, independency, objectivity, and under the Professional Practice Standards of Internal Auditing prescribed by the Institute of Internal Auditors (IIA).

### 2. Mission of Internal Audit Department

Internal Audit Department has a mission to create confidence that the Company has effective internal control system with proper compliance which will lead the Company to operate its business according to its objectives with sustainable growth. It provides examination, review, analysis, consultancy, recommendation, and assessment on effectiveness and efficiency of internal control system and risk management systems in order to increase value and improve work with independency and fairness.

### 3. Code of Ethics and Qualifications of Internal Auditor

3.1 An internal auditor must perform his/her duties with adherence to Code of Ethics of Internal Auditor under guidelines as follows;

#### 3.1.1 Integrity

3.1.1.1 Perform duties with integrity, diligence, and sense of work of responsibility.

3.1.1.2 Comply to laws and disclosure of information as described by laws and Code of Professional Ethics.

3.1.1.3 Avoid participation on purpose in illegal activities or actions that may result in damage to internal audit profession or reputation of the Company.

3.1.1.4 Respect and support objectives that are in line with laws and Code of Business Ethics of the Company.

#### 3.1.2 Objectivity

3.1.2.1 Avoid participation in activities or relationships that undermine or may undermine unbiased audit or may create bias which involves participation in activities or relationships that are against the Company's benefits.

3.1.2.2 Avoid acceptance of any compensation that undermine or may undermine judgement of internal auditor.

3.1.2.3 Disclose all facts from auditing in which the audit report may distort without disclosure of such facts.



- 3.1.3 Confidentiality
  - 3.1.3.1 Secure information obtained during work and avoid disclosure of such information before receiving approval from person of authority, unless in the case that such disclosure of information is in line with laws or Code of Professional Ethics.
  - 3.1.3.2 Take discretion in usage and security of information obtained during work.
  - 3.1.3.3 Avoid using obtained information for personal benefits or any purposes that are against laws or against objectives according to laws and Code of Business Ethics of the Company.
- 3.1.4 Competency
  - 3.1.4.1 Perform work in specific area that he/she has knowledge, skills, and experience and avoid accepting or performing work that he/she lacks knowledge and skills on, unless he/she is provided with advice or support to have sufficient knowledge and skills to perform the audit.
  - 3.1.4.2 Continuously develop professional knowledge and skills including expertise and quality of services.
  - 3.1.4.3 Perform duties with discretion as a professional should act.
- 3.2 Qualifications
  - 3.2.1 Head of Internal Audit Department
    - 3.2.1.1 Minimum qualification of Bachelor's degree.
    - 3.2.1.2 Possess work experience related to internal auditing of at least 3 years.
  - 3.2.2 Internal Auditor
    - 3.2.2.1 Minimum qualification of Bachelor's degree.
    - 3.2.2.2 Possess work experience related to internal auditing of at least 1 year.
  - 3.2.3 Possess knowledge, skills, and expertise in internal auditing profession.
  - 3.2.4 Possess knowledge related to risk management and internal control and ability to assess probability of occurrence and impact of risk factor to success of work management results.
  - 3.2.5 Possess understanding in Good Corporate Governance.
  - 3.2.6 Possess holistic knowledge of accountancy, finance, technology, laws, regulations, rules, requirements, and other knowledge related to internal auditing profession.
  - 3.2.7 Possess ability to analyze problems from obtained information.
  - 3.2.8 Possess communication skills of verbal, presentation, and written report.
  - 3.2.9 Possess innovative mind, observant, and intelligence.
  - 3.2.10 Possess good relationship skills
  - 3.2.11 Possess politeness, modesty, and acceptance of opinions from other individuals.
  - 3.2.12 Continuously seek knowledge related to internal auditing profession



#### 4. Duties and Responsibilities

- 4.1 Conduct Charter of the Internal Audit Department and prescribe objectives, goals, scope of responsibility, and direction for the work of Internal Audit Department, as well as preparing manpower plan, training plan, and annual budget plan.
- 4.2 Conduct annual internal audit plan and present to the Audit Committee for approval.
- 4.3 Examine and review sufficiency, efficiency, and effectiveness of internal control system and risk management of the Company in order for the Audit Committee and top-level executives to have confidence that activities are under sufficient and proper control to manage risks to be at proper level for operating business.
- 4.4 Provide recommendations for improvement of work process related to risk management, internal control, and corporate governance.
- 4.5 Review work processes according to annual auditing plan approved by the Audit Committee and in line with policies assigned by the Audit Committee
  - 4.5.1 Review accuracy and credibility of financial and non-financial information, including systems and operations related to accountancy and finance.
  - 4.5.2 Review work processes that significantly impact operations and reporting to ensure compliance to prescribed policies, plans, and regulations, as well as related laws.
  - 4.5.3 Review appropriateness of asset maintenance, utilization of assets with efficiency, effectiveness, and conservation, and review existence of such assets.
  - 4.5.4 Review compliance to Code of Business Ethics, Securities and Exchange Laws, regulations of the Stock Exchange of Thailand, as well as regulations, notifications, rules, standards, policies, plans, or laws related to the Company's business.
  - 4.5.5 Review transactions that may relate to corruption to ensure that Code of Business Ethics, policies, and internal control of the Company are effective and under regular compliance.
  - 4.5.6 Review sufficiency, appropriateness, and efficiency of information technology systems related to internal control.
  - 4.5.7 Review related transactions, connected transactions, and transactions that may involve conflict of interests to be in line with regulations of the Stock Exchange of Thailand and related laws.
- 4.6 Report auditing results and provide recommendations for improvement of work to examination unit and report to top level executives and the Audit Committee.
- 4.7 Follow up on auditing results to ensure that responsible persons conduct improvements on found issues.
- 4.8 Provide consultancy by offering creative ideas that are beneficial to the Audit Committee, top level executives and the head of examination unit are related to risk management, internal control, and corporate governance.



- 4.9 Provide consultancy and recommendations on internal control system of future business process.
- 4.10 Coordinate with departments that have other examination activities such as auditor and related governing authority to ensure increase of auditing efficiency and reduction of work duplication.
- 4.11 Perform work related to complaint procedures, maintenance of complaint information and complainants to report to the Audit Committee.
- 4.12 Perform other duties related to internal control apart from prescribed annual auditing plan as assigned by top level executives and the Audit Committee.

## 5. Independency

- 5.1 Internal Audit Department shall report results of auditing to the Audit Committee and report matters related to management within Internal Audit Department to President or acting person.
- 5.2 Internal Audit Department shall have independency from other businesses that are not duties of internal auditing work in which internal auditor has independency to present opinions and reports with objectivity according to internal auditing standards.
- 5.3 Internal auditor shall not participate in work that is not related to internal auditing or other activities that may impact independency and objectivity of internal auditor, as follows;
  - 5.3.1 Perform work duties that are not related to internal auditing.
  - 5.3.2 Prepare or approve accounting transactions or financial reports.
  - 5.3.3 Manage work of employees in departments apart from Internal Audit Department, unless such employees in other departments are assigned to work that are part of internal auditing.
- 5.4 Internal auditor shall disclose details of impacts on his/her dependency and objectivity, and disclose his/her conflict of interests to Head of Internal Audit Department.

## 6. Auditing Authority

- 6.1 Examine financial instruments, assets, information technology system, activities, and accounting documents, supporting documents, correspondence, and other related reports.
- 6.2 Invite employees of examination unit to provide information, explanation, and deliver documents or evidence related to auditing matters.
- 6.3 In reasonable case, Head of Internal Audit Department can procure internal audit experts from external to perform auditing work in the Company. In this regard, such procurement shall be in line with procedures of the Company prescribed by the Audit Committee.

## 7. Reporting and Monitoring of Audit Results

- 7.1 Internal auditor shall prepare audit report, summarize on key issues and impacts that may occur, as well as providing recommendations to the head of examination unit after completion of auditing process in order for the head of the examination unit to proceed with improvements on internal control system in time.



- 7.2 Procedures on detected issues.
  - 7.2.1 In the case that an issue is detected in which its cause is from lack of regulation, internal auditor shall report to high level executive of such examination unit to prescribe and announce regulation on such matter in which the internal auditor shall follow up on progress within 30 days.
  - 7.2.2 In the case that an issue is detected in which its cause is from outdated or improper regulation for current work, internal auditor shall report to high level executive of such examination unit to improve such regulation in which the internal auditor shall follow up on progress within 30 days.
  - 7.2.3 In the case that an issue is detected in which its cause is from the examination unit not complying to prescribed regulation, internal auditor shall report to high level executive of such examination unit to amend such issue and shall interrogate officer who commits non-compliance and follow up on progress within 30 days.
- 7.3 Procedures on detection of fraud
  - 7.3.1 In the case that an employee commits wrongdoing but the damage is not significant to the Company, Head of the Internal Audit Department shall report audit results with evidence and witness to President or acting person in order to proceed with the Company's procedures and shall report such process to the Audit Committee without delay.
  - 7.3.2 In the case of possible involvement by executives, Head of the Internal Audit Department shall report audit results with evidence and witness to the Audit Committee for consideration.
- 7.4 Head of the Internal Audit Department shall report audit results, summarize on key issues, provide recommendations and progress of improvement to top level executives and the Audit Committee at least once per quarter.

## 8. Chain of Command

Internal Audit Department directly reports to the Audit Committee with chain of command as follows;

- 8.1 The Audit Committee is responsible for considering opinions regarding appointment, relocation, and termination of employees together with President or acting person.
- 8.2 The Audit Committee is responsible for determining remuneration and achievement of the Head of Internal Audit Department.
- 8.3 The Head of Internal Audit Department is responsible for consideration on appointment, relocation, termination, and determination of remuneration and achievement of internal auditors before presenting to President of acting person and further present results of consideration on the achievement of internal auditors to the Audit Committee.



## 9. Quality Assessment

The Head of Internal Audit Department has duties and responsibilities to manage quality assessment of Internal Audit Department to ensure that the department has efficient management and auditing operations as well as having internal auditors with knowledge, skills, and expertise suitable for work. The assessment is separated into 2 methods as follows;

- 9.1 Head of examination unit shall evaluate quality of the Internal Audit Department after completion of audit in order to use assessment results to improve operations of the Internal Audit Department to be more efficient.
- 9.2 The Head of Internal Audit Department shall assess work quality of internal auditors to manage auditing work to be in line with set objectives with quality.

The Internal Audit Department must consider and review the suitability of the Charter annually. If it deems appropriate for improvement, the Internal Audit Department is responsible for presenting to the Audit Committee for consideration.

In this regard, the Charter of Internal Audit Department will come into effect from 16 December 2016 onwards.

*- Mr. Suwit Chindasanguan -*

(Mr. Suwit Chindasanguan)

Chairman of the Audit Committee

Univentures Public Company Limited