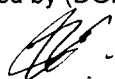


Quality Management System	POWER GRID COMPANY OF BANGLADESH LTD.					QUALITY PROCEDURES			
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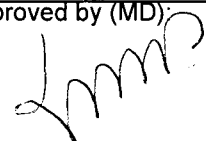
1. **Scope:** Applies to whole of POWER GRID COMPANY OF BANGLADESH LTD.
2. **Purpose:**
- To provide assistance to all levels of management in the implementation of approved financial, administrative and operational rules & procedures of the company.
 - Make compliance with the PGCB Ltd. policies, guidelines, rules & procedures and the evaluation of existing system & procedures.

SI No.	Activity (including Check Points)	Ref. Doc.	Responsibility	Freq./ Time	Output
1.0	Accounting and Financial Audits				
1.1	The financial auditing activities are considered protective in nature since the internal auditor has the responsibility of appraising and evaluating the existing system of internal control to prevent and detect fraud, defalcations, and other irregularities, minimize and uncover errors, and report noncompliance with the PGCB's policies and procedures.		DGMADT MADT	Throughout the year	
1.2	The Financial Auditing functions will require the internal auditor to observe and conduct tests of recorded transactions. <ul style="list-style-type: none"> The extent of tests will depend on the judgment of the auditor in charge of the engagement and on the results of the review and evaluation of internal control. The audit officer of the engagement should first be consulted before any test is extended beyond the volume or period usually performed due to deficiencies noted in the accounting records and weaknesses in internal control. 	QD-ADT-01 (Article:19)	DGMADT MADT DM/AM ADT	Throughout the year	QF-ADT-03
2.0	Objectives				
2.1	The system of internal financial audit, consists of all measures adopted by the PGCB Ltd. with the following objectives: <ol style="list-style-type: none"> To safeguard its assets against waste, fraud and inefficiency; To promote accuracy and reliability in accounting operating data; To encourage and measure compliance with the PGCB Ltd.'s policies and To evaluate the efficiency of operations in all plants, substations and offices of the PGCB Ltd. 		DGMADT MADT	Throughout the year	
2.2	The main objectives or reviewing and evaluating the system of internal financial audit is to assure the auditor that adequate controls are in use and are working as planned. The results of this review and evaluation will be the basis and determining the extent of detailed audit work to be carried out	QD-ADT-01	DGMADT MADT	Throughout the year	QF-ADT-08

Reviewed by (DGMADT):



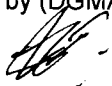
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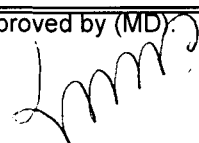
Quality Management System	POWER GRID COMPANY OF BANGLADESH LTD.					QUALITY PROCEDURES			
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SI No.	Activity (including Check Points)	Ref. Doc.	Responsibility	Freq./ Time	Output
2.3	The review of internal financial audit is accomplished by filling out the internal control questionnaire. After the review has been made, the existing internal financial audit is evaluated through the preparation of the internal control evaluation sheet.	QD-ADT-01	DGMADT MADT	Once in a year	
3.0	Reference Information				
3.1	The following Quality Documents will be used as the reference while auditing the financial activities of an office <ul style="list-style-type: none"> ➤ MANUAL FOR INTERNAL FINANCIAL AUDIT (QD-ADT-01) ➤ FINANCIAL RULES, 2000 (QD-FIN-01) ➤ ACCOUNTS MANUAL (QD-FIN-02) ➤ COMPANY STRUCTURE (QD-HRM-01) ➤ SERVICE RULES (QD-HRM-02) ➤ PROCUREMENT GUIDELINES (QD-PRO-01) 		DGMADT MADT	Always	
4.0	Audit Plan				
4.1	An Audit plan will be prepared for carrying out Internal Financial Audit in all offices of PGCB		DGMADT MADT	As required	
4.2	The plan is then checked for error and/or omission and will then be approved by MD for implementation.		MD DGMADT MADT	As required	QF-ADT-01
4.3	Before going to the offices, planned for audit, an office order will be issued by DGMADT describing the name and designation of the audit team members and the period of audit activity in that office.		DGMADT	As required	QF-ADT-02
5.0	General				
5.1	All Offices: Review the contents of the permanent file and note any changes in any of the following: <ul style="list-style-type: none"> ➤ Organization chart (changes in officers, duties, and others). ➤ Methods of operations. ➤ Periodic financial reports submitted to higher management. ➤ Physical structures of Substations or offices. ➤ Others. 	QD-ADT-01 (Articles: 19, 20 & 21 with all sub-articles), QF-FIN-01 to 11	DGMADT MADT	Once in year	QF-ADT-11
6.0	Audit Program:				
6.1	An audit program is a detailed plan of the auditing work to be performed, specifying the procedures to be followed and giving the time required for each procedure for audit program.		DGMADT MADT	Throughout the year	QF- ADT-01 QF- ADT-09

Reviewed by (DGMADT):



Approved by (MD):



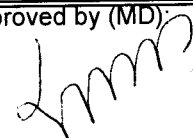
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6.2	While preparing an audit program, following aspects will be taken into account: a) The purpose of the examination b) The history, nature of operation and special problems of the unit involves c) The adequacies or inadequacies and nature of the accounting records d) The adequacy and competence of the personnel involved e) The adequacy of the system of internal control and the effectiveness with which it is being carried out.	QD-ADT-01 (Articles: 2, 10,11 & 12)	DGMADT MADT	Throughout the year	QF- ADT-01 QF- ADT-09
7.0	Internal Financial Audit Findings				
7.1	All findings and recommendations developed during the course of the examination should be discussed with the various personnel concerned except in the following instances:	QD-ADT-01 (Article: 13)	MADT DM/AM ADT	Throughout the year	QF-ADT-03 QF-ADT-10
7.1.1	Where fraud or possibility of fraud may be involved: ➤ The internal financial audit staff should be discreet and careful to avoid premature disclosure of his findings which might result in creation of an atmosphere of undesirable and unwarranted excitement in the early stages of the investigation.		MADT DM/AM ADT	As required	QF-ADT-03 QF-ADT-10
7.1.2	If fraud is discovered or suspected the matter should be referred immediately to the audit officer concerned who will decide how the matter will be handled.		MADT DM/AM ADT	As required	QF-ADT-03 QF-ADT-10
7.1.3	Where the findings involve deficiencies in personnel performance such as incompetence, inefficiency, poor training and other faults, these for obvious reasons should not be discussed with the persons concerned.		MADT DM/AM ADT	As required	QF-ADT-03 QF-ADT-10
8.0	Internal Financial Audit Reports				
8.1	The internal financial audit report is the mean by which the results of the examination are presented to management. Apart from informing management of the conditions in the unit that has been audited, the internal financial audit report also serves as the basis for appraising or judging the effectiveness of the Audit Division and the individual auditor concerned.		DGMADT MADT DM/AM ADT	Once in a year	QF-ADT-04 QF-ADT-05 QF-ADT-07 QF-ADT-08
8.1.1	The Management of the Company would like to know the following: a) Weaknesses or deficiencies noted on the operations of the particular office, Grid Maintenance Division or Substation examined, b) Action taken so far to remedy the defect, and c) Further corrective actions, if any, remains to be taken.	QD-ADT-01 (Articles: 14, 15,16 & 17)	DGMADT MADT DM/AM ADT	Once in a year	QF-ADT-05 QF-ADT-06 QF-ADT-07

Reviewed by (DGMADT):



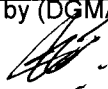
Approved by (MD):



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8.1.2	Management would also be interested to have essential information on the effectiveness of the audited unit's operating procedures and on the possibility of improving the existing operating procedures and policies.		DGMADT MADT DM/AM ADT	Once in a year	QF-ADT-05 QF-ADT-07
9.0	Action for improvement				
9.1	Review the prior year's audit report and determine the extent of compliance and effectiveness with the recommendations made relative to the improvement of the accounting and internal control procedures	QD-ADT-01 (Article: 9)	DGMADT MADT	As required	Review
9.2	Update the accounting systems and processes file as per review and recommendation		DGMADT MADT	As required	Improvement
10.0	The effectiveness of the procedure for Internal Financial Audit will be evaluated and reviewed during internal audits.		Management Review Committee, MR.	During internal audit	
11.0	The Management will take actions on the basis of the evaluation.		MD, DF, MR.	When necessary	Improvement

Reviewed by (DGMADT):



Approved by (MD):

