

Terms of Reference (TOR) for the Head of Internal Audit

Background and Purpose

The Head of Internal Audit (HOIA) occupies a critical position in any organisation, helping it to achieve its objectives by giving assurance on its internal control arrangements and playing a key role in promoting good corporate governance. The details roles, duties and responsibilities of a HOIA are commonly specified in the appointment letter, job contract, placement order or service manual of a Company.

Bangladesh Securities and Exchange Commission (BSEC) has issued a notification regarding Corporate Governance Guidelines [Notification No. SEC/CMRRC/2006-158/134/Admin/44 dated 07 August 2012]. The conditions of the Corporate Governance Guidelines are imposed on 'comply' basis aiming to enhance corporate governance in the interest of investors and the capital market. The companies listed with any stock exchange in Bangladesh shall comply with these conditions. As per condition 2.1 of the said guidelines, "the Board of Directors of a listed company should clearly define the roles, responsibilities and duties of the HOIA."

In view of the above, the Board of Directors of Bengal Windsor Thermoplastics Limited has defined the roles, responsibilities and duties of the HOIA in the Board Meeting held on 06 December 2012.

1. Appointment and Removal of Head of Internal Audit

The Head of Internal Audit shall be appointed and also removed by the Board of Directors.

2. Reporting Relationships and Accountability

The HOIA is an employee of the Company who

- reports administratively to the Managing Director (MD)/Chief Executive Officer (CEO) and operationally to the Chairman of the Audit Committee
- is also accountable to the Audit Committee
- is responsible for giving assurance on the internal control arrangements in the Company and playing a key role in promoting good corporate governance
- must have a broad understanding of the organization and its operations to effectively carry out his/her responsibilities

3. Roles, Duties and Responsibilities

Roles, Duties and Responsibilities of the HOIA shall include-

(i) Audit Planning/Design

- To develop an annual audit plan using input from the team and stakeholders to identify priorities and resource requirements for the year to cover audit of all the activities of the Company



