



Gunkul Engineering Public Co., Ltd. and GUNKUL's Group


	Internal Audit Charter	Doc. No.	POL-BOD_64-028
		Effective Date	12 NOV 2021
	Approved by the Resolution of the Audit Committee Meeting No. 5/2020 dated 10 November 2021	No.	9.0
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1. Definitions

“Company”	means Gunkul Engineering Public Co., Ltd.
“Audit Committee”	means the audit committee of Gunkul Engineering Public Co., Ltd.
“Executive”	means the person who takes the office of the deputy supervisor or upper of Gunkul Engineering Public Co., Ltd. and its corporate group
“Audited Unit”	means the unit in accordance with the organization structure of the company that is being audited
“Internal Audit Division”	means the internal audit office of Gunkul Engineering Public Co., Ltd.
“Internal Audit Officer”	means the officers under the supervision of the internal audit office responsible for the internal audit work
“Chief of Internal Audit Office”	means the person responsible for the internal audit office of Gunkul Engineering Public Co., Ltd.
“Internal Audit”	means the review of the management and operation in the audited unit for assurance services and consulting services fairly and independently to enhance value and overall improvement of the organization

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This charter is arranged to communicate with the Audit Committee, the executives of the organization, the management of the unit and the operators to understand the internal audit, its objectives, scope, authority, duty and responsibility of the internal audit and to enhance understanding and cooperation between units for the overall interest and value added to the organization in compliance with the professional standards on internal audit and this charter is required to be reviewed at least once a year.

2. Objectives of the Internal Audit

1. To emphasize on review and assessment on sufficiency of the internal control system of the working process in the company with recommendations and advice beneficial to the operation process of the company in every level to perform the duty effectively and to enhance good corporate governance.
2. To reasonably ensure that the impacts of critical risks have been determined and assessed and have led to the proper internal control system with savings and maximization of resources employed in accordance with the policies and targets of the company.


3. Line of Command

The line of command in the internal audit office is to report to the Audit Committee and the internal audit office is required to be independent so the internal audit officers will report to the highest executive in the internal audit office and the highest executive of the internal audit office shall submit the annual audit plan and report on the internal audit work to the audit committee. The reports related to the management in the internal audit office shall be submitted to the chairman of the executive committee and the chief executive officer.

4. Scope of the Internal Audit

The scope of the internal audit means the tests and assessment on sufficiency and efficiency of the internal control system of the organization and quality of the work performed in every activity in the organization with focus on prevention and correction of loss or damage rather than after the incident has incurred (detection and investigation). Thus the internal audit officer is required to perform the following works.

1. To review and report on reliability and completeness of financial information, operation and methods employed to make decision and measurement.
2. To review the system which has significant impact on the operation and to report whether the policies, plans and regulations, including related laws have been complied.
3. To review whether retention of assets is appropriate and test whether the assets are in existence
4. To assess whether the resources of the company have been efficiently utilized for the maximum benefit
5. To review that the operation or plan in compliance with the objectives and targets prepared and the work is undertaken in accordance with the plan prepared.
6. Review the compliance within the organization.


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5. Type of Internal Audit

1. Performance audit in accordance with the plans and projects of the audited units whether it is in accordance with the objectives and targets or standards provided with efficiency, effectiveness and savings while the outputs and outcomes are in accordance with the objectives and targets based on the suitable index with consideration on sufficiency and efficiency of the activities, risk management and internal control of the audited units.
2. Financial audit is arranged to ensure accuracy and reliability of financial and accounting information and figures and financial report covering safeguard of assets and assessment of adequacy of the internal control system of various systems to ensure that the information recorded in the books, reports, registers and documents is correct and complete and verifiable or sufficient for prevention of damage or loss of assets.
3. Compliance audit is arranged to examine various audit units in the organization whether they are in compliance with the requirements both internal and external organization such as laws, regulations, orders standards, policies, plans and methods provided in accordance with the resolutions of the board of directors of the company.
4. Information technology audit is prepared to ensure accuracy and reliability of the working system and information through computer processing and access to the information with improvement, amendment and maintenance of data security including cyber security.
5. Management audit is arranged to examine the management work of the audited units whether there is any management system related to planning, control, assessment and operation related to budget management, financial management, supplies and assets management, including other management suitable and compliance with the tasks of the company in accordance with the management principle and good governance principle on reliability, responsibility, fairness and transparency
6. Special audit related to the internal audit assigned by the board of directors of the company and the audit committee in addition to those provided in the annual audit plan such as doubt of fraud or misconduct, illegal act and the examination will be made for preliminary data to support the decision of those directly involved.

6. Authority, Duty and Responsibility


1. The internal audit office has a duty to examine the work of every unit within the corporate group and has the authority to access data, documents, assets and officers related to the audit work.
2. The internal audit office has no authority to determine the policies, working methods and internal control system or to modify the internal control system as such duty is the responsibility of the related executives but the internal audit officer has a duty to provide advice only.
3. To determine the internal audit targets, directions, tasks, scope and guidelines to support the management and operation of the corporate group in compliance with the

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- mission, task, target and policy of the company and recommendation or comment of the audit committee, including the budget system of the company.
4. To assess the risk management system and sufficiency of the internal control system of the audited unit, including the related information technology system to provide the suitable and meticulous internal control measures and risk management and to add value and improvement to the operation of the audited unit such as improvement to the working process to maximize the use of limited resources.
 5. To examine the company on compliance with anti-corruption policy efficiently and to prepare the audit plan covering the process which is prone to corruption to ensure that the internal control of the company is efficient and to promote and create awareness of risk assessment, creation of preventive and examination system.
 6. To report the audit outcome in accordance with the facts, including other key risk factors, including recommendations and guidelines on practical improvements and correction to the audit committee.
 7. To coordinate with the audited unit so the management of the audited unit is able to participate in providing information and recommendations beneficial to the audit work, and to monitor the audit outcome, provide advice and recommendation to the management of the audited unit for improvement and correction of the audited unit in accordance with the recommendations in the audit report of the internal audit officer. Therefore, the management will have better quality and there is improvement in the working process continuously and efficiently.
 8. Consulting Service, It is generally available upon request from a service provider. The nature and scope of the consultation depends on the agreement with the client. In providing consulting services, the internal auditor must take appropriate professional precautions in performing the advisory work, should maintain integrity and do not take responsibility as an executive or decision maker.

7. Ethics of the Internal Audit Officers

1. Integrity
 - To perform its duty with integrity, diligence and responsibility
 - To comply with the laws and make disclosure in accordance with the legal and professional requirements
 - To respect and support the legitimate objectives and ethical principle of the organization
2. Objectivity
 - To collect information, assess the related conditions without any prejudice and not to participate in the negative activity and relationship
 - Not to accept any consideration in deterrent or with possible deterrence to the decision of those in the professional practice
3. Confidentiality
 - To respect value and right of the owner of the information received and not to disclose the information without suitable authority and duty

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- To be careful in use of information and to protect the information acquired during the duty is being performed
- Not to use the information acquired for personal gain or for any purpose in conflict with the laws or the objectives of the organization

4. Competency


- To perform the duty with competence, skill and experience necessary to undertake the audit work
- To mainly perform the audit work in accordance with the International standards for Professional Practice of internal auditing
- To develop skill, effectiveness and quality of the audit work continuously

8. Independence

1. The internal audit office is required to report the internal audit outcome to the audit committee and report the other management work of the audited unit to the chairman of the executive committee and the chief executive officer.
2. The internal audit office is independent from the other business which is not the duty of the internal audit office and the internal audit officer is independent to express his opinion, make a report with objectivity in accordance with the internal audit professional standards
3. The internal audit officer is required to disclose details of the impacts on independence, objectivity and disclosure on the conflict of interest to the chief of the internal audit office

9. Audit Work

1. The internal audit officer is required to perform his duty with independence, objectivity, integrity, proficiency and care like a professional practitioner, human relationship and skill in contact and communication, good attitude towards colleagues and the audited unit and self-responsibility for continued education to ensure sufficient knowledge and competency.
2. To examine the other units in the organization of the company periodically to ensure that the plans, polices, targets and objectives of the company as well as related regulations and laws have been complied
3. When the audit work is completed, the internal audit officer is required to arrange a meeting to close the audit work together with the management of the audited unit (exit conference) for clarification and discussion and exchange of views related to the facts found and the improvement and corrective measures before it is presented in the audit report.
4. The audit report is required to be made in writing with explanation on objectives, audit scope, facts found and opinion and recommendation for improvements and corrections. Sometimes if the finding has an impact on the organization and is urgent, the internal audit officer may make a verbal report or submit a partial report so the audit committee or the executive director or the audited unit has an opportunity to learn and make an order for correction before loss will further enlarge.
5. The internal audit officer is required to monitor and follow up the progress of the work undertaken in accordance with the recommendations in the audit report and to contact and coordinate with the audited unit and to provide advice for correct improvement

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6. The chief of the internal audit office is required to develop its personnel undertaking the audit work to ensure sufficient competency and experience to examine the matters.

10. Standard Practice of Internal Audit Profession

The work of the internal audit office in the company shall be undertaken in accordance with the internal audit manual prepared as a standard guideline and in compliance with the internal audit professional standard provided by the Association of Internal Auditor of Thailand.

The internal audit charter No. POL-BOD 64-003 dated 1 March 2021 is revoked and replaced with this internal audit charter.


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Record of Amendment

Document No.	No./Amendment No.	Date	Amended Statement	Reason for Amendment	Revocation Date
IA12/2551	1.0	27 OCT 2008	Revision	To comply with the concept of the supervision agency and the current operation	22 FEB 2014
IA63/2557	2.0	22 FEB 2014	Reviewed	To comply with the concept of the supervision agency and the current operation	4 JAN 2016
IA83/2559	3.0	4 JAN 2016	Reviewed	To comply with the concept of the supervision agency and the current operation	22 NOV 2016
OMD 2559/08	4.0	22 NOV 2016	Reviewed	To comply with the concept of the supervision agency and the current operation	25 DEC 2017
OMD 2560/06	5.0	25 DEC 2017	Reviewed	To comply with the concept of the supervision agency and the current operation	25 FEB 2019
OMD 2562/02	6.0	25 FEB 2019	Reviewed	To comply with the concept of the supervision agency and the current operation	2 MAR 2020
OMD 2563/03	7.0	2 MAR 2020	Reviewed	To comply with the concept of the supervision agency and the current operation	1 MAR 2021
POL-BOD 64-003	8.0	1 MAR 2021	Reviewed	To comply with the concept of the supervision agency and the current operation	12 NOV 2021

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POL-BOD 64-028	9.0	12 NOV 2021	Reviewed	To comply with the concept of the supervision agency and the current operation	-