

Internal Audit, Occupational Health and Safety Policy

Turkish Grameen Microfinance Program (TGMP)

Audit Policy

It ensures that in line with the establishment purposes, microcredit activities are directed in a way to increase efficiency, prevent errors and irregular transactions and operate the system in a smooth manner. Internal audit has undertaken the task of determination of the compliance with the statutes, written orders and report of any negative developments. It ensures that all the records obtained as a result of the transactions are presented in a true and correct manner, the system is kept up-to-date and any changes are implemented in the best way.

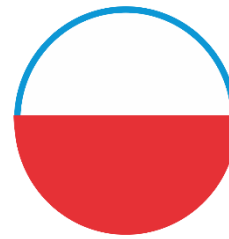
Characteristics

Autonomy: It means being fully competent in internal audit and compliance with the requirements stipulated by internal audit standards. These features requires the auditor to have sufficient knowledge and experience in management, social relations as well as finance, accounts and audit.

Transaction limit: Internal auditors should not be restricted in any way during their professional activities. This emphasizes the fact that it should be possible to have unlimited access to all financial and non-financial transactions as well as data of all employees and records.

Structure of information: Financial and transactional information used by managers in making decisions should be accurate, complete, reliable, useful and timely information.

Determination of risks: It highlights the potential losses of the institution. The reasons for the risks encountered due to insufficient controls are very diverse, such as failure to separate



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important duties and conflicts of interest. Internal auditors are obliged to carry out the necessary inspections and audits against such risks until the risks disappear.

Compliance with legislation, internal procedures and rules: It is essential for internal auditors to examine whether the legislation, institution's policies, procedures and rules are followed. It would be appropriate to check whether the rules and procedures in question are followed or not, as well as to examine their appropriateness.

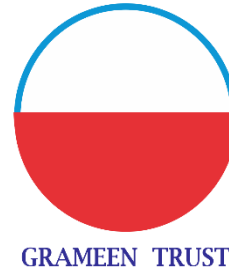
Usage of Resources: An internal auditor should check that personnel, funds, tools and other resources that have been submitted to management are being used optimally.

Achievement of business objectives: The internal auditor has to determine the level of achievement of the previously determined goals and objectives. Internal auditor is obliged to identify the deficiencies that prevent from achievement of the goals and to explain incorrect aspects of the business objectives.

The purpose of the directorate of Internal Audit, Occupational Health and Safety is to assist the management in effective fulfillment of responsibilities by making objective analyzes, evaluations, recommendations and comments regarding the activities. Internal audit provides assurance and consultancy with the data obtained after the audit. As a result of the audit, the management of the institution provides consultancy on whether the resources suitable for the goals and objectives of the organization are used effectively, economically, efficiently. It provides compliance of activities with the regulations, internal controls and information of the organization.

Responsibilities of directorate of Internal Audit, Occupational Health and Safety

Privacy of Branch Visits: It is necessary for the team of the directorate of Internal Audit, Occupational Health and Safety to visit the branches. The unexpected visit to branches is an essential method for the detection of errors and omissions. The audit should take place with regard to time and should be carried out in a correct manner.

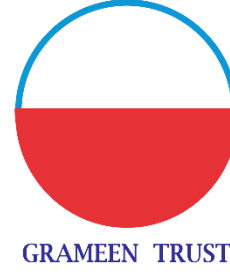


Test Control Method: A large number of processes take place on a daily basis at a branch. The auditing matters should be defined in advance by the directorate of Internal Audit, Occupational Health and Safety.

Internal Audit Report: An internal audit report must be prepared at the end of an internal audit assignment. The audit report should be certain, clear and complete. The report should mention findings and recommendations and all the shortcomings should be included.

Issues to be Audited: While preparation of the audit report, the following information needs to be taken into consideration.

- ✓ At the end of the audit, the auditor should report all data and deficiencies in detail. All details should be included in the report to resolve management problems.
- ✓ All issues should be discussed with responsible persons before the report is submitted to management.
- ✓ The views of the responsible individuals should also be included in the report. This will minimize any loss of time in the future.
- ✓ Report should also provide the necessary measures developed by management to eliminate errors.
- ✓ If the recommendations mentioned in previous reports are not followed, the same issues should be addressed again.
- ✓ Long and complex reports should be presented in summary form.



Policy of Occupational Health and Safety

TGMP carries out the activities of disbursement of microcredit to the financially challenged women.

TGMP accepts creating safe working environment with the participation of employees and employee representatives as the basis of the Occupational Health and Safety Policy.

Within the framework of this policy;

- Elimination of the dangers that may arise from activities, determining and applying protection parameters by reducing health and safety risks,
- Organization of training activities for employees and micro-entrepreneurs to effectively fulfill Occupational Health and Safety practices,
- Aim to reach goals by planning measurable goals for continuous improvement.

**TURKISH FOUNDATION FOR WASTE REDUCTION
MICROCREDIT CENTER**

(Turkish Grameen Microfinance Program)

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