

Internal Control System Procedures for Evertec General Trading Company Ltd

Internal control systems are essential for any organization, including Evertec General Trading Company Ltd, to safeguard assets, ensure compliance with regulations, and improve operational efficiency. In this document, we will outline the key internal control system procedures implemented by Evertec General Trading Company Ltd.

1. Risk Assessment

Risk assessment is the first step in developing a robust internal control system. Evertec General Trading Company Ltd conducts regular assessments to identify potential risks. This involves analyzing both internal and external factors that could affect the company's operations. The company considers various risks, such as financial, operational, and compliance risks, to determine their potential impact.

2. Control Environment

The control environment sets the tone for the organization's internal controls. Evertec General Trading Company Ltd emphasizes a culture of integrity, accountability, and compliance. Management provides clear leadership and support for internal controls, and employees are encouraged to report any concerns regarding control procedures.

3. Control Activities

Evertec General Trading Company Ltd has implemented various control activities to mitigate risks. These activities include:

- Segregation of Duties: Separating responsibilities to prevent fraud or errors.
- Authorization Procedures: Strict protocols for approving transactions, contracts, and expenses.
- Asset Safeguarding: Protecting company assets through physical security measures and asset tracking.
- IT Controls: Regular system access reviews, data encryption, and monitoring for cybersecurity threats.
- Documented Procedures: Developing and maintaining documented procedures for key processes.

4. Information and Communication

Effective communication of policies, procedures, and internal control standards is crucial. Evertec General Trading Company Ltd ensures that employees are well-informed about the company's internal control guidelines. Communication channels are open for employees to seek clarification or report concerns. The company also engages in regular training and awareness programs.

5. Monitoring and Evaluation

Monitoring and evaluation are ongoing processes to ensure the effectiveness of internal control systems. Evertec General Trading Company Ltd conducts periodic internal audits and assessments to identify weaknesses or areas for improvement. Key elements of monitoring and evaluation include:

- Internal Auditing: Regular audits by an independent internal audit team.
- Key Performance Indicators (KPIs): Tracking KPIs to measure the effectiveness of control procedures.
- Compliance Reviews: Ensuring adherence to industry regulations and legal requirements.
- Incident Reporting: Encouraging employees to report incidents or control breaches.

6. Fraud Prevention and Detection

Evertec General Trading Company Ltd takes a proactive approach to prevent and detect fraud. The company has established a fraud prevention team responsible for investigating any suspicious activities. The following measures are in place:

- Whistleblower Hotline: An anonymous channel for employees to report potential fraud.
- Forensic Accounting: Utilizing forensic accounting techniques to investigate suspected fraud.
- Data Analytics: Implementing data analytics tools to detect unusual patterns or anomalies.

Design Center, 2nd floor along Tausi Lane off Muthithi Road, Nairobi, Kenya.

P.O Box 32989 - 00600 Nairobi

evertec@evertec.co.ke

+254 748 933 763

