

(Translation)

CHIANGMAI FROZEN FOODS PUBLIC COMPANY LIMITED

Manual of performance guide line of Internal Audit Section

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1. Arrangement on annual internal audit plan in the form of risk-based audit plan that is to lay an audit plan by bringing risk assessment as tools in order to formulate activity level of audit and frequency on audit in each activity of audit. Activity that having high risk would receive audit first and very often activity that having lower risk which are an usage of existent resources efficiently and effective.
  - 1.1 To make an enquiries, consult with an executives and Board of Audit Committee as regards annual internal audit plan by considering important change on business and points that having high risk or that paying special interest to allow an internal audit enable to plan comprehensive and incur fully advantages toward an executives and organization.
  - 1.2 Collect information for study and make understanding as regards conducting business of organization, character of related business, risks and target or objective of organization chiefly.
  - 1.3 Assess risk together to set important order of units or activity that have to audit
  - 1.4 Arrange annual internal audit plan as risk assessment result in no. 1.3.
  - 1.5 Propose annual internal audit plan to the Board of Audit Committee for considering approval in writing and propose approved plan to inform Managing Director and executives of the factory for acknowledge.

- 1.6 Review, revise internal audit plan as necessity and suitable such as change on risk, objective change of organization chiefly must propose for asking approval from Board of Audit Committee and inform an executives for acknowledge.
2. Preparation for internal audit works
    - 2.1 Objective formulation and scope of audit work in order to help auditor well understand the thing that has to do and help an executives in giving facilities to an internal audit in examine and prepare necessary documents to use in internal audit.
    - 2.2 Basic information study, collect related initial stage information such as performance step of each work system (flowchart), performance manual, various regulations, previous year of audit result report and interview / make an enquiries executives and audit units in order to know current performance and internal control together keep sample documents and related various report.
    - 2.3 Risk assessment each activity of each work system.
    - 2.4 Sufficiency assessment of internal control system.
    - 2.5 Arrangement on internal audit line (Audit Program).
    - 2.6 Inform audit recipient in various important details as regard audit matter as follows:
      1. Objective, scope of audit work and the point / heading in auditing.
      2. Work section / related units that are audit recipient of work system.
      3. Formulate audit entry, period of audit usage, beginning day and finish audit works.

4. Documents and information that audit recipient should have for auditing.
  5. Send check list enquiry form of internal control system as audit work system to an audit recipient for acknowledge before audit entry.
3. Internal audit performance
- 3.1 Open a meeting with executives of audit recipient units to build up relationship and well understanding between internal auditor and audit recipient and in order to allow an audit recipient know the points / headings in auditing and make an enquiries of information as regard auditing before audit performance.
  - 3.2 Audit as internal audit line (Audit program) formulated such as:
    1. Review in return for affirming the facts and correction in the matter of audits.
    2. Calculation and analyze correction of information from the documents or various reports that related with audit matters.
    3. Make an enquiries as check list enquiry form of internal control system and performance steps.
    4. Make an interview on executives in order to know the policy, working overall, important internal control and the points that pays special interest.
    5. Observe during audit such as performance place inside around the factory, officials working and condition of assets, equipments and instruments chiefly in order to know real performance, internal control system and condition of current usage of company assets.

- 3.3 Audit by collect evidence information and various documents that related as mode of audit in no. 3.2 in order to use for supporting or proving the facts to ensure that observation and recommendation of internal auditor are reasonable, reliably, certain performable and conclude as internal audit objective that formulated.
  - 3.4 Record details of audit performance in the working paper which is a document arranged by internal auditor for performance record in which the information and evidences collected by internal auditor or arranged during internal audit would comprise the information or evidences that use in internal audit, scope of internal audit, mode of internal audit, the facts that found and conclude audit result for using as guide line in report arrangement on internal audit result.
4. Report of internal audit result
- 4.1 Enquire for jointly conclusion and affirm the facts that found with audit recipient by informing found result to an audit recipient during audit at intervals.
  - 4.2 Meeting to conclude audit result with an executives of audit recipient units to conclude result of found audit and recommendation of internal auditor in order to revise work system with efficient, effective, sufficient internal control system and help to create value added to the company.
  - 4.3 Executives, work sections / related units express opinion in writing as audit result conclusion, explain the cause as found, one who responsible in operation, period / expecting date of finish improvement on work system for comprising draft arrangement on audit result report later.

- 4.4 Internal audit section shall send draft of internal audit report to an executives, work section / related units for reviewing correction, revise / details supplement as report draft before report arrangement on internal audit in complete edition.
  - 4.5 Propose draft report of internal audit to the Managing Director for acknowledge and send / meeting with the Board of Audit Committee for acknowledge and express more opinion and arrange as internal audit report in complete edition.
  - 4.6 Arrange to send internal audit report in complete edition to the Managing Director, executives, work section / related units for acknowledge and follow up work system revision result.
5. Follow up work system revision result from internal audit  
Follow up work system revision result when it is due as an executives of audit recipient units informs in internal audit report together arrange to make follow up result report to an executives, audit recipient units, Managing Director and Board of Audit Committee for acknowledge.

Manual of performance guide line of internal audit section has received an approval from the meeting of Board of Audit Committee of the company No. 1/2013 dated February 22, 2013.



(Mr. Santichai Suakanonth)  
Chairman of Audit Committee