# Inquiries of Management

## Inquiries made by: Mr. Masudur Rahman (Senior Executive) and Mr. Salauddin Morshed (Deputy Manager)

## We made inquiries of the following management personnel:

| Name | Title | Location |
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| Md. Golam Mowla | Deputy General Manager, Finance & Accounts | EPIC Uttara Office |
| Enayet Hossen Imran | Senior Manager, Finance & Accounts | EPIC Uttara Office |

**What is management’s assessment of the risk that the financial statements may be materially misstated due to fraud? What is the nature, extent, and frequency of such assessments?**

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| We have a very strong internal control system and we have deployed an internal audit team who will be looking after all our processes, and systems, to see whether there are any opportunities, incentives or rationalizations that attract fraud risk. The internal auditors regularly review the process and report directly to the BoD. So far, we have not come up with any fraud incidents throughout the group entities. Therefore, our assessment of the risk that the financial statements may be materially misstated due to fraud is very low.  The assessment of fraud risk is a continuous process. We have established standard procedures covering all major procedures which are approved by the BoD and the top management. The tone at the top is very clear and management shows zero tolerance against fraud practice. Also, whistleblowing against fraud is very active across the Group. |

**Does management have knowledge of actual, suspected, or alleged fraud affecting the entity?**

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| No. We are not aware of a such fraud case that could affect the entity. |

**What is management’s process for identifying and responding to the risks of fraud in the entity?**

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| All the functions are process driven instead of man driven. As such, policies and procedures are implemented covering possible risk angles which could lead to fraud as well as misstatements. In this way, all assets are being secured and liabilities are being reconciled with third parties to ensure all liabilities are being captured in the books of accounts. We also engage third-party auditors to check our processes and systems to seek further improvements. All work responsibilities are being segregated with proper due diligence. The whistleblowing practice is also active report any unusual cases.  Also, for a particular business requirement, we identify the detailed process, steps and stakeholders involved and the frequency of the process to be run. We also check the financial implication of the process to be designed. Considering the significance of the process and financial implications, we assess the risks of fraud in the processed business requirement/process. |

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| The tone at the top is very clear and management has zero tolerance. Before taking any particular step, management ensures that proper enquiry is made, and the stakeholders involved/affected are identified. Once, management has the all the relevant information in their hand, they make decision based on specific polices and guiding rules and regulations. |

**What is management’s process for responding to any specific risks of fraud that management has identified or that have been brought to its attention?**

**For account balances or disclosures for which risk of fraud is likely to exist, what is management’s process for identifying and responding to these risks?**

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| We have budgetary control, dual-stage approval, periodic reporting, activity checklists and detailed analytics to identify the possibility of fraud in the accounts balances and disclosures. The response includes segregation of duties, departmental enquiry and actions and explaining the budget variances at a periodic interval. |

**What communication, if any, has management had to those charged with governance regarding its processes for identifying and responding to the risks of fraud in the entity?**

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| The primary communication is done by the internal audit department. Also, we circulate weekly finance meeting MoM to the Board for their review and feedback. The management also prepares the draft for new business requirement process and controls and get confirmation from those charged with governance. |

**What communication, if any, has management had to employees regarding its views on business practices and ethical behavior?**

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| The Human Resource Department creates awareness about ethical business practices at the time of signing of employment contract and induction program. Reminder emails and updating of the policies are also circulated to all the stakeholders concerned to ensure that policies are being followed. In addition, if any unusual practice is noticed, the line manager concerned brings the issue to the notification of all users concerned. |

**What controls has the entity established to address fraud risks the entity has identified, or that otherwise help to prevent and detect fraud, including how management monitors those controls?**

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| We have budgetary control, a properly defined approval matrix, periodic reporting, activity checklists and detailed analytics to identify the possible misstatements in the accounts balances and disclosures. These also include segregation of duties, departmental enquiry and actions and explaining the budget variances at a periodic interval. |

**For an entity with** **multiple locations or components, what is the nature and extent of monitoring of operating locations or business segments? Are there any particular operating locations or business segments for which a fraud risk may be more likely to exist?**

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| For each business location, we have a particular finance lead, plant coordinator, and internal audit department. These teams ensure that policies are implemented as designed. The finance lead and plant coordinator also ensure the segregation of duties. In addition, whistleblowing is monitored centrally at the group level.  There is no specific operating segment where fraud risk is more likely to exist. |

**Has management received tips or complaints regarding the entity’s financial reporting (including those received through an internal whistleblower program, if such program exists) and, if so, what was management’s response to such tips and complaints?**

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| We did not receive any such tips or complaints. |

**Has management reported to those charged with governance on how the entity’s internal control serves to prevent and detect material misstatements due to fraud?**

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| The primary communication is done by the internal audit department. Also, we circulate weekly finance meeting MoM to the Board for their review and feedback. The management also prepares the draft for new business requirement process and controls and get confirmation from those charged with governance. |

**Has the entity entered into any** **significant transactions that are outside the normal course of business for the entity or that otherwise appear to be unusual? If so, describe the nature, terms, and business rationale (or the lack thereof) of those transactions and whether such transactions involved related parties.**

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| No, the companies did not enter into any such significant unusual transaction. |

**Have the service organizations reported to the entity, or is the entity otherwise aware of, any fraud, non-compliance with laws and regulations or uncorrected misstatements attributable to the service organization’s management or employees affecting the financial statements of the entity?**

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| No, we are not aware of any such cases. |

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