

Internal Control and Risk Management



The Risk Management and Internal Control Committee has assigned the Risk Management Department to assess internal controls by preparing the individual internal control self-assessment forms for managerial level and upper under PTT's corporate structure and those seconded to PTT Group companies, covering the duties and responsibilities as referred to in the internal control guidelines of the Committee of Sponsoring Organizations of the Treadway Commission (COSO), which devises the major compositions of internal controls: (1) Control Environment, (2) Risk Assessment, (3) Control Activities, (4) Information & Communication, and (5) Monitoring Activities. The intention is to ensure that PTT's overall business achieves the objectives of internal control in business efficiency; resource consumption; stewardship of properties; prevention or reduction of errors, damage, losses, and waste; credibility of financial, accounting, and other reports; compliance with laws, regulations, Cabinet resolutions,

and PTT's policies and regulations. Assessment is also conducted against the framework of corporate governance and anti-corruption measures under the checklist of the Thailand Private Sector Collective Action Coalition against Corruption (CAC).

Reviewing the effectiveness of internal controls, the Office of Corporate Audit reports the findings to the Audit Committee and the Board, which then assesses the system by interrogating the management on the implementation of guidelines/ recommendations to improve internal controls. In summary, in assessing PTT's internal control against the five above-mentioned compositions, the Board concluded that PTT's internal control system is adequate and proper. Finally, PTT has provided enough employees to efficiently implement the system.



Head of the Office of Corporate Audit

At No. 21/2551 Meeting 22 September 2008, the Management Committee appointed Ms. Nitaya Direksathapon as Executive Vice President, Office of Corporate Audit, on 1 October 2008, citing her in-depth expertise and understanding of PTT's business. Also experienced in PTT's accounting, financial matters, and financial risk management at the business and group levels, she was regarded as suitable for the position. The Audit Committee approved the appointment, transfer, performance assessment, and annual merit pay increase of this position.

Compliance Mechanism

PTT defines the following responsibilities of the units to ensure its compliance with corporate regulations:

- **Office of the President and Corporate Secretary** ensures that the PTT Group companies/ the Board/ the management committee/ executives/ units conform to the

rules on state enterprises and listed companies, together with applicable regulations. It also serves as an information clearing house and follows up on external rules and regulations, and provides knowledge and advice on external regulations on state enterprises and listed companies by interpreting and summarizing them so that relevant persons/ units may conform to them.

- **Office of Corporate Legal** supervises business legislation, laws on listed companies, laws on environment/ safety in the workplace, energy laws, Administrative Court cases, and international laws to ensure that PTT's business operations comply with the other laws and regulations of the State; and counsels other units/ PTT Group companies so that their operations may comply with the law, especially new business transactions (domestic and overseas) to allow flexibility for business operations.

- **Office of Corporate Audit** assesses the efficiency and adequacy of the internal control system and supervises the operation of PTT and its subsidiaries.

Profile of the Head of the Office of Corporate Audit



Ms. Nitaya Direksathapon
Head of the Office of Corporate Audit

Age: 58

Education

- Bachelor of Accounting (Second-Class Honors), Chulalongkorn University
- Master of Business Administration (Finance), National Institute of Development Administration (NIDA)

Training

- Senior Executive Program, Sasin Graduate Institute of Business Administration
- Finance for Senior Executives, Harvard Business School
- NIDA - Wharton Executive Leadership Program, National Institute of Development Administration (NIDA)
- Director Accreditation Program (DAP) 91/2011, IOD
- Senior Judicial Administration Executives Program, Class 3, Office of the Administrative Court

Career highlights

- 1993 - 2000 : Vice President, Accounting Department
- 2001 - 2006 : Vice President, Financial Risk Management on Finance and Credit Policy Department, PTT
- 2006 - 2008 : Executive Vice President, Corporate Accounting and Finance, IRPC Plc.
- 2009 - Present : Executive Vice President, Office of Corporate Audit, PTT

Relevant important position

- None

Relationship with the management

- None