

Key elements of “Internal Control Policy”

Bank has well defined “internal Controls Policy” which is part of overall Compliance Policy and its derived from Internal Controls Framework adopted by the bank. This policy covers all requirements of SBP with respect to establishment of effective & efficient control environment within the bank. Following are the key elements of this policy;

- It provides guidelines to strengthen the system of internal controls for a safe and sound banking.
- It specifies criteria for the management to evaluate processes, assess their performance and manage risks.
- It categorizes overall internal controls universe into financial, operational and compliance controls.
- Policy specifies the structure of bank’s internal controls which comprises of BOD & it’s Committees, Senior Management & respective Committees, all Groups & Employees.
- Policy explains components of internal controls system which comprises of five key components i.e. Control Environment; Risk assessment; Control Activities; Accounting, Information & Communication; Self-assessment & monitoring
- In line with regulatory requirement policy necessitates development of ‘Statement on Internal Controls’ which shall be included in the annual report of the bank to serve the purpose of Internal Controls Reporting.