INTERNSHIP REPORT
ON
ROLE OF INTERNAL AUDIT IN CORPORATE GOVERNANCE OF ACI LIMITED

Prepared For
Mr. Shawkat Kamal
Assistant Professor
BRAC Business School
BRAC University

Prepared By
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09304152
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Date of Submission: 19th February, 2013
Letter of Transmittal

19th February, 2013
Mr. Shawkat Kamal
Assistant Professor
BRAC Business School
BRAC University

Subject: Internship Report submission

Dear Sir,

With due respect, I have the pleasure to submit my internship report on “Role of Internal Audit in Corporate Governance of ACI Ltd” to partially fulfill the requirements of the bachelor degree under your supervision. It has been an excellent experience for me to work in an Internal Audit department and to get the real picture which helped me a lot to work on this topic and complete the report.

In my report, I have tried to reflect in the internal audit and corporate governance of ACI Ltd. I have used both primary and secondary data and have tried to prepare the report according to your instructions. I also confess that this report has some limitations as well because I got limited resources. So I hope that you will be kind enough to consider the limitations of this report.

I would like to thank you for your encouragement and support which inspired me to work enthusiastically. It would be my pleasure to clarify any discrepancy that may arise or any clarification that you may require regarding my project and report.

Sincerely,

Silvia Zaman
ID: 09304152
BRAC Business School
BRAC University
Acknowledgement

In the preparation of an internship report or for conclusion of any course it requires support from various personnel. I acknowledge the encouragement, support, direction, and supervision in every aspect from my teacher and ACI RMIA members.

I would like to express my gratitude to my supervisor Mr. Shawkat Kamal, Assistant Professor of BRAC University for sharing his ideas and interests with me about my study. His motivation and suggestions boosted my confidence and helped me to finish my study on time.

I completed my three months internship in the Risk Management & Internal Audit department where I got huge opportunity to know in details about the internal audit and risk management. Each and every member of the department was very friendly and helpful to share knowledge for completing my report. I like to express my deep sense of thankfulness to my supervisor the head of the department Mr. Amitava Saha. Besides some other names are mentionable from RMIA, without their help and support the report would not be possible, they are Mr. Mahmood Ali Noor (Assistant Manager), Mr. Rubel Barua (Senior Executive), Plabita Bhowmik (Executive).
# Table of Contents

<table>
<thead>
<tr>
<th>CHAPTERS</th>
<th>Contents</th>
<th>Page No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chapter-1</td>
<td>Introduction</td>
<td></td>
</tr>
<tr>
<td></td>
<td>1.1 Background of the study</td>
<td>02</td>
</tr>
<tr>
<td></td>
<td>1.2 Origin of the report</td>
<td>02</td>
</tr>
<tr>
<td></td>
<td>1.3 Objective of the study</td>
<td>02</td>
</tr>
<tr>
<td></td>
<td>1.4 Scope of the report</td>
<td>03</td>
</tr>
<tr>
<td></td>
<td>1.5 Methodology</td>
<td>03-04</td>
</tr>
<tr>
<td></td>
<td>1.6 Limitations</td>
<td>04</td>
</tr>
<tr>
<td>Chapter-2</td>
<td>2.Organizational Part</td>
<td></td>
</tr>
<tr>
<td></td>
<td>2.1 Company Profile</td>
<td>06</td>
</tr>
<tr>
<td></td>
<td>2.2 Core Objectives</td>
<td>07</td>
</tr>
<tr>
<td></td>
<td>2.3 Company Strategies</td>
<td>07</td>
</tr>
<tr>
<td></td>
<td>2.4 Mission of ACI</td>
<td>07</td>
</tr>
<tr>
<td></td>
<td>2.5 Vision of ACI</td>
<td>07</td>
</tr>
<tr>
<td></td>
<td>2.6 Values</td>
<td>08</td>
</tr>
<tr>
<td></td>
<td>2.7 Strategic Business Units</td>
<td>08-11</td>
</tr>
<tr>
<td></td>
<td>2.8 Financial Data of Different Business Units</td>
<td>11-15</td>
</tr>
<tr>
<td></td>
<td>2.9 Organizational Structure</td>
<td>15</td>
</tr>
<tr>
<td></td>
<td>2.10 Global Compact Endorsement</td>
<td>16-17</td>
</tr>
<tr>
<td></td>
<td>2.11 Risk Management &amp; Internal Audit</td>
<td>18-24</td>
</tr>
<tr>
<td>Chapter-3</td>
<td>Job Description</td>
<td></td>
</tr>
<tr>
<td></td>
<td>3.Job Description</td>
<td>26-28</td>
</tr>
<tr>
<td>Chapter-4</td>
<td>Project Part</td>
<td></td>
</tr>
<tr>
<td></td>
<td>4.1 Internal Audit &amp; It’s History of Evolution</td>
<td>30-32</td>
</tr>
<tr>
<td></td>
<td>4.2 Corporate Governance &amp; It’s Features</td>
<td>32-34</td>
</tr>
<tr>
<td></td>
<td>4.3 Corporate Governance Practice in Bangladesh</td>
<td>34</td>
</tr>
<tr>
<td></td>
<td>4.4 Role of Internal Audit in Corporate Governance</td>
<td>35-38</td>
</tr>
<tr>
<td></td>
<td>4.5 Role of Internal Audit in Corporate Governance in</td>
<td>39-44</td>
</tr>
<tr>
<td></td>
<td>perspective of Bangladesh</td>
<td></td>
</tr>
<tr>
<td></td>
<td>4.6 Role of Internal Audit in Corporate Governance of ACI Ltd</td>
<td>45-53</td>
</tr>
<tr>
<td>Chapter-5</td>
<td>Findings &amp; Recommendation</td>
<td></td>
</tr>
<tr>
<td></td>
<td>5.1 Analysis</td>
<td>55</td>
</tr>
<tr>
<td></td>
<td>5.2 Findings</td>
<td>56</td>
</tr>
<tr>
<td></td>
<td>5.3 Recommendation</td>
<td>57</td>
</tr>
<tr>
<td></td>
<td>5.4 Conclusion</td>
<td>58</td>
</tr>
<tr>
<td>Chapter-6</td>
<td>Reference</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>59</td>
</tr>
</tbody>
</table>
Executive Summary

Advance Chemical Industries (ACI) Limited is one of the leading conglomerates in Bangladesh, with a multinational image. ACI is a Public Limited Company with a total number of 19,653 shareholders. The company has diversified into four major businesses. The Risk Management and Internal Audit is one of the support department established in ACI Ltd in order to maintain an effective and smooth functioning in the organization. And also to monitor all the activities like from planning to revenue generation each steps of ACI and its subsidiaries.

Corporate governance practice in Bangladesh is very less in our country because most of the companies are family oriented. To secure the operations of governance of a strong company, there must be cooperation between the various components of the system of governance, internal auditors, executive management, financial management, board of directors, shareholders and external auditors. To achieve the quality of governance, the company must focus on all cornerstones of corporate governance and in particular the internal audit function. It assesses the commitment to the ethics of the organization and its goals, programs and activities.

Internal Audit is the most important part of an organization for keeping the basic corporate governance in any organization. ACI Ltd is one of the largest production based organizations and their business is expanded overall the country therefore it is quite hard for them to conserve an appropriate corporate governance. The objective of internal audit department, in cooperation with ACI, is to support the whole system of all businesses so that any kind of misappropriations can be stopped. And also to ensure the Audit Committee a sound corporate governance by ensuring that IA functions are established in the ACI, that a best practice IA process methodology is applied and that the IA compliance reporting and the IA exception reporting processes are adhered to. The company tries to hold a good corporate governance by maintaining discipline and sincerity all over the organization through its skilled and dedicated employees. The role of internal audit in corporate governance of ACI is enormous. This single factor plays a great role in sustaining the integrity and values of the organization by examining, evaluating different activities of the organization.
Chapter 01

Introduction
1.1 **Background of the study:**

The business world has been changed in a high extent than ever before and there is no doubt that it will continue more rapidly. It is characterized by increasing competition from both domestic and foreign companies. To cope up with this competitive globalized business world every person should have professional and technical skills with the theoretical knowledge. With a view to develop skilled professionals in every sector, BRAC University has undertaken the internship-training program for its BBA students. As a partial and essential requirement of the BBA degree, with the permission of the authority, I have selected the Advanced Chemical Industries (ACI) Limited one of the prominent business organization of Bangladesh to acquire some practical experience.

1.2 **Origin of the Report:**

This is an internship report which is mainly prepared for the completion of 4 credits required to be graduated in BBA (Bachelors in Business Administration) from BRAC Business School of BRAC University. The primary goal of the internship was to provide an ‘on the job’ exposure to the students and an opportunity to transform theoretical knowledge to practical experience. My on the job supervisor Mr.AmitavaSaha (Head of Risk Management & Internal Audit) of ACI Ltd has selected some topics and my university supervisor Mr.Shawkat Kamal assigned me one of the topics from the selection with which I prepared the report. The topic of the report is **Role of Internal Audit in Corporate governance of ACI Ltd.** I have tried my level best to make the report an excellent one by doing correct justice to the topic.

1.3 **Objective of the Study:**

**General Objective**

The main objective of this report is to have an assessment about overall activities of” Internal Audit & Risk Management “(RMIA) department of ACI Ltd and how they play an important role for maintaining a balanced and a fair corporate governance overall the organization.
Specific Objectives

- To know the organization in a better way and to understand the basic structure of development of ACI Ltd.
- Get introduced with the department and the conception of Risk management and internal audit.
- To know the necessity of having an Internal Audit department in an organization.
- To acquire knowledge about how RMIA (Risk Management & Internal Audit) department continues the internal auditing process.
- To have an idea that, by taking what kind of measures they save the company from risks and maladjustments.
- What steps the internal audit department takes to prevent their company from fraud.
- To having an idea about, how the corporate governance of the organization getting impacted for RMIA.

1.4 Scope of the Report

This internship report is basically covering the role of internal audit from three angles, in corporate governance from general perspective, in Bangladesh perspective through interview analysis and in ACI’s corporate governance. This report also gives an overview about the company like about the mission and goals of the company, the strategic business units and the social responsibilities etc. It has been prepared through extensive discussion with the HRMIA (Head of RMIA) and other members of Risk Management & Internal Audit Department of ACI. While preparing this report, I had a great opportunity to have an in depth knowledge about activities of the Internal audit department of ACI Ltd. It also helped me to acquire a first-hand perception of a leading business organization in Bangladesh.

1.5 Methodology

To form the report more informative and presentable, two kinds of sources were used to collect the data and information. These sources are:
Primary Source

The primary information collected through face to face interview of different RMIA (Risk Management & Internal Audit) members, observation, and by participation in the various audit programs.

Secondary Source

The secondary information collected from website, RMIA Handbook, presentation slides, annual reports and some other relevant sources.

Both primary and secondary data sources were used to generate this report. Primary data sources like informal & formal discussion with professionals and observations while working in different desks were quite effective to prepare this report. The secondary data sources also played vital role to complete the report successfully.

1.6 Limitations of the research

During the completion of the report there were some difficulties following problems may be termed as the limitation of the study:

- Only three months are not enough to understand the overall operations of an organization and a new department
- Audit departments usually have policy of not disclosing some sensitive data and information for obvious reason posed an obstacle to the practical orientation that could be very much useful.
- Though I have prepared many reports before, I had no experience of internship. So inexperience is another constraint of the study.
- I have faced difficulties on getting enough information about the company.
- As internal audit is almost a new concept in Bangladesh therefore relevant reading material about my topic was not adequate.
Chapter 02

Organization Part
2.1 Company Profile:

Advance Chemical Industries (ACI) Limited is one of the leading conglomerates in Bangladesh, with a multinational image. ACI is a Public Limited Company with a total number of 19,653 shareholders. Among these, there are three foreign and fifty local institutional shareholders. The company has diversified into four major businesses. Besides these, the company has a large list of international associates and partners with various trade and business agreements. ACI was established as the subsidiary of Imperial Chemical Industries (ICI) in the then East Pakistan in 1968. After independence the company has been incorporated in Bangladesh on the 24th of January 1973 as ICI Bangladesh Manufacturers Limited and also as Public Limited Company. This Company also obtained listing with Dhaka Stock Exchange on 28 December, 1976 and its first trading of shares took place on 9 March, 1994. Later on 5 May, 1992, ICI plc divested 70% of its shareholding to local management. Subsequently the company was registered in the name of Advanced Chemical Industries Limited. Listing with Chittagong Stock Exchange was made on 22 October 1995.

Organizational Profile

In the below table the Organization profile is being given in short:

<table>
<thead>
<tr>
<th>Organizational Profile</th>
<th>Advanced Chemical Industries Limited</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organization Name</td>
<td>Advanced Chemical Industries Limited</td>
</tr>
<tr>
<td>Date of Incorporation</td>
<td>24 January, 1973 Incorporation of ICI</td>
</tr>
<tr>
<td></td>
<td>Bangladesh Manufacturers Limited</td>
</tr>
<tr>
<td>Legal Status</td>
<td>Public Limited</td>
</tr>
<tr>
<td>Date of Commencement</td>
<td>24 January, 1973</td>
</tr>
<tr>
<td>Registered Head Office</td>
<td>ACI Centre, 245 Tejgaon Industrial</td>
</tr>
<tr>
<td></td>
<td>Area, Dhaka</td>
</tr>
<tr>
<td>Chairman</td>
<td>Mr. M AnisUd Dowla</td>
</tr>
<tr>
<td>Managing Director</td>
<td>Dr. Arif Dowla</td>
</tr>
<tr>
<td>No. of Directors</td>
<td>06</td>
</tr>
<tr>
<td>Listing with DSE</td>
<td>9 March, 1994</td>
</tr>
<tr>
<td>Listing with CSE</td>
<td>22 October, 1995</td>
</tr>
<tr>
<td>Website</td>
<td><a href="http://www.aci-bd.com">www.aci-bd.com</a></td>
</tr>
</tbody>
</table>
2.2 Core Objectives:

The management of ACI, a competent team of professionals, operates with a progressive attitude to provide effective solutions to satisfy the customers’ needs, through its products and services of uncompromising quality.

2.3 Company Strategies:

ACI follows International Standards on Quality Management System to ensure consistent quality of products and services to achieve customer satisfaction. ACI also meets all national regulatory requirements relating to its current businesses and ensures that Current Good Manufacturing Practices (CGMP) as recommended by World Health Organization is followed for its all operations.

2.4 Mission of ACI:

ACI’s mission is to enrich the quality of life of people through responsible application of knowledge, skills and technology. ACI is committed to the pursuit of excellence through world class products, innovative processes and empowered employees to provide the highest level of satisfaction to its customers.

2.5 Vision of ACI:

To realize the mission ACI will:

- Endeavor to attain a position of leadership in each category of its businesses.

- Attain a high level of productivity in all its operations through effective and efficient use of resources, adoption of appropriate technology and alignment with our core competencies.

- Develop its employees by encouraging empowerment and rewarding innovation.

- Promote an environment for learning and personal growth of its employees.

- Provide products and services of high and consistent quality, ensuring value for money to its customers.
• Encourage and assist in the qualitative improvement of the services of its suppliers and distributors.

• Establish harmonious relationship with the community and promote greater environmental responsibility within its sphere of influence

2.6 Values:

ACI believes in providing quality by considering the customers’ demands and expectations. Continuous innovation and improvement is the motive of this organization by focusing customers and tries to maintain fairness and transparency in all segments.

2.7 Strategic Business Units:

There are mainly four strategic business units in ACI Ltd:

• Pharmaceuticals
• Consumer Brands & Commodity Products
• Agribusiness
• Logistics
Under each business units there are subsidiaries and joint ventures also like:

**Pharmaceuticals**

In 1973, the UK based multinational pharmaceutical company, ICI established its subsidiary in Dhaka Bangladesh and the company was known as ICI Bangladesh Manufacturers Limited. Later the foreign brand off loaded its share in the local market and came up with the name ACI limited. Since then ACI was one of the growing pharmaceutical company and more reputedly known as for producing higher quality pharmaceutical products. The comprehensive product range of ACI pharmaceuticals include products from all major therapeutic classes and in various dosage forms like tablet, capsule, dry powder, liquid, cream, gel, ointment, ophthalmic and inject able. ACI Pharma also has state of the art plant on Novel Drug Delivery System (NDDS). It produces world class Modified Release drug and medicine to cater the requirement of pharmaceutical manufacturer of domestic and international market. It exports high quality pharmaceuticals to a good number of countries of Asia, Africa & South America.

**Consumer Brands & Commodity Products**

The Consumer Brands Division was initiated in 1995 with two major brands of the company ACI Aerosol and Savlon. These are two of most prestigious products which are enjoying the leadership position in the market. These are the persistent performers in keeping the household clean and free from germs and harmful insects.

The necessity of pure food in the minds of Bangladeshi consumers especially in the commodity food business has pushed ACI to fill up the market gap by producing commodity
products such as Salt, Flour and Spices. Now the customers of Bangladesh are ensured with 100% pure Salt, Spices products and Wheat products under the brand name of "ACI Pure". ACI has also came up with different snacks items like :Fun chanachur, fun custard cake, fun jhalmuri etc. A new brand for health conscious people that is Nutrilife has been launched in the month of September. ACI Nutrilife initiated with Low GI Rice, especially for diabetic patients Multigrain Atta, Rice Bran Oil and Isobgul. It controls the blood sugar and gives diabetic patients.

ACI also represents the world renowned products range of Colgate, Nivea, Tetley, Godrej&Dabur in Bangladesh through distribution and forming joint ventures.

**Agribusinesses**

ACI Agribusiness is the largest integrator in Bangladesh in Agriculture, Livestock and Fisheries and deals with Crop Protection, Seed, Fertilizer, Agrimachinery and Animal Health products. These businesses have glorified presence in Bangladesh. Agribusiness has seven divisions:

- **CC &PH (Crop Care & Public Health):** supplies crop protection chemicals
- **Seeds:** supplies hybrid rice, vegetable and maize seeds,
- **Fertilizer:** supplies micronutrient and foliar fertilizer.
- **Agrimachinery:** supplies Tractors, Power Tiller and Harvester and
- **Animal Health:** supplies high quality Nutritional, Veterinary and Poultry medicines and vaccines.
- **Cropex:** Intermediated transactions of a range of crops including rice, wheat, maize lentils etc. and also provides animal feeds with technical assistance and support farmers.
- **Premiaflex:** Deals with the packaging of different materials produced in ACI Ltd and also acts as an outsourcer for different organizations for supplying the packaging materials.
ACI Agribusiness is having strong partnership with national and international R & D companies, universities and research institutions. Before introducing any product, it is elaborately test in the laboratory and farmers field. ACI provides solution to the farmers through a large team of scientists & skilled professionals. ACI is significantly contributing to national food security through its Agribusinesses division, which is the leading agricultural integrator of the country. ACI Agribusinesses is providing complete solution to the farmers need.

**ACI Logistics:**

ACI Logistics Limited is a subsidiary of ACI Limited. The objective of this subsidiary is to engage in the business of buying, selling, import and export of agro products, FMCG products and other commodities directly to consumers. Shwapno is the brand name of ACI Logistics Ltd. Shwapno does not want to get exposure as superstore, rather aspire to serve the community as ‘neighborhood chain store’ across the country. They want to bring all necessities under the same roof from different district level Store. ACI Logistics aspires to expand its business to district level especially to every corner of Bangladesh so as to enable people to have modern shopping experience.

**2.8 Financial Data of Different Business Units:**

**Relative contribution to revenue**

As per audited accounts for the year ended 31.12.2009, relative position to total revenue of the products are as follows:

<table>
<thead>
<tr>
<th>Name of the Products</th>
<th>Revenue Taka (million)</th>
<th>Value contribution (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pharmaceuticals</td>
<td>2451</td>
<td>33.28</td>
</tr>
<tr>
<td>Consumer Brands</td>
<td>1817</td>
<td>24.67</td>
</tr>
</tbody>
</table>
Agribusiness

<table>
<thead>
<tr>
<th>Crop Care &amp; Public health</th>
<th>1406</th>
<th>19.10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Animal Health</td>
<td>433</td>
<td>5.87</td>
</tr>
<tr>
<td>Fertilize</td>
<td>580</td>
<td>7.88</td>
</tr>
<tr>
<td>Seeds</td>
<td>346</td>
<td>4.70</td>
</tr>
<tr>
<td>Cropex</td>
<td>332</td>
<td>4.50</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td>100.0</td>
</tr>
</tbody>
</table>

**Major Competitors:**

**Pharmaceuticals**

The major competitors of ACI in the pharmaceutical market in the year 2009 are as follows:

<table>
<thead>
<tr>
<th>Company</th>
<th>Share (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Square Pharmaceuticals Limited</td>
<td>20.06</td>
</tr>
<tr>
<td>Incepta Pharmaceuticals Limited</td>
<td>7.53</td>
</tr>
<tr>
<td>Beximco Pharmaceuticals Limited</td>
<td>7.09</td>
</tr>
<tr>
<td>The Acme Laboratories Limited</td>
<td>5.25</td>
</tr>
<tr>
<td>Eskayef Pharmaceuticals Limited</td>
<td>4.64</td>
</tr>
<tr>
<td>ACI Limited</td>
<td>4.52</td>
</tr>
<tr>
<td>Opsonin Chemical Industries Limited</td>
<td>4.30</td>
</tr>
<tr>
<td>Renata Limited</td>
<td>4.22</td>
</tr>
<tr>
<td>Aristopharma Limited</td>
<td>4.18</td>
</tr>
<tr>
<td>Drug International Limited</td>
<td>3.39</td>
</tr>
</tbody>
</table>

Here to mention that Pharmaceutical business of ACI Limited has become the 2nd fastest growth company in 2009 in Bangladesh.

**Fertilizer**

<table>
<thead>
<tr>
<th>Major Competitors</th>
<th>Market Share (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACI Limited</td>
<td>19.60%</td>
</tr>
</tbody>
</table>
Consumer Brand

The table below depicts the major market share (Consumer Brands) of the major players of the market in the year 2009:

<table>
<thead>
<tr>
<th>Brand Name</th>
<th>Share (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aerosol</td>
<td></td>
</tr>
<tr>
<td>ACI Aerosol</td>
<td>84.29</td>
</tr>
<tr>
<td>Reckitt-Benkeizer</td>
<td>7.83</td>
</tr>
<tr>
<td>Square Toiletries</td>
<td>6.40</td>
</tr>
<tr>
<td>Mosquito Coil</td>
<td></td>
</tr>
<tr>
<td>ACI Mosquito Coil</td>
<td>28.99</td>
</tr>
<tr>
<td>Reckitt-Benkeizer</td>
<td>54.63</td>
</tr>
<tr>
<td>Globe Bangladesh Ltd</td>
<td>5.97</td>
</tr>
<tr>
<td>Maladesh International Ltd</td>
<td>4.15</td>
</tr>
<tr>
<td>Liquid Antiseptic</td>
<td></td>
</tr>
<tr>
<td>Savlon Liquid Antiseptic (ACI Limited)</td>
<td>78.95</td>
</tr>
<tr>
<td>Reckitt-Benkeizer</td>
<td>12.10</td>
</tr>
<tr>
<td>Antiseptic Cream</td>
<td></td>
</tr>
<tr>
<td>Savlon Antiseptic Cream (ACI Limited)</td>
<td>72.40</td>
</tr>
<tr>
<td>Millat Chemicals Ltd</td>
<td>3.40</td>
</tr>
</tbody>
</table>
The main competitors of ACI Agribusiness and their relative market share for the year 2009 are as follows:

### Animal Health

<table>
<thead>
<tr>
<th>Major Competitors</th>
<th>Market Share (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACI Limited</td>
<td>8.33%</td>
</tr>
<tr>
<td>Renata</td>
<td>10.83%</td>
</tr>
<tr>
<td>ACME</td>
<td>8.83%</td>
</tr>
<tr>
<td>Novartis</td>
<td>6.66%</td>
</tr>
<tr>
<td>SK+F</td>
<td>5.33%</td>
</tr>
<tr>
<td>Square</td>
<td>4.66%</td>
</tr>
<tr>
<td>Others</td>
<td>55.3%</td>
</tr>
</tbody>
</table>

### Seeds

<table>
<thead>
<tr>
<th>Major Competitors</th>
<th>Market Share (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supreme Seed company</td>
<td>13.00%</td>
</tr>
<tr>
<td>Brac Seed</td>
<td>6.00%</td>
</tr>
<tr>
<td>Lal Teer Seed</td>
<td>9.00%</td>
</tr>
<tr>
<td>ACI Limited</td>
<td>6.00%</td>
</tr>
<tr>
<td>A. R Mallik Seed</td>
<td>5.00%</td>
</tr>
<tr>
<td>Aftab Seed</td>
<td>2.00%</td>
</tr>
<tr>
<td>Others</td>
<td>59.00%</td>
</tr>
</tbody>
</table>

### Cropex

<table>
<thead>
<tr>
<th>Major Competitors</th>
<th>Market Share (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chowdhury Enterprise</td>
<td>20.00%</td>
</tr>
<tr>
<td>M.S. Trading</td>
<td>10.00%</td>
</tr>
<tr>
<td>Company</td>
<td>Percentage</td>
</tr>
<tr>
<td>--------------------------</td>
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<tr>
<td>Madina enterprise</td>
<td>10.00%</td>
</tr>
<tr>
<td>Trade excel Agro</td>
<td>5.00%</td>
</tr>
<tr>
<td>ACI Limited</td>
<td>5.00%</td>
</tr>
<tr>
<td>Others</td>
<td>50.00%</td>
</tr>
</tbody>
</table>

Source: 20% Convertible Zero Coupon Bond Prospectus

### 2.9 Organizational Structure

- **Chairman**
- **Managing Director**

- **Chief Operating Officer, Pharmaceuticals**
- **Executive Director, Consumer Brands**
- **Executive Director, Agribusinesses**
- **Chief Operating Officer, ACI Logistics**
- **Head of Creative Communication**
- **Executive Director, Finance & Planning**
- **Secretarial Affairs**
- **New Venture**

- **Director, Corporate Affairs**
- **Director, Business Department**
- **Head of RMIA**
- **Manager, MIS**
2.10 Global Compact Endorsement

The ACI group has consistently demonstrated its commitment towards its employees and the environment over the years. It has been recognized as the practitioner and promoter of socially responsible business behaviour.

To take this commitment even further, ACI has endorsed the Principles of Global Compact on August 18, 2003. The compact calls on companies to embrace the ten universal principles in the key areas of human rights, labour standards and the environment. These ten principles are:

**Human Rights**

- To support and respect International Human Rights within the company's sphere of influence.
- To make sure that their own corporations are not complicit with Human Rights Violation.

**Labour**

- To end discrimination in the workplace.
- Abolition of child labour.
- The right to collective bargaining and recognition of freedom of association.
- To eliminate the use of forced and compulsory labour.

**Environment**

- To support a precautionary approach to environmental challenges.
- To undertake initiative to promote greater environmental responsibility.
- To encourage the diffusion of environmentally friendly technology.

**Anti-Corruption**

- To work against all forms of corruption, including extortion and bribery.

ACI pledges to keep all its employees, customers, shareholders and suppliers regularly informed about the compact and the company’s initiatives to uphold the principles.
Socio Economic Activities:

Educating the farmers, with a focus on Environment Friendly Practices, ACI has undertaken extensive programs to educate crop farmers all over rural Bangladesh in Good Agricultural practices. ACI has a team of agricultural experts working at the field all across the country, holding a range of technical training and field demonstrations. Their activities include:

- Field demonstrations on various methods of crop protection, that pose the least hazard for the environment
- Training on new technologies of cultivation, for higher yield and new crops
- Training to channel partners (e.g. retailers and agricultural workers) and third parties (e.g. NGO workers)

ACI also has similar education programs for animal and poultry farmers. These include:

- Technical training on diverse aspects of farming, and on application of new technologies
- Farmers’ group meeting for sharing of learning and experience
- Free visits to farmers by veterinarians, to identify problems and give advices to individual farmers.

Outcomes:

- Raising the level of awareness among farmers on improving their agricultural output through application of new technology, encouraging them to share experiences with neighboring farmers and in the long run, developing educated farmers.
- Raising the education level and technical knowledge of channel partners and third parties who act as advisors to the farmers.
- Most importantly, making the farmers aware of ways to protect the environment from hazardous uses of chemicals on their farms, allowing them the opportunity for informed decision making.
2.11RMIA (Risk Management & Internal Audit)

The department in which I have completed my three months internship is the Risk Management and Internal Audit department. From the name it can be understood that it basically deals with different kinds of risks associated with the organization and the total internal audit system for avoiding any kind of frauds, maladjustments and maintaining a proper corporate governance system.

To have a knowledge about the activities of the department first of all we have to have a clear idea about the two important terms risk and internal audit. These two terms are discussed below:

**Risk Definition:**

Risk is the probability that an event will occur. In epidemiology, it is most often used to express the probability that a particular outcome will occur following a particular exposure.

**Origin of organizational risks**

The risks can result from two main sources: from the outside of the company (external risks) and the inside of the company (internal risks).

**External risks**

The external risks result from changes in the environment of the company (political, economic, technological, sociological changes) which can exercise a negative influence on the objectives and the strategies of the company.

**Internal risks**

The internal risks can result either from processes, or from the management information.

Business risks can be classified by the influence by two major risks: **internal risks** (risks arising from the events taking place within the organization) and **external risks** (risks arising from the events taking place outside the organization).

The Business risk is classified into different type:
1) **Strategic Risk**: These are the risks associated with the operations of that particular industry. These kinds of risks arise from business environment, transaction and investor relations.

2) **Financial Risk**: These are the risks associated with the financial structure and transactions of the particular industry.

3) **Operational Risk**: These are the risks associated with the operational and administrative procedures of the particular industry.

4) **Compliance Risk (Legal Risk)**: These are risks associated with the need to comply with the rules and regulations, policies applied in the organization and imposed by government.

5) **Other risks**: These are different kinds of risks which can arise from unavoidable circumstances like natural disaster (flood, earthquake etc.)

**Internal Audit**

Internal auditing is conducted in diverse legal and cultural environments; within organizations that vary in purpose, size, complexity, and structure; and by persons within or outside the organization. While differences may affect the practice of internal auditing in each environment, conformance with The IIA’s International Standards for the Professional Practice of Internal Auditing (Standards) is essential in meeting the responsibilities of internal auditors and the internal audit activity.

According to IIA standard the definition of Internal Audit is:

**Internal Auditing** is an independent, objective assurance and consulting service designed to add value and improve an organization’s operations. It helps an organization to accomplish its objectives by bringing systematic and disciplined approach to evaluate and improve the effectiveness of risk management, control and governance process.

**The need for Internal Audit**

According to ACFE (Association of Certified Fraud Examiners)(2010) during the past decade there has been unprecedented business turbulence with corporate fraud and the subsequent corporate collapses, compounded recently by one of the worst periods of economic
uncertainty in memory. Now considering the time it is difficult to think of a business where the activities are done with a great integrity and assurance. The need for internal audit, a profession dedicated to providing assurance, is greater than ever and auditors are increasingly recognized as playing a critical role within the organization. Expectations are also rising that internal audit should be providing not only assurance over the business, but also the value-add activities that the profession has declared as part of its mandate.

The Institute of Internal Auditors (The IIA) refers to the profession providing “assurance that internal controls in place are adequate to mitigate the risks, governance processes are effective and efficient, and organizational goals and objectives are met.” Therefore, internal audit will build up organization’s confidence and will provide freedom from doubt, over the effectiveness of risk management and controls.

Continuous auditing is one of the most effective ways to achieve confidence – freedom from doubt. Assessing a control at a particular point in time, reliance is placed on the effectiveness of the control throughout a period, backed up by some limited compliance and substantive testing. By continuous auditing the entirety of what has actually occurred, auditors can provide a better level of assurance. Examining every transaction to determine whether it appears to comply with all of the controls that are designed to be in place and also checking if there is any indication of activities and risks for which no control was designed in the first place. Internal Auditing is the only way to deliver complete promise for removal of doubts and uncertainties.

**Role of Risk management and Internal Audit**

The Risk Management and Internal Audit is one of the support department established in ACI Ltd in order to maintain an effective and smooth functioning in the organization. And also to monitor all the activities like from planning to revenue generation each steps of ACI and its subsidiaries. An expert and talented team which contains a bunch of multi skilled people, all are lined up to achieve the assigned tasks from time to time and work for a single goal that is to protect the organization from risks and frauds. The main purpose of RMIA, in cooperation with ACI, is to support the Managing Director and the Audit Committee in ensuring sound corporate governance by certifying the Internal Audit functions that are established in the ACI. RMIA also supports the Audit Committee in ensuring sound financial management.
practices for the subsidiaries of ACI Limited which includes e.g. treasury and cash management, reporting and consolidation, tax planning, insurance and information technology. The main findings and recommendations of each audit project performed by the Risk Management & Internal Audit are presented to the Audit Committee of ACI Limited.

**Responsibilities of RMIA:**

Risk Management & Internal Audit department plays some important responsibilities to the organization. The principal responsibilities of the RMIA function are outlined in the RMIA Charter template established by the Head of RMIA, in accordance with Audit Committee of ACI Limited and its subsidiaries are defined as follows:

- Direction setting for all matters related to Internal Audit and Co-ordination of the scope of work with the external auditors, internal consulting functions, and regulators, as appropriate.
- Confirming the existence of a good practice Internal Audit process methodology, in accordance with the Standards of the Institute of Internal Auditors, (IIA), and the application of standardized Internal Audit processes throughout the ACI Limited and its subsidiaries.
- Quality assurance of the IA activities through on-site visits and routine compliance reporting.
- Supporting continuous efficiency improvements of IA activities by operating a Professional turntable function (knowledge and good practice exchange are most important in this context)
- Maintains the policies and procedures of the organization properly and also take care whether they are followed by other departments correctly or not.
- Co-defines appointment, replacement, remuneration, performance review and budgets and observes that each steps are going in a smooth and proper manner or not.
- Development of a long term and annual IA plan, using a risk oriented methodology, considering the results of the BRM process as well as other information, such as Management’s and other stakeholders ’requirements, current projects or developments within ACI and previous audit findings.
• Reporting of audit findings and recommendations to the relevant process owners, to the Management (and AC, if applicable) and to the RMIA, and issuing IA exception reports in cases where findings reach a certain materiality threshold.

**Scope of RMIA**

The scope of the IA function encompasses the following:

- Examination and evaluation of the adequacy and effectiveness of the System of Internal Control
- Reviewing the reliability and integrity of financial and operating information
- Reviewing processes and systems for compliance with policies, plans, procedures, laws and regulations
- Reviewing the means to safeguard assets
- Reviewing projects/programs; verifying whether results are consistent with established goals and objectives
- Acting as a knowledge exchange function within the company
- Acting as a support and consulting function to the Board and the senior management of the company
- Reporting of any material misuse of funds, embezzlement and other acts of fraud.

**How RMIA Conducts its processes through ACI:**

![Diagram showing the flow of processes through ACI and RMIA charters]

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28 | Page
At level of ACI Limited and its subsidiaries there is an Audit Committee with one non-executive director. The Audit Committee Charter, as approved by the Board of Directors, defines all relevant aspects such as organization, responsibilities and authority of the Audit Committee. As the highest governing body not only for internal but also external audit activities, the Audit Committee is responsible for reviewing external financial reporting, the system of internal controls, and the risk management process of the ACI Limited and its subsidiaries. Key information providers to the Audit Committee are External Audit and RMIA. RMIA is a directing spectacular function of the Internal Audit functions in ACI. It does not routinely perform audits but can be mandated by the Audit Committee of ACI Limited, or requested by corporate management (such as Managing Director, Executive Directors, Process Managers of ACI Limited), to execute audit assignments. RMIA reports on IA matters to the AC of ACI Limited and its subsidiaries. RMIA ensures that the defined minimum standards for the Internal Audit organization, process and tools are systematically applied throughout the Company.

The department maintains a strong privacy and preserves all the documents and information sincerely. Disclosure to any third party without express permission is strictly forbidden.

For conducting all the activities properly and maintaining balance in the whole system each members of RMIA should ensure a thorough understanding of the operations, the business environment, the local market conditions and culture, and also facilitate communication.

To meet the requirements of good Corporate Governance, the Audit Committee and Management Committee of the ACI have decided on certain minimum standards as to the organization, the process and tools of RMIA. Such minimum standards are reflected in the mandatory standard RMIA charter, to be adopted by each subsidiaries of ACI Limited and its subsidiaries, and are further elaborated in this RMIA Handbook. Therefore RMIA is playing the main role to come up with the rules for each of the business and its subsidiaries for conserving disciplined approaches and functions internally in the organization.

**Organogram of RMIA:**

In the Risk Management & Internal Audit department there are total 16 members and the hierarchy starts with the head of the department and completed with the executive position. There are mainly four levels under HRMIA. There is another segment which is contractual
employment which does not fall under the four levels. The activities of the employees go through a very good and potential manner throughout the department. The environment is quite work friendly and motivating.
Chapter 03

Job Description
3. Job Description:

During my internship period (From 3rd October 2012-3rd January 2012) I worked in Risk Management & Internal Audit department where the main task is auditing the internal activities of ACI Ltd and its subsidiaries. As a member of RMIA I passed my three months by doing diversified activities and had many practical experiences regarding the corporate world. Among different works some were my regular duties, a short description is given below:

Key Responsibilities:

- Implementation Tracker Update
- KPI Dashboard
- Voucher Checking
- Dealt with Stationery of RMIA
- Monthly meeting activities
- Employee attendance register
- Prepared different documents and files.

Implementation Tracker Update:

Implementation tracker is a database where in every month the monthly updates like every detail of different reports assigned to different RMIA members were updated by me in these three months.

KPI Dashboard:

It is a kind of follow up where in weekly basis the updates of key performances like no of assignments completed, tools being used, and prepayment vouchers checked etc. over the weeks were uploaded by me in every weeks.

Voucher Checking:

Voucher is an important part of audit. Different prepared vouchers on different issues mainly circulated to the RMIA for the final check that everything is in a correct manner or not and if there would in any misappropriations then it is the responsibility of RMIA to take the corrective actions. In these three months I have checked different vouchers like: payment
voucher, TADA voucher, Load/Unload voucher, Logistics voucher etc. I also prepared voucher summaries for issuing memo.

**Dealt with Stationery of RMIA:**

For a particular month there are specific stationery requisitions from every employee and according to the requirements order is placed to the authority for supplying the stationeries. I used to maintain the stationeries in RMIA, Used to check all the things in the stock and tried to maintain list and dealt with the whole process.

Besides these there were other particular duties assigned to me like preparing monthly meeting agenda and circulating it to all RMIA members, prepare the monthly meeting file. Also worked with SDMS (Sales & Depot Management System) mirror for analyzing data of sales for particular products, employee attendance register. And most common activity of mine during these three months was the official works like typing documents, preparing tables & flow charts, filing & documentation, photo copying, printing, scanning etc.

**Observations:**

Throughout the three months I was involved in different activities and learned many things from those doings and from the experience the following observations appeared:

- During voucher checking some essential things an auditor has to observe are:
  - Is there any unauthorized expense
  - Right quantity and right price is offered or not
  - Right time is maintained or not for delivering the goods by suppliers to the company
  - The expense amount is approved by concerned authority or not.
  - The payment nature whether it is for promotion or for production/service.
  - All documents are attached properly or not with the voucher like (challan, bill, purchase order, GRN (goods receipt note))

- While dealing with SDMS (Sales and Depot Management System) mirror it is observed from the mirror that what is the condition of sales, invoice and discount is. There are 21 depots, every depot’s sales updates are updated here. Every business is connected with this system.
While working with the implementation tracker the individual auditor’s reports updates are updated. But sometimes for the issues and responses the auditors face some difficulties like the auditee sometimes gets unaware of the issues, sometimes cannot accept the new development and reengineering.
Chapter 04

Project Part
4.1 Internal Audit & its history of evolution:

The establishment, growth, and evolution of the contemporary internal auditing profession are closely related with the history of The Institute of Internal Auditors (IIA), an organization founded in the United States in 1941. Whenever the advance of civilization brought about the necessity of one man being in trusted to some extent with the property of another, the advisability of some kind of check upon the fidelity of the former would become apparent. When business activities grew in size, scope, and complexity, the necessity for a separate internal assurance function that would verify the accounting information used for decision-making by management emerged. For reducing record-keeping errors, asset misappropriations, and fraud within business and non-business organizations, an audit concept arose. And at present, the internal and external audit is the basic need of an organization but its inception and proceeding were not as remote as accounting or finance. With the advance of time, several organizations needed some means of evaluating not only the work performed for the departments and businesses but also it was important to know the integrity and honesty of the people who are holding the organization. With the commencement of the 20th century, the establishment of a formal internal audit function to which these responsibilities could be delegated was seen as the logical answer.

**Internal auditing** was initially defined in 1991 by the Institute of Internal Auditors (IIA) but it was changed later. Since 1994, the function has been defined as an independent appraisal function established within an organization to examine and evaluate its activities as a service to the organization. The objective of internal auditing is to assist members of the organization, including those in management and on the board, in the effective discharge of their responsibilities.

Spectacularly, there was development of internal audit in the US just after the scandals at Enron and WorldCom. The US Congress passed the Sarbanes-Oxley Act which empowers the audit committee, consisting entirely of independent directors, with the responsibility for overseeing the compliance of the accounting process. The role of independent directors in audit committees has been known for more than a decade. However, the studies of internal audit functions are quite limited in number and scope. To understand the internal power dynamics and assist the audit committee, internal audit is an important tool.
The alignment of the audit committee and internal audit functions is increasing in the U.S. and U.K. A similar tendency, however, to a lesser degree, has been observed in Thailand and other countries in the region. A comparison of codes among 6 countries reveals that except for Singapore and South Korea, codes of other countries including Malaysia, the Philippines, Indonesia, China, Hong Kong and Taiwan do not establish clear unequivocal rules and regulations as to the independence of internal audit functions from management (ECGI).

**Difference between External & Internal Audit:**

Both internal and external audit play great roles in any organization but there are some dissimilarities exist like:

<table>
<thead>
<tr>
<th>External Audit</th>
<th>Internal Audit</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Report on company’s financial statements</td>
<td>• Furnish management with needed information</td>
</tr>
<tr>
<td>• Narrowly focused on financial Matters</td>
<td>• Comprehensive in scope</td>
</tr>
<tr>
<td>• External audit deals with material fraud</td>
<td>• Any kind of fraud is included here.</td>
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</table>

The role of internal audit has been changed rapidly from compliance assurance and assets safeguarding to value-added assurance and consulting services through its role in monitoring, evaluating, and improving risk management, control, and governance process which are critical to preserving and enhancing stakeholders value. The functions internal audit mainly accomplish in any organization are like:

- To check whether the financial and operating information are accurate or not
- To estimate and identify the risks the organization is going to face or has already faced and to find out the best way to minimize it or stop it which is like monitoring and evaluating the effectiveness of the organization's risk management system.
• The imposed external regulations and acceptable internal policies and procedures are followed by the organization properly or not plans, this could have a significant impact on operations and reports and whether the organization is in compliance.

and, as appropriate,

• Reviewing the means of safeguarding assets and appraising the economy efficiency with which resources are employed.

• Reviewing the quality of performance of external auditors and the degree of coordination with internal audit.

• Review the internal control statement by senior management and the related opinion by the attest auditor for audit planning.

4.2 Corporate Governance & its features

**Corporate governance** is the system by which companies are directed and controlled. It ensures that every tasks of the organization are done in a right manner by engaging the right people in a timely, inclusive, open, honest and accountable manner.

The Organization for Economic Cooperation and Development (OECD), in its Principles of Corporate Governance (2004), describes Corporate Governance as follows:

Corporate governance involves a set of relationships between a company’s management, its board, its shareholders and other stakeholders. Corporate governance also provides the structure through which the objectives of the company are set, and the means of attaining those objectives and monitoring performance are determined. Good corporate governance should provide proper incentives for the board and senior management to pursue objectives that are in the interests of the company and its shareholders and should facilitate effective monitoring. The presence of an effective corporate governance system, within an individual company and across an economy as a whole, helps to provide a degree of confidence that is necessary for the proper functioning of a market economy.
The corporate governance mainly includes the audit committee, external audit, internal audit, Board of Directors and senior management. In addition, other parties can be included, such as shareholders and professional organizations and other stakeholders.

One of the important functions of Corporate Governance is -mitigation of the conflicts of interests between stakeholders. For mitigating or resisting these conflicts different processes, customs, policies, laws are applied.

For effective corporate governance there are some features to be fulfilled, like:

- High Quality Services should be delivered
- Effective use of resources is necessary
- Consulting with the internal community i.e. each and every persons related to the organization should be given priority and their participation in the decision making should be appreciated.
- Partnership working should be emphasized like to promote the economic, cultural, social and environmental well-being of the area.

**There are three elements of good corporate governance**

Cheltenham Borough Council embraces the following three over-arching elements of good corporate governance and continually works to ensure that they underpin the delivery of the services:

1. **Openness and inclusivity** - being open through genuine consultation with stakeholders and providing access to full, accurate and clear information and seeking to ensure that all customers and partners have the opportunity to engage effectively with the decision making processes and actions of the council.

2. **Integrity** - including both straightforward dealing and completeness, based upon honesty, selflessness and objectivity. High standards of propriety and transparency in the stewardship of its funds and management of the council's affairs.
3. **Accountability** - whereby members and officers are responsible for their decisions and actions, including their stewardship of public funds and all aspects of performance, and submit themselves to appropriate external scrutiny.

4.3 **Corporate Governance Practice in Bangladesh:**

Corporate governance practice in Bangladesh is very less in our country because most of the companies are family oriented. To disclose the information about a company for improving the governance practice is judged negatively. The current system in Bangladesh does not provide sufficient legal, institutional and economic motivation for stakeholders to encourage and enforce corporate governance practices; hence failure in most of the constituents of corporate governance witness in Bangladesh. Considering current corporate governance practices in Bangladesh, Audit Committee can play an important role. Private sector now a days an important area where Bangladesh began to focus. Good Corporate governance will help to build good business strategies and will manage the risks. Bangladesh has some weaknesses in controlling and imposing the corporate governance system over the organizations like:

- Good corporate governance standards lacks because of poor bankruptcy laws, insufficient securitization processes.
- Bangladeshi company is rarely listed with any foreign stock exchange because most companies think that they cannot attract foreign investment. So there is no push from the international investor community.
- Bangladesh ICAB (Institute of Chartered Accountants of Bangladesh) adopted the IAS (International Audit Standards) as BAS& BSA. But several times inconsistencies arise for lack of implementation of guidelines by the ICAB which were imposed or changed by IAS.
- In Bangladesh auditors are not given the independence or they are not sufficiently qualified in particularly audit to attest to the validity of the financial statements of corporate entities that’s why major problems/hindrances in the way of having good corporate governance in arise Bangladesh.
4.4 Role of internal audit in corporate governance: (General Perspective)

Internal audit is often considered one of the “four pillars” of Corporate Governance, the other pillars being the Board of Directors, Management and the External Audit. In 1992 the British committee headed by Sir Adrian Cadbury released a report of Best Practice Code, which later became known as the Cadbury report. The report has rapidly become the cornerstone of corporate governance practice for all firms around the world (Cadbury, 1992). The important mechanism recommended in the report is the establishment of an audit committee which consists of independent directors, supported by an internal audit function. The British Code of Corporate Governance has evolved over time. Spira and Page (2002) state that the Internal Control Working Party (1999) has reinvented internal control and changed the role of internal audit in United Kingdom. They claim that Turnbull’s broader approach to internal control has offered internal audit the opportunity to claim expertise in the crucial area of risk management. The power base of the internal audit has been firmly established: it is a key component of good corporate governance practice.

These seven components give a comprehensive view of the complexity, interrelationships, and variables organizations must manage in order to strengthen their governance

Board of Directors and Committees:

Effective corporate governance depends primarily on Board of Directors. The board establishes the direction and values of an organization, oversees performance, and protects
shareholder interests. Internal Audit assists the board of directors and committees with their self-assessment and best practices. Listed corporations are required, by law, to include a minimum of three board committees, which are in charge of overseeing audits, regulating compensation, and managing nomination and corporate governance policies. Internal Audit assesses audit committee effectiveness and compliance with regulations. Establishes the accuracy of information used in decisions by the compensation committee; and assists the board with its proxy reporting on oversight of risk management.

**Legal & Regulatory**
This component speaks to the legal boundaries within which a company operates and the requirements set forth by current laws as well as international, federal, and state regulations. The issues are complex, especially for large corporations engaged in specialized and highly regulated businesses. Internal Audit looks for opportunities to leverage compliance activities and capabilities to reduce long-term costs and improve performance.

**Business Practices & Ethics:**

Business practices are the operational tactics and measures a company uses to achieve its purpose and strategy. The goal is to maintain consistency, predictability, and accountability in conduct, decision making, and performance of an organization. Ethics are the moral boundaries an organization believes it should observe when pursuing competitive objectives. Ethics and a well-defined code of conduct are cornerstones for building a strong foundation for good corporate governance. Internal audit’s role is to review the code of conduct and ethics policies. Also verifies that the business practices & ethics are periodically updated and communicated to management and employees or not. It also assesses the linkage of ethics to goal-setting and performance evaluation processes.

**Disclosure & Transparency:**

Disclosure and transparency refers to the nature and timing of information an organization provides to its stakeholders. It is a kind system which is followed in the representation of financial statements. SOX requires executives of publicly traded companies to certify financial statements. Financial reports must meet legal expectations for clarity, relevance, reliability, and comparability. Internal Audit conducts testing of financial disclosures and confers with
the CFO and understands concern for disclosure and transparency, aligning risk assessment with stakeholder expectations

**Enterprise Risk Management:**

In many organizations, control activities are narrowly focused on compliance. Enterprise risk management (ERM) encourages organizations to take a broader view. The process and risk-assessment-related evaluation skills that internal audit must have to understand the best mix of controls provide the foundation for assessing governance processes. Thus, internal audit can provide recommendations that manage risk, enhance performance, and improve governance.

**Monitoring:**

Monitoring tactics vary by company, but methods share a common objective to evaluate whether components of the governance framework are operating as intended and provide reporting to various levels of the organization. At the most fundamental level, monitoring systems look at “what is” versus “what should be.” To identify gaps, organizations employ a variety of monitoring functions, including internal auditors, regulatory or legal compliance officers, ethics officers, internal management reporting, and self-assessments. Internal Audit facilitates the implementation of a common risk monitoring methodology across all corporate governance functions, thus feeding an integrated reporting system.

**Communication:**

Good communication is very important for tackling the complexity arises in the legal and compliance activities. Communication holds together the various components of the governance framework and keeps the process improving over time. A single notice for the employees by the higher authority or monthly meetings is not enough to maintain a good governance. Organization’s management and authority should always communicate with the audit committee members and oversight executives (for example, depending on the organization’s size and internal oversight structure, the chief risk officer, chief compliance officer, and/or ethics officer). Internal auditors can improve the corporate governance by
putting important and helping materials in the audit reports and assists in establishing a corporate governance communications calendar and solicits input about needs across the organization.

To secure the operations of governance of a strong company, there must be cooperation between the various components of the system of governance, internal auditors, executive management, financial management, board of directors, shareholders and external auditors (ECIIA, 2005). Several studies indicated that the role of internal audit in governance must take precedence over other internal audit activities, According to Okafor & Ibadin (Okafor; Ibadin, 2009) that the internal audit exercise a critical role in improving corporate governance in organizations. To achieve the quality of governance, the company must focus on all cornerstones of corporate governance and in particular the internal audit function. It assesses the commitment to the ethics of the organization and its goals, programs and activities. It is also an important source to other cornerstones such as the external audit, the A Good governance means that we have the right systems, processes, cultures and values in place, to ensure that we account to, engage with and, where appropriate, lead our communities. It also means that our elected members and staff will conduct themselves in accordance with the highest standards of conduct.
4.5 Role of Internal Audit in Corporate Governance in perspective of Bangladesh:

Internal Audit and Corporate governance both are new conceptions for Bangladesh. It is hard to determine in context of Bangladesh the role internal audit plays in individual organizations’ corporate governance. Therefore I have tried to emphasize on the interviews of internal auditors worked in different organizations for doing the Bangladesh perspective part. My endeavor was to find out and summarize the impacts of these two notions on the basis of interviews, for that reason I chose three auditors from Risk Management and Internal Audit (RMIA) department in ACI Ltd who used to work in different organizations in different time periods.

The organizations which I came to know about are: Singer Limited, Bengal Group & Industries, Gemcon, Care Bangladesh, Holcim, Pran – RFL Group.

Singer Limited:

Singer is one of the leading MNCs in Bangladesh which started its journey mainly with the sewing machine and progressed with diversified products. This public Limited company’s 80% business is based on trading and 20% on manufacturing. The Company mainly produces cables and assembles televisions and other electronics materials. Singer mainly runs its business by importing goods; they import the sales boost products from Thailand and other models from China.

In case of Singer the role of internal audit in corporate governance is almost undistinguishable. They have a fixed internal audit department with 17 members but the department is not that much structured. Singer has near 400 showrooms in different parts of Bangladesh but compared to that the auditors number is few. Prepayment audit system is not followed in the organization for that reason the proper raw materials’ collection or the money
spent for the buying or selling raw or finished goods cannot be audited so different maladjustments can arise. Mainly their auditing processes are: Segment audit, Showroom audit and special task. Segment audit and showroom audits are done in the showrooms of Singer. This showroom based audit mainly focuses on the inventory/cash of the products/sales. There is no definite audit committee for reporting, mainly internal auditors report to the department head and then department head directly reports to the CEO. They prepare one **Annual Audit Plan** and according to the schedule, complete the audits time to time. Interview from the showroom managers and auditors’ checklist help in generating report. The internal auditors make a showroom plan on the basis of showroom size, turnover. As the total internal audit is not that much organized sometimes priority is given to the external audit which is mainly of two types: local, import regulated by SEC (Securities Exchange Commission). In every year from the mother country United States of America a team of internal auditors visit Bangladesh and work with the local auditors. This occurs subcontinent wise (India, Pakistan, and Sri Lanka). Quarterly meeting with the department head takes place for getting the updates of works. But overall Singers’ internal audit does not play any significant role regarding maintaining the internal control or corporate governance. It is only about maintaining the products and showrooms’ activities by auditing.

**GemconGroup:**

Gemcon group started its journey from 1979. It contains diversified businesses. Main focuses are: Engineering, Organic & Education, Export& Retailing. The internal audit commenced in 2007 under the Finance department. It was not an individual cell. The concept of this auditing was only applicable for the outlets of Meena Bazar which falls under the Export & Retailing section. Fixed audit committee was absent therefore the report of outlet audits was sent to the Managing Director of the company. Mainly two types of audits were followed: Surprise Audit and Prepayment Audit. Surprise audit was most frequently done for the outlets for checking the scenario of the Meena Bazar chain stores. There was no fixed handbook/guidelines for marinating definite rules for auditing or maintaining corporate
governance. Internal audit’s function regarding maintaining corporate governance was totally absent regarding the period of 2007-2008, when the interviewee used to work there.

**Bengal Group of Industries**

Bengal Group of Industries started its operation with a single hand operated plastic injection molding machine in a rented premise in the old Dhaka by Morshed Alam in 1969. It has many concerns like: household, garments accessories, food & beverages, real estate,ploy, television channels. Though the organization is quite large but still their audit system is not at up to the mark. In 2009 internal audit process emerged but not as an independent department but only with three experienced auditors. There are two types of audits followed in this industry:

- Prepayment Audit
- Factory based manufacturing audit

Auditors report to the Managing director as there is no fixed audit committee to report and the overall structure of the audit is not formalized. The three auditors planned to prepare a definite format to follow for whole year’s auditing in 2009.

**CARE Bangladesh**

Since 1945 CARE is working across 70 countries for fighting global poverty. It amplifies the voices of the poor and marginalized in ways that influence public opinion, development practice, and policy at all levels. CARE seeks a world of hope, tolerance and social justice, their target is to overcome poverty, and to build ways by which people can live life in dignity and security. CARE has been working in Bangladesh for 60 years. In 1962 Care opened its first office in Dhaka.
Internal Audit Department (IAD) has been performing as a strategic support service of CARE Bangladesh from 1998. Internal Audit works with a view to help CARE Bangladesh accomplish its objectives by bringing a systematic, disciplined approach in evaluating and improving the effectiveness of risk management, control and governance processes of the organization. They maintain a fixed internal audit department and the organogram is like the following:

Their audit process contains a fixed Annual **Audit Plan (AAP)**, which is prepared by analyzing different information, risk factors, fixing assignments to individual auditors. The concept of Annual audit plan arises when there is **audit need assessment**. By setting questionnaire, collecting information from different projects, FOMT, PNGOS this assessment is done. CARE internal audit department mainly does planned or need based audit, follow up audit and additional audit. These all audits are done for looking after and verifying the activities of CARE projects and plans not to maintain a healthy or sound corporate governance. But systematically and automatically it helps the Board and management to keep a balance in some extent.

**Holcim Bangladesh:**

Holcim Bangladesh began its journey in September 2000 through acquisition of Hyundai Cement Bangladesh. After that consecutively Holcim solidified its interest in Bangladesh by acquiring two more plants: United Cement Industries at Meghnaghat and Saiham Cement

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<table>
<thead>
<tr>
<th>Country Director</th>
<th>Head of Internal Audit</th>
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<tr>
<td></td>
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<tr>
<td>03 Internal Auditors for CARE Mission</td>
<td>01 Internal Auditor for PNGO</td>
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</tbody>
</table>
Industries at Mongla. The Holcim Internal Audit Process (IAP) methodology has been developed based on the Standards of the Institute of Internal Auditors (IIA), general good practice for business process audit and the Holcim Project Management Approach.

Holcim has a fixed audit committee. The main objective of Group Internal Audit (IA), in cooperation with the Group Companies, is to support the Group Executive Committee (ExCo) and the Audit Committee in ensuring sound corporate governance by ensuring that the correct internal audit functions have been established using proper internal audit process methodology. The Financial Holdings and HGRS (Holcim Group Support Ltd) Internal Audit function is a separate review and appraisal function within Group IA, which focuses on the financial holding companies and HGRS. Due to the need for specialist knowledge and the high level of independence required, this function may be fully outsourced to a third party service provider, which is not the Group External Audit. Group Internal Audit is responsible for the relationship with the outsourcing partner and specifies the required service levels and terms and conditions. The main objective of Financial Holdings Internal Audit is to support the AC in ensuring sound financial management practices for the Financial Holdings of the Group. The main findings and recommendations of each audit project performed by the Financial Holdings and HGRS Internal Audit are presented to the AC of Holcim Ltd.

**PRAN-RFL Group:**

**Pran-RFL Group** is the largest food and nutrition company of Bangladesh founded in 1981. PRAN is currently the most well-known household name among the millions of people in Bangladesh and abroad also. Since its inception in 1980, PRAN GROUP has grown up stature and became the largest fruit and vegetable processor in Bangladesh. It also has the distinction of achieving prestigious certificate like ISO 9001:2000, and being the largest exporter of processed agro products with compliance of HALAL & HACCP to more than 70 countries from Bangladesh.
**Pran** has an audit department named Group Audit Department. Where the lead auditor that means the head of the department is called Chief Group Auditor. Under him seven auditors used to work. They don’t have any fixed audit committee and mainly the auditors’ reports go to directly to the DMD. Mainly their factories are the main focuses of auditing. They don’t maintain purchase audit or process audit. Mainly they carry surprise audits. At different times they visit the factories and do audit. And after production processes, sales and distribution they sometimes do Post Audit. Process audits sometimes take place according to the factory needs. For each project there is one operation manager who looks after the purchase & payment. As a public limited company PRAN maintains the SOP (Standard Operating Procedure).

In Bangladesh, audit committees in the corporate sector have a formidable challenge of effectively overseeing the company’s financial reporting process in a dramatically changed but improperly regulated or unregulated corporate governance environment. Like other countries in the world, audit committee is of utmost importance in Bangladesh as well for independent measurement of management performance. In recent past, the Securities and Exchange Commission (SEC) issued several conditions relating to audit committee through on constitution of audit committee, chairman of the audit committee and reporting of the audit committee (to the board of directors, to the authorities and to the shareholders and general investors) have been issued. The Audit Committee should immediately report to the Board of Directors on different findings like conflicts of interests, suspected or presumed fraud or irregularity of material defect in the internal control system, suspected. But in most of the organizations above discussed don’t contain a fixed audit committee and also a separate internal audit department which is definitely important to run the corporate governance smoothly.
4.6 Role of Internal Audit in Corporate Governance of ACI:

In this modern business world the corporate governance is one of the most popular terms which is somehow associated with every organizations. But basically it is a kind of corporate speak, which means every business person is familiar with the issue, talking about it but the actual application of corporate governance and the proper implication is almost imperceptible. ACI Ltd is one of the largest production based organizations and their business is expanded overall the country therefore it is quite hard for them to conserve an appropriate corporate governance. But ACI is giving their highest priority for attaining and upholding good corporate governance. This is a system by which the company is directed and controlled, in the interest of shareholders and stakeholders in order to create and sustain value.

Elements of directions include:
- Vision and strategy
- Organization
- Long- and short-term plans
- Policies and procedures
- Standards & Regulations

Elements of Control include:
- Management supervision
- Controlling
- External audit
- Internal Audit
- Business Risk Management
- Compliance

Internal Audit falls under the Control loop. It is the process by which in anyway the corporate governance will be supported. With the internal audit other two things are closely related these are audit committee and external audit.

Audit Committee

The Audit Committee of ACI Limited and its subsidiaries is an integral part of the ACI Corporate Governance framework. The Audit Committee is an expert committee of the Board
of Directors, formally appointed by the Board. It is the topmost directing and supervisory body concerning the internal audit and External Audit (EA) activities within the ACI. A more detailed description of the role and responsibilities of the Audit Committee are included in their charter.

**External Audit**
The consolidated financial statements of ACI Limited and its subsidiaries are audited by one of the major professional services firms. The overall responsibility of EA is to express an audit opinion in accordance with International Standards on Auditing (ISA). In preparation of the annual audit of the consolidated financial statements, the subsidiaries and related companies of ACI to be included in the consolidation audit scope are identified. The ACI reporting packages for such companies are to be
audited by independent External Auditor, who are requested to issue an auditor's report that has been prepared in accordance with the accounting principles as outlined in the Bangladesh Accounting Standards (BAS), in line with Bangladesh Financial Reporting Standards (BFRS). ACI and its subsidiaries to be included in the audit scope are determined based on a financial threshold.

**Internal Audit**

Internal Audit is the most important part of an organization for keeping the basic corporate governance in any organization. In ACI there is an individual department for internal audit and risk management called RMIA (Risk Management and Internal Audit). The main objective of RMIA, in cooperation with ACI, is to support the whole system of all businesses so that any kind of misappropriations can be stopped. And also to ensure the Audit Committee a sound corporate governance by ensuring that IA functions are established in the ACI, that a best practice IA process methodology is applied and that the IA compliance reporting and the IA exception reporting processes are adhered to.

**Internal Audit Process in ACI and How it creates positive result in the corporate governance:**

The internal audit process of ACI Bangladesh continues with mainly five steps and the whole process is so much structured. It starts with Internal Audit definition and completes with evaluation. Each of the process is discussed below:

**Internal Audit Definition:**

Internal Audit Definition is the basis for audit risk assessment and audit planning. This phase is executed at least annually as part of a systematic planning process.
Continuous communication with the stakeholders of RMIA during the year is of utmost importance to continuously update the RMIA function on changes in the business context. The main objectives of this process are:

- To build a relationship with the stakeholders and understand their goals, concerns and expectations;
- To gather sufficient relevant information to understand the Company’s business and basic operations.

**Impact in Corporate governance:**
Through internal audit definition process a clear understanding of the stakeholders’ concerns and expectations is identified. Therefore when stakeholders views are clearly understood and adequately addressed then it will help to maintain a balanced coordination and to get rid of hazardous situations which mainly arise for lack of knowledge about the stakeholders in an organization.

**Internal Audit Planning:**
Internal Audit plan is the planning of the whole year that how the internal audit process will go on. Audit is performed for risk assessment at company level and/or at business process level by taking into account of stakeholder expectations, current projects and developments, former audit results.

The brief of the activities included in the internal audit planning are:

- To Complete an Annual Internal Audit Plan link is created by assessing audit risks from the IA Risk Assessment with business processes and locations. From the Location-based IA Plan & Process-based IA Plan, the Annual IA Plan is derived, indicating processes, risks and locations to be audited during a year. The Annual IA Plan further details items regarding time scheduling and resource allocation.

- It is important to determine resources necessary to execute the Annual IA Plans, rectifying any inconsistencies between plans and actual resource availability.
• Whether the implementation of Annual IA plan is progressing or not, all activities are going smoothly according to the plan or not, these things are necessary to check out.

**Impact in Corporate governance:**

If everything is done according to plan and if all executions of plans are in correct manner then there is less possibility of arising severe blunders therefore the management and board of directors will face less difficulty for less misappropriations. One thing is that internal audit planning is really mandatory for retaining a sound corporate governance.

**Internal Audit Execution:**

The Internal Audit Definition and Planning phases, which are performed at the Company level, set the framework for the Internal Audit Execution (Phase III). This is the first phase of the business process level of the Individual Annual Plan. The Internal Audit Execution phase focuses on performing a single audit project from the Annual IA Plan. At the beginning of the year the auditors by their accumulated process prepare an annual audit plan and execute the plans in different intervals of time and prepare reports for each of the executed plan. According to different report’s follow up necessary steps are taken for eliminating any kind of inaccuracy. Which helps the management to know the inappropriateness of a particular project and formulate decisions that can control the project in a proper manner. It later helps the organization to save the governance system which could be affected by any of the default condition.

**Internal Audit Reporting:**

Throughout the audit the results, observations and recommendations an auditor find out, state and explain in the report and present it to the management. They issue the report to the management because of the comments and action plans. They also issue the risk register report and memorandum report. Where all types of risks, the issues to checked all are stated.
Role in Corporate governance:
Through the issued report the senior management get to know about the arenas which need more attention and concern. And take initiatives according to that. When risks are observed management try to take the preventive measures. Board and management arrange meetings for discussions and that helps to improve the corporate governance.

Internal Audit Evaluation & Transfer:
The objectives of this phase are to receive feedback from stakeholders on the work performed, follow-up on agreed actions, share lessons learned and ensure knowledge transfer, monitor compliance with the RMIA methodology and the IIA Standards.

Internal Audit Types in ACI RMIA:
There are some types of audits which are followed by Risk Management and Internal Audit Department to maintain the corporate governance in ACI. And also for keeping balance in the activities of the organization. The different types of audits are discussed below:

Prepayment Audit:
Prepayment audit is hundred percent voucher oriented audit before payment. Each and every purchase and payment of the organization are transacted by maintaining vouchers. Finance and accounts department prepare vouchers according to the need of purchase and payment of finished goods and raw materials. Besides purchase, payment for other expenses voucher is used for prepayment audit.
**Surprise Audit:**

Surprise audit is conducted in two different places these are:

- Depot audit and
- Showroom audit.

**Depot Audit:**

There are 21 depots of ACI Ltd in different regions of Bangladesh. Mainly two types of audits are conducted there.

- Cash management audit and
- Inventory Management Audit

**Cash management audit**

By cash management audit an auditor visits the depots and check the cash management, whether the after sales cash and receipts are documented properly or not. They maintain cash reconciliation after the checking of cash management. All sales and petty cash documents are received and accumulate all the expenses and revenues and after that the cash reconciliation is done, that the correct amount of cash is present or not.

**Inventory Management Audit:**

Inventory management audit can be termed as stock audit. Before visiting any depot the auditor who will visit the depot collects the current stock statement and with that statement the auditor goes to the inventory warehoused or stock room. And then they just check each and every stock serially by code and find out the shortages, the damaged products. Then at the same way reconciliation is done. Auditor checks the invoices, the money receipts of dues and payments, the warranties and dealer’s statements.

That means the audit team when visits the depots check in the depots that the coordination is in a correct manner or not. The depots are following the SOP (Standard operating procedure) properly or not.
Showroom Audit

Showroom audit is as like as depot audit. There are different showrooms in different locations of Bangladesh of ACI. There are motors showrooms, electronics showroom. In motors showroom the agribusiness motors are sold and different spare parts of motors. Auditors go to the showroom visits for checking the stocks and cash. When which products will go in which place, the proper gate pass is maintained or not. The received amount is correct or not this sorts of information are checked here.

Overall the surprise audit is done every year without any notice and the auditors visit the depots and showrooms either individually or in a group. And audits the bank documents, sales documents, cash and inventory. The products are checked on sample basis like fast moving, slow moving.

After the audits are done the reports are issued on different issues and findings received by auditing. The reports are sent to particular businesses for follow ups and for corrective actions.

Process Audit:

In RMIA at the beginning of every year there is one Individual Annual Plan (IAP) is prepared and here individual target is focused. Everything of a business like financial, operational, economic impact risk, management characteristics/internal control, audit age etc. are stated. Everyone is allocated in groups and one definite project is given to a group of two members with a allocated time of 20 days. From each projects they come up with some issues and send it to respective businesses for review and for taking corrective actions. Audit department prepare one REF (which is a detailed questionnaire, where there is options of risk identifications, weaknesses, expectations, what things they want to improve, what processes are risky business wise all are queried here) and submit this REF to the business heads. So that they can fill it up and by that their requirements can be known and according to that internal audit can handle the situations. The production and manufacturing processes are also audited under this process audit. The total process audit that means from preparing individual plan to the report issue & follow up there are some steps. This process audit is the most important type of audit in ACI which is done consuming maximum time and effort.
The process audit’s steps are as followed:

Special Task/Investigation:

When special requests come from the management level then special audits and investigation is performed. When there is any urgent need that means outside the plan any necessary task need to be accomplished then this processes are applied.
Chapter 05

Findings and Recommendation
5.1 Analysis:

- Internal Audit is almost a new concept for Bangladesh. Most of the organizations in our country are more familiar with external audit than internal audit. There are many Chartered Account firms under ICAB, these firms conduct external audit. But internal audit mainly a term which is completely related with internal activities and investigations of the organization. Therefore for controlling the internal affairs properly every organization needs to have a separate internal audit department, which is missing in most of the organizations in Bangladesh.

- In ACI (Advanced Chemical Industries) there is a separate Risk Management and Internal Audit department which deals with the internal affairs of the company. The company consists of a group of very efficient auditors who are engaged in auditing of different internal activities of the organization. They get different trainings both internally and externally on internal auditing and risk management which help them to execute the Individual Audit Plan properly. But there are other several departments in the organization where huge employees are attached in different activities of the organization but they are not completely aware or known to the term internal audit. That is why internal auditors face different difficulties and obstacles while auditing.

- There is an internal audit balance scoreboard where the focus is on four factors these are:
  - People
  - Risk Management
  - Internal Audit Process Effectiveness
  - Value Added for the business

  Under the Internal Audit Process Effectiveness the corporate governance falls but the corporate governance is also a new concept for the organizations and mainly corporate governance is a corporate speak. In ACI Ltd Internal audit is some extent helping to maintain corporate governance but it is not possible for a single department to hold and manage the whole corporate governance system. Therefore some lacking exists in the corporate governance system of the organization.
5.2 Findings:

ACI is committed to a strong Corporate Governance framework. In this context the internal audit of ACI fulfils an important assurance and consulting function all over the company. The Risk Management and Internal Audit department examines and evaluates the adequacy and effectiveness of the organization’s internal controls and supports the continuous improvement of the system of internal controls. Every large organization tries their best to give their hundred percent to every activities here ACI is not an exception. The internal audit process of ACI is quite strong and potential. They try to maintain a balanced environment and want to achieve flawless results. But it is a fact that they experience some obstacles also which creates inefficiency and sometimes negative result.

From the whole study and analyzing the situations there are some findings exist, Which are sometimes acting as the limitations for the organization’s internal audit and corporate governance like:

- Internal Audit is a new approach that is why the necessity of awareness is less.
- The people of the organization and outsiders are not aware of the purpose and objective of internal audit and corporate governance.
- In perspective of our country the acceptability of changes is not up to the mark. Sometimes new standards are coming but the organizations are not adaptable to changes.
- Resource allocation is not enough for conducting internal audit in every arenas of the organization. There are so many places ACI Ltd has placed its business all over the country but the number of auditors is very few. The time, money, people allocated for the whole organization’s audit is not sufficient.
- The audit process applied in ACI Ltd for most of the internal activities is Prepayment Audit. Many aspects like purchasing raw materials, or finished goods, payment to the suppliers or bank payments etc are done through prepayment audit. These prepayment queries are send to respective persons engaged in the dealing are done through informal letter. But sometimes all queries are not covered by this prepayment audit and the persons to whom letters are send for the query takes huge time for response. So more time is wasted for effective result.
In ACI the projects which are more budget oriented and risky these are more emphasized but some projects which falls under low category are overlooked.

Many employees of the organization are not familiar with the term internal audit and corporate governance that is why they cannot give response in proper time and sometimes creates problems for responding.

5.3 Recommendation:

ACI Ltd is one of the leading organizations in Bangladesh. It contains a very potential internal audit department which is performing at their best level to bring integrity and firmness over the organization and maintaining sound corporate governance. But every organization carries some drawbacks because nothing is perfect in this world. These are integral part of any organization which cannot be avoided. These cannot be removed but reduced. So to reduce the drawbacks organizations can some steps. There are some recommendations made for ACI Ltd. They are:

- In ACI many employees are completely unknown to the term internal audit and corporate governance. When auditors visit them they cannot response properly. Therefore each and every employee should be given a minimal level of knowledge through a short training or by providing them emails or papers.
- Resource allocation should be done properly more employees should be recruited, more time and money should be allocated for the projects so that these can be done properly by avoiding any hazards and mistakes.
- RMIA members should be given more external and internal training so that they can be updated with IIA standards and adapt any kind of changes.
- The projects and arenas which have less economic value these should be given equal priority and should be audited by giving sufficient time and resources.
- Prepayment audit is not enough to cover all the corners. That is why between prepayment and process audit there should be more type of audits done for effective result.
- More surprise audits should be done so that any types of fraud or maladjustments can be caught.
The auditors should have a clear knowledge about the coordination of suppliers/vendors and customers. So that records can be easily collected and can be checked.

5.4 Conclusion:
ACI Ltd is one of the best manufacturing companies which has seen tremendous success since its establishment. It has been possible only because of its skilled management, well trained, dedicated employees and excellent quality products. It has earned very impressive operating income over the previous years. The company tries to hold a good corporate governance by maintaining discipline and sincerity all over the organization through its skilled and dedicated employees. The role of internal audit in corporate governance of ACI is enormous. This single factor plays a great role in sustaining the integrity and values of the organization by examining, evaluating different activities of the organization. The internal auditors scrutinize every matter of factories, warehouses and showrooms of ACI Ltd, so that no misconducts arise and hamper the corporate governance of the organization. There is no doubt that day by day the corporate governance of ACI will be outstanding and the role of internal audit will be present in a versatile and effective manner for that.
Reference:

- http://www.aci-bd.com/
- http://store.ectap.ro/articole/444.pdf
- ACI journals and documents

**Interviews:**

- Mr. Amitava Saha (Head of RMIA)
- Mr. Mahmood Ali Noor (Assistant Manager)
- Mr. Rubel Barua (Senior Executive)
- Ms. Plabita Bhowmik (Executive)
- Ms. Nausheen Ahmad (Executive)
- Ms. Samia Rahman (Executive)
### Appendix:

**Subsidiary**

<table>
<thead>
<tr>
<th>Company Name</th>
<th>Activities</th>
</tr>
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<tbody>
<tr>
<td>1. ACI Formulations Limited</td>
<td>Manufacturing &amp; marketing of number of agrochemical and consumer products</td>
</tr>
<tr>
<td>2. Apex Leather Crafts Limited</td>
<td>Letting out property to ACI Ltd.</td>
</tr>
<tr>
<td>3. ACI Salt Limited</td>
<td>Manufacturing &amp; marketing of edible packed Salt</td>
</tr>
<tr>
<td>4. ACI Pure Flour Limited</td>
<td>Processing ,Packing and Marketing of wheat flour Products</td>
</tr>
<tr>
<td>5. ACI Foods Limited</td>
<td>Manufacturing &amp; Marketing different types of spices and other food products</td>
</tr>
<tr>
<td>6. Creative Communications Limited</td>
<td>Managing Media solutions and similar services for different clients including television commercials and other advertisement and promotion related Activities</td>
</tr>
<tr>
<td>8. ACI Motors Limited</td>
<td>Business of buying, selling, Importing, and assembling of vehicles of both agricultural and nonagricultural use including supplying spare part and providing service facilities for vehicles</td>
</tr>
<tr>
<td>9. ACI Logistics Limited</td>
<td>Operating retail chain stores across the country.</td>
</tr>
<tr>
<td>10. Agro Chemicals Limited</td>
<td>Manufacturing, formulating and packaging of pesticides, fertilizers, plant nutrients, animal food and other nutrients products.</td>
</tr>
<tr>
<td>11. Flyban Insecticides Ltd.</td>
<td>Manufacturing and selling of mosquito coil</td>
</tr>
</tbody>
</table>
Joint Ventures:

<table>
<thead>
<tr>
<th>Company Name</th>
<th>Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 ACI Godrej Agrovet Private Limited</td>
<td>Manufacturing and marketing of quality Poultry, Aqua, Cattle Feed and Day Old Chicks</td>
</tr>
<tr>
<td>2 Tetley ACI (Bangladesh) Limited</td>
<td>Processor, blender and marketer of tea products.</td>
</tr>
<tr>
<td>3 Asian Consumer Care (Pvt) Limited</td>
<td>Manufacturing and marketing of coconut oil, hair oil shampoo and other products under the brand name “Dabur”</td>
</tr>
</tbody>
</table>
Key Persons of ACI Ltd:

Chairman
Mr. MAnisUdDowla

Managing Director
Dr. Arif Dowla

Director
Mr. Golam Mainuddin

Director
Mr. Md. Fayekuzza man

Director
Mrs. Najma Dowla

Director
Mr. Waliur Rahman Bhuiyan

Director
Ms. Shusmita Anis

Director
Ms. Sheema Abed Rahman