

CAT Telecom Public Company Limited emphasizes on the importance of implementation of internal control system as well as promoting awareness among staff in the necessity of its existence in resource utilization, asset maintenance, financial report credibility, laws and regulations including related rules, under the Risk Management and Internal Control Committee, who supervise the management to prescribe risk management and internal control procedures according to corporate goal and plans to within acceptable level in current environment. The Audit Committee would also verify the internal control processes to ascertain its suitability according to the State Audit Commission's internal control guideline in 5 elements as follows:

### 1. Control Environment

Under corporate governance, CAT has prescribed policy, practices, organizational structure, a written guideline for chain of command including Key Performance Indicators (KPIs) as the evaluation tool for all staff members as well as ongoing training to develop employees skills and competency in every specialized group.

### 2. Risk Assessment

CAT has proceeded within the risk management framework by the COSO Enterprise Risk Management (COSO – ERM) by assessing the risk of both internal and external factors affecting the achievement of corporate and department's objectives to within accepted risk level as well as defining persons in charge and term of operation, which is supported by the Risk Management and Internal Control Department to report to the Management and Risk Management and Internal Control committee, respectively.

### 3. Control Activities

CAT has defined internal control activities, e.g., policy specification, common practices, chain of command and assignment guidelines, or risky job specification for internal control purposes in order to prevent or reduce possible damage including regular review of internal control procedures to ensure accomplishment according to internal control objectives consistent with different environment or risk scenarios.

### 4. Information and Communications

CAT emphasizes on information and communication system either internally or externally as a vital business tool especially for operations monitoring and financial support for the management's consideration under sufficient, accurate, and reliable information as well as competitiveness. By providing sufficient internal and external communication channels, CAT's information can be accessed through [www.cattелеcom.com](http://www.cattелеcom.com) as well as Intranet system for internal communication and knowledge sharing among staff members.

## 5. Monitoring and Evaluation

CAT has implemented continuous and consistent monitoring and evaluation processes in every operation by comparison between actual performance and KPIs during either ongoing monitoring or specific monitoring activities, e.g., Control Self Assessment (CSA) in accordance with the State Audit Committee's Internal Control Guideline 2001 as well as Independent Assessment (IA) by CAT Internal Audit Bureau in order to ensure sufficient and efficient internal control level, timely acknowledgment of internal audit procedures corresponding to different scenarios.

In 2014, CAT strived in internal control of IT system implementation to meet with the specified schedule in order to provide sufficient and efficient customer support, which is subsequent planning for 2014 – 2015 to start service in 2015.

