

Approved by the Board of Directors of joint-stock  
company “Astana Medical University”  
Minutes № 8, from 12 December, 2016

## **Regulation on internal audit service of joint-stock company “Astana Medical University”**

ASTANA

## **1. General statements**

1. The Present regulation on internal audit service (hereinafter – Regulation) of joint-stock company “Astana Medical University” (hereinafter – Society) determines the status of internal audit service (hereinafter – IAS), aims, functions, rights and responsibilities of IAS, basic requirements to IAS structure and qualifications of its workers, responsibilities of IAS, amount and term of payment, fees and material aids, decisions about discipline fees, training and organization and technical IAS providing.

There determined relation with IAS and Board of Directors, Committee of audit of IAS (if there is) society (hereinafter – Committee of audit) implementing body of society, relations with IAS and other society structural branches, order of making changes and additions into the Statement.

2. IAS is headed by a leader who is appointed to the position and fired from it by society Board Directors with agreement with audit Committee (if there is).
3. Responsibilities and IAS leader rights is determined by appropriate duty instructions, which are worked out on the basis of Statement. Duty instructed for IAS officials are settled by IAS leader.
4. IAS when implementing its activities is leaded by the law of Republic of Kazakhstan,

The Present Statement other internal documents of the society and rightly to use international professional standards of internal audit, which coincides with the law of Republic of Kazakhstan.

## **2. IAS status.**

5. IAS is a society controlling body providing organization and implementing society and internal audit.

Its independent from the third side excepting the only shareholder of society Board Director and it is directly under responsibility and reportable to the society Board Director.

6. Leading of IAS activities is implemented by audit commit (if there exist)
7. To follow the principles of objectives and justify dating implementing functions, IAS workers don't have to be involved onto other kinds of activities which lead to internal audit and to make functions during the period the audit works.
8. IAS workers are spread statements of society's internal documents and internal documents of the only shareholder of the society according its daughter company.

Documents spread except the documentations which cannot be used according he IAS status, society Charter and Present Statement.

9. IAS activity value is done by society Board Directors, considering commit on audit recommendation (if there is) the only shareholder of society and/or external auditor.

## **3. Mission and aims.**

10. IAS mission is to make necessary work together with Board Directors and implementing society strategic aims.
11. The Main IAS aims is to present Board Directors of Society independent and objective information, which is directed to provide effective society rule, by using systemic attitude to improve system of ruling by risks, internal control and corporative managing.

## **4. Aims and function.**

12. IAS main aims are:

1. Value of safe, full objective systems of book-keeping account and reality of society financial report
2. Evaluation of safe and effective system of society internal control,
3. Evaluation of safe and effective system of society risk manage,

4. Evaluation of society keeping demands of juridical and normative-lawyer acts of Republic of Kazakhstan in the sphere of society activities of RK. Evaluation of adequate system and procedures created and used to provide according these demands ()complex control,
  5. Evaluation of ration and effective use of society resources and used methods (ways) of priorities of wholeness of society assets,
  6. Evaluation of corporative process of management in the society
  7. Evaluation of improve of educational services quality done in the society
13. IAS according to done aims according settled order implements the following functions:
- 1) Make evaluation of adequate and effective system of internal control of the society
  - 2) Make evaluation and effective procedure of risk managing and methodology of risks in society and methodology risk evaluation,
  - 3) Spend checks of RK law demands after national agreements, society international documents, making directions regulating view bodies and society body decisions;
  - 4) Make evaluation of measures used by society branches to provide aims in the frame of society strategic aims,
  - 5) Make evaluation to work and follow got principals of corporative management appropriate ethic standards and society values,
  - 6) Make evaluations of effective information provided on risk and internal control of appropriate bodies and society branches,
  - 7) Implements monitor on executing of society branches recommend external auditor, responsible for state bodies to control in this sphere of educational service,
  - 8) Implements following control on executing IAS recommendations given according orders,
  - 9) Consults Board Directors executive body under branch of society on organization of systems of internal control and audit
  - 10) Participates in work out agreement of internal documents of society concerning corporate management internal control and risk manage.
  - 11) Implements other functions, on behalf of IAS in the frame of its competence.

#### **5. IAS rights.**

14. To implement main aims and functions IAS has rights to settle order to:
- 1) Get access to all document and other information demanded with internal audit, also the data and information, containing communicative and service society secrets,
  - 2) Access to information of data concerns computer programs of book keeping etc, on the constant basis on passive regime without right of correction,
  - 3) To ask in written form and oral form and get materials , including document projects got to the settings on the only Share Holder, Board Directors, society executive body and receive directions shown by society bodies.
  - 4) To attract into work out of planned actions of IAS and implementing certain task on society Director Board workers of society structural branches,
  - 5) To give consultations with Society structural brunches on questions, including the IAS competence
  - 6) To make suggestions to Society Board Directors to improve procedures methods of internal audit, change of control system and manage control of society, after agree with audit committee ( if there is),

- 7) To make suggestions to society Board Directors to determine IAS work schedule amount of fee and terms and giving extra-fee of workers, organization technical providing of IAS, after agree with audit committee (if there is);
- 8) To participate in preparation and program implementing and society projects in direction of IAS activities,
- 9) To participate in programs directed to coach, re-preparation, improving of qualification of society workers and programs of internal auditors,
- 10) If necessary to use auto source in internal audit according the decision of Board directors
- 11) To implement other rights, don't going against the Law of RK and internal society documentations.

## **6. IAS structure.**

- 15) staff amount of IAS depends on the settled aims on behalf of the internal audit. It depends on the amateur of the society control environment from society depending on the different risk, including amount of branches and business process in society and permanent expenses of audit for each of them.
- 16) IAS structure(staff amount) is determined by society Board Directors and is included into society staff table,
- 17) IAS is headed by Chairman on audit Committee (if there is) recommendation on the basis of Society Board member.
- 18) Work agreement with the leader and IAS workers is made by society Board Chairman.
- 19) Society Board Members, according the Law of Republic of Kazakhstan has right to initiate beforehand stopping of the work agreement, concluded with chief and IAS workers.
- 20) Leader and IAS worker according to the Labor Law of RK has to dissolve the concluded labor agreements on personal initiative.

## **7. Qualified demands.**

21. IAS has to have:

- 1) High professional education in the spheres – economics and finance and/or book-keeping accordingly and audit and/or financial management, and/or financial management, and/or finance and credit if necessary qualifications of extra education in the sphere and /or juridical sphere,
- 2) Experience in audit and/or book-keeping account, and/or finance not less than 7 years,
- 3) Republic Kazakhstan of juridical and normative acts, including on questions on audit activity, book keeping and tax providing,
- 4) Finance report of international standards and international professional standards of internal audit, worked out by Institute of Internal auditors, international standards of audit.
- 5) it's necessary to have extra special prepare, exactly mentioning qualification certification of “auditor” got according the Law of RK “About audit activity” and/or certificate of field in internal auditor, and/or certificate of chartered accounted ACCA, and / or diploma DipIFR, and / or certificate of international professional account CIPA;
- 6) Preferable to get foreign language(s)

22. Auditor IAS must have:

- 1) High education in the fields – economics and finance, and/or accounting or audit, and/or finance management, and/or finance or credit wishing with extra education in sphere, and / or juridical,
- 2) Experience in the sphere of audit and/or book-keeping, and/or finance not less than 3 years,
- 3) Knowing of normative juridical acts of RK including of auditory activity , accounting and tax paying,

4) Knowing of international standards of financial report and international of professional standards of internal audit worked out of Institute of internal standards (MCA),

5) Amount of certificate and/or qualification in the sphere of audit and/or account of financial management, following the know of state language,

6) Foreign language (s)

8. Responsibilities of IAS leader.

23. IAS leader in determined order implements the followings:

1) Heads IAS leading, organizes its works, creates necessary conditions, for successful implementing of IAS works for responsible,

2) Society of Board Directors consider suggestions of development directions and IAS effective implementing by committee on audit (if there is),

3) IAS present in society branches on questions, including IAS competence and have rights to make negotiations with them,

4) Considers and visits projects and society internal documents, orders and other documents on questions concerning IAS documents,

5) Considers and signs Mass Media sources on matters including the IAS competence, directed into society branch address and other juridical and physical bodies,

6) Provides making annual and if IAS plan and control it's implementing,

7) Suggests into society Board Director Considerations according the Committee on audit (if there is) suggestions to change annual IAS audit plan,

8) Provides working out of Society internal documentations and methodical recommendations of internal audit and other documents, concerning IAS activities,

9) Provides implementing in IAS activities the whole basis standards and procedures of internal audit settled by the only society Shareholder,

10) Provides suggesting to Society Board Directors settled in time, reports about IAS activities,

11) Suggests for approving society Board Directors after agreement with audit Committee (if there is) suggestions about amount and IAS payment fund,

12) Represents for society Board Director considering, after agreement with audit with Committee (if there is), suggestions in receiving , change of firing of IAS workers, about extra-payment or giving workers the penalty,

13) To take measures on improving of professional level of preparation of IAS workers and experience changes,

14) Provides of following appropriate work of IAS activities documentations,

15) Provides periodical evaluation of aims and IAS functions to achieve of its aims,

16) Takes decisions on all the matters, including the IAS competence.

9. Measures when stopping IAS leader responsibilities beforehand.

24. IAS leader's stopping of Labor relationships on the basis of society Board Directors' initiative or on it's leader initiative is implemented according the labor Law of RK.

When stopping labor agreement on IAS leader initiative , he has to make employee to know in written form not less than a month before, excepting cases, considered the Law of RK.

During this period a question on stopping IAS leader responsibilities is put on the society Board Directors considered according the settled order.

25. When solving the questions on stopping the IAS society leader's responsibilities on the initiative of society, IAS leader has on his duty to prepare and work out for the Board Director a report about IAS work according the IAS annual auditor plan.

As the result of report consider by IAS society Board Director there made an evaluation, in case of necessity to make corrections and changes of IAS work for IAS auditor plan for the present year.

26. In case of society director got decision about stopping of IAS leader responsibilities the chief makes and act of receiving and giving the documents under his responsibilities and also document kept in IAS.

Shown documents of receiving and giving are given to new IAS worker under sign, for the following to give to new IAS leader after his appointing.

If there is absence of another IAS officials, documentation on receiving are given under sign of corporative secretary (Board Director Secretary).

### **10. Terms of labor payment, bonus payment and giving material aids to IAS workers.**

27. Salary is accounted by money amount determined by Labor agreement (extra agreement), position payment and other compensations and stimulating money amount according the Law of RK and present Statement.

28. Account the salary is done according the staff table of use working schedule account of fact worked time.

29. Order of payment is determined by internal society documentation, regulating payments of staff work.

30. Amount of position payment and terms of IAS workers bonus giving, don't settled by present statement, is determined by society Board Directors.

31. According the decision of society Board directors IAS workers can be paid bonus, according his work results for the reported quarter.

Also as a result of its annual work, if there is qualitative and resultative functional responsibility's implementing, there has to be paid amount of not less than one position salary amount.

32. To celebrate State holiday on behalf of the Independence Day, professional holiday (The Day of medical workers) in republic of Kazakhstan and other holidays considering on society Fund of Payment Labor (FPL) internal documents.

For economy of payments, Fund Payment Labor is permitted to give bonus to IAS workers in thr society in amount of appropriate amount of bonus.

On such cases society workers with position payment is equal to the IAS position payment.

Appropriate payment of bonuses is implemented by leader of Executive body or by person responsible for it.

33. Giving of IAS workers bonuses is considered by the Present Statement. These accounts don't made during the experimental period for a certain person and if he has penalty for discipline.

34. IAS society workers who has done through the experimental period or taken for job without it, when giving annual paid holiday there given money amount of two position salary.

Annual paid holiday money for IAS is presented according to executive society body leader, on the basis of application for the name of the society Board Chairman.

35. IAS society workers are given material aid on the economy sources of FPL amount of 40 (forty) monthly salary accounts.

Material aid, considered of the Present position is done on the bases of proved documents copies (certification of birth, adopting, certification of marriage, certification of death) in the following occasions:

- 1) Birth of children
- 2) Marriage
- 3) Death of a couple or close relatives (parents, children, adopt parents, full/not full brothers and sisters).

36. IAS society workers implement extra-payments, guarantees and compensations, payments in amounts considered by the Labor Law of RK.

Free Medical insurance is also included for society sources account (when existing society appropriate pocket of services).

Free Medical insurance don't spread for IAS workers who works on experimental period.