



## DAYDOTS KENYA LTD INTERNAL CONTROL SYSTEM PROCEDURES

### Introduction

In the realm of corporate governance, effective financial management and internal controls are indispensable. As Daydots Kenya Ltd, we are steadfastly committed to establishing and maintaining robust systems to ensure financial integrity and accountability. In pursuit of this commitment, we consistently engage the services of an independent external auditor to strengthen our internal control mechanisms.

### Internal Audit

At Daydots Kenya Ltd, we place great emphasis on a robust internal audit function to uphold financial integrity and operational efficiency. Internal audit is defined as an independent appraisal function established within an organization to examine and evaluate its activities.

#### *Definition and Purposes of Internal Audit:*

The primary purpose of the internal audit function at Daydots Kenya Ltd is to provide an independent and objective assessment of our activities. This function serves as a service to our company, supporting management in the effective discharge of their responsibilities. Internal audit will provide analyses, appraisals, recommendations, counsel, and information to enhance Daydots Kenya Ltd's operations and decision-making. It also plays a vital role in ensuring compliance with relevant laws and regulations.

#### Segregation of Duties:

At Daydots Kenya Ltd, we underscore the importance of segregating duties as a fundamental control procedure. This practice involves assigning distinct responsibilities to different employees to prevent any single individual from exerting undue control over a specific process.

For example, one employee may be responsible for recording financial transactions, while another may handle the reconciliation of bank statements. This segregation of duties minimizes the risk of errors or fraudulent activities going undetected, as it necessitates the involvement of multiple employees.

#### Financial Compliance:

The finance department at Daydots Kenya Ltd is unwavering in ensuring the consistent and accurate fulfillment of all statutory remittances, including levies, fees, taxes, and regulatory compliance. We are resolute in meeting our financial obligations to various government bodies and regulatory authorities.

#### Policies and Procedures:

Daydots Kenya Ltd has established comprehensive policies, procedures, and documentation at all organizational levels to ensure unwavering quality performance. These guidelines encompass department-specific and organization-wide practices that govern our daily operations.

#### Policy Statement:

At Daydots Kenya Ltd, we maintain a zero-tolerance policy for any employee who intentionally circumvents an internal control system. Such actions will result in immediate dismissal. Furthermore, we are unwavering in our commitment to upholding the law, and any employee found violating applicable laws while on the premises of Daydots Kenya Ltd will face legal repercussions.

We recognize the pivotal role of internal controls in safeguarding our financial integrity and the prosperity of our company. Through our internal audit function and the expertise of our external auditor, Jacob and Associates CPA with practicing license no. P/2148, we are dedicated to upholding the highest standards of financial management and accountability at all times.



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