



**Internal Audit Department**

**To: Management Board ProCredit Bank Bulgaria  
CC: Management Board ProTegni Ruka,**

**No. PCB – 92 – 2006**

**Report**

**PROtegni Ruka Charity Fund Audit report  
period: until 7 March 2006**

**Audit Team:**

**Svetla Pancheva - Senior Internal Auditor  
Milen Chanov – Senior Internal Auditor  
Ivaylo Blagoev – Head Internal Audit**

**Date: 9 March 2006**

## 1. General

During the period 28 February 2006 – 7 March 2006 an audit was performed of ProTegni Ruka – the Charity Fund of ProCredit Bank Bulgaria, including a review of the Accounting and Pay Roll functions of ProCredit Bank as related to ProTegni Ruka. The following samples were selected:

1. 41 employee donation declarations out of 477 (8.60%) of employees donating to ProTegni Ruka through monthly deductions of their payroll comprising 2'514.00 BGL or 8% of the payroll deductions for charity as at the end of the period under review were selected and reviewed;
2. 26 credit transactions to the account of the Charity Fund out of 184 (14%) comprising an amount of 17'129 BGL (23%) were selected from the accounting registers and reviewed for existence, accuracy and ownership;
3. 19 debit transactions to the account of the Charity Fund out of 38 (50%) comprising an amount of 22'861 BGL (60%) were selected from the accounting registers and reviewed for existence, accuracy and ownership;

## 1. Scope

The scope of the audit was as follows:

- To review whether the internal rules and regulations of the Charity Fund as well as the laws and external regulations as set forth by the Bulgarian legislation have been adhered to;
- To assess the efficiency of internal control system regarding the protection of Charity Fund's assets and reputation.

## 3. Objectives

The audit objectives were set as follows:

- To that verify that effective controls are in place in the process of funds collection, so that the interests of ProTegni Ruka, ProCredit Bank and bank employees are not impaired;
- To get assurance that the process of approval of applications of children that are to receive help corresponds to the strategic goals of ProTegni Ruka and relevant external requirements.

## 4. Opinion:

Based on the work performed we did not identify any major deficiencies that might jeopardize the existence and quality of ProTegni Ruka's (or PCB's) assets or might cause financial loss through inefficiencies or not-operating internal control system. The name of the Charity Fund promotes the benevolent initiatives of the contributors together with ProCredit Bank and its personnel and can be considered as a very good example of alignment with bank's shareholders' mission.

Rating	F	Finding	L	Minor Objection
	D	Description	M	Substantial Objection
	R	Recommendation	H	Serious Objection