

Annual Internal Audit Plan PAINT 2022

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Presentation

The Internal Audit Unit of *BB Tecnologia e Serviços* (BBTS) adopts the annual planning system as a way of establishing themes to be worked on in the coming year and guiding the most effective use of efforts and resources.

Annual planning is aligned with strategic planning, also adopted by this Unit, which establishes a more comprehensive vision of action and defines action emphases for the three-year period. This combination makes it possible to achieve different time perspectives for action, to fully visualize the emphasis on evaluating business processes and to optimize the implementation of activities.

Planning takes into account, among other things, analysis of the internal and external environment, governance and strategy structures, risk management and controls, and the work of the areas that make up the three-line system. The comprehensive assessment of business processes takes place every three-year cycle, with the emphasis of action determined by the application of a risk matrix.

We plan to carry out **[confidential information]** in the coming year. We also plan to carry out other specific work, ongoing audits and investigations into irregularities.

Training actions and participation in events are also planned, as a way of improving staff skills and strengthening auditing activities. All these initiatives help the Unit fulfill its institutional responsibility to add value and improve the Company's operations.

Overview

Planning assumptions

The internal audit activity at BBTS, in line with good practices comprises a range of evaluation and consulting actions, structured in an independent and objective manner to add value and improve the company's operations. A systematic and disciplined approach has been applied to evaluate and improve the effectiveness of risk management, controls and governance processes.

In order to fulfill its institutional responsibilities, the company's Internal Audit Unit uses a planning model that encompasses two cycles. The strategic cycle, which covers the overall management of the audit activity, and the operational cycle, which concerns the development of each audit assignment. The former is materialized with the strategic and annual plans, and the latter with the operational plans. This approach makes it possible to cover both the long and medium term, as well as the short term.

The planning of the assessment work is fundamentally based on a global and integrated view of the main risks to which the company is exposed and, on a process-based approach that is essential for achieving organizational results. Prioritization of the work takes into account information from the internal and external environments, the approved corporate strategy, the company's governance and strategy architectures, current legislation, as well as guidance from senior management.

The methodological approach to carrying out this type of work is based on five principles:

- Alignment with corporate strategy. Internal Audit, as part of the governance structure, assesses whether value creation objectives are being achieved in a sustained manner.
- Distinction between governance and management. The model adopted makes an assessment distinction between governance and management. These two disciplines comprise different types of activities, require different organizational models and serve complementary purposes.
- Comprehensive coverage of the organization. Internal Audit has a system that evaluates corporate governance and the organization's management and covers all the corporate functions and processes that are relevant to achieving the objectives.
- Single, integrated model. The model adopted is in line with recognized quality standards and models and serves as a reference for auditing the Organization's processes.
- Holistic approach. The assessment of governance and management is based on a holistic approach that takes into account the various components of business flows.

The Internal Audit also considers consultancy activities in its planning. This type of work has been carried out mainly through participation in meetings of collegiate bodies advising senior management, but also includes evaluating projects and partnerships conducted by the company. These occasions are opportune for strengthening the company's governance, risk management and internal controls.

BBTS's audit department is also involved in investigating irregularities involving the commission of illicit acts, large sums of money or the involvement of employees in senior management positions within the company's hierarchy, which is why the planning includes the provision of resources to fulfill this responsibility. This type of work makes it possible to identify the potential causes or enablers of fraud and errors and contributes, along with other types of work, to improving the quality of the company's processes, services and systems.

Finally, the schedule of activities includes monitoring, which following up on the actions taken by the areas to comply with audit recommendations. When implemented, the Audit verifies the sufficiency of the actions taken, the resolution of the weakness identified and the improvement of risk management and control mechanisms.

Audit planning is based on different sources of information. In this sense, research is carried out, interviews are conducted with people in high positions in the company and interactions are held with senior management, as a way of making the selection and scheduling of activities more precise.

In addition to primary sources, planning makes use of conclusions drawn from work carried out by other members of the three-tier system, in particular the internal controls and risk management area, external auditing and inspection and control entities. This combination optimizes the allocation of resources, minimizes the replication of efforts and adds value to the conclusions on audited objects.

These premises contribute to planning becoming an instrument that enhances the effectiveness and quality of the audit activity. The plans drawn up allow for the distribution, harmonization and global visualization of the work over a given time horizon; they facilitate the allocation of professionals and supervision; they help to identify and optimize resources and schedules; they contribute to directing efforts towards more relevant evaluation objects; and they support decision-making in the event of changes.

Execution and monitoring

The plan includes information on the different types of work planned, the resources needed to carry them out and training for professionals. Senior management is kept permanently informed about the execution of the plan, the progress of the actions defined in the recommendations contained in the audit reports and the results resulting from the implementation of the actions. Thus, reports are submitted monthly to the Audit Committee (COAUD) and quarterly to the Supervisory Board (COFIS) and Board of Directors (CONAD).

Extraordinary demands that arise during the execution of this plan can be met and incorporated into the original plan. To do so, significant changes in the organizational context or subsequent information that makes adjustments useful and timely must be taken into account. In any case, alterations to the work originally programmed must be rediscussed internally, with the changes submitted, after COAUD has been informed, to CONAD for approval.

The execution of this plan and the results achieved are recorded in the Annual Internal Audit Activities Report (RAINT). This document, once it has been approved by CONAD and the COAUD, is sent to the CGU by the last working day of March of the following financial year to which it refers.

The audit work falls under the Quality Management and Improvement Program (PGMQ). The results of the evaluations carried out are consolidated annually in order to provide management information and identify training needs and opportunities for improving the activity. Reports containing this information are presented to COAUD and CONAD.

Restrictions and risks

Planning involves thinking ahead, with actions defined on the basis of the analyzed environment and possible scenarios. The implementation process can be faced with restrictions and risks, which must be dealt with or resolved in a timely manner in accordance

with the established procedures. This situation can involve changes in the internal and external environment as well as the involvement of people and the use of resources.

Limitations in the qualifications of the management and technical audit staff can also reduce the quality of the work. Continuous training actions, with identification of individual shortcomings, indication of training solutions and management follow-up, aim to minimize this weakness. In addition, it is a premise of every assignment that staff be properly allocated, taking into account technical training, level of specialization and instrumental and behavioral skills.

Planned work

Evaluation and consultancy are the two typical aspects of the internal audit activity. Both complement each other to achieve the goal of adding value to the company. Although it is not a typical internal audit function, the assessment activity plays an important role in improving processes.

The assessment activities planned for 2022 are part of the second year of the three-year audit cycle 2021-2023. This work is based on the prior risk analysis of business processes and the distribution of time according to the emphasis of action. To this end, we have planned to carry out **[confidential information]** for the next financial year, listed below.

The list of specific tasks, which have been planned in advance due to regulatory obligations, requests from senior management or reasons not covered by the risk assessment, is also below. We plan to carry out **[confidential information]** of this nature in the next financial year.

Finally, planning for the coming year includes carrying out continuous auditing work and increasing the analytical vision of the work planned. This approach, based on analytical intelligence (*Analytics*), aims to enable continuous assessment of processes and internal controls with a focus on cross-referencing electronic data on critical company transactions on a recurring basis and on a large scale. The information generated will form part of the audit reports for the planned work, as well as specific reports on processes and operations that present relevant risks for the company.

[confidential information]

Below is a table showing the type of service and the origin of the demand (according to the classification of IN 5/2021, of the Office the Comptroller General), as well as the schedule and total hours planned for carrying out the work.

[confidential information]

Quality management and improvement

The activities related to the Quality Management and Improvement Program (PGMQ) are intended to promote the evaluation and continuous improvement of the BBTS Internal Audit's work processes, the effectiveness and efficiency of its activities and the products issued.

The program adopted at BBTS includes an analysis of the structure and organization of the audit activity. In this sense, the checks involve methodology, policies, procedures and resource management practices. Likewise, the aim is to verify whether the internal audit is achieving its objectives, as well as contributing to the achievement of the objectives of the organization as a whole.

The evaluations that make up the program apply both at the level of individual audit work and

at the broader level of the activity and include all phases of the internal audit activity - planning, execution, communication of results and monitoring.

The program includes internal and external evaluations, which must be duly documented. The results of the evaluations carried out are consolidated in order to provide management information and to identify training needs and opportunities for improving the internal audit activity, which are recorded in an action plan.

Workforce allocation

In order to implement the planning, Internal Audit has **[confidential information]**

Alongside the estimate for carrying out audit work, we have planned the need for hours to monitor recommendations, internal management, quality management and improvement, assistance to external bodies and extraordinary demands. Finally, the plan includes training, with a target of at least 40 hours/year for each employee.

[confidential information]