



Annual Internal Audit Report (RAINT) 2022

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The Internal Audit of *BB Tecnologia e Serviços*, in compliance with art. 13 of Normative Instruction no. 5, of 08/27/2021, issued by the Comptroller General of the Union (CGU), made this Annual Internal Audit Report (RAINT) available on 02/28/2023, after appreciation by the Audit Committee (Coaud) and the Board of Directors (Conad), to the respective technical supervision unit of the CGU through the e-Aud system.

Information classified as confidential has been replaced by the expression **[confidential information]**, in accordance with art. 14 of the aforementioned Normative Instruction.

This Annual Internal Audit Report (RAINT), prepared by the Internal Audit Unit of *BB Tecnologia e Serviços* (BBTS), includes information on the activities carried out in 2022 and the results of the work carried out.

This practice meets the requirements of Normative Instruction No. 5, of August 27th, 2021, issued by the Office of the Comptroller General (CGU).

The document includes information on the audits carried out, the training actions carried out, the recommendations issued and implemented, the relevant facts that impacted the Internal Audit, the main benefits of the Unit's work and the results of the quality program evaluations.

In a non-exhaustive way, it can be said that the benefits of the audit's work materialize mainly through: i) advising strategic collegiate bodies; ii) strengthening the Internal Control System; iii) improvements resulting from the implementation of audit recommendations; and iv) evolution of the maturity level of organizational processes.

Brasília (DF), February 28th, 2023.

Clecio
Mainardes



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Clecio Mainardes
Auditor General

As established in Normative Instruction No. 5, of 08/27/2021, issued by the Comptroller General of the Union (CGU), this Annual Internal Audit Report (RAINT) includes the following content:

- table showing the effective allocation of the workforce during the term of the Annual Internal Audit Plan (PAINT);
- position on the execution of the audit services provided for in the Annual Internal Audit Plan (PAINT), listing those completed, not completed, not carried out and carried out without provision in the Plan;
- description of the relevant facts that impacted the execution of the audit services;
- table showing the financial and non-financial benefits obtained as a result of the Unit's activities during the year, in accordance with the provisions of CGU Normative Instruction No. 10 of 28/04/2020;
- report on the results of the Quality Management and Improvement Program (PGMQ).

In addition to the contents required by the aforementioned regulation, this document also reports on the training actions undertaken with the aim of developing audit professionals, as well as giving an overview of the audit recommendations issued.

The fulfillment of the Internal Audit's institutional responsibilities has been possible due to its appropriate organizational structure, the availability of resources compatible with its needs and the constant training of its staff. With this in mind, the information in this document presents the general panorama and the results of the activities carried out in 2022.

3. Workforce allocation

The Internal Audit planning considered the allocation of [confidential information] professionals for 2022, totaling [confidential information] hours. The allocation of the workforce, however, had [confidential information] hours (2.82% more than the total originally planned), due to the increase of a new position, Senior Auditor, from the fourth month of that year.

PAINT 2022 - Comparison between planned and executed



[confidential information]

The difference between the hours foreseen and realized in the extraordinary demand activity was due to a reclassification in the accounting of these hours. The hours of extraordinary demands used in the Specific Character Audits (ACEs) were recorded as audit activities.

Training hours exceeded the planned amount by 31.33% due to the hours made available during the working day for three employees to complete Data Scientist training.

4. Training actions

Training activities for Internal Audit staff are segmented into three areas of knowledge: auditing and risk management; company, processes and business; and management, work and career. Employee participation in internal and external events is based on the identification of individual and Unit needs and the optimized allocation of resources.

The selection of training events is in line with the multidisciplinary nature of audit activities. All of the Unit's employees met the target of carrying out at least 40 hours of training in the year, in accordance with the guidelines set out in the second paragraph, art. 4 of CGU Normative Instruction no. 5, of August 2021, with the average number of training sessions in 2022 being **[confidential information]** per auditor, considering that they were only carried out during working hours.

The courses were provided institutionally (via the UniBBTS Corporate University) or contracted on the market.

5. Audit activities

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 does not qualify as a typical internal audit function, the activity of investigating irregularities plays an important role in this context, along with these others, by providing effective responses to irregular occurrences verified within the scope of the disciplinary control process, identifying causes, making recommendations to curb new occurrences and thus contributing to improving processes.



Assessment work consists of obtaining and analyzing information in order to provide conclusions on a given audit object. The methodological approach used by BBTS Audit for this type of work is based on evaluating the system of governance, risk management and controls associated with business processes, which are considered essential for achieving organizational results.

The prioritization of this work is based on the Internal Audit's own risk analysis. This analysis considers, among other things, the chances of this risk occurring (probability), the consequences that will be generated if the risk occurs (impact), as well as other guidelines established in strategic planning.

5. Audit activities

In the 2022 financial year, the Internal Audit concluded the [confidential information] assessment. Of the [information] work initially planned in Paint, [confidential information] was completed, [confidential information] was in progress at the end of the year, [confidential information] expired and [confidential information] was canceled. In addition, [confidential information] that was in progress at the end of 2021 was completed and [confidential information] new work was completed that was not foreseen in Paint 2022.

[confidential information]

Consulting



The consultancy work consists of analyzing documents and providing objective and independent advice to senior management, with the aim of strengthening the company's governance, risk management and internal controls.

The Internal Audit carried out this type of work by participating in meetings of the Board of Executive Officers (DIREX) and its advisory committees, such as the Risk Committee (CORIS) and the IT, Cyber and Asset Security Committee (COSEG). He also took part in meetings of the disciplinary committees, the Audit Committee (COAUD), the Board of Directors (CONAD) and the Fiscal Council (COFIS).

Counting



The investigation of irregularities consists of carrying out procedures with the aim of investigating acts and facts associated with behavioral deviations, service failures or illicit practices by company employees. The investigation carried out by the Internal Audit is part of the company's disciplinary process, which also includes the actions of other agents.

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.

At the end of 2022, [confidential information] investigative work was completed. Of these, [confidential information] work started in the previous financial year (2021) and [confidential information] work started and finished during the year. In addition, [confidential information] work was in progress at the end of the year, with completion scheduled for next year (2023).

[confidential information]

6. Monitoring recommendations

Audit activities include the monitoring of recommendations, which refers to the follow-up of actions taken by organizational areas to improve the system of governance, risk management and controls. When implemented, the Audit verifies, as a prerequisite for certification, the sufficiency of the actions taken, the resolution of the weakness identified and the minimization of the associated risks.

The Audit also monitors compliance with determinations made by the external control bodies, the external audit and the *Banco do Brasil* Audit. When required, it also follows up on recommendations from the Board of Directors (CONAD) and the Audit Board (COFIS):

The quantity of audit recommendations issued and certified and the stock at the end of 2022 are shown in the graphs below.

[confidential information]

7. Relevant facts

Structuring and implementing the Continuous Audit process



With the aim of increasing the use of advanced technologies for data analysis, in order to guarantee the alignment of Internal Audit with the company's corporate strategy, the continuous audit process was implemented, with a team specialized in analytics, which resulted in the formal structuring of activities and the creation of the first continuous risk monitoring panels related to logistics activities. The process of advanced data analysis using the most advanced technological tools and instruments allows for a transformation in work processes, with results that add more value to the Organization than traditional data analysis. This work is internally known as Data Analytics Audits (ADA).

Creation of a Risk Management Forum



The Risk Management Forum was set up in May 2022 with the aim of sharing information, equalizing understandings, contributing to the dissemination of the Risk Management culture and optimizing the work of the second line (Risk Management and Compliance area) and third line (Internal Audit).

Joining the Hybrid Home Office



With the aim of modernizing working model, the company has implemented hybrid teleworking. In the new model, the service will be provided mainly remotely, by agreement between the Internal Audit staff and the employer, according to the criteria established in the *BB Tecnologia e Serviços* (BBTS) teleworking regulations and in accordance with the needs of the area. The model intersperses the home office, where daily tasks are carried out away from the company's premises, with face-to-face work

7. Relevant facts

Revision of the Quality Management and Improvement Program (PGMQ)



In order to promote the evaluation and continuous improvement of Internal Audit work processes, the Unit made changes to the Quality Management and Improvement Program (PGMQ).

The main changes include:

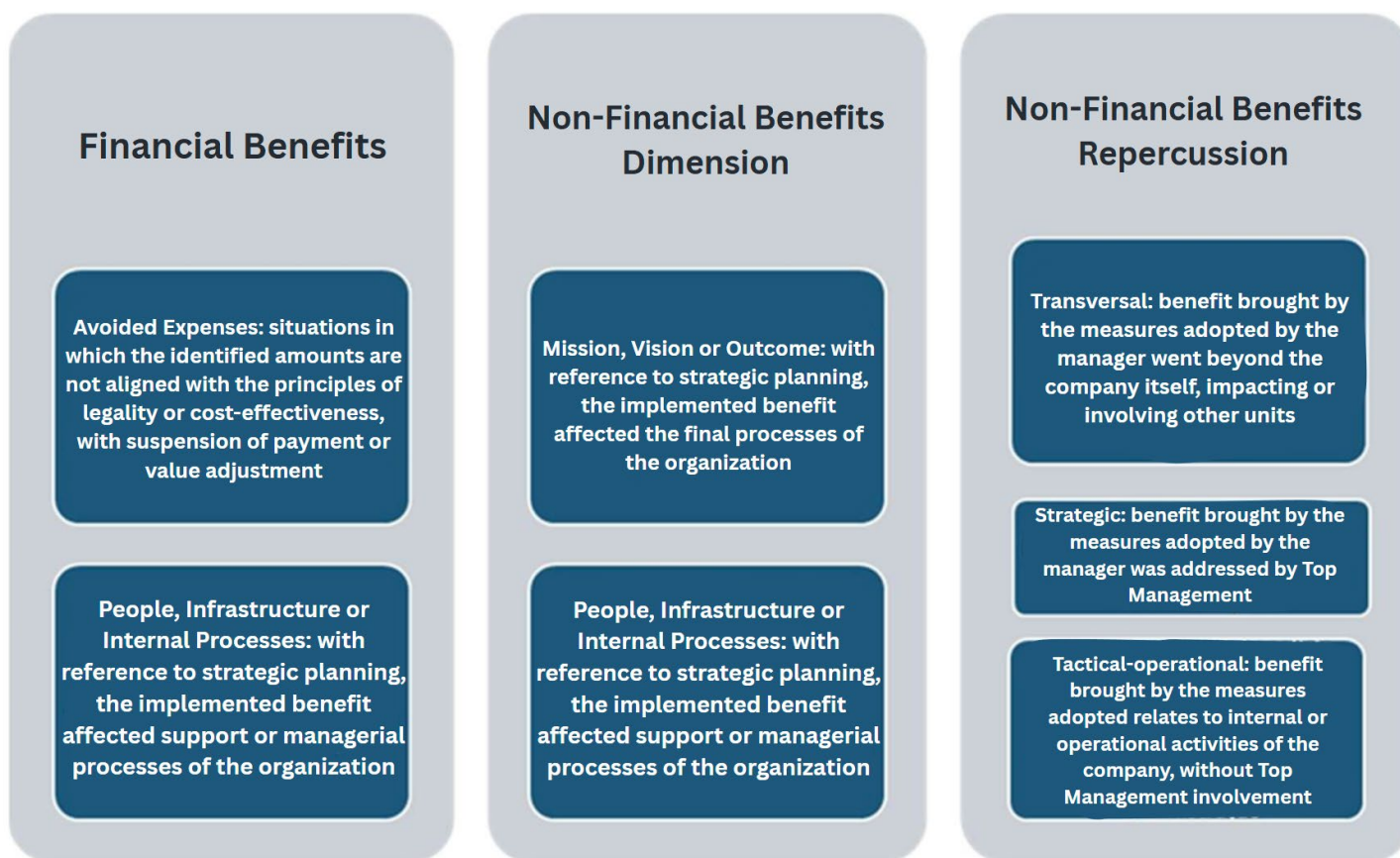
- The application of a checklist at each stage of the work, making it possible to implement corrective actions in good time.
- Creation of questions to be answered by Internal Audit managers when evaluating each piece of work.
- Revision of the questions in the internal checklist and the questions in the surveys of senior managers.

8. Benefits of Internal Audit

According to the concepts established by Normative Instruction No. 10, of April 28, 2020, issued by the Office of the Comptroller General (CGU), the benefits resulting from internal auditing activities can be financial or non-financial:

- Financial benefit: benefit represented in monetary terms and demonstrated by supporting documents, preferably provided by the manager, including those resulting from the recovery of losses.
- Non-financial benefit: a benefit that, although it cannot be represented in monetary terms, demonstrates a positive impact on management in a structural way, such as management improvement, improvement in internal controls and improvement of regulations and processes, and should whenever possible be quantified in a unit other than monetary terms.

These benefits are classified into the classes listed below.



The main actions implemented in 2022 by the Company, based on Internal Audit guidelines and recommendations, produced **[confidential information]** financial and **[confidential information]** non-financial benefits, as detailed below:

[confidential information]

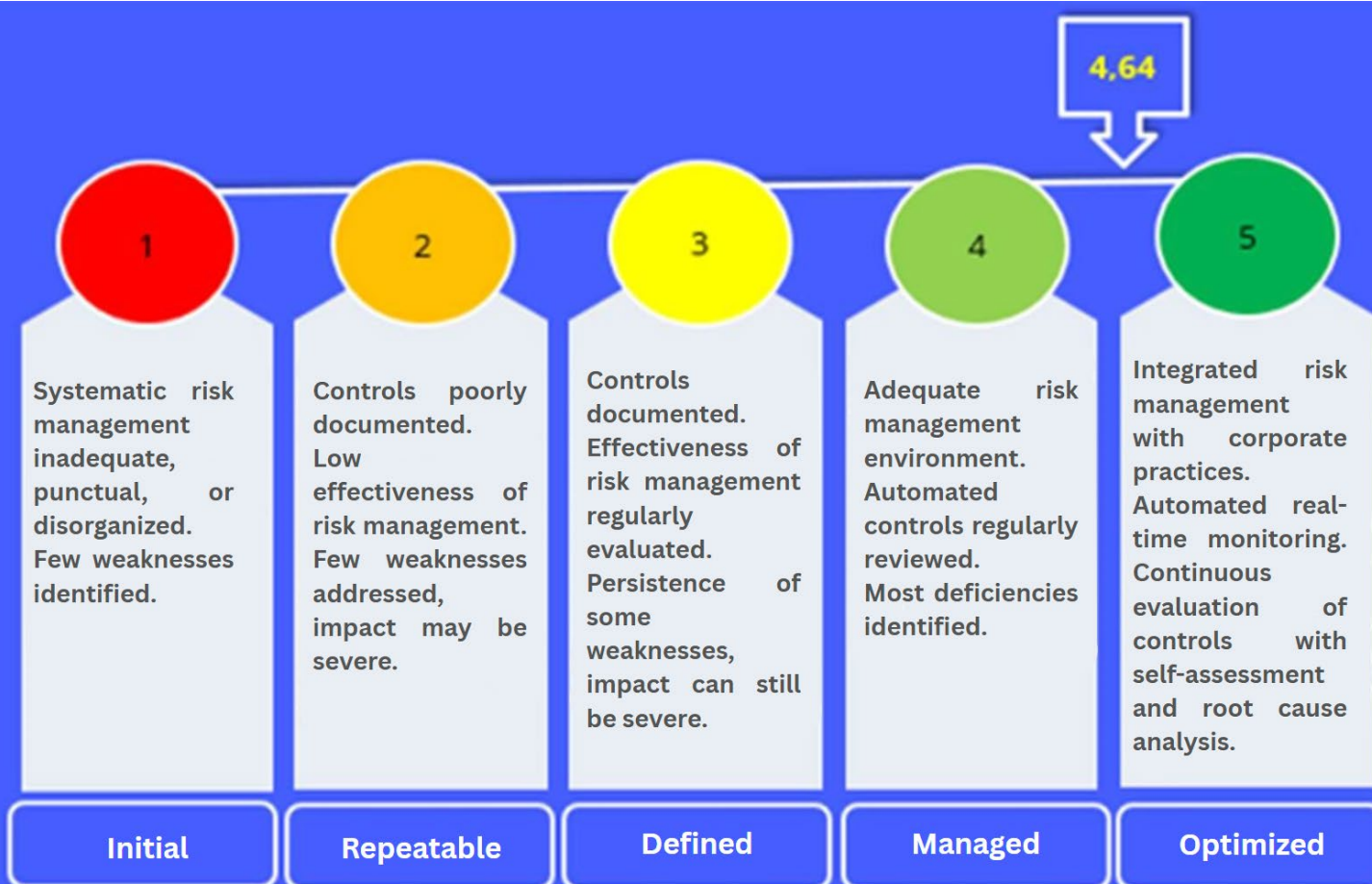
9. Quality Management and Improvement Program (QMIP).

The Internal Audit PGMQ assesses the main aspects of the activities carried out by the Unit and the impact of its work on the Company. The evaluations were carried out systematically and include both internal and external aspects:

[confidential information]

Based on the results of the evaluations, we can conclude that the maturity level of the activities carried out by the Internal Audit at BBTS is classified as managed - final score of 4.64 -, considering a scale that goes from level one (initial) to level five (optimized).

At this level, the activities have an effective control environment, with frequent and documented evaluation and continuous monitoring to resolve any weaknesses detected.



Despite the good level of maturity of the activities carried out, it is important to note that the Internal Audit has established an action plan with the aim of implementing the points for improvement identified in the evaluations carried out.