

Agreed upon by:

the Audit Committee of the Board of
Directors of Rosseti Centre, PJSC
Minutes dated 21.01.2022 # 02/22

Approved by:

the Board of Directors of
Rosseti Centre, PJSC
Minutes dated 31.01.2022 # 02/22

**THE PROGRAM OF ASSURANCE AND IMPROVEMENT
OF THE INTERNAL AUDIT QUALITY
OF ROSSETI CENTRE, PJSC
RK BP 1/08-02/2021**

Moscow
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Data on the document:

Implemented by	By the decision of the Board of Directors of Rosseti Centre, PJSC
Buisness process	BP 1. Corporate Governance
Recurring examination	Conducted by: – Head of the Internal Audit Department at least 1 time a year; – a group of internal auditors in accordance with the examination schedule
Responsible for the procedure	Head of the Internal Audit Department
Version	# 2 # 1 – approved by the Board of Directors of the Company, Minutes dated 12.12.2016 #33/16.
Modification	By results of application or at change of requirements of normative documents on which basis these guidelines are developed
Developed by	Internal Audit Department
Justification of the new version of the document	Introduced for the first time
Placing and storage	The original form – in Administration Department. The electronic version – Docflow System; in Internal Documents Library
Participants of the procedure	All participants of BP 1
Acquaintance method	Task in Docflow System
Additional data	

1. General Provisions. Application area.

1.1. The program of assurance and improvement of the internal audit quality (hereinafter referred to as the Program) is being implemented in Rosseti Centre, PJSC (hereinafter referred to as the Company) in order to ensure proper control and evaluation of internal audit activities, as well as to identify areas for its improvement.

1.2. The program determines the goals, directions, approaches and procedures for conducting continuous (current) and periodic monitoring of the quality of internal audit activities, as well as the development and implementation of an action plan for the development and improvement of internal audit activities.

1.3. The Company's program is subject to periodic review, taking into account the changes made to the Standard Program of Assurance and Improvement of the Internal Audit Quality, approved by PJSC Rosseti.

1.4. The Program is approved and amended by the decision of the Board of Directors of the Company, taking into account the preliminary consideration of the Program by the Audit Committee of the Board of Directors of the Company (hereinafter referred to as the Audit Committee).

1.5. The program is mandatory for use by employees of the internal audit department (hereinafter referred to as the IAD).

2. Regulatory references

2.1. When developing the Program, the provisions/requirements of the following main documents were taken into account:

- Federal Law No. 208-FZ of December 25, 1995 “On Joint Stock Companies”;
- Guidelines for organizing the work of internal audit in joint-stock companies with the participation of the Russian Federation, approved by the order of the Federal Property Management Agency dated 04.07.2014 No. 249;
- Recommendations of the Ministry of Finance of Russia No. PZ-11/2013 “Organization and implementation by an economic entity of internal control of facts of economic life, accounting and preparation of accounting (financial) statements” (Letter of the Ministry of Finance of the Russian Federation of December 26, 2013 N 07-04-15/57289);
- the Corporate Governance Code recommended by Letter No. 06-52/2463 of the Bank of Russia dated April 10, 2014;
- Recommendations on the organization of risk management, internal control, internal audit, the work of the audit committee of the board of directors (supervisory board) in public joint-stock companies (Letter of the Bank of Russia dated October 1, 2020 No. IN-06-28/143);
- the International Standards for the Professional Practice of Internal Auditing developed by the International Institute of Internal Auditors (hereinafter referred to as the International Standards, the Standards);
- Practice Guides of the International Professional Practices Framework of Internal Auditing developed by the International Institute of Internal Auditors (hereinafter referred to as the Practice Guides);
- the Articles of Association of the Company;
- the Internal Audit Policy of the Company;
- the Internal Control Policy of the Company;
- the Risk Management Policy of the Company;

- the Regulation on the Board of Directors of the Company;
- the Regulation on the Audit Committee of the Board of Directors of the Company and other internal regulatory documents of the Company.

3. Terms, definitions and abbreviations

3.1. The terms, their definitions and abbreviations used in the Program are presented in the Glossary of the Company's internal audit as part of the manual "Conducting internal audits in Rosseti Centre, PJSC", approved in the manner established by the Company.

4. Purpose and main directions of the Program

4.1. The purpose of the Program is to provide a guarantee to the Board of Directors (Audit Committee) and other stakeholders that:

- the activities of the Company's internal audit are carried out in accordance with the Company's Internal Audit Policy;
- internal audit assists the Board of Directors and executive management of the Company in improving the efficiency of the Company's management;
- the Company implements the most effective and rational measures to ensure compliance of internal audit with the International Standards, taking into account the specifics of activities and available resource constraints;
- the internal audit of the Company performs its functions effectively and with the required level of quality;
- the internal audit function is continuously developing.

4.2. The Program covers the main areas of internal audit activity in accordance with the Company's Internal Audit Policy:

- implementation and application of unified approaches established in Rosseti's Group of Companies to building, managing and coordinating the internal audit function in the Company and SDEs;
 - performance of internal audit, participation in other verification activities in the Company and SDEs;
 - provision of independent and objective guarantees regarding the effectiveness of the internal control, risk management and corporate governance systems, as well as assistance to the executive bodies and employees of the Company in the development and monitoring of the implementation of procedures and measures to improve the internal control, risk management and corporate governance systems of the Company;
 - organization of effective interaction of the Company with the external auditor of the Company, the Audit Commission of the Company, as well as with persons providing consulting services in the field of risk management, internal control and corporate governance;
 - preparation and submission to the Board of Directors (Audit Committee) and executive bodies of the Company (sole executive body/to the Management Board) reports on the results of internal audit activities (including information on significant risks, shortcomings, results and effectiveness of the implementation of measures to eliminate identified shortcomings, results of the implementation of the internal audit activity plan, results of assessing the actual state, reliability and effectiveness of the internal control, risk management and corporate governance systems).
- 4.3. The Program implementation process includes:

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- carrying out current (continuous) monitoring and periodic internal assessments of the quality of internal audit activities;
- regular external assessment of the quality of internal audit activities;
- presentation of the results of the assessment, as well as the development/updating of an action plan for the development and improvement of internal audit activities.

4.4. The scheme of the Program implementation processes is presented in Appendix 1 to this Program.

4.5. When implementing the Program, the Company, in accordance with the Internal Audit Policy, seeks to apply the basic principles and approaches reflected in the Corporate Governance Code, in the recommendations of the Federal Property Management Agency, in the generally accepted standards of internal audit activities, in particular, in the International Standards.

5. Internal assessment of the quality of internal audit activities

5.1. Internal assessment of the quality of internal audit activities includes:

- current monitoring of internal audit activities;
- periodic self-assessment.

5.2. Current monitoring of internal audit activity consists in:

- supervision by the head of the IAD and employees authorized by him over the conduct of audits, including procedures for ensuring the quality of auditors' reports on the implementation of audit procedures, the auditor's report and other audit materials;
- assessment of activities of internal auditors during the audit;
- quality control of reporting/information materials (information letters, presentations, etc.) provided to the governing bodies and the Audit Committee;
- receiving feedback from heads of auditees;
- supervision over work performance and quality control in other areas of the Company's internal audit activities;
- regularly discussing with the employees of the IAD the necessary measures to develop and improve the activities of internal audit and, if necessary, updating the individual development plans for the employees of the IAD.

5.2.1. Supervision procedures on the part of the head of the IAD and employees authorized by him over the conduct of audits, including procedures for ensuring the quality of working documentation and auditor's reports, are provided for by the Guidance for Conducting Internal Audits, approved in the prescribed manner.

5.2.2. Evaluation of activities of internal auditors during the audit is carried out in the following order:

- the decision to document the assessment of the activities of internal auditors in conducting the audit is made by the head of the IAD:
 - at the stage of planning and approving the audit assignment - taking into account the significance of the audit for the Company, the complexity and labouriousness of the audit;
 - based on the results of the audit - in case of a significant deviation from the implementation plan (without changing the program and in the absence of other objective grounds), there are comments on the quality of the documentation, comments from the object of the audit, or in other circumstances that require evaluation;
- assessment is carried out within 10 (ten) working days after the completion of the audit/assignment;

- assessment of the activities of internal auditors is carried out by the head of the audit group;

- evaluation of the activities of the head of the audit group is carried out by the head of the IAD;

- the form of the questionnaires filled out based on the results of the assessment is given in Appendices # 3 and 4 to this Program.

5.2.3. Quality control of reporting/information materials provided to the governing bodies and the Audit Committee is carried out on an ongoing basis by the head of the IAD.

5.2.4. Obtaining feedback from the heads of the auditees can be carried out by the head and employees of the IAD with varying degrees of formalization.

The main form of receiving feedback is a questionnaire, during which the head of the auditee is invited to evaluate the work of the audit group, express comments and suggestions for improving the work of the audit group. The form of the questionnaire is presented in Appendix 5 to this Program).

Questionnaires can be conducted both for scheduled and unscheduled inspections (by decision of the head of the IAD, taking into account the significance of the inspection for the Company, the complexity and volume of inspection work, and other circumstances).

5.2.5. Supervision of the work and quality control in other areas of the Company's internal audit activity is carried out by the head and employees of the IAD in accordance with their official duties, the requirements of the Company's current documents regulating the activities of internal audit.

5.2.6. The head of the IAD regularly discusses with the employees of the IAD the necessary measures for the development and improvement of activities of internal audit. Such activities can be included in: individual development plans for employees of the IAD (the form is presented in Appendix 8 to this Program), as well as in the action plan for the development and improvement of internal audit activities. The form of the action plan is presented in Appendix 1 to the Report on the results of the internal assessment of the quality of internal audit activities (Appendix 7 to this Program).

5.3. Periodic self-assessment is carried out by the head and/or employees of the IAD at least once a year and includes:

- analysis of compliance of the goals and objectives defined by the Internal Audit Policy with the goals and objectives set for internal audit by the Board of Directors (Audit Committee) and executive bodies of the Company;

- implementation of self-assessment procedures.

5.3.1. The analysis of compliance of the goals and objectives defined by the Internal Audit Policy with the goals and objectives set for internal audit by the Board of Directors of the Company (Audit Committee) and the executive bodies of the Company is carried out by the head of the IAD:

- it analyzes instructions and decisions of the Board of Directors (Audit Committee) and the executive bodies of the Company, the tasks of the approved plan of activity of the IAD, changes in the strategic priorities of the development of the Company and other information that may affect the goals and objectives of internal audit;

- the need to make changes to the Internal Audit Policy is determined. If necessary, proposals are prepared to amend the Company's Internal Audit Policy.

5.3.2. Performance of self-assessment procedures includes:

- receiving feedback from members of the Audit Committee;

- analysis of compliance of internal audit activities with the Internal Audit Policy

and Internal Audit Standards;

- analysis of fulfillment of tasks assigned to the internal audit by the Board of Directors (Audit Committee) and executive bodies of the Company on issues related to the competence of internal audit;
- filling in the self-assessment questionnaire of the current state of the internal audit function;
- comparison of current internal audit practices with best practices;
- assessment of the implementation of the action plan for the development and improvement of the internal audit activity, development of proposals for supplementing and adjusting the action plan for the development and improvement of the internal audit activity;
- assessing the activities of internal audit for compliance with the Code of Ethics;
- carrying out an assessment based on a selective analysis of the performed checks, including checking working papers and auditor's reports.

5.3.2.1. Feedback from the Audit Committee is received by the Head of the IAD in various forms in the course of interaction with the Audit Committee, including analysis of decisions/recommendations of the Audit Committee on issues within the competence of internal audit. Obtaining periodic feedback can also be carried out through a questionnaire (the form of the questionnaire is presented in Appendix 6 to this Program). The questionnaire is sent by the head of the IAD to the Chairman/members of the Audit Committee in order to assess the interaction with the Audit Committee and assess the compliance of internal audit activities with the expectations of the Audit Committee.

5.3.2.2. Analysis of compliance of internal audit activities with the Internal Audit Policy provides for:

- assessment of the completeness, relevance and compliance of documents regulating the activities of internal audit with the Internal Audit Policy;
- assessment of the implementation of the principles for the execution of the internal audit function contained in the Internal Audit Policy;
- assessment of compliance with the requirements for internal auditors contained in the Internal Audit Policy;
- assessment of the implementation of the Code of Ethics of Internal Auditors;
- assessment of the fulfillment of the Company's documents regulating the activities of internal audit.

5.3.2.3. Analysis of the fulfillment of tasks assigned to internal audit by the Board of Directors (Audit Committee) and executive bodies of the Company on issues related to the competence of internal audit provides for:

- assessment of the completeness and quality of the implementation of activities included in the IAD's work plan, in the context of the tasks defined by the Company's Internal Audit Policy;
- analysis of decisions/instructions of the Board of Directors (Audit Committee) and/or executive bodies of the Company to conduct unscheduled inspections/other activities, and assessment of the completeness and quality of the implementation of relevant unscheduled inspections/events.

5.3.2.4. Assessment of the current state of the internal audit function is carried out by filling out a questionnaire for self-assessment of the current state of the internal audit function (the form of the questionnaire is presented in Appendix 2 to this Program). To analyze the changes of development of the internal audit function, an assessment is made in points according to the criteria given in the questionnaire and the average score for the

internal audit function as a whole is calculated. The rating scale with a description is given in Appendix 2 to this Program.

5.3.2.5. Comparison of current internal audit practices with best practice is performed based on the available information on best practices from professional and periodical literature on the subject of internal audit, participation in conferences, in professional communities, the results of consultations and interaction with employees of internal audit units of other enterprises, as well as joint work on the Company's projects with external experts in the field internal audit.

5.3.2.6. Evaluation of the implementation of the action plan for the development and improvement of internal audit activities includes an analysis of the completeness, timeliness and effectiveness of the measures and, if there are deviations from the plan, an analysis of the causes of deviations. Based on the results of the assessment, proposals are formed to supplement and/or adjust the action plan for the development and improvement of internal audit activities.

6. External evaluation of the quality of internal audit activities

6.1. An external assessment of the quality of the Company's internal audit activities is carried out by an independent external expert at least once every 5 (five) years. An external expert is selected in accordance with the documents in force in the Company regulating procurement activities, and acts on the basis of an agreement with the Company concluded in the prescribed manner.

6.2. An external assessment may take the form of a full external evaluation by an independent expert/a panel of experts, or a full self-evaluation followed by an independent validation of its results by a qualified independent external expert or a team of experts.

6.3. When establishing criteria for selecting an organization - an expert for external evaluation, the Company must provide for requirements that ensure the independence and objectivity, professionalism and competence of such an organization and the organization's personnel involved in interaction with the Company.

6.4. The format of the external assessment and the choice of the expert/organization performing the external evaluation is reviewed by the Audit Committee and approved by the Board of Directors.

6.5. The external assessment should cover the main areas of activity of the Company's internal audit in accordance with the Internal Audit Policy and include an assessment of the requirements and criteria established by the Board of Directors (Audit Committee) and the executive bodies of the Company, and checking for compliance of the internal audit activity with these requirements and criteria, including the requirements of the International Professional Standards for Internal Auditing.

6.6. For optimal results, the scope of work for an external evaluation should include the same aspects as for an internal assessment.

6.7. When conducting an external evaluation, the head of the IAD:

- provides information on the organization of activities and the results of the work of internal audit in accordance with the requests of an external expert (a group of experts);
- preliminary evaluates the quality of the report prepared by an external expert (a group of experts) and forms comments/remarks to the report;
- participates in meetings to discuss the results of external evaluation.

6.8. Based on the results of the external assessment, an independent expert prepares a report stipulated by the contract, in which he expresses an opinion on the compliance of the internal audit function with the Company's Internal Audit Policy, compliance with the

International Standards, and also indicates areas for development and recommendations for improving the efficiency of internal audit.

6.9. The results of the external evaluation are submitted to the Board of Directors (with a preliminary review by the Audit Committee).

6.10. The head of the IAD is responsible for developing the action plan and implementing the recommendations contained in the report of the external expert on assessing the quality of internal audit activities.

7. Presentation of the results of the assessment and development (updating) of an action plan for the development and improvement of activities

7.1. Based on the results of internal assessments, a report is generated on assessing the quality of internal audit activities (hereinafter referred to as the Report) in accordance with Appendix 7 to this Program.

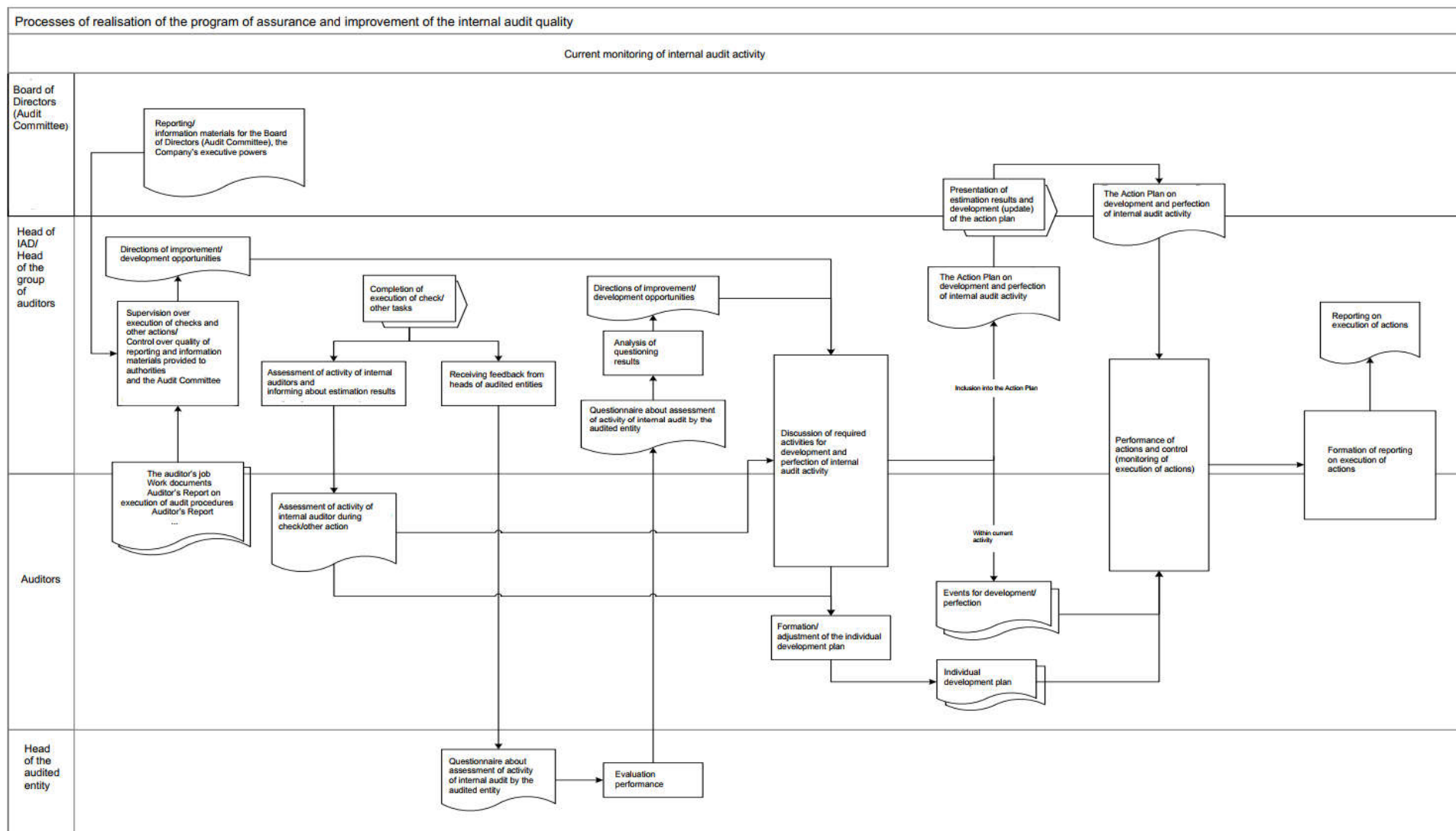
7.2. The report is submitted to the Board of Directors (with a preliminary review by the Audit Committee) as part of the IAD's annual report on the implementation of the work plan and the results of the internal audit activities.

7.3. The report may be submitted to the executive bodies of the Company and, if necessary, to other stakeholders.

7.4. If, based on the results of assessments of the quality of internal audit activities, a discrepancy is revealed with the Definition of Internal Audit, the Code of Ethics or the International Standards, and this discrepancy significantly affects the scope, content or quality of internal audit activities, the Report shall include information on such discrepancies and their impact on the activity.

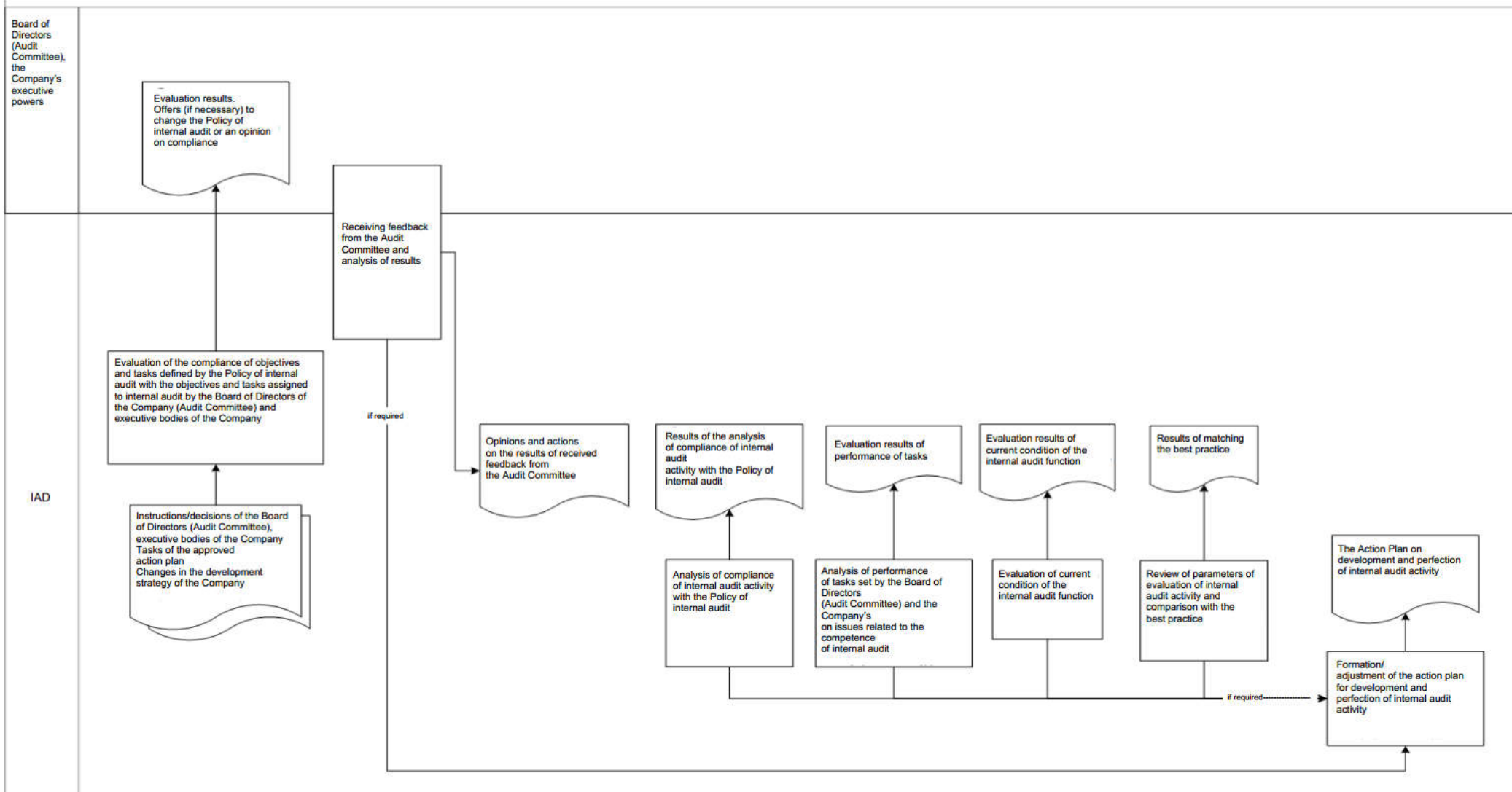
7.5. Based on the results of internal and external assessments, the head of the IAD, if necessary, develops or adjusts an action plan for the development and improvement of internal audit activities. The action plan is submitted for consideration by the Board of Directors (with a preliminary review by the Audit Committee) as an appendix to the report on the results of the internal assessment of the quality of internal audit activities or the report on the results of the external assessment.

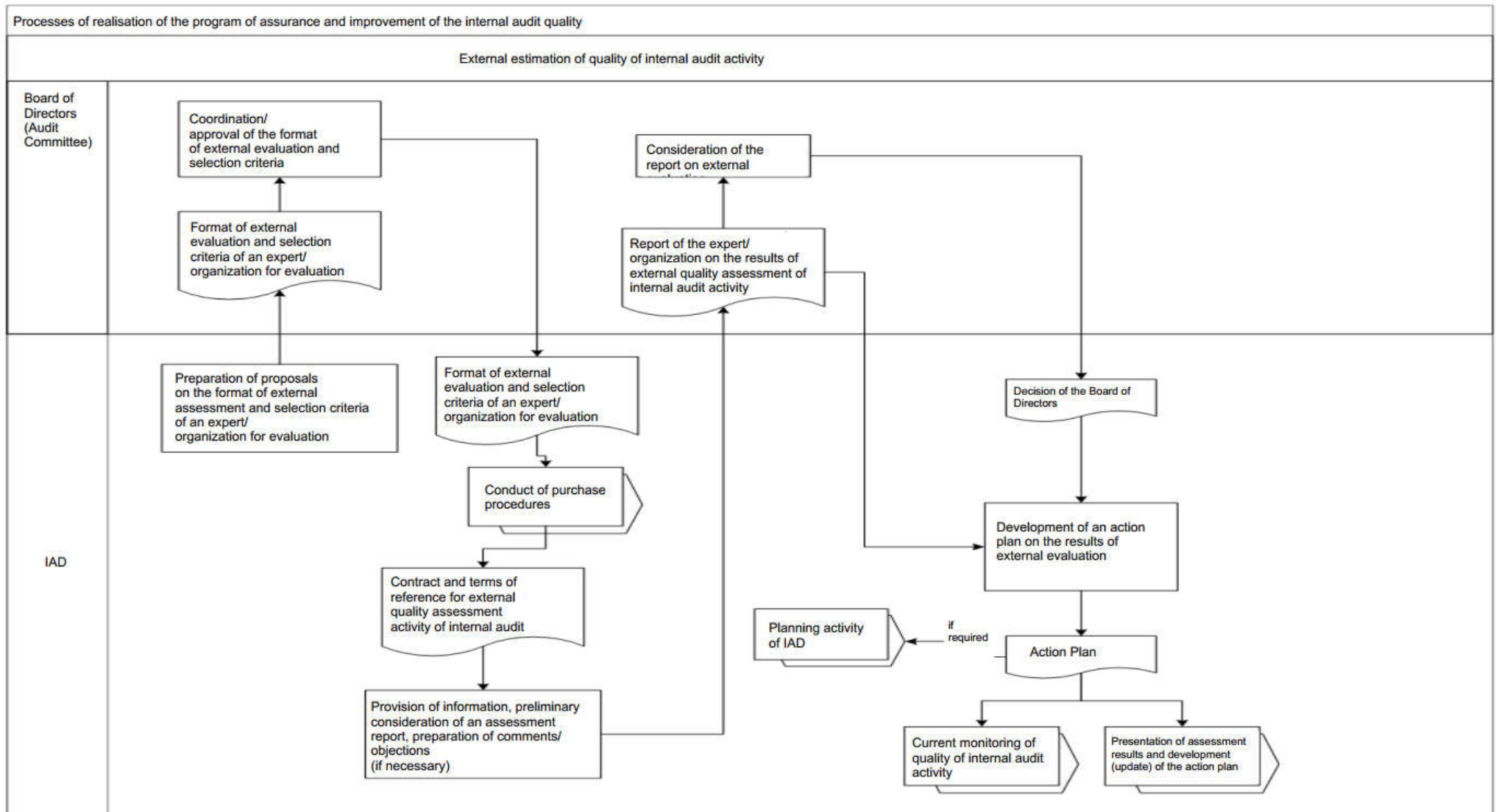
Scheme of the processes for implementing the program for guaranteeing and improving the quality of internal audit

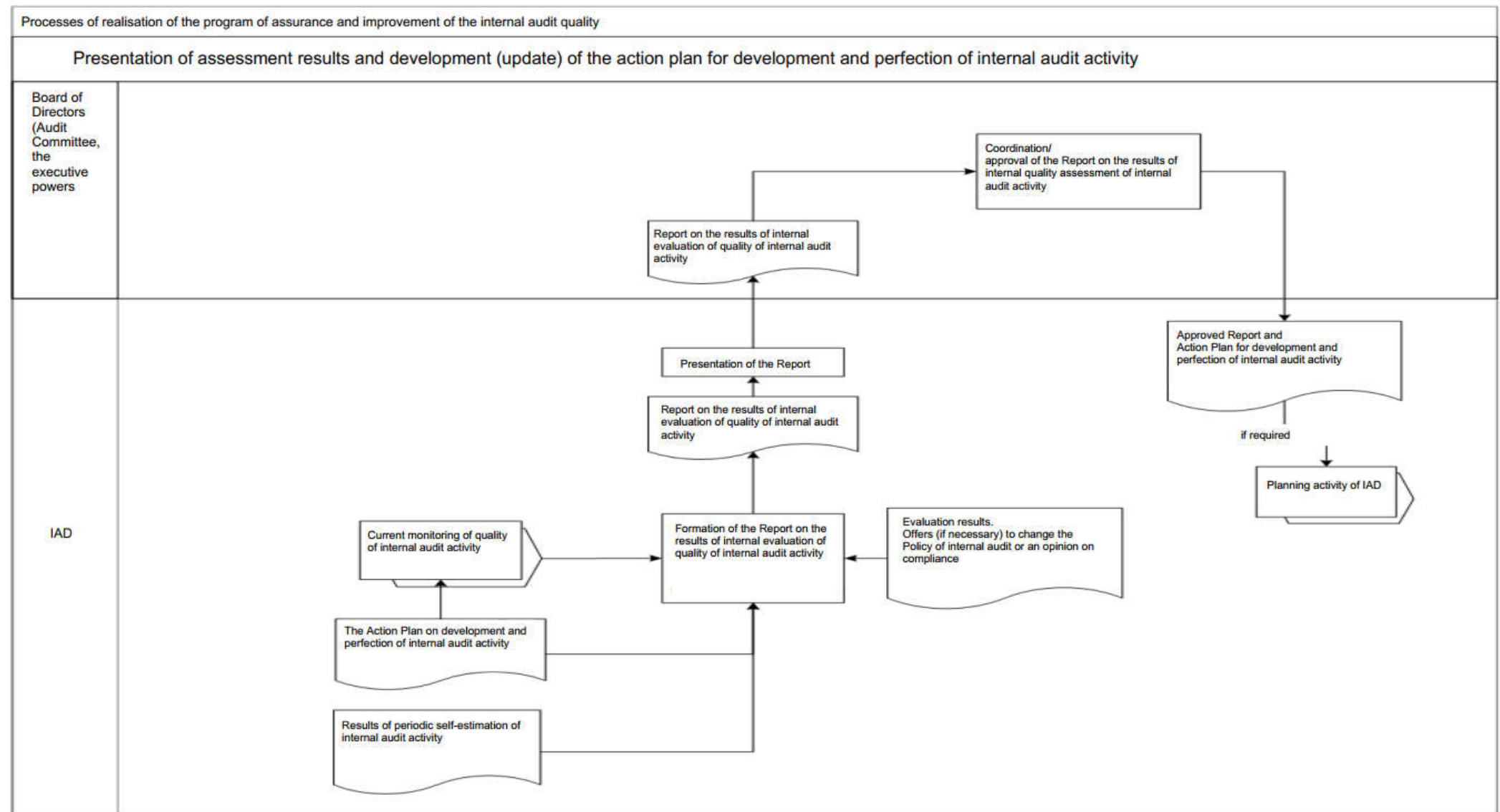


Processes of realisation of the program of assurance and improvement of the internal audit quality

Periodic self-estimation of internal audit activity







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Form of the self-assessment questionnaire on the current state of the internal audit function

Form RD-01-PG

Self-Assessment Questionnaire on the Current Status of the Internal Audit Function**Rating scale**

Evaluation	Score
Fully compliant	4
Generally compliant	3
Partially compliant	2
Does not comply	1
Not applicable	0

Score calculation rules

1. Under each subpoint (criterion) of the third level from the table (the List of criteria of estimation of a current condition of the internal audit function) the point from 1 (one) to 4 (four) according to the scale of estimation is given or a dash is inserted if the criterion is inapplicable and a possibility to drop the criterion is specified in the corresponding point.
2. Calculation of values is produced for a group of criteria of the second level (numbering of the second level) by determination of an average arithmetic on the points (criteria) of the third level. Points, which have dashes inserted are put down, do not participate in calculation of an average arithmetic.
3. For the integrated group of criteria of the first level (numbering of the first level) the estimation is determined as an average arithmetic of values on the corresponding points of the second level.
4. The received values are rounded to the 1 (first) decimal place.

Assessment of the current state of the internal audit function and compliance of the current activities of the internal audit unit with the International Standards of Internal Auditing

International standards for the professional practice of internal auditing	Item #	Criteria for evaluation	Assessment for the year		Description of the status/links to supporting documents/rationale for changes compared to the previous self-assessment
			2020	2021	
2	3	4	5	6	7
1000 – Purpose, Authority, and Responsibility	1	Purpose, Authority, and Responsibility			
1010 – Recognizing Mandatory Guidance in the Internal Audit Charter. The Internal Audit Regulations should contain an indication of the mandatory application of the Basic Principles of the Professional Practice of Internal Auditing, the Code of Ethics, the Standards and the Definition of Internal Auditing. The head of internal audit should discuss the Mission of Internal Audit and the Mandatory Elements of the IPPF with senior management and the Board.	1.1	<i>Recognition of the Definition of Internal Auditing, the Code of Ethics, and the Standards in the Internal Audit Charter</i>			
	1.1.1	The Internal Audit Charter of the Company contains the provision about compulsion of application of the International Standards.			
	1.1.2	The Internal Audit Charter of the Company contains the provision about compulsion of application of the Definition of Internal Auditing			
	1.1.3	The Internal Audit Charter of the Company contains the provision about compulsion of observance of the Code of Ethics.			
	1.1.4	The Internal Audit Charter, the Regulation about the internal audit division contain the description of the purpose, authority and responsibility of the internal audit, corresponding to the Definition of Internal Auditing, the Code of Ethics, the International Standards			
	1.1.5	The Internal Audit Charter specifies character of services in provision of assurance, rendered by internal audit (the definition of assurance provision corresponding to the International Standards is given)			
	1.1.6	The Internal Audit Charter specifies character of consulting services rendered by internal audit (the definition of provision of consultations corresponding to the International Standards is given)			
1100 – Independence and objectivity	2	Independence and objectivity			

1110 – Organizational Independence. The head of internal audit should be accountable to a level of governance that would enable the internal audit function to fulfill its responsibilities. The head of internal audit must confirm to the Board the fact of the organizational independence of internal audit at least once a year.	2.1	Organizational Independence			
	2.1.1	In the Company's documents functional subordination of internal audit to the Board of Directors and administrative subordination - to General Director of the Company is fixed			
	2.1.2	The Board of Directors approves the Internal Audit Charter			
	2.1.3	The Board of Directors approves the plan of activity and the internal audit budget			
	2.1.4	The Board of Directors approves decisions on appointment, exemption from the post of the head of internal audit, and also determines compensation of the manager of the internal audit division			
1111- Direct Interaction with the Board. The head of internal audit should maintain a relationship with and interact directly with the Board.	2.2	Direct Interaction with the Board			
	2.2.1	The Internal Audit Charter of the Company has a provision about direct interaction of the head of internal audit with the Board of Directors (Audit Committee) of the Company			
	2.2.2	The head of internal audit has possibility of direct interaction with the Board of Directors (Audit Committee)			
1120 – Individual Objectivity. Internal auditors must be impartial and unbiased in their work and avoid conflicts of interest of any kind.	2.3	Individual Objectivity and Avoidance of Any Conflict of Interest			
	2.3.1	Auditors were impartial and non-biased in the work and avoided the conflict of interests of any sort			
1130 – Impairment to Independence or Objectivity. If independence or objectivity is, or is perceived to be, adversely affected, this should be disclosed to the relevant parties. The method of disclosure depends on the nature of the adverse impact.	2.4	Impairment to Independence or Objectivity			
	2.4.1	A local regulation provides that the information on negative influence on organizational independence and individual objectivity (the personal conflict of interests, restriction of an audit scope, access rights to documentation, employees, assets, restrictions in resources, etc.) is communicated to the Board of Directors (to the Audit Committee) and to the Company's executive powers			
	2.4.2	Procedures of disclosing of the information (in the presence of facts of negative influence on organizational independence and individual objectivity) are observed <i>(if there were no specified facts during the estimated period, a dash is inserted)</i>			
	2.4.3	Auditors did not participate (during the estimated period) in checks and an estimation of those areas for which they bore responsibility earlier			

1120 – Individual Objectivity	3	Individual Objectivity			
1210 – Proficiency. Internal auditors must have the knowledge, skills and other competencies required to perform their job responsibilities. To perform the tasks facing the internal audit unit, the employees of the unit must collectively possess or receive the necessary knowledge, skills and other competencies.	3.1	Proficiency			
	3.1.1	Requirements to knowledge, skills and other competences, necessary for internal auditors for accomplishment of their job responsibilities are formalized			
	3.1.2	Auditors collectively possess knowledge, skills and other competences, necessary for accomplishment of the tasks facing the division of internal audit in the estimated period			
	3.1.3	Knowledge, skills and other competences, necessary for auditors are regularly estimated			
	3.1.4	Internal auditors possess sufficient knowledge to estimate fraud risk and how the organization manages this risk. At the same time, it is not supposed that internal auditors possess the competence of the specialist, whose basic function consists in revealing and investigation of facts of swindle.			
	3.1.5	A local regulation provides for attraction of foreign experts if employees of internal audit do not possess sufficient knowledge, skills and other competences for accomplishment of internal audit inspection or its part			
	3.1.6	The internal audit division involves foreign experts if employees of internal audit do not possess sufficient knowledge, with skills and other competences for accomplishment of internal audit inspection or its part (if there was no need for attraction of experts in the estimated period, a dash is inserted)			
	3.1.7	Internal auditors possess sufficient knowledge of key risks and control procedures connected with information technology, and are able to use automated methods of audit in volume, sufficient for accomplishment of the charged tasks. At the same time, it is not supposed that all internal auditors possess the competence of the internal auditor, whose basic function consists in audit of information technology.			
1220 – Due Professional Care.	3.2	Due Professional Care			
	3.2.1	Requirements of the professional relation to work are fixed in a local regulation			

Internal auditors must be conscientious and apply their skills and abilities as expected of a sound and competent internal auditor. A professional attitude to work does not mean that the auditor does not have the right to make mistakes.	3.2.2	Auditors show the professional relation to work			
1230 – Continuing Professional Development.	3.3	Continuing Professional Development			
Internal auditors should improve their knowledge, skills and other competencies through continuous professional development.	3.3.1	Requirements on continuous professional development of auditors are fixed in a local regulation			
	3.3.2	Auditors develop and carry out individual plans for development for acquisition/increase of level of knowledge, skills and other necessary competences			
1300 – Quality Assurance and Improvement Program	4	Quality Assurance and Improvement Program			
1310 - Requirements of the Quality Assurance and Improvement Program.	4.1	Requirements of the Quality Assurance and Improvement Program			
The quality assurance and improvement program should include both internal and external assessments.	4.1.1	Internal audit has developed the Program of assurance and improvement of quality (the Program of assurance) and performs it, including both internal, and external estimations			
	4.1.2	The Program of assurance provides an estimation of all activity of internal audit			
	4.1.3	All activity of internal audit is actually estimated within the limits of the Program of assurance			
	4.1.4	The Program of assurance provides conformity assessment of internal audit activity to the Definition of internal auditing and the International Standards and conformity assessment of activity of internal auditors to the Code of Ethics			
	4.1.5	The Program of assurance provides an evaluation of performance and productivity of internal audit and revealing of possibilities for activity enhancement			
	4.1.6	If by results of estimations areas, where improvements of internal audit activity are necessary, are revealed, the head of internal audit develops an action plan on improvement of internal audit activity and organises its accomplishment (<i>if there were no lacks or areas demanding improvement during the estimated period revealed, a dash is inserted</i>)			
1311 – Internal Assessments.	4.2	Internal Assessments			

Internal assessments should include: - ongoing monitoring of internal audit activities; - periodic self-assessments by internal auditors or by other members of the organization with sufficient knowledge of internal audit.	4.2.1	The internal estimations, provided by the Program of assurance, include current monitoring of internal audit activity and periodic self-estimations which are conducted by internal audit			
	4.2.2	Procedures of current monitoring and periodic self-estimation are observed			
1312 – External Assessments.	4.3	External Assessments			
External assessments must be conducted at least once every five years by a qualified and independent assessor or a group of assessors who are not employees of the organization. The head of internal audit should discuss with the Board: - format and frequency of external assessments; - qualifications and independence of the external assessor or group of assessors, including any potential conflict of interest.	4.3.1	The Program of assurance provides external assessments of quality of internal audit activity, conducted once every five years			
	4.3.2	External quality assessments of internal audit activity are carried out according to requirements established in the Program of assurance <i>(by the given criterion the estimation is put down at carrying out of the external estimation and remains to the following external assessment)</i>			
	4.3.3	The Program of assurance provides a test of skills and independence of the external consultant (a group of advisers), chosen for assessment carrying out, including any possible conflict of interests			
	4.3.4	Procedures of the test of skills and independence of the external consultant (a group of advisers), chosen for the assessment performance, are carried out <i>(by the given criterion the estimation is put down at carrying out of the external assessment and remains to the next external assessment)</i>			
1320 – Reporting on the Quality Assurance and Improvement Program.	4.4	Reporting on the Quality Assurance and Improvement Program			
The head of internal audit should keep senior management and the Board informed of the results of the quality assurance and improvement program. Information messages should contain the following:	4.4.1	The Internal Audit Charter, the Program of assurance provides communicating to the Board of Directors, executive powers the quality assessment of internal audit activity and an action plan execution on improvement of quality of activity and internal audit development			

<ul style="list-style-type: none"> - the volume and frequency of both internal and external assessments; - the qualifications and independence of the external assessor or group of assessors, including any potential conflict of interest; - conclusions of appraisers; - a corrective action plan. 	4.4.2	At least once a year the head of internal audit presents to the Board of Directors and the executive management a report on results of internal assessments, plans of necessary actions and their realisation			
	4.5	<i>Use of "Conforms with the International Standards for the Professional Practice of Internal Auditing"</i>			
<p>It is acceptable to state that internal audit activities are carried out in accordance with the International Standards for the Professional Practice of Internal Auditing only if this is confirmed by the results of the implementation of the quality assurance and improvement program.</p>	4.5.1	The manager of the division of internal audit uses the phrase "Conforms with the International Standards for the Professional Practice of Internal Auditing", if results of realisation of the Program of assurance confirm it (<i>if the specified phrase during the estimated period was not used, a dash is inserted</i>)			
<p><i>1322 – Disclosure of Nonconformance.</i></p> <p>If non-compliance with the Code of Ethics and the Standards affects the overall scope and content or activity of internal audit, the head of internal audit must report the fact of non-compliance and its consequences to senior management and the Board.</p>	4.6	<i>Disclosure of Nonconformance</i>			
	4.6.1	The Program of assurance provides informing of the Board of Directors and the Company's executive powers on a fact of discrepancy to the Definition of internal auditing, the Code of Ethics and the International Standards and its consequences if the discrepancy influences volume, content or quality of internal audit activity			
	4.6.2	Informing procedures are carried out (in the presence of discrepancies) (<i>if there were no specified facts of discrepancies in the estimated period revealed, a dash is inserted</i>)			
	4.6.3	Any discrepancies (at availability) are in due time corrected, corrective actions are documented (<i>if there were no specified facts of discrepancies in the estimated period revealed, a dash is inserted</i>)			
<i>2000 – Managing the Internal Audit Activity.</i>	5	<i>Managing the Internal Audit Activity</i>			
<p><i>2010 – Planning.</i></p> <p>The head of internal audit should develop a risk-based plan that prioritizes internal audit in line with the organization's objectives.</p> <p>The internal audit work plan should be based on a formalized risk assessment conducted at least once a year. The plan</p>	5.1	<i>Planning</i>			
	5.1.1	In the Company there is an approved order of plan development of internal audit activity (a planning order)			
	5.1.2	The approved order of planning provides application of a risk-focused approach on the basis of construction of the audit universe and ranging of risks on audited entities			
	5.1.3	The approved order of planning is put into practice			

<p>should take into account the views of senior management and the Board.</p> <p>The head of internal audit should ascertain and consider the expectations of senior management, the Board and other stakeholders regarding the expression of opinion and the formation of internal audit conclusions.</p> <p>The head of internal audit should consider proposals for consulting engagements, given that the engagement provides opportunities to improve the risk management process, deliver value to the organization, and improve its operations. Tasks accepted for execution must be included in the plan.</p>	5.1.4	At scheduling of internal audit activity the opinion of the Board of Directors and the Company's executive powers is considered			
	5.1.5	At forming of the plan of activity offers on accomplishment of consulting tasks are considered, taking into account existing possibilities for improvement of a risk management process and enhancement of operational activity of the Company			
2020 – Communication and Approval.	5.2	Communication and Approval			
<p>The head of internal audit must submit to senior management and the Board for review and approval the internal audit work plans, including the resources required to carry them out, and any significant changes to the plans during the reporting period. The head of internal audit should also communicate the impact of resource constraints on internal audit activities.</p>	5.2.1	A local regulation provides for coordination procedures of the plan of internal audit activity, its adjustments and approval by the Company's Board of Directors			
	5.2.2	Procedures of coordination/approval of the plan of activity and its adjustment are carried out			
2030 – Resource Management	5.3	Resource Management			
<p>The head of internal audit must ensure that appropriate and sufficient resources are available and that they are used effectively to carry out the approved plan.</p>	5.3.1	A local regulation provides that at scheduling of internal audit activity necessary resources for accomplishment of planned tasks taking into account consideration of the audit universe, risks of audited entities, expectations of stakeholders and other factors are determined			
	5.3.2	At scheduling of internal audit activity necessary resources for accomplishment of the tasks provided by the plan taking into account consideration of the audit universe, risks of audited entities, expectations of stakeholders and other factors are determined			
	5.3.3	The head of internal audit reports to the Board of Directors and the Company's executive powers about influence of restrictions in resources (at availability) on internal audit activity (<i>if there were no specified restrictions during the estimated period, a dash is inserted</i>)			

	5.3.4	The head of internal audit provides efficiency of resource utilization – auditors are appointed to certain sites of work taking into account their qualification, knowledge and experience.			
	5.3.5	Completeness of resource utilization is provided: constant working loading of all available resources			
	5.3.6	The head of internal audit periodically interacts with the Board of Directors and executive powers of the Company concerning a condition and sufficiency of resources of internal audit			
2040 – Policies and Procedures.	5.4	Policies and Procedures			
The head of internal audit must implement internal policies and procedures that govern the activities of the internal audit unit.	5.4.1	The Code of Ethics of internal auditors is approved and updated			
	5.4.2	The Regulation about the internal audit division is approved and updated			
	5.4.3	Job descriptions of employees of the division of internal audit are approved and actual			
	5.4.4	The Guide on carrying out of internal audit inspections is approved and updated			
	5.4.5	The guide on monitoring of execution of plans of correcting actions developed by audited entities by results of internal audit inspections is approved and updated			
2050 – Coordination and Reliance.	5.5	Coordination and Reliance			
To ensure adequate coverage and minimize duplication of work, the head of internal audit should communicate, coordinate with other internal and external audit and advisory parties, and consider using their work.	5.5.1	The Internal Audit Charter provides interaction, information interchange and coordination of activity with other internal and external parties rendering services in provision of assurance and consultations			
	5.5.2	With a view of provision of an appropriate scope and minimization of double work the manager of the division of internal audit communicates and co-ordinates activity with other internal and external parties rendering services in provision of assurance and consultations			
	5.5.3	The Internal Audit Charter provides development of «the assurance map»			
	5.5.4	Internal audit develops and supports «the assurance map», conducts audit inspections and an estimation of the internal			

		control, risk management and corporate governance systems with taking into account «the assurance map»			
	5.5.5	Internal audit conducts an estimation of suppliers of assurance (quality and reliability of results of work, including applied methodology, procedures and methods used at an estimation, volume and character of work and so forth) on whose results of activity it relies			
2060 – Reporting to Senior Management and the Board.	5.6	Reporting to Senior Management and the Board			
The head of internal audit must report periodically to senior management and the Board on the objectives, powers and responsibilities of internal audit, and on the progress of the work plan and their compliance with the requirements of the Code of Ethics and the Standards. The report should contain information about significant risks and control issues, including fraud risks, corporate governance issues, other information requiring the attention of senior management and/or the Board.	5.6.1	A local regulation established procedures of periodic reporting about results of internal audit activity, and also about a course of accomplishment of the plan of activity to the Board of Directors (to the Audit Committee) and to the Company's executive powers			
	5.6.2.	Procedures of periodic reporting about results of internal audit activity, and also about a course of accomplishment of the plan of activity are observed			
	5.6.3	A local regulation provides for informing the Board of Directors (Audit Committee) and the Company's executive powers about revealed infringements and lacks, and also about critical risks accepted by the management			
	5.6.4	The Board of Directors (Audit Committee) and the Company's executive powers are informed on revealed infringements and lacks, and also about the critical risks accepted by management			
2070 – External Service Provider and Organizational Responsibility for Internal Auditing.	5.7	External Service Provider and Organizational Responsibility for Internal Auditing			
Where an external service provider performs the internal audit function, the external service provider must notify the organization that the organization is responsible for the effectiveness of the internal audit.	5.7.1	The decision on internal audit function transfer to outsourcing was accepted by the Company's Board of Directors (<i>if the internal audit function was not transferred to outsourcing, a dash is inserted</i>)			
	5.7.2	In case of transfer to outsourcing of the internal audit function the Company implements the Program of assurance which contains conformity assessment of the internal audit function to the Definition of internal auditing, to the Code of Ethics and the International Standards (<i>if the internal audit function was not transferred to outsourcing, a dash is inserted</i>)			

	5.7.3	In case of transfer to outsourcing of separate checks and other tasks of internal audit, the control of their appropriate accomplishment is performed by the manager of the division of internal audit (<i>if accomplishment of separate checks or other tasks of internal audit were not transferred to outsourcing, a dash is inserted</i>)			
2100 – Nature of Work	6	Nature of Work			
2110 – Governance.	6.1	Governance			
Internal audit should provide an assessment and appropriate recommendations for improving the corporate governance processes in the organization	6.1.1	The Internal Audit Charter provides an assessment of corporate governance of the Company			
	6.1.2	A local regulation regulates the methodology of assessment of corporate governance			
	6.1.3	Internal audit regularly conducts an assessment of corporate governance of the Company according to the approved methodology			
	6.1.4	Internal audit develops recommendations about increase of efficiency of corporate governance of the Company			
	6.1.5	Results of assessment of corporate governance of the Company are reported to executive powers and the Company's Board of Directors			
2120 – Risk Management.	6.2	Risk Management			
Internal audit should evaluate the effectiveness of risk management processes and contribute to their improvement.	6.2.1	The Internal Audit Charter provides assessment of performance of a risk management system of the Company			
	6.2.2	A local regulation regulates the methodology of performance assessment of the risk management system			
	6.2.3	Internal audit regularly conducts audit inspection with a view of performance assessment of the risk management system of the Company according to the approved methodology			
	6.2.4	Internal audit conducts performance assessment of risk management of audited entities at accomplishment of internal audit inspections			
	6.2.5	Internal audit develops recommendations about increase of effectiveness of the risk management system			
	6.2.6	Results of performance assessment of the risk management system are reported to executive powers and the Company's Board of Directors			

2130 – Control. Internal audit should assist an organization in maintaining a sound system of internal control by evaluating its effectiveness and efficiency and promoting its continuous improvement.	6.3	Control			
	6.3.1	The Internal Audit Charter provides assessment of performance of an internal control system of the Company			
	6.3.2	A local regulation regulates the methodology of performance assessment of the internal control system			
	6.3.3	Internal audit regularly conducts audit inspection with a view of performance assessment of the internal control system of the Company			
	6.3.4	Internal audit conducts performance assessment of procedures of internal control of audited entities at accomplishment of internal audit inspections			
	6.3.5	Internal audit develops recommendations about increase of effectiveness of the internal control system			
	6.3.6	Results of performance assessment of the internal control system are reported to executive powers and the Company's Board of Directors			
2200 – Engagement Planning. Internal auditors should develop and document a plan for execution of each audit engagement, including the objectives, engagement scope, timing, and resource allocation. The plan should take into account the strategy, the objectives of the organization, and the risks inherent in the engagement.	7	Engagement Planning			
	7.1	Planning procedures			
	7.1.1	A local regulation regulates the methodology of planning of audit inspection, which provides for analysis of the purposes and tasks, organization of activity, risks and control means of an audited entity			
	7.1.2	The approved methodology of planning of audit inspection is observed			
2210 – Engagement Objectives. For each audit engagement, its objectives should be defined.	7.2	Engagement Objectives			
	7.2.1	For each audit inspection its purposes are specified			
	7.2.2	The audit inspection purposes are established by results of a provisional estimate of risks concerning an audited entity			
	7.2.3	If with a view of check the performance assessment is provided, then at availability with an audited entity of the formalized criteria of efficiency, internal audit analyzes completeness of the given criteria and their conformity to the purposes of the audited entity and, if necessary, makes changes to contents/formulations of the criteria			

	7.2.4	If with a view of check the performance assessment is provided at absence with an audited entity of the formalized criteria of efficiency, internal audit independently forms criteria according to the purposes of the audited entity and discusses them with the head of the audited entity			
2220 – Engagement Scope.	7.3	Engagement Scope			
The scope and content of the audit engagement should be sufficient to achieve the engagement objectives	7.3.1	The volume and scope of the audit inspection are formed proceeding from the check purposes			
	7.3.2	The volume and scope of the audit inspections were sufficient for goal achievement of the audit inspections			
2230 – Engagement Resource Allocation.	7.4	Engagement Resource Allocation			
Internal auditors should determine the amount of resources necessary and sufficient to achieve the objectives of the audit engagement, based on the nature and complexity of each audit engagement, time constraints, and the availability of resources.	7.4.1	At forming of the program of check internal audit determines volume of resources necessary for goal achievement of the audit inspection, taking into account specificity of the check, restrictions on terms and available resources			
	7.4.2	At resource allocation knowledge, experience and other competences of the internal auditors, necessary for the check accomplishment is considered			
2240 – Engagement Work Program.	7.5	Engagement Work Program			
Internal auditors should develop and document work programs that achieve the objective of the engagement.	7.5.1	A local regulation provides development and documenting of the program of check and working plans of the auditors approved prior to the beginning of their accomplishment and allowing to achieve the goals of the audit inspection			
	7.5.2	The program of check and-or working plans of auditors determine procedures of collection, analysis, assessment and documenting of the information in the course of the audit inspection accomplishment			
	7.5.3	Procedures of preparation and approval of the program of check/working plans of auditors are carried out			
	7.5.4	Changes of the program of check are made in an order established in a local regulation <i>(if changes in the estimated period were not brought in programs of checks, a dash is inserted)</i>			
2300 – Performing the Engagement	8	Performing the Engagement			
2310 – Identifying Information.	8.1	Identifying Information			

Internal auditors should gather sufficient information that is reliable, relevant and useful to achieve the objectives of the engagement.	8.1.1	A local regulation specifies requirements to volume and an order of documenting of the information which should be collected for check goal achievement			
	8.1.2	The established requirements to the volume and order of documenting of the collected information are followed.			
2320 – Analysis and Evaluation.	8.2	Analysis and Evaluation			
Internal auditors should formulate conclusions and present engagement results based on appropriate analysis and evaluation of the information.	8.2.1	A local regulation provides forming of conclusions and results of an audit inspection on the basis of analysis and assessment of the collected information			
	8.2.2	Forming of conclusions and results of audit inspections is performed on the basis of the analysis and assessment of the collected information			
	8.2.3	A local regulation provides carrying out of audit procedures at accomplishment of checks			
	8.2.4	The audit procedures, included in the program of check and-or working plans of auditors, are carried out.			
2330 – Documenting Information.	8.3	Documenting Information			
Internal auditors should document evidence of engagement results and conclusions with sufficient reliable, relevant and useful information.	8.3.1	A local regulation provides documenting of an audit inspection planning and accomplishment			
	8.3.2	Requirements of the local regulation on documenting of planning and accomplishment of audit inspections are followed			
	8.3.3	Document storage and access rules to documents concerning audit inspection are regulated			
	8.3.4	Document storage and access rules to the documents concerning audit inspection are observed			
2340 – Engagement Supervision.	8.4	Engagement Supervision			
To achieve the set goals, ensure the quality of work and improve the skills of employees of the internal audit unit, proper control over the implementation of the task is necessary.	8.4.1	A local regulation provides control over accomplishment of internal audit inspection, including documenting and storage of certificates of the control			
	8.4.2	Control procedures over accomplishment of audit inspections are observed			
2400 – Communicating Results.	9	Communicating Results			
2410 – Criteria for Communicating.	9.1	Criteria for Communicating			
	9.1.1	A local regulation provides that the report on results of audit inspection should include determination of the purposes,			

<p>Results reports should contain information about the objectives, scope and results of the engagement.</p> <p>The final report on the results of the engagement should contain relevant findings, as well as relevant recommendations and/or corrective action plans. If necessary, the opinion of the internal auditor is attached to the report. The opinion should take into account the expectations of senior management, the Board and other stakeholders and be based on sufficient, reliable, relevant, useful information.</p> <p>Internal auditors are encouraged to include positive assessments of the auditee's performance in the engagement communication.</p> <p>When submitting engagement results to external parties, the message should contain information about restrictions on their distribution and use.</p> <p>Communications about the progress and results of consulting engagements can be vary in form and content depending on the nature of the task and the needs of the client.</p>		volume and scope of the check, and also corresponding observations, conclusions and recommendations			
	9.1.2	A local regulation provides receiving comments of an audited entity by results of audit inspection, and, in case of disagreements between auditors and the audited entity, inclusion of the information on disagreements in the report			
	9.1.3	Requirements to the report on results of audit inspection are observed			
<p>2420 – Quality of Communications.</p> <p>Communications must be accurate, objective, clear, concise, constructive, complete and timely.</p> <p>2421 – Errors and Omissions.</p> <p>If the final version of the report contains a material error or omission, the head of internal audit must bring the corrected information to the attention of all parties who received the original version of the report.</p>	9.2	Quality of Communications (auditor's report, as well as extracts from the report, information letters, etc.)			
	9.2.1	A local regulation contains requirements on quality assurance of messages of internal audit based on the results of check			
	9.2.2	Messages by results of audit inspection conform to requirements of the local regulation			
	9.2.3	A local regulation provides procedures of correction of essential revealed errors and omissions in reports and communication of the corrected information to all persons who have received an initial variant of the report			
	9.2.4	Procedures of correction of the revealed errors are observed (<i>if there were no specified errors in the estimated period, a dash is inserted</i>)			
<p>2430 – Use of “Conducted in Conformance with the International Standards for the Professional Practice of Internal Auditing”.</p>	9.3	Use of “Conducted in Conformance with the International Standards for the Professional Practice of Internal Auditing”			
	9.3.1	The phrase “Conducted in Conformance with the International Standards for the Professional Practice of Internal Auditing” is used in internal auditor's reports only if results of realization of			

<p>Claiming that engagements are “Conducted in Conformance with the International Standards for the Professional Practice of Internal Auditing” is only acceptable if that claim is supported by the results of the internal audit assurance and improvement program.</p> <p>2431 – Engagement Disclosure of Non-conformance.</p> <p>If there has been a non-compliance with the provisions of the Code of Ethics or the Standards in a particular engagement, the report must contain the following:</p> <ul style="list-style-type: none"> - a principle or an article of the Code of Ethics or the Standards, compliance with which has not been ensured in whole or in part; - reasons for non-compliance; - the impact of nonconformity on the performance of the engagement and its results. 		the program of assurance and improvement of quality confirm it <i>(if the specified phrase during the estimated period was not used in internal auditor's reports, a dash is inserted)</i>			
	9.3.2	<p>If within the limits of a separate audit inspection there was discrepancy to the Definition of internal auditing, provisions of the Code of Ethics or to the International Standards, the report contains:</p> <p>a principle/article of the Code of Ethics/ the International Standards, conformity to which it did not provide;</p> <p>influence of the discrepancy on accomplishment of the audit inspection and its results.</p> <p><i>(if there were no specified discrepancies in the estimated period, a dash is inserted)</i></p>			
<p>2440 – Disseminating Results.</p> <p>The head of internal audit should communicate the results of the engagement to the relevant parties.</p>	9.4	Disseminating Results			
	9.4.1	A local regulation specifies the circle of persons to whom results of accomplishment of audit inspection, a format and procedures of provision of the reporting, are given			
	9.4.2	The procedures and the form of provision of the reporting are observed			
	9.4.3	<p>In case of transfer of results of the audit inspection to third parties the head of internal audit estimates risks for the Company and establishes restrictions on information use</p> <p><i>(if there were no cases of transfer of results of audit inspections to third parties in the estimated period, a dash is inserted)</i></p>			
<p>2450 – Overall Opinions.</p> <p>If an overall opinion is issued, it should take into account the strategy, objectives and risks of the organization, the expectations of senior management, the Board and other stakeholders. The overall opinion must be documented with sufficient, reliable, relevant, useful information.</p>	9.5	Overall Opinions			
	9.5.1	In case of inclusion in the purposes of audit inspection of forming of the overall opinion (a summary performance assessment of the internal control system of an audited entity, a summary performance assessment of the audited entity), a local regulation provides that reporting on the results of check contains criteria of forming of the overall opinion			
	9.5.2	Procedures of forming of the overall opinion are observed			

2500 – Monitoring Progress. The head of internal audit should develop and maintain a system for monitoring the resolution of problematic issues identified as a result of the engagement implementation, after the management has become acquainted with the results of the engagement.	10	Monitoring Progress			
	10.1	<i>Procedures of monitoring of actions by results of internal audit inspection</i>			
	10.1.1	A local regulation regulates procedures of monitoring of actions by results of audit inspection			
	10.1.2	Monitoring procedures are observed			
2600 – Communicating the Acceptance of Risks. If the head of internal audit concludes that the level of risk accepted by management may not be acceptable to the organization, the head of internal audit should discuss the matter with senior management. If the head of internal audit concludes that the issue is still unresolved, the head of internal audit should inform the Board of the matter.	11	Communicating the Acceptance of Risks			
	11.1	<i>Procedures of communicating the acceptance of risks</i>			
	11.1.1	A local regulation provides informing of executive powers and the Company's Board of Directors if the head of an audited entity has taken the decision on the risk accepting which level cannot be acceptable for the Company			
	11.1.2	Communicating procedures are observed <i>(if there were no cases of accepting of unacceptable risks by audited entities during the estimated period, a dash is inserted)</i>			
Overall assessment					

In column 7 "Description of the status/links to supporting documents/rationale for changes compared to the previous self-assessment" under the descriptive part of each component, make an opinion on the compliance of the activity with the International Standards of Internal Auditing with the following assessment criteria:

- Fully compliant;
- Generally compliant;
- Partially compliant;
- Does not comply.

Form RD-02-PG

The form of the questionnaire for assessing the activities of the head of the audit group**The questionnaire for assessing the activities of the head of the audit group
under the engagement**

Head of the audit group:

Full name

Engagement name:

Engagement deadlines:

№	Criteria	Assessment*	Comments**
1			
1	The head of the audit group is responsible for all stages of the audit and coordinates the work of the auditors during the audit.		
2	The head of the audit group communicates effectively with the auditee manager/responsible person designated by the auditee manager.		
3	The head of the audit group regularly checks the implementation of the audit program and work plans of the auditors, the results of testing, the completeness of the reflection in the working documentation of the necessary audit evidence on observations and conclusions made during the performance of audit procedures.		
4	The head of the audit group confirms a clear and logical presentation of the observations and conclusions of the auditors in the working documentation, if necessary, returns to the auditors for revision in a timely manner.		
5	The head of the audit group generates qualitative conclusions based on observations made during the performance of audit procedures.		
6	The head of the audit group is convinced of the quality recommendations, if necessary, returns to the auditors for revision in a timely manner.		
7	The head of the audit group prepares the auditor's report in a timely and quality manner.		
8	The head of the audit group expresses an impartial and unbiased opinion and acts with integrity, objectivity ¹ and professional skepticism ² .		
9	The head of the audit group discloses all material facts known to him that, if concealed, could distort the data of the auditor's report.		
10	The head of the audit group informs the head of the IAD in the event of significant restrictions on authority or other restrictions that could adversely affect the performance of the audit and/or the activities of internal audit.		
11	The head of the audit group has sufficient knowledge of the key risks and control procedures associated with information technology and is able to use automated audit methods to the extent necessary to complete the audit program/other engagement ³ .		
12	The head of the audit group has sufficient knowledge to assess the risk of fraud and how that risk is managed ⁴ .		

¹ Objectivity is a mental attitude that allows the auditor to perform tasks impartially, in such a way that he himself has confidence in the results of his work and does not allow compromises in relation to its quality. Objectivity requires that the auditor does not subordinate his opinion on audit matters to the opinion of others

² Professional skepticism refers to critically evaluating the weight of the evidence obtained and examining evidence that contradicts any documents or management statements or casts doubt on the veracity of such documents or statements

³ It is not assumed that the internal auditor has the competence of a specialist whose main function is to audit information technology

⁴ This does not imply that internal auditors have the competence of a specialist whose main function is to detect and investigate fraud

13	The head of the audit group applies communication and collaboration skills and conflict management ⁵ .		
14	The head of the audit group does not allow conflicts of interest to arise ⁶ .		
15	The head of the audit group does not use or disclose confidential information without the appropriate authority/requirements of the legislation of the Russian Federation.		
Overall assessment and comments:			

Assessment was conducted by
Head of IAD

signature *date*

Acquainted with the assessment and
agree / disagree (underline as appropriate)

Explanation (mandatory in case of disagreement)

Head of the audit group:

signature *date*

*

Assessment	Score
Fully compliant	4
Generally compliant	3
Partially compliant	2
Does not comply	1
Not applicable	0

** - for the assessments “generally corresponds”, “partially corresponds” or “does not correspond”, it is necessary to provide justifications/comments in the “Comments” column.

Offers:

⁵ Tact and correctness are taken into account in written and oral communications and interaction with employees of the IAD and other structural divisions, as well as with other stakeholders. Goodwill, the ability to work constructively together, the skills of preventing and resolving conflicts at work are assessed

⁶ The assessment takes into account whether the auditor refrained from:

- conducting an audit of those areas of activity for which he was responsible during the year preceding the audit;
- participation in inspections and other engagements in the event of financial, property, family or any other interest in the activities of the auditee;
- engaging in any activity that could prejudice his impartiality or be perceived as prejudicial.

The form of the questionnaire of assessment of activity of the internal auditor

Form RD-03-PG

The questionnaire of assessment of activity of the internal auditor under the engagement

Auditor:

Full name

Engagement name:

Engagement deadlines:

№	Criteria	Assessment *	Comments
1			
1	The auditor participates in the development of work plans and detailed testing programs.		
2	The auditor ensures the completeness of the engagement, including the identification of audit evidence, the implementation of audit procedures and their documentation.		
3	The auditor ensures the timeliness of the engagement.		
4	The auditor presents a clear and logical presentation of observations and conclusions in working papers, develops qualitative observations and recommendations.		
5	The auditor ensures that the scope of the work performed and the prepared documentation comply with the requirements of the IAD's local regulatory documents.		
6	The auditor expresses an impartial and unbiased opinion and acts with integrity, objectivity ¹ and professional skepticism ² .		
7	The auditor discloses all significant facts known to him, which, if concealed, may distort the data of the auditor's report.		
8	The auditor informs the head of the IAD in the event of significant restrictions on authority or other restrictions that could adversely affect the performance of the audit and/or the activities of internal audit.		
9	The auditor has sufficient knowledge of the key risks and controls associated with information technology and is able to use automated audit techniques in an amount sufficient to complete the audit program/other engagement ³ .		
10	The auditor has sufficient knowledge to assess the risk of fraud		

¹ Objectivity is a mental attitude that allows the auditor to perform tasks impartially, in such a way that he himself has confidence in the results of his work and does not allow compromises in relation to its quality. Objectivity requires that the auditor does not subordinate his opinion on audit matters to the opinion of others

² Professional skepticism refers to critically evaluating the weight of the evidence obtained and examining evidence that contradicts any documents or management statements or casts doubt on the veracity of such documents or statements

³ It is not assumed that the internal auditor has the competence of a specialist whose main function is to audit information technology

	and how that risk is managed ⁴ .		
11	The auditor demonstrated knowledge of the Company's activities, business processes (other auditees).		
12	The auditor applies communication and collaboration skills, conflict management ⁵ .		
13	The auditor does not allow a conflict of interest to arise ⁶ .		
14	The auditor does not use or disclose confidential information without the relevant authority/requirements of the legislation of the Russian Federation.		
Overall assessment and comments:			

Assessment was conducted by
Head of the audit group/
Head of IAD

signature *date*

Acquainted with the assessment and
agree / disagree (underline as appropriate)

Explanation (mandatory in case of
disagreement)

Auditor:

signature *date*

*

Assessment	Score
Fully compliant	4
Generally compliant	3
Partially compliant	2
Does not comply	1
Not applicable	0

** - for the assessments “generally corresponds”, “partially corresponds” or “does not correspond”, it is necessary to provide justifications/comments in the “Comments” column.

⁴ This does not imply that internal auditors have the competence of a specialist whose main function is to detect and investigate fraud

⁵ Tact and correctness are taken into account in written and oral communications and interaction with employees of the IAD and other structural divisions, as well as with other stakeholders. Goodwill, the ability to work constructively together, the skills of preventing and resolving conflicts at work are assessed

⁶ The assessment takes into account whether the auditor refrained from:

- conducting an audit of those areas of activity for which he was responsible during the year preceding the audit;
- participation in inspections and other engagements in the event of financial, property, family or any other interest in the activities of the auditee;
- engaging in any activity that could prejudice his impartiality or be perceived as prejudicial.

Offers:

The form of the questionnaire of assessment of internal audit by the audited entity

Form RD-04-PG

The questionnaire of assessment of internal audit by the audited entityName of audit/audited entity: Filled in by IADTerms of carrying out of audit: Filled in by IAD

№	Statements	Assessment*	Remarks **
1	The head of the audited entity has been informed on the terms and program of the check according to the procedure established by the Regulation of interaction of the IAD of the Company with structural and isolated divisions of the Company at carrying out of checks and monitoring of execution of plans of correcting actions of the Company (hereinafter – the Regulation on interaction).		
2	Terms of carrying out of the check have been established so that to cause the least inconveniences in the course of realization by the audited entity of the current activity (periods of increased loading, reorganization and so forth were considered).		
3	The information and documents for audit carrying out were requested properly, concrete terms and methods of provision of the information were established.		
4	The head of the audited entity was in due time informed on arising problems.		
5	Terms of the audit and the agreed operating procedure at the audited entity were observed by the auditors' group.		
6	Auditors co-operated with employees of the audited entity correctly and tactfully, efficiency of interaction was high.		
7	The internal audit division informed the head of the audited entity on progress of the check according to the procedure established by the Regulation on interaction.		
8	Conclusions have been formulated clearly.		
9	Recommendations are useful and constructive.		

*

Assessment	Score
Fully compliant	4
Generally compliant	3
Partially compliant	2
Does not comply	1

Not applicable	0
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** - for the assessments “generally corresponds”, “partially corresponds” or “does not correspond”, it is necessary to provide justifications/comments in the “Comments” column.

Offers:

Head of the audited entity: _____

Assessment date:

**The form of the questionnaire of assessment of internal audit by the Audit Committee
of the Board of Directors of the Company**

Form RD-05-PG

**The questionnaire of quality assessment of internal audit activity by the Audit
Committee of the Board of Directors of the Company**
for _____

№	Statements	Assessment *	Remarks**
1	2	3	4
1	The internal audit division implements decisions/instructions of the Audit Committee within fixed terms.		
2	Representatives of the internal audit division participate in all meetings of the Audit Committee at which the questions which are within the competence of internal audit are considered.		
3	The internal audit division provides preliminary consideration by the Audit Committee (for subsequent bringing for approval by the Board of Directors) of the plan of internal audit activity, the budget of the division of internal audit, and also policies/changes in the policy of the Company in the field of internal audit.		
4	Reports on activities of the division of internal audit, the information on a course of accomplishment of the plan of internal audit activity (including the information on results of conducted checks) are presented to the Audit Committee.		
5	Results of assessment of a condition and efficiency of the internal control, risk management and corporate governance systems are presented to the Audit Committee.		
6	Results of an internal quality assessment of internal audit activity are presented to the Audit Committee.		
7	Results of an external quality assessment of internal audit activity (if the external assessment was conducted in the estimated period) are presented to the Audit Committee.		
8	The level of preparation for meetings of the Audit Committee, shown by the internal audit division, is high.		

9	Reports and other materials, given by the internal audit division for consideration of the Audit Committee, are substantial, actual, accurately and clearly formulated.		
10	The internal audit division informs the Audit Committee on important questions, including questions of restriction of auditors' activity, accepting by the head of the audited entity of unacceptable risk, revealing of displays of corruption and swindle.		

*

Assessment	Score
Fully compliant	4
Generally compliant	3
Partially compliant	2
Does not comply	1
Not applicable	0

** - for the assessments “generally corresponds”, “partially corresponds” or “does not correspond”, it is necessary to provide justifications/comments in the “Comments” column.
Offers:

Assessment was conducted by: *Full name / title*
Assessment date

The form of the report by results of an internal quality assessment of internal audit activity

Form RD-06-PG

APPROVED BY

the decision of the Board of Directors

from _____ (Minutes

№ _____)

THE REPORT**by results of the internal quality assessment of internal audit activity****1. Key conclusions**

[Activity on assurance and improvement of quality of internal audit is performed
- according to the Program of assurance and improvement of quality of the internal audit, approved by the decision of the Board of Directors from _____ (Minutes № _____)
- on the basis of the work plan of the IAD for ____ year, approved by the decision of the Board of Directors from _____ (Minutes № _____)
- according to the action plan on development and improvement of internal audit activity.]

[The results of the conducted assessment confirm:

- Conformity of internal audit activity of the Company to the Internal Audit Charter of the Company;*
- Conformity of internal audit activity of the Company to the Definition of internal auditing;*
- Observance of the Code of Ethics;*
- Accomplishment of the action plan on development and improvement of internal audit activity with a view of implementation and application of the International Standards]*

If by results of assessments discrepancy to the Definition of internal auditing, the Code of Ethics or to the International Standards is revealed, essentially influencing the volume, scope or quality of internal audit activity, the information on discrepancy and its influence on internal audit activity is provided.

2. Overall results of the internal assessment (self-assessment) of quality of internal audit activity**2.1. Conformity of the purposes and tasks, specified by the Internal Audit Charter, to the purposes and tasks put to internal audit by the Board of Directors (Audit Committee) and the Company's executive powers**

The main results of the conducted analysis are provided, necessity of modification is underlined or conformity of the purposes and the tasks, specified by the Internal Audit Charter, to the purposes and the tasks put to internal audit is confirmed.

2.2. The conformity of internal audit activity to the Internal Audit Charter

The assessment and short justification of the given assessment are provided.

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2.3. The assessment of a current condition of the internal audit function

The short description of results of assessment of a current condition of the internal audit function, and also the achieved results (change in comparison with the previous assessment) is provided.

2.4. The analysis of accomplishment of the tasks put to internal audit

Brief information on accomplishment of the work plan of IAD and other information testifying to accomplishment of the tasks, put to internal audit by the Board of Directors (Audit Committee) and the Company's executive powers on the questions, which are within the competence of internal audit, is provided

2.5. The action plan accomplishment on development and improvement of internal audit activity

Brief information on the plan accomplishment is provided.

2.6. Other information reflecting results of the self-assessment

Brief information on results of current monitoring of quality of internal audit activity, information received as feedback from the Audit Committee is provided. It is recommended to reflect the information on results of comparison of practices of internal audit in place with the best practice.

3. Directions of development and improvement of internal audit activity

The main directions and actions for inclusion in the plan for development and improvement of internal audit activity are provided.

Appendices:

Appendix 1 «The Action plan on development and improvement of internal audit activity»

Form RD-07-PG

Appendix # 1

to the Report by results of the internal quality assessment of internal audit activity

THE ACTION PLAN
on development and improvement of internal audit activity
for the period from ____ to ____

On the direction* «Enhancement of interaction with the Board of Directors, the Audit Committee and the executive management»

№	Action	Terms	Purposes

On the direction «Increase of overall performance»

№	Action	Terms	Purposes

On the direction «Professional development of personnel of IAD»

№	Action	Terms	Purposes

On the direction «Enhancement of standard provision of activity of IAD»

№	Action	Terms	Purposes

On the direction «Enhancement of interaction with audited entities»

№	Action	Terms	Purposes

* examples of possible directions of development and activity improvement are specified. If necessary one should exclude, correct or add other directions.

The form of an individual plan for development of an employee of IAD

Form RD-08-PG

The individual plan for development of the employee**Explanatories on the form use**

Professional development planning is an obligation of the employee and is carried out with a view of development of the employee. At the commencement of employment (following the results of a probation period) or in the first quarter of a current year the employee fills in the individual plan for development (IPD).

Competence and experience, necessary for goal achievement of the employee, are determined for forming the IPD.

The employee discusses the purposes of professional development and, in case of difficulties, determines jointly with the immediate manager.

Within a year the employee controls accomplishment of the IPD and, if necessary, discusses its accomplishment with the head.

1. Information on the employee			
Full name of the employee			
Division and title of the employee			
2. Professional development purposes			
1			
2			
3. Training events and actions			
	Description	When	Comments
1			
2			
4. Development of competences			
Specify, what competences / skills require development, set measurable target objectives which you plan to reach			

№	Skill or competence	Target objective		
		Full name	Date	Signature
Employee:				
Immediate manager:				

Detailed breakdown of the line of activity of internal audit "Providing independent and objective assurance regarding the effectiveness of the internal control, risk management and corporate governance systems."

*As amended by the Recommendations on the organization of risk management, internal control, internal audit, the work of the committee of the board of directors (supervisory board) for audit in public joint stock companies
(Letter of the Bank of Russia dated 1 October 2020 No. IN-06-28/143)*

Organization of internal audit
Goals and objectives of internal audit

In order to assist the board of directors and executive bodies in maintaining and increasing the value of the Company and achieving its goals, the Company is recommended to organize internal audit to conduct independent and objective internal audits based on a risk-based approach, provide advice and share knowledge.

Internal audit contributes to the achievement of the Company's goals by using a systematic and consistent approach to assessing and developing recommendations for improving the efficiency of risk management, internal control and corporate governance, providing independent and objective guarantees and advice aimed at improving the Company's activities.

The goals, objectives, powers and responsibilities of internal audit, the method of organizing internal audit in the Company, the accountability of internal audit in the Company, the procedure for monitoring the provision and improvement of the quality of internal audit are recommended to be determined in the regulation (policy) in the field of organization and implementation of the internal audit of the Company (hereinafter referred to as the internal audit policy).

The tasks of internal audit include:

Assessment of corporate governance and provision of recommendations for its improvement.

It is advisable to assess corporate governance within the framework of internal audit in accordance with the principles and approaches set out in the internal documents of the Company, the requirements of the legislation of the Russian Federation and regulatory bodies applicable to the Company, generally accepted concepts and practices in the field of corporate governance.

Corporate governance assessment may include checking:

- observance and promotion of ethical principles and corporate values in the Company;
- a procedure for setting goals of the Company, monitoring and control of their achievement;
- a process of making strategic and operational decisions in the Company;
- a level of regulatory support and procedures for information exchange (including on internal control and risk management issues) at all levels of the Company's management, including interaction with stakeholders;
- compliance of the information technology management system with the strategy and goals of the Company;
- overseeing the risk management and internal control system;
- ensuring the rights of shareholders, including controlled companies, and the effectiveness of relationships with stakeholders;
- procedures for disclosing information about the activities of the Company and its subsidiaries.

Assessing the reliability and effectiveness of risk management and internal control and providing recommendations for its improvement.

It is advisable to assess the reliability and effectiveness of risk management and internal control within the framework of internal audit in accordance with the principles and approaches set out in the internal documents of the Company, the requirements of the legislation of the Russian Federation and regulatory bodies applicable to the Company, generally accepted concepts and practices in the field of risk management and internal control, these Guidelines.

When assessing the reliability and effectiveness of risk management and internal control, it is recommended to pay attention primarily to determining the presence and operation of risk management and internal control components, as well as the effectiveness of their functioning in a joint, integrated manner.

When forming an opinion on the effectiveness of risk management in the Company, internal audit is recommended to consider, including, but not limited to:

- compliance of the objectives of the Company with its mission;
- completeness and correctness of identifying and assessing significant risks;
- effectiveness of risk response measures and their retention within the Company's risk appetite;
- the procedure for collecting and exchanging information about risks within the Company to ensure proper response to risks.

When evaluating the effectiveness of internal control in the Company, internal audit is recommended to consider, including, but not limited to:

- the effectiveness of internal controls for one category of purposes (for example, financial reporting) or for several purposes;
- adequacy of the criteria established by the executive bodies of the Company to analyze the degree of achievement of the set goals, including the evaluation and monitoring of costs and benefits associated with the introduction of controls by the Company's management;
- the effectiveness of control procedures and their suitability for the level of risk;
- the degree of materiality of internal control deficiencies.

As amended by the Guidelines for organizing the work of internal audit in joint stock companies with the participation of the Russian Federation, approved by Order of the Federal Property Management Agency dated 4 July 2014 № 249

To achieve the goals, internal audit solves the tasks assigned to it in the company, as a rule, in the following main areas:

Evaluation of the effectiveness of the internal control system (hereinafter referred to as the ICS):

- conducting an analysis of the compliance of the goals of business processes, projects and structural divisions with the goals of the company, checking the effectiveness, reliability and integrity of business processes (activities) and information systems, including the reliability of procedures for combating illegal actions, abuse and corruption;
- verification of ensuring the reliability of accounting (financial), statistical, managerial and other reporting, determining how the results of the activities of business processes and structural divisions of the company correspond to the goals set;
- determination of the adequacy of the criteria established by the executive bodies for the analysis of the degree of fulfillment (achievement) of the goals set;
- identification of shortcomings in the internal control system that did not allow (do not allow) the company to achieve its goals;

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- assessment of the results of the introduction (implementation) of measures to eliminate violations, shortcomings and improve the internal control system implemented by the company at all levels of management;

- verification of the effectiveness and expediency of the use of resources;

- checking the security and safety of assets;

- verification of compliance with the requirements of the law, the Articles of Association and internal regulatory documents of the company.

The ICS assessment is carried out in accordance with the principles and approaches set forth in generally accepted concepts and practices in the field of internal control, including those given in these methodological recommendations, as well as regulatory documents of the Russian Federation and other regulators applicable to the company.

Evaluation of the effectiveness of the risk management system (hereinafter referred to as the RMS):

- verification of the sufficiency and maturity of the RMS elements for effective risk management: goals and objectives, infrastructure, including the organizational structure, automation tools, etc., organization of processes, regulatory and methodological support, interaction of structural units within the RMS, reporting;

- verification of the completeness of identification and correctness of risk assessment by the company's management at all levels of its management;

- verification of the effectiveness of control procedures and other risk management measures, including the efficiency of the use of resources allocated for these purposes;

- analysis of information on realized risks (including violations identified as a result of inspections, facts of failure to achieve goals, facts of litigation, and in other cases).

Corporate governance assessment (hereinafter referred to as the CG):

- verification of compliance with the ethical principles and corporate values of the company;
- verification of the procedure for setting company goals and monitoring/controlling their achievement;

- checking the level of regulatory support and procedures for information exchange (including on risk management and internal control) at all levels of the company's management, including interaction with stakeholders;

- verification of ensuring the rights of shareholders, including controlled companies, and the effectiveness of relationships with stakeholders;

- verification of procedures for disclosing information about the activities of the company and the companies controlled by it.

To solve the tasks and achieve the goals, internal audit performs the following functions:

- conducting internal audits (hereinafter referred to as the audits) based on the approved internal audit activity plan;

- conducting other inspections, performing other tasks at the request/instruction of the board of directors (audit committee and/or executive bodies of the company) within the competence, including on the basis of information received by the company's hotline;

- conducting a comprehensive audit (reviews) of the activities of the auditees, which is expressed in documentary and physical verification of the legality of financial and business transactions, the reliability and correctness of their reflection in the accounting (financial) statements;

- analysis of auditees for the purpose of research analysis of certain aspects of activity and assessment of the state of a certain area of the auditees;

- providing advice to the executive bodies of the company on risk management, internal control and corporate governance (subject to maintaining the independence and objectivity of internal audit activities);
- monitoring the implementation in the company of action plans to eliminate shortcomings, violations and improve the ICS, developed by the heads of the auditees based on the results of the audits;
- implementation of subsequent control over the financial and economic activities of the company;
- assistance to the executive bodies of the company in investigating dishonest/illegal actions of employees and third parties; development and updating of internal regulatory documents regulating the activities of internal audit (internal audit methodology);
- carrying out, within the established procedure, internal audit, inspections of controlled companies;
- development of an internal audit activity plan for the period that determines the priorities of internal audit activity (as a rule, on an annual basis);
- preparation and submission to the board of directors (audit committee) and the sole executive body of the company (or another person who the internal audit is administratively subordinate to) of a report on the results of internal audit activities;
- coordination of activities with the external auditor of the company, as well as persons providing consulting services in the field of risk management, internal control and corporate governance;
- interaction with departments of the company on issues related to the activities of internal audit;
- and other functions necessary to solve the problems set for internal audit in the company.

Record of changes and amendments

Indexing number of the change/ addition	Change/ addition of the point	Scope of the change/addition	Reason (reference to organizational and executive documentation)	Date of entering of change/ addition	Employee who made the change/addition surname, initials, title