



Internal Auditing Regulations
Internal Regulations

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1. Objective

These Internal Regulations (“Regulations”), drawn up in accordance with the internal regulations of the Committee for Auditing, Finance, Governance and Related Parties (“Committee”), have the objective of establishing all the procedures to be observed by the Internal Audit Department.

2. Operation

The Internal Audit Department conducts its activities in accordance with the guidelines contained in these regulations, advising the organisation in a manner in keeping with the “International Standards for Professional Internal Auditing Practices (“International Internal Auditing Standards”), and with the standards contained in the “Multiplus Ethical Code and Directives (Code 0020004)”.

3. Mission of the Internal Audit Department

3.1. To advise the management in the evaluation and control of corporate risks, contributing to attaining the Company’s strategic objectives, providing it with analyses, appreciations, recommendations, reports and information related to the activities examined.

3.2. To audit internal processes and controls, in accordance with the established work methodology, ensuring the fulfilment of norms, policies and procedures.

4. Internal Auditing Activities

4.1. Internal auditing is an independent activity, and has the objective of carrying out evaluation guided by a philosophy of adding value in order to improve the Company’s Corporate Governance process, helping the organisation to achieve its objectives, bringing with it a systematic and disciplined approach for evaluating and improving the efficiency of the processes for the management of risks, control and governance.

4.2. The activity of the internal audit department shall remain free of interference from any element of the organisation, including questions of selection, scope, procedures, frequency, timing or content of the audit report, in order to permit the maintaining of the mental attitude necessary for independence and objectivity.

4.3. The internal auditors shall not have responsibility or direct operational authority over any of the audited activities. By the same token, they shall neither implement internal controls, nor develop procedures, nor install systems, nor prepare records, nor operate in any other activity which could prejudice the judgement of the internal auditor.

4.4. The internal auditors must display the highest level of and professional objectivity in the collection, assessment and communication of information with respect to any activity or process being examined. The internal auditors must carry out a balanced assessment in all the relevant circumstances, and should not be influenced unduly by its own interests, or those of others, in the reaching of judgements.

5. Norms of functioning

5.1. Internal auditing activities must obligatorily adhere to the guidelines established by the Committee for Auditing, Finance, Governance and Related Parties (“Committee”), and to International Internal Auditing Norms, and Work Methodology.

5.2. Internal auditing activity, with a rigorous rendering of accounts with respect to the confidentiality and safeguarding of records and information, is authorised complete access, free and unrestricted, to

any and every record, physical property and persons pertinent to the organisation for the conducting of any auditing work.

5.3. The person responsible for Auditing shall confirm to the Committee, at least once a year, the organisational independence of the auditing activity, through the signing of a Declaration of Independence by all the auditors that carry out these activities within Multiplus, whether they be employees or outsourced personnel hired by the internal audit department.

5.4. The internal audit department shall report, operationally, to the Committee, and administratively, to the President.

5.5. The internal audit department shall have total independence in the exercising of its responsibilities, and must keep the information received from the organisation confidential.

6. Responsibilities

6.1. Committee for Auditing, Finance, Governance and Related Parties

6.1.1. In addition to the functions described in the “Internal Regulations of the Committee for Finance, Auditing, Governments and Related Parties of Multiplus S.A.”, the Committee shall be responsible for:

- (i) Approving the internal regulations of the Internal Audit Department;
- (ii) Approving the Annual Internal Auditing Plan, based on risks;
- (iii) Assessment and approval of all decisions related to the evaluation of the Internal Audit Department's performance;
- (iv) To nominate the appointment and/or order the dismissal of the person responsible for the Internal Auditing Department.

6.2. Internal Auditing Department

6.2.1. To audit internal controls and processes, in accordance with established work methodology, ensuring the fulfilment of norms, policies and procedures.

6.2.2. To assess the reliability and integrity of the information, and the means used for identifying, measuring, classifying and reporting such information.

6.2.3. To evaluate the systems established for guaranteeing compliance with the policies, plans, procedures, laws and regulations which could have a significant impact on the organisation.

6.2.4. To evaluate the means for safeguarding assets, and as appropriate, verify the existence of such assets.

6.2.5. To identify and recommend, whenever necessary, best market practices to ensure the efficacy and efficiency of the resources made available to the organisation.

6.2.6. To analyse controls adopted to ensure the fulfilment of targets and objectives established by the organisation.

6.2.7. To monitor and evaluate governance processes.

6.2.8. To monitor and evaluate the efficiency of the organisation's risk management processes.

6.2.9. To evaluate the points raised by the external auditors, and the degree of co-ordination with the internal audit department.

6.2.10. To propose improvements and practices relevant for the organisation, with respect to governance, risk management and control, as appropriate.

6.2.11. To report periodically to the Committee, the purpose, authority, responsibility and performance of the internal auditing activity, in relation to its plan.

6.2.12. To report to the Committee, significant exposures to risks and questions of control, including risks of fraud, questions of governance, and other subjects necessary, or requested by the Committee.

6.2.13. To assess specific operations at the request of the Committee or top management, as appropriate.

6.2.14. To draw up, at least once a year, and submit to the Committee and top management, an annual internal audit program for review and approval. The Internal Audit Plan must consist of a work schedule and budgetary requirements, as well as an assessment of resources needed for the following calendar year.

6.2.15. To draw up a written report after the conclusion of each piece of work carried out, with a response from management, containing the corrective action to be taken, and a schedule for the finalising of observations, and distribution to the Committee, top management and managers, as appropriate.

6.2.16. To periodically monitor all the observations and work recommendations and report to the Committee, at quarterly meetings, any observations postponed for more than 120 (one hundred and twenty) days, counting from the original time-limit stated in the report.

6.2.17. To issue quarterly reports to the Committee and top management, of all the observations identified by the internal audit department and/or external auditors.

6.2.18. To report quarterly to the Committee, with respect to the purpose, authority and responsibility for internal auditing activity, and its performance with respect to its plan.

6.2.19. To report to the committee, and top management, with respect to the program for quality certification and improvement in internal auditing activity, including the results of continuous internal and external conducted at least every five years.

7. General Terms

These regulations shall come into force from the date of their publication, and can be altered at any time and according to any criteria.

8. Cycle for approval

Compiled by	Adriana Sousa	Post	Specialist
Department	Internal audit department	Date	
Revised by	Luciana Gagliardo	Post	Co-ordinator
Department	Internal processes & controls	Date	
Revised by	Fabiana Vilhena	Post	Manager
Department	Legal compliance	Date	
Approved by	Antonio Rios	Post	President

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Department	Committee for Auditing, Finance, Governance and Related Parties	Date	