



MISSION

To assist the organization in the achievement of its objectives by providing a systematic, disciplined, objective and independent approach to evaluate and improve the effectiveness of risk management, control and governance processes.

SCOPE OF WORK

Internal Audit has the following scope of work:

1. To determine whether the risk management, control and governance processes, designed and implemented by the senior management are adequate to ensure that:
 - ✚ Risks are identified, assessed and managed.
 - ✚ The financial, administrative and operational information is complete, reliable and timely provided.
 - ✚ Employees comply with the policies, standards, procedures, regulations and applicable laws.
 - ✚ Resources are acquired at the best cost benefit, are used efficiently and protected properly.
 - ✚ Programs, plans and objectives are accomplished.
 - ✚ Continuous improvement is promoted in organizational control processes.
 - ✚ The legal or regulatory issues are recognized and adequately addressed.
2. Advise and assist the Senior Management in developing new projects (products, applications, processes, etc.) to meet its expectations and assist in continuous improvement to achieve the objectives of the Company by:
 - ✚ Generating concepts and/or advice on control processes that the Management should consider.
 - ✚ Keeping objectivity and not assuming management responsibilities, i.e., refraining from taking any responsibilities of the Management.
 - ✚ Based on the potential of the work, to improve risk management, by adding value and improving the Company's operations.
 - ✚ This role will be played according to the knowledge, skills and other competencies of the audit team.

Obligations to the Presidency and the Audit Committee:

- ✚ Develop an annual audit plan using an appropriate risk-based methodology and consideration of the presidency and review and approval of the Audit Committee.
- ✚ Issue periodical documents on the adequacy and effectiveness of risk management, control and governance processes.
- ✚ Inform the relevant aspects of the evaluations, including recommendations on possible improvements to the control processes
- ✚ Report status and the results of the Audit plan and the adequacy of the resources of the area.
- ✚ Assess the compliance with laws
- ✚ Provide performance indicators of the main objectives of the function.
- ✚ Cooperate with the investigation of major activities on suspected or actual fraud within the organization and report the results to the Presidency and the Audit Committee.



INDEPENDENCE

To provide independence to the Audit, it will administratively report to the Presidency of Grupo Bolívar S.A. and functionally to the Audit Committee.

OTHER RESPONSIBILITIES

Internal Audit also has the following responsibilities:

- ✚ Keep professional staff with sufficient knowledge, skills and experience and that has obtained certifications in the relevant profession, as possible.
- ✚ Establish a quality assurance program of the function, through which support is provided to the continuous improvement of Internal Audit activities.

AUTHORITY

Internal Audit staff will be authorized to:

- ✚ Have full and free access to officials, records and assets of the Organization, while securing that privacy policies are accomplished.
- ✚ Set the frequency, topics and scope of the assessments and apply the techniques required to meet the audit objectives.
- ✚ Obtain the necessary assistance in the areas of the organization where audits are performed.

Internal Audit staff will not be authorized to:

- ✚ Perform operational tasks for the Organization.
- ✚ Approve accounting transactions external to the Internal Audit activity.
- ✚ Direct the activities of employees of the Organization that does not serve on the Internal Audit Department, unless such employees have been properly assigned to auditing teams or to work with internal auditors.

DEFINITION OF AUDIT, CODE OF ETHICS AND INTERNATIONAL STANDARDS FOR THE PROFESSIONAL PRACTICE OF INTERNAL AUDITING

The Internal Audit activity recognizes and respects the mandatory nature of the definition of Audit, Code of Ethics and such Standards issued by The Institute of Internal Auditors, as well as any future updates as they arise.