

Conclusion of the Internal Audit Department (hereinafter referred to as the “IAD”) of Public Joint Stock Company Enel Russia (hereinafter “PJSC Enel Russia”) on the reliability and effectiveness of risk management, internal control, and corporate governance of the Company for the 2021 year

Independence of the IAD

In accordance with the provisions of the Regulation of the IAD of PJSC Enel Russia, to ensure the required level of independence in the performance of the activities, the IAD of PJSC Enel Russia reports functionally to the Audit and Corporate Governance Committee of the Board of Directors and administratively to the General Director of PJSC Enel Russia.

The Head of the IAD is appointed and removed from the position by a resolution of the Board of Directors of PJSC Enel Russia.

The organizational structure and budget of the IAD are reviewed and approved by the Board of Directors of PJSC Enel Russia.

Criteria for defining an audit plan for the reporting year

The audit plan of PJSC Enel Russia is defined based on the results of an annual risk assessment performed by the IAD. The annual risk assessment is reviewed and approved by the Audit and Corporate Governance Committee of the Board of Directors of PJSC Enel Russia.

In accordance with the 2021 audit plan approved by the Board of Directors of PJSC Enel Russia, the IAD performed the audits of compliance programs, procurement and tender management, maintenance of power plant equipment, contract management in gas power plants, physical asset and cyber security of power plants, approval of investments in wind power plants, procurement of consulting and professional services, verification of the effectiveness of second level controls for health and safety topics managed by the relevant business units. The compliance program of Enel Russia has been designed for the prevention of such criminal offenses as bribery, accounting fraud, market abuse, financing of terrorism, money laundering, violation of human rights, violations of health and safety rules, environment crimes, cyber-crimes, and violation of intellectual property rights.

Restrictions or scope limitations during the reporting year

During the reporting year, the IAD did not experience any limitations in the scope of performed audits.

General approach and criteria used for evaluation of the Internal Control and Risk Management System (“ICRMS”)

ICRMS is a set of policies, organizational procedures, and organizational structures designed to allow the identification, measurement, management, and monitoring of main risks within PJSC Enel Russia. The ICRMS is integrated into the corporate governance model of PJSC Enel Russia and has been developed in accordance with the best Russian and international practices in this field.

An effective ICRMS contributes to the achievement of objectives defined by the Board of Directors of PJSC Enel Russia because it enables to identify, evaluate, manage, and monitor the main risks in relation to their ability to influence the achievement of the objectives in question. Specifically, the ICRMS helps to safeguard PJSC Enel Russia’s assets, the efficiency and effectiveness of business processes, reliability of information supplied to the Board of Directors of PJSC Enel Russia and to the market, compliance with applicable Russian laws and regulations and Enel Russia’s internal policies and procedures.

Review of audit findings with the Audit and Corporate Governance Committee of the Board of Directors of PJSC Enel Russia


During the reporting year, the Head of the IAD met and discussed the results of completed audits with management and the Audit and Corporate Governance Committee of the Board of Directors of PJSC Enel Russia. Based on the results of the audits, management of PJSC Enel Russia implemented a number of corrective actions and recommendations proposed by the IAD for the improvement of the ICRMS of PJSC Enel Russia.

Monitoring of action plans during the reporting year

During the reporting year, the IAD performed a monitoring over the timely implementation of corrective actions and recommendations by management of PJSC Enel Russia.

General evaluation of the ICRMS

Based on the results of audits performed by the IAD of PJSC Enel Russia in 2021, the IAD concluded that the design and operation of the ICRMS and corporate governance of PJSC Enel Russia was adequate for the purpose of effective management of risks associated with activities carried out by PJSC Enel Russia.

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Position: Internal Audit Director of Enel Russia PJSC

Place: Moscow, Russian Federation

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