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INTERNAL CONTROL FRAMEWORK

IN BRIEF

This section describes the framework and application of internal control at Societe Generale.

4.1 INTERNAL CONTROL

Internal control is part of a strict regulatory framework applicable to all banking institutions.

In France, the conditions for conducting internal controls in banking institutions are defined in the Order of 3 November 2014 modified by the Order of 25 February 2021. This Order, which applies to all credit institutions and investment companies, defines the concept of internal control, together with a number of specific requirements relating to the assessment and management of the various risks inherent in the activities of the companies in question, and the procedures under which the supervisory body must assess and evaluate how the internal control is carried out.

The Basel Committee has defined four principles – independence, universality, impartiality, and sufficient resources – which underpin the internal control carried out by credit institutions.

The Board of Directors ensures that Societe Generale has a solid governance system and a clear organisation ensuring:

- a well-defined, transparent and coherent sharing of responsibilities;
- effective procedures for the detection, management, monitoring and reporting of risks to which the Company could be exposed.

The Board tasks the Group's General Management with rolling out the Group's strategic guidelines to implement this set-up.

The Audit and Internal Control Committee is a Board of Directors' Committee that is specifically responsible for preparing the decisions of the Board in respect of internal control supervision.

As such, General Management submits reports to the Audit and Internal Control Committee on the internal control of the Group. The Committee monitors the implementation of remediation plans when it considers the risk level to be justified.

Internal control is based on a **body of standards and procedures**.

All Societe Generale Group activities are governed by rules and procedures contained in a set of documents referred to collectively as the "Standard Guidelines", compiled in the Societe Generale Code, which:

- set out the rules for action and behavior applicable to Group staff;
- define the structures of the businesses and the sharing of roles and responsibilities;
- describe the management rules and internal procedures specific to each business and activity.

The Societe Generale Code groups together the standard guidelines which, in particular:

- define the governance of the Societe Generale Group, the structures and duties of its Business Units and Services Units, as well as the operating principles of the cross-business systems and processes (Codes of Conduct, charters, etc.);
- set out the operating framework of an activity and the management principles and rules applicable to products and services rendered, and also define internal procedures.

The Societe Generale Code has force of law within the Group and falls under the responsibility of the Group Corporate Secretary.

In addition to the Societe Generale Code, operating procedures specific to each Group activity are applied. The rules and procedures in force are designed to follow basic rules of internal control, such as:

- segregation of functions;
- immediate, irrevocable recording of all transactions;
- reconciliation of information from various sources.

Multiple and evolving by nature, risks are present in all business processes. Risk management and control systems are therefore key to the Bank's ability to meet its targets.

The internal control system is represented by all methods which ensure that the operations carried out and the organisation and procedures implemented comply with:

- legal and regulatory provisions;
- professional and ethical practices;
- the internal rules and guidelines defined by the Company's management body of the undertaking in its executive function.

Internal control in particular aims to:

- prevent malfunctions;
- assess the risks involved, and exercise sufficient control to ensure they are managed;
- ensure the adequacy and effectiveness of internal processes, particularly those which help safeguard assets;
- detect irregularities;
- guarantee the reliability, integrity and availability of financial and management information;
- check the quality of information and communication systems.

The internal control system is based on **five basic principles**:

- the comprehensive scope of the controls, which cover all risk types and apply to all the Group's entities;
- the individual responsibility of each employee and each manager in managing the risks they take or supervise, and in overseeing the operations they handle or for which they are responsible;
- the responsibility of functions, in line with their expertise and independence, in defining normative controls and, for three of them, exercising second-level permanent control;
- the proportionality of the controls to the materiality of the risks involved;
- the independence of internal auditing.

The internal control framework is based on the **"three lines of defence"** model, in accordance with the Basel Committee and European Banking Authority guidelines:

- the **first line of defence** comprises all Group employees and operational management, both within the Business Units and the Services Units in respect of their own operations.

Operational management is responsible for risks, their prevention and their management (by putting in place first-level permanent control measures, amongst other things) and for implementing corrective or remedial actions in response to any deficiencies identified by controls and/or process steering;

- the **second line of defence** is provided by the risk and compliance functions.

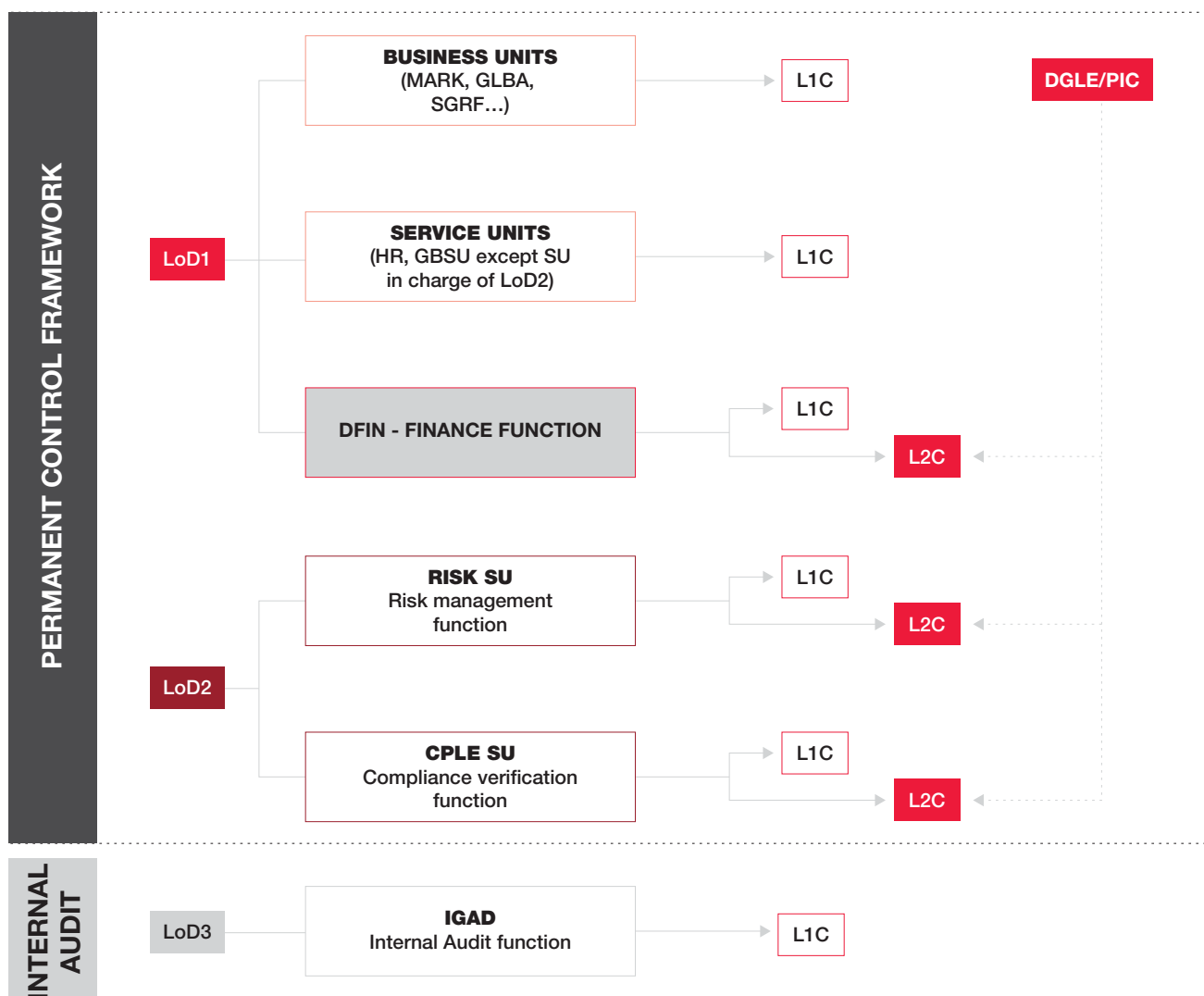
Within the internal control framework, operational management is responsible for verifying the proper and continuous running of the risk security and management operation functions through the effective application of established standards, defined procedures, methods and requested controls.

Accordingly, these functions must provide the necessary expertise to define in their respective fields the controls and other means of risk management to be implemented by the first line of defence, and to ensure that they are effectively implemented; they conduct second-level permanent control over all of the Group's risks, based

in particular on the controls they have defined, as well as those defined, if necessary, by other expert functions (e.g. sourcing, legal, tax, human resources, information system security, etc.) and by the businesses;

- the **third line of defence** is provided by the Internal Audit Department, which encompasses the General Inspection and Internal Audit functions. This department performs periodic internal audits that are strictly independent of the business lines and the permanent control function;
- internal control coordination**, which falls under the responsibility of the Chief Executive Officer, is also provided at Group level and is rolled out in each of the departments and core businesses.

INTERNAL CONTROL FRAMEWORK



The Chief Executive Officer is responsible for ensuring the overall consistency and effectiveness of the internal control system.

The purpose of the Group Internal Control Coordination Committee (GICCC) is to ensure the consistency and effectiveness of the Group's internal control, in response in particular to the obligation laid down in Art. 16 of the modified French Order of 3 November 2014.

The Committee is chaired by the Chief Executive Officer, or in his absence, by a Deputy General Manager or by the Deputy Chief Executive Officer tasked with supervising the area under review. When it meets, the CCCIG convenes the Manager responsible for Coordinating the Internal Control function, the Permanent Control function, the Managers of the second line of defence (CPLE and RISQ), the Representatives appointed by the Heads of DFIN and RESG (including the Global CISO), the Manager of the third line of defence

(IGAD) and as observers, the Head of Operational Risks, as well as the Heads of the level 2 permanent control central teams (RISQ/CTL, CPLE/CTL, DFIN/CTL).

The Committee meets approximately 20 times a year to deal with cross-cutting topics as well as the annual review of each BU/SU.

Its objectives are:

- to give a consolidated view of the Group's internal control to the General Management;
- to evaluate the Group's permanent control system in terms of effectiveness, consistency and completeness;
- to evaluate the functioning of the Group's permanent control framework based on the review of the Group's quarterly dashboard of permanent controls, supplemented by cross-cutting thematic reviews and by the independent review of RISQ and CPLE in the exercise of their role as the second line of defence for the Group;
- to examine and validate the Group's annual internal control report (ICR);
- to define the roles and responsibilities of the stakeholders of the permanent control and of the GICCC and CCCI and to validate the operational principles of permanent control and governance;
- to validate the sections dealing with internal control in the SG Code (in particular, Title IV of Book A);
- to validate the decisions of the Committee in terms of permanent control framework;
- to review and challenge the permanent control framework of BU/SU;
- to review other cross-cutting topics related to the permanent control of the Group.

It is chaired by the Chief Executive Officer, or, in his absence, by a Deputy Chief Executive Officer or by the Deputy General Manager in charge of supervising the area under review, the Group Internal Control Coordination Committee brings together the Head of the Coordination of Internal Control and the Permanent Control Framework, the Heads of the second line of defence (see A.305, CPLE, RISQ), the Representatives designated by the Head of DFIN and RESG (including the Global CISO), the Head of the third line of Defence (IGAD) and, as observers, the Head of Operational Risks, as well as the Heads of the level 2 permanent control central teams (RISQ/CTL, CPLE/CTL, DFIN/CTL).

Permanent control system

The Group's permanent control system comprises:

- the **first-level permanent control**, which is the basis of the Group's permanent control, is performed by the businesses. Its purpose is to ensure the security, quality, regularity and validity of transactions completed at operational level;
- the **second-level permanent control**, which is independent of the businesses and concerns three departments, *i.e.* the Compliance, Risk and Finance Departments.

In 2018, General Management initiated a transformation programme of the Group's permanent control system, which is under its direct supervision. Through a set of actions focusing on areas such as standards, methods, tools, procedures and training, the programme served to consolidate the control culture and optimise risk control, and thus helps to improve the quality and the reliability of services provided to our customers and partners. In 2021, this programme has been finalised and closed, and the transfer of the long-term activities to operating teams has been completed.

FIRST-LEVEL PERMANENT CONTROL

Permanent Level 1 controls, carried out on operations performed by BUs and the SUs, ensure the security and quality of transactions and the operations. These controls are defined as a set of provisions constantly implemented to ensure the regularity, validity, and security of the operations carried out at operational level.

The permanent Level 1 controls consist of:

- **any combination of actions and/or devices that may limit the likelihood of a risk occurring or reduce the consequences for the Company:** these include controls carried out on a regular and permanent basis by the businesses or by automated systems during the processing of transactions, automated or non-automated security rules and controls that are part of transaction processing, or controls included in operational procedures. Also falling into this category are the organisational arrangements (*e.g.*, segregation of duties) or governance, training actions, when they directly contribute to controlling certain risks;
- **controls performed by managers:** line managers control the correct functioning of the devices for which they are responsible. As such, they must apply formal procedures on a regular basis to ensure that employees comply with rules and procedures, and that Level 1 controls are carried out effectively.

Defined by a Group entity within its scope, Level 1 controls include controls (automated or manual) that are integrated into the processing of operations, proximity controls included in operating procedures, safety rules, etc. They are carried out in the course of their daily activities by agents directly in charge of an activity or by their managers. These controls aim to:

- ensure the proper enforcement of existing procedures and control of all risks related to processes, transactions and/or accounts;
- alert management in the event of identified anomalies or malfunctions.

Permanent Level 1 controls are set by management and avoid, as far as possible, situations of self-assessment. They are defined in the procedures and must be traced without necessarily being formalised, *e.g.* preventive automated controls that reject transactions that do not comply with system-programmed rules.

In order to coordinate the operational risk management system and the permanent Level 1 control system, the BUs/SUs deploy a specific department called CORO (Controls & Operational Risks Office Department).

SECOND-LEVEL PERMANENT CONTROL

The permanent Level 2 control ensures that the Level 1 control works properly:

- the scope includes all permanent Level 1 checks, including managerial supervision checks and checks carried out by dedicated teams;
- this review and these audits aim to give an opinion on (i) the effectiveness of Level 1 controls, (ii) the quality of their implementation, (iii) their relevance (including, in terms of risk prevention), (iv) the definition of their *modus operandi*, (v) the relevance of remediation plans implemented following the detection of anomalies, and the quality of their follow-up, and thus contribute to the evaluation of the effectiveness of Level 1 controls.

The permanent level 2 control, control of the controls, is carried out by teams independent of the operational.

These controls are performed centrally by dedicated teams within Risk Service Unit (RISQ/CTL), Compliance Service Unit (CPLE/CTL) and Finance Service Unit (DFIN/CTL) and locally by the second-level control teams within the BU/SUs or entities.

Internal audit

The Group's Internal Audit function is delivered by the Service Unit Inspection and Internal Audit ("IGAD"), which brings together the Group's Inspection and Internal Audit Departments. The Group's Head of Inspection and Audit has a Group-wide responsibility for the internal audit function.

The Internal Audit function is part of the Group's internal control set-up. It provides the third and last line of defense and performs periodical controls. The third line of defense is strictly independent from the businesses and other lines of control.

The internal audit mandate delivered by IGAD, defined in line with the IIA Standards (Institute of Internal Auditors), is an independent and objective activity that provides the Group with an assurance as to how effectively it is controlling its risks and operations, advises on improvements and contributes to the creation of added value. By carrying out this mandate, Inspection and Internal Audit help the Group to achieve its targets by evaluating systematically and methodically its processes for risk management, control and corporate governance and making recommendations to increase their efficiency.

IGAD's internal audit mandate covers Societe Generale SA and all of the Group's entities and business activities. All businesses, operations and processes without exceptions can be subject to an audit carried out by either Inspection or Internal Audit. This being said, entities within which the Group holds a minority stake are excluded, even if the Group has a significant influence, except in cases where such situation is likely to have a significant impact for the Group on its risk management.

Outsourced activities are also included in the scope of the mandate of IGAD as the Group's internal audit function.

The Group Head of Inspection and Audit reports directly to the Group Chief Executive Officer.

He meets on a regular basis with the Chair of the Board of Directors. As mentioned in the Internal Rules of the Board, updated in August 2022, the Group Head of Inspection and Audit reports on the execution of the internal audit mandate to the Board of Directors on the basis of presentations made to the Group's Audit and Internal Control Committee. He presents the Group's audit and inspection plan, approved by the Chief Executive Officer, to the Board of Directors following its examination by the Group's Audit and Internal Control Committee.

The Group Head of Inspection and Audit attends all meetings of the Board's Audit and Internal Control Committee and provides the Committee on regular basis with a presentation of the activity of Internal Audit and General Inspection as well as on the status of implementation of recommendations issued both by IGAD and by supervisors (ECB and ACPR). He also attends all meetings of the Board's Risk Committee. Both the Audit and Internal Control Committee and the Risk Committee hear the Group Head of Inspection and Audit, possibly at his request.

As foreseen in the Internal Rules of the Board, if necessary, in the event of changes in the risks affecting or likely to affect the Company, the Group Head of Inspection and Audit may report to the Board of Directors, directly or through the Audit and Internal Committee, without referring to the Effective Senior Managers.

To fulfill its mandate, the Group's IGAD Service Unit has adequate resources from a qualitative and quantitative point of view. The Group's Inspection and Audit Service Unit has about 1,000 employees located at Head Office and within affiliates and branches (France and overseas).

The Service Unit IGAD operates as a hierarchically integrated division. General Inspection, based at Head Office, has a Group-wide mandate. The various Audit Departments are each in charge of a defined scope of businesses or risks. Whether they are based at Head Office or within entities (affiliates or branches), Audit Departments are all reporting to the IGAD Service Unit. A matrix organisation allows to cover important transversal topics at Group level. Depending on resources and skills required, an audit mission can bring together auditors from different departments. IGAD may decide to send any audit team to carry out a mission within the Group.

General Inspection and Audit carry out their mandate on the basis of missions. Beyond audit missions defined in the yearly plan, General Inspection can be called to perform analysis and study missions or contribute to due diligence work in cases of acquisitions or divestments of Group entities or activities. A specific framework is in place to monitor such work and ensure there are no conflict of interest.

General Inspection and Audit define their respective workplans on a risk-based approach. Internal Audit combines this approach with the requirement to comply with a five-year audit cycle and determines the frequency of review based on the risk level of the audited entities.

In 2022 General Inspection and Internal Audit continued to perform an independent follow-up on recommendations issued by supervisors (ECB, ACPR) with regular status updates presented - in coordination with the Group's General Secretariat - to General management and the Board's Audit and Internal Control Committee.

As required by international auditing standards, IGAD is subject to an external quality assessment. IGAD's certification was maintained following a second certification by the certification institute of the IFACI (*Institut Français de l'Audit et du Contrôle Interne* - French branch of the IIA) completed in 2022.

The context in 2022 allowed IGAD to resume business travel and on-site missions to a larger extent whilst maintaining remote auditing methods developed during the sanitary crisis. Audit missions carried out in 2022 were split on all categories of risks. Changes made to the audit plan during the year remained limited (reduction of 8% of man-days on audit missions with a total of 586 audit missions carried out this year), reflecting mainly the impact of a higher level of turnover in certain geographies and a shift in a number of projects initially planned to be subject to an audit. Such tensions also led to reschedule a few Inspection missions this year.

In 2022 IGAD initiated works required in response to recommendations issued by the European Central bank and IFACI on the internal audit function. Such work pertained mainly to (i) governance, being IGAD's internal governance, the set-up with regards to the interactions between the internal Audit function and the Group's governance at General management and Board level and the governance for the audit function at local level; (ii) the redesign, to be completed by end of 2024, of its independent risk assessment exercise and (iii) the establishment of a multi-year audit plan. The implementation of these action plans will remain a priority over 2023 and 2024 for the internal audit function. In addition, the restructuring of the audit recommendations issuance and monitoring process was initiated: all Business Units and Service Units will be engaged in the process, which will enable IGAD to focus its work on the most important risks in line with a strategic goal to optimize the layering of controls within the Group's internal control framework.

On the operational side, internal audit departments (i) further developed their ability to provide independent assurance on the performance of permanent control departments; (ii) reinforced their auditing methods on topics such as "conduct" or "ESG" and (iii) increased the use of data analytics in the audit missions.

4.2 CONTROL OF THE PRODUCTION AND PUBLICATION OF FINANCIAL MANAGEMENT INFORMATION

The participants involved

There are many participants in the production of financial data:

- the **Board of Directors**, and more specifically its **Audit and Internal Control Committee**, has the task of examining the draft financial statements which are to be submitted to the Board, as well as verifying the conditions under which they were prepared and ensuring not only the relevance but also the consistency of the accounting principles and methods applied. The Audit and Internal Control Committee's remit also is to monitor the independence of the Statutory Auditors, and the effectiveness of the internal control, measurement, supervision and control systems for risk related to the accounting and financial processes. The Statutory Auditors meet with the Audit and Internal Control Committee during the course of their assignment;
 - the **Group Finance Department** gathers the accounting and management data compiled by the subsidiaries and the Business Units/Services Units in a set of standardised reports. It consolidates and verifies this information so that it can be used in the overall management of the Group and disclosed to third parties (supervisory bodies, investors, etc.). It also has a team in charge of the preparation of the Group regulatory reports.
- In the framework of these missions, it is in charge of:
- monitoring the financial aspects of the Group's capital transactions and its financial structure,
 - managing its assets and liabilities, and consequently defining, managing and controlling the Group's financial position and structural risks,
 - ensuring that the regulatory financial ratios are respected,
 - defining accounting and regulatory standards, frameworks, principles and procedures for the Group, and ensuring that they are observed,
 - verifying the accuracy of all financial and accounting data published by the Group;
- the **Finance Departments of subsidiaries and Business Units/Services Units** carry out certification of the accounting data and entries booked by the back offices and of the management data submitted by the front offices. They are accountable for the financial statements and regulatory information required at the local level and submit reports (accounting data, finance control, regulatory reports, etc.) to the Group Finance Department. They can perform these activities on their own or else delegate their tasks to Shared Service Centers operating in finance and placed under Group Finance Department governance;
 - the **Risk Department** consolidates the risk monitoring data from the Group's Business Units/Services Units and subsidiaries in order to control credit, market and operational risks. This information is used in Group communications to the Group's governing bodies and to third parties. Furthermore, it ensures in collaboration with the Group Finance Department, its expert role on the dimensions of credit risk, structural liquidity risks, rates, exchange rates, on the issues of recovery and resolution and the responsibility of certain closing processes, notably the production of solvency ratios;

- the **Back offices** are responsible for all support functions to front offices and ensure contractual settlements and deliveries. Among other responsibilities, they check that financial transactions are economically justified, book transactions and manage means of payment.

Accounting and regulatory standards

Local financial statements are drawn up in accordance with local accounting standards, and the consolidated Group financial statements are prepared in accordance with the standards defined by the Group Finance Department, which are based on IFRS as adopted by the European Union.

The applicable standards on solvency and liquidity, promulgated by the Basel Committee, were translated into European law by a directive (CRD4) and a regulation (CRR). They were rounded out by the Regulation CRR2 and the Directive CRD5 which entered into force on 28 June 2019. These texts are supplemented by several delegated acts and implementation technical standards. As the Societe Generale Group is identified as a "financial conglomerate", it is subjected to additional supervision.

The Group Finance Department has dedicated teams that monitor the applicable standards and draft new internal standards to comply with any changes in the accounting and regulatory framework.

Procedures for producing financial and accounting data

Each entity in the consolidation scope of the Group prepares its own accounting and management statements on a monthly basis. This information is then consolidated each month at Group level and published for the markets on a quarterly basis. Data reported are subject to analytical reviews and consistency checks performed by Finance Department or delegated to financial shared service centers acting under their responsibility and sent to the Group Finance Department. The Group Finance Department forwards the consolidated financial statements, Management Reports and regulatory statements to General Management and any interested third parties.

Internal control procedures governing the production of financial and accounting data

Accounting data are compiled independently of the front offices and the sales teams.

The quality and objectivity of the accounting and management data are ensured by the separation of sales functions and all the functions of operational processing and follow-up of the operations: back offices and middle offices integrated into Resources Department and teams in charge of result production integrated into Finance Department. These teams carry out a series of controls defined by Group procedures on financial and accounting data, in particular:

- verification of the economic justification of all information reported;
- reconciliation of accounting and management data, using specific procedures, respecting the specified deadlines;

- for market activities, reconciliation between the accounting result, produced by the Finance Department and the economic result, produced by a dedicated expert department in the Risk Department.

Given the increasing complexity of the Group's financial activities and organisation, staff training and IT tools are regularly upgraded to ensure that the production and verification of accounting and management data are effective and reliable.

SCOPE OF CONTROL

In practice, the internal control procedures implemented in the Group's businesses are designed to guarantee the quality of financial and accounting information, and notably to:

- ensure that the transactions entered in the Group's accounts are exhaustive and accurate;
- validate the valuation methods used for certain transactions;
- ensure that transactions are correctly assigned to the corresponding fiscal period and recorded in the accounts in accordance with the applicable accounting regulations, and that the accounting aggregates used to prepare the Group financial statements are compliant with the regulations in force;
- ensure the inclusion of all entities that must be consolidated in accordance with Group regulations;
- check that the operational risks associated with the production and transmission of accounting data through the IT system are correctly controlled, that the necessary adjustments are accurately performed, that the reconciliation of accounting and management data is satisfactory, and that the flows of cash payments and other items generated by transactions are exhaustive and adequate.

CONTROL BY THE FINANCE DEPARTMENTS

The Finance Department of each subsidiary checks the accuracy and consistency of the financial statements with respect to the relevant accounting frameworks (local standards and IFRS for subsidiaries, as well as French standards for branches). It performs checks to guarantee the accuracy of the information disclosed.

The data received for consolidation from each subsidiary are drawn from corporate accounting data by the subsidiaries after they have been locally brought into compliance with Group accounting principles.

Each subsidiary must be able to explain the transition from the Company financial statements to the financial statements reported through the consolidation tool.

The Finance Departments of the Business Units/Services Units have a dedicated department for financial management and control.

The Finance Departments also rely on shared service centers that perform level 1 controls necessary to ensure the reliability of accounting, tax and regulatory information on the financial statements they produce in accordance with local and IFRS standards and notably data quality and consistency checks (equity, securities, foreign exchange, financial aggregates from the balance sheet and income statement, deviations from standards), justification and certification of the financial statements under their responsibility, intercompany reconciliation of the financial statements, regulatory statement checks and verification of evidence of tax charges and balances (current, deferred and duties).

These controls are declared as part of the managerial supervision and Group accounting certification processes.

These controls allow the Shared Services Centers to provide all necessary information to the Finance Departments of Business Units/Services Units and the Group Finance and Accounting Department to ensure the reliability and consistency of the accounts prepared.

These shared service centers are located in Paris, Bangalore and Bucharest.

CONTROLS BY ALL OPERATIONAL STAFF INVOLVED IN THE PRODUCTION OF ACCOUNTING, FINANCIAL AND MANAGEMENT DATA

The operational staff monitor their activity via a permanent supervision process under the direct responsibility of their management teams, repeatedly verifying the quality of the controls carried out on completeness of accounting data and the associated accounting treatment.

SUPERVISION BY THE GROUP FINANCE DEPARTMENT

Once the financial statements prepared by the entities have been restated according to Group standards, they are entered into a central database and processed to produce the consolidated statements.

The service in charge of consolidation in the Group Accounting Officer Department checks that the consolidation scope complies with the applicable accounting standards and performs multiple checks on data received for consolidation purposes. These checks include:

- confirmation that the data collected are properly aggregated;
- verification of recurring and non-recurring consolidation entries;
- exhaustive treatment of critical points in the consolidation process;
- treatment of any residual differences in reciprocal or intercompany statements.

Last, this service ensures that the overall consolidation process has been conducted properly by performing analytical reviews of the summary data and verifying the consistency of the main aggregates of the financial statements. These verifications are complemented by transversal analysis such as analysis of changes in shareholders' equity, goodwill, provisions and consolidated deferred taxes.

A team in this department is in charge of managing and coordinating the Group accounting certification framework to certify first-level controls on a quarterly basis (internal control certification).

The Group Finance Department has also a dedicated team, it which is responsible for ensuring second-level permanent controls on all Finance processes and for implementing the framework within the Group. Its mission is to ensure the effectiveness, quality and relevance of the Level 1 control framework by assessing it through process or activity reviews, testing controls and quarterly certifications. The team, reporting directly to the Group Finance Department, also reports to the Head of Permanent & Internal Control Division of Societe Generale Group.

Controls through audits and specialized audit teams of the internal audit division

Internal Audit and the General Inspection define their audits and inspections using a risk-based approach and define an annual work program (Inspection and Audit plan schedule – *plan de tournée*). As part of their assignments, teams may verify the quality of the control environment contributing to the quality of the accounting and management data produced by the audited entities. They may check a certain number of accounts and assess the reconciliations between accounting and management data, as well as the quality of the permanent supervision procedures for the production and control of accounting data. They also assess the performance of IT tools and the accuracy of manual processing.

The department in charge of auditing the Group's Central Departments is responsible for auditing the Group Finance Department. Within that department, a distinct team, placed under the responsibility of a dedicated Audit Business Correspondent monitors and animates audit work related to accounting and financial matters on a Group-wide basis. The team provides expertise in identifying the Group's main accounting risks and develops training sessions and methodologies to help share expertise in the auditing of accounting risks.

Audit missions pertaining to accounting matters are carried out by that team, for the subjects considered as the most material for the accuracy of the Group's accounting information, as well as by Audit Departments based in the Group's entities.

Based on their findings, these teams issue recommendations to the parties involved in the production and control of accounting, financial and management data. Departments being assigned these recommendations are responsible for their implementation. A monitoring is performed by IGAD.