

DVS

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APPROVED
by the Order No. IsTa-230
of the Director General
of the State Enterprise
Ignalina Nuclear Power Plant
dated 17 September 2019

POLICY OF THE STATE ENTERPRISE IGNALINA NUCLEAR POWER PLANT IN THE FIELD OF INTERNAL AUDITING

The Policy of the State Enterprise Ignalina Nuclear Power Plant (hereafter referred to as the INPP, the enterprise) in the field of the Internal Auditing is developed in compliance with the Law of the Republic of Lithuania on Internal Control and Internal Audit and the Business Strategy of the State Enterprise Ignalina Nuclear Power Plant, DVSta-0102-1.

The objective of the INPP policy in the field of the internal auditing shall be to set the fundamental INPP internal auditing milestones, principles and goals that shall be followed in implementing the business strategy of the enterprise, as well as to establish the obligations of the INPP Director General for assurance of the efficient internal auditing.

The internal auditing shall be interpreted at the enterprise as an objective activity of assurance and consulting directed to add value and to aid to improve the enterprise's performance. Legal acts of the Republic of Lithuania shall be followed in the process of conducting of internal audits, as well as the International Standards for the Professional Practice of Internal Auditing and other good practices and recommendations shall be adhered to.

In understanding that the internal audit is the indispensable part of the internal control system, the INPP Director General undertakes to demonstrate the leadership and commitment for maintaining and development of the internal auditing activity. The INPP Director General shall set the long-term strategic goals of the enterprise that serve as the basis for development of the long-term and annual internal auditing action plans as well as the INPP Director General shall provide conditions for implementation of these action plans, including their control and analysis.

With a view to ensure efficiency and effectiveness of the internal audit the following internal auditing principles shall be followed at the INPP:

1. Transparent activity;
2. Competence and professional accuracy;

3. Objectivity and resistance to negative impact (independence);
4. Compatibility with the enterprise's business strategy, goals and risks;
5. Appropriate positioning of the Internal Auditing Subdivision within the organizational structure of the enterprise and provision with the sufficient resources;
6. High quality of the provided services and continuous its improvement;
7. Efficient communication;
8. Provision of risk-assessment-based assurance services;
9. Insight, pro-activeness and future-orientation;
10. Striving to contribute to the improvement of the enterprise's performance.

The objective of the internal audit activity is to contribute to the implementation of the enterprise's goals, by systematically and thoroughly assessing the effectiveness of the enterprise management, risk management and control processes as well as by aiding to improve these processes.

The essential condition for achieving the internal auditing goals is independence and objectivity of the internal audit activity.

Independence at the enterprise is ensured, if the head of the subdivision performing internal audits accounts for performance of the internal auditing function to the enterprise's administrative body of such level which shall guarantee provision of such conditions that will enable the internal audit function to be fulfilled.

Objectivity is achieved when the decision taken by the internal auditors' is not influenced by the opinion of other persons. Objectivity is maintained if no responsibilities of audited and evaluated activity are assumed.

The internal audit activity shall be grounded by professionalism and fair-mindedness by following the professional standards, Rules of Professional Ethics of Internal Auditors of the State Enterprise Ignalina Nuclear Power Plant, DVSta-0151-1, approved at the enterprise, by continuously measuring effectiveness of the undertaken activity and by implementing quality assurance and improvement program.

The parties concerned to the INPP internal audit activity shall be deemed to be single persons or the groups thereof, influencing planning, performance of the internal audit, as well as measurement of the added value (the enterprise's management, the Board of the enterprise, Audits and Risks Committee, Ministry of Energy of the Republic of Lithuania, Ministry of Finance of the

Republic of Lithuania, the Public Enterprise Central Project Management Agency, the employees of the enterprise, other state agencies, institutions and organizations, the general public, etc.)

The parties concerned have interests governing them to influence the actions, goals and the policy of the enterprise. The overall fundamental essential expectations of the parties concerned in the internal auditing activity are as follows:

- Generation of the added value;
- Provision of possibilities for enhancement and effectiveness;
- Participation in implementing the strategic goals of the enterprise;
- Quality of the internal audit activity;
- Safe, efficient, qualitative and timely implementation of projects;
- Assurance of appropriate use of financial resources;
- Evaluation of effectiveness of the risk and internal control measures;
- Provision of aid in identifying risk;
- Expedient management, use and possession of assets;
- Optimized organizational structure of the enterprise;
- Effective management system;
- Independence and objectivity;
- Consultancy activity.

The Director General of the enterprise shall ensure that the INPP policy in the field of internal auditing is available, known and comprehensible to each employee of the enterprise and the parties concerned, under their request.

The Director General of the enterprise, by undertaking the responsibility for the enterprise's performance results and with a view to ensure efficiency and effectiveness of the internal audit activity, shall select the most optimum measures in his activity that shall ensure independence of the internal audit activity and provision with all the required resources.

Subject to its eligibility the given policy is reviewed annually.

The INPP policy in the field of internal auditing shall be amended, revoked by the order of the INPP Director General.

AGREED by
the letter of VATESI
No. (15.1-33)22.1-640, dated 2019-09-12

Developed by
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Translated by translator of UAB Vertimo namai
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