ebankIT

Annual Report on Prevention Plan of Corruption Risks and Related Offenses 2022

CLASSIFICATION
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IDENTIFICATION

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SCOPE AND OBJECTIVE

In accordance with Decree-Law 109-E/2021 of December 9, ebankIT has drawn up the Prevention Plan of Corruption Risks and Related Offenses (PPCRRO).

According to Article 6(4) of the "General regime for the prevention of corruption", published in the annex to Decree-Law 109-E/2021 of December 9, the implementation of the PPCRRO is subject to monitoring, carried out as follows:

a) Preparation, in October, of an interim assessment report in situations identified as high or maximum risk;

b) Preparation, in April of the following year, of an annual assessment report, including quantification of the degree of implementation of the preventive and corrective measures identified, as well as a forecast of their full implementation.

In this context, ebankIT presents its annual assessment report specifying the level of implementation of the preventive and corrective measures identified and their expected full implementation.

This report is published on the official website www.ebankit.com within 10 days of its implementation and any revisions or drafting.

MONITORING

The risk management for corruption and related offenses complements ebankIT's Enterprise Risk Management (FIN.0011).

The purpose of the assessment was to conclude on the existence or otherwise of the preventive measures indicated in the PPCRRO and their evidence. This monitoring was not intended to test the design and operational effectiveness of the preventive measures implemented, since this will be part of the internal audit activity.

It should be noted that, following the audits carried out in 2022 on common information security audit processes such as "Supplier Management Policy", "Code of Ethics and Business Conduct", some risk treatment prevention measures provided for in the PPCRRO were assessed.

In the current PPCRRO, 6 risks were identified, of which, after the application of preventive measures, 5 were classified as low and 1 as moderate. Four new management risks were added and prevention measures to be implemented were associated.

As a result of the monitoring carried out, it can be seen that with regard to the acquisition of goods and services and stock management, the mitigation measures have been fully implemented.

In pursuit of the PPCRRO, it can be concluded that ebankIT has been developing control instruments in order to contribute to good management, based on values and principles of integrity and probity.

To date, ebankIT's existing control instruments are:

- Code of Ethics and Conduct, revised in 2021, which includes a set of ethical and deontological rules to be observed in the daily activity of its employees in line with new legal requirements.
- *Anti-Money Laundering Policy,* which demonstrates ebankIT's concern with fraud and money laundering issues, all the more so as it operates in such a regulated market as the financial sector;
- *Supplier Management Policy*, developed in 2022, with the aim of systematizing the workflow for selecting and hiring suppliers, with considerations relating to risk analysis and *due diligence* already in place;
- *Vendor Risk Assessment*: Questionnaire sent to partners and suppliers analyzing issues such as information security, cybersecurity, privacy, social and environmental responsibility; and,
- Internal reporting channel available on the ebankIT website: www.ebankit.com.

FINAL CONSIDERATIONS

The monitoring carried out allows us to conclude that the control measures adopted in the PPCRRO have seen an increase in their degree of implementation, thus increasing the level of mitigation of the risks identified.

To this end, the next report will focus on the new Plan in force and will take into account the following aspects from the different areas:

- The remaining risks;

- The measures adopted;

- Evidence of the measures implemented; and

- The justification for the measures not implemented.

SUMARY OF RISKS

There are several common risks that cut across the entire structure of the organization, as shown in the table below.

RISKS	PREVENTION MEASURES	ANNUAL EVALUATION
Conflict of interest situations.	Employees who are faced with a situation that could constitute a conflict of interest must request a waiver on the grounds of legal impediment. legal impediment, assuming that they must report this situation under the terms defined in the following ebankIT policies: - Code of Ethics and Conduct; - AML Policy; - Information security policies and procedures; - Implementation of a whistleblowing channel; - Finance procedures; - Finance procedures_Payroll.	1. Code of Ethics and Conduct implemented on December 17, 2021; 2. Anti-fraud and Money Laundering Policy implemented on December 10, 2021; 3. Rules of Use of Information System and Detailed Security policies, amended on December 22, 2021 and August 8, 2022, respectively; 4. Whistleblowing Channel implemented on March 18, 2022. 5. Revision of Enterprise Risk Management (ERM) FIN.0011. 6. Analysis of suppliers carried out in the system review under ISO/IEC 27001.
Violation of the duty of impartiality.		
Potential discretionarity in the selection of external of external services within the scope of processes.		
Breach of duty of care (non-compliance with procedures).		
Breach of the duty.		
Fraud and Corruption.		

Measures to be implemented by 2023 have been established, as set out in the table below.

RISKS AND PREVENTION MEASURES

Caption:

S - Severity

1 - Insignificant; 2 - Limited; 3 - Significant; 4 – High.

P - Probability

1 - Rare; 2 - Occasional; 3 - Frequent; 4 - High.

Risk level = G*P

1 to 3 - Very Low; 4 - Low; 6 - 9 Medium; 12 - 16 High (High or maximum).

	Inherent risk					Residual risk				Annual assessement	
Activity	**Risk**	**Preventive measures**	**S**	**P**	**Risk Level**	**Additional measures**	**S**	**P**	**Risk Level**	**Degree of Implementation 2022**	**Measures planned for 2023**
Procurement of goods and services	Not choosing the best option for the supply of goods or services to the company; influence and favoring/favoring of the entities involved with the aim of obtaining own gains and benefits.	1. Supplier management policy. 2. Finance Procedures. 3. EbankIT Code of Ethics and Conduct	4	2	Medium	Revision Supplier Management Policy. Awareness-raising through training of heads of departments.	2	1	Very Low	Training of Heads of Departments in accordance with the new procedures on 02.02.23	Development of Anti-Corruption and Conflicts of Interest Policy. - Start internal audits.

	Influence of suppliers (goods and/or services) on the structure and favoritism of the entities involved in the contracts awarded.	1. Supplier management policy. 2. Finance Procedures. 3. EbankIT Code of Ethics and Conduct	4	2	Medium	Revision Supplier Management Policy. Awareness-raising through training of heads of departments.	2	1	Very Low	Training of Heads of Departments in accordance with the new procedures on 02.02.23 Vendor Risk Assessment Implementation	Development of Anti-Corruption and Conflicts of Interest Policy. - Start internal audits.
Cash Flow Management	Undue access to funds in bank accounts and appropriation of amounts by falsifying/ tampering with documents.	1. *Finance Procedures*. 2. *Incident Response Plan*.	4	2	Medium	N/A	4	2	Medium	Established controls proved effective.	N/A.
Reporting activities	Adulteration of basic information for budget execution (budget monitoring).	1. *Finance Procedures*. 2. *Incident Response Plan*.	3	1	Very Low	N/A	3	1	Very Low	Established controls proved effective.	N/A.
Audit activities	Potential loss of independence and objectivity, devaluation of evidence of wrongdoing, collusion/cover-up of irregular practices.	1. adoption of Internal Audit methodology in accordance with ISO 19011. 2. Review of audit reports and conclusions *(4 eyes principle).*	4	1	Low	N/A	4	1	Low	Audit activities planned for 2024	Training internal auditors in Money Laundering and Anti-Corruption

Information Security Management	Undue access to confidential information in the context of financial proposals.	1. ISO/IEC 27001 controls 2. SOC report 2 Type 2	3	1	Very Low	N/A	3	1	Very Low	Maintenance of ISO/IEC 27001 certification ensured.	Strengthen cybersecurity controls.
	Dependence on critical suppliers.	Monitor activities by auditing critical suppliers.	4	2	Medium	Review *Supplier Management Policy*.	4	1	Low	Implementation of Vendor Risk Assessment	N/A
	Vulnerabilities in confidentiality, integrity and availability of Information	Maintenance of the information security system in accordance with ISO/IEC 27001	4	2	Medium	Training actions to strengthen awareness and knowledge of best practices related to cybersecurity.	4	1	Low	Additional measures successfully implemented have proved effective: 1 - Sharing session on social engineering on 30.11.22; 2 - Maintenance of ISO/IEC 27001 certification.	Update of 27001 controls: 2022. - Awareness-raising sessions planned at the AMC.