



About the auditor of MTS PJSC Business Solutions and Technologies (AO BST)

About the auditor – Business Solutions and Technologies

Effective 24 May 2022, the Russian firm that had been part of Deloitte's global network of member firms will continue operating in Russia and Belarus under a new brand: Business Solutions and Technologies (in Russian, «Деловые Решения и Технологии» or ДРТ).

The company is about to embark on a new journey as an independent entity that is no longer part of the Deloitte global network.

Our connected team and its knowledge, experience and result-oriented mindset will remain our key priorities. We will continue offering the complete spectrum of audit and consulting services with the same high level of quality as we have demonstrated for the past 30 years.

Many transformations are on the horizon for us all. As adaptability becomes a new competitive advantage for businesses, we will be focused on providing our clients with solutions and technologies that allow them to not only cope with sudden changes in the external environment, but also become a driving force behind such changes: innovation pioneers.

About Business Solutions and Technologies

Business Solutions and Technologies (www.delret.ru) is one of the leading companies providing services in the field of audit, consulting, risk management, as well as financial, tax and legal consulting. Professional knowledge and experience of 3 thousand employees allow us to provide services to the largest public and private companies operating in various sectors of the economy. Business Solutions and Technologies is represented in eight cities of Russia and Belarus — Moscow, St. Petersburg, Ufa, Yekaterinburg, Novosibirsk, Yuzhno-Sakhalinsk, Vladivostok and Minsk.

Firm Audit Approach

The firm's audit approach includes requirements and guidance to assist in the planning and performance of audit engagements and is based on the International Standards on Auditing and PCAOB standards. The firm has further supplemented these requirements and guidance to reflect local requirements as applicable. Common documentation and enabling software technology are tools that enhance the consistency with which the firm's audit approach is implemented and promote both effectiveness and efficiency. The following are the main elements of the firm's audit approach.

Understanding of the entity and its environment

An understanding of the entity and its environment, including its internal controls, is vital to performing an effective audit, as it enables the engagement team to assess the risks of material misstatement at the financial statement and assertion level. Understanding and assessing the risks of material misstatements include analyzing financial information to identify trends and unusual balances, holding in-depth discussions with management and those in charge of governance, considering the inherent nature of each component of the financial statements and the associated risks, evaluating the design of relevant internal controls and determining if they have been implemented, assessing the extent to which technology is used in the financial reporting process, and, if applicable, reviewing the findings of internal audit inspections.

IT specialists

Where necessary, based on the nature of the entity's information systems and the extent to which technology plays a role in the transaction processing and financial reporting processes, IT specialists may be involved in the audit engagement.

Audit procedures

The engagement team develops an audit plan to address the risks associated with the entity, the audit engagement and financial reporting as a whole. Throughout an audit, the engagement team continually assesses risk and the effects of their findings on audit procedures. The firm's audit approach allows partners and professional staff to modify audit procedures to address issues that arise during the course of an audit. Audit procedures to address risks of material misstatement include substantive procedures; these comprise tests of details and substantive analytical procedures, and tests of the operating effectiveness of controls

Data analytics technologies

We give great importance to innovation as a tool to improve the quality of audit and the benefits that it brings to our clients. We use advanced methods of data analysis, which allows us to identify unusual patterns, trends, deviations in the data. The use of such analytics also allows our team to reduce sample sizes, increase the speed of information processing, and improve the risk assessment process. To demonstrate our observations, we use the latest technologies of visualization.

Firm Audit Approach

Engagement quality control reviews

An engagement quality control review is performed for all audit and related assurance services. The review is performed by a partner or director who is not directly involved in the engagement and who has the appropriate experience and knowledge about the applicable accounting and auditing standards and regulations. The engagement quality control reviewer is not part of the engagement team and is not portrayed, in fact or appearance, as a member of the engagement team. Appropriate experience and knowledge includes experience and knowledge of the entity's industry, economic environment and accounting principles. For all public interest entities and high-risk engagements, the review is performed by a partner with sufficient and appropriate experience and professional qualifications to act as an engagement partner on the particular type of audit.

The reviewer receives an appropriate briefing from the engagement team and conducts the review in such a manner so as to obtain sufficient knowledge and understanding in order to reach a valid and well-founded conclusion. The reviewer's responsibilities are: to perform an objective review of significant auditing, accounting, and financial reporting matters; to document the procedures he/she performs; and to conclude, based on all the relevant facts and circumstances of which he/she is aware, that no matters that have come to his/her attention would cause him/her to suspect that the significant judgments made and conclusions

Use of experts

While the audit engagement partner retains responsibility for all aspects of an engagement, there are instances when an engagement team utilizes an expert. In these instances, the engagement team must first evaluate whether or not the expert has the necessary competencies, capabilities and objectivity.

In evaluating whether an expert's work constitutes appropriate audit evidence in support of financial information, the engagement team considers:

- The source data used;
- The assumptions and methods used and, if appropriate, their consistency with those used in the prior period;
- The results of the expert's work in light of the engagement team's overall knowledge of the business and the results of its audit procedures.