

# Internal Audit Department

Internal Audit has assessed the control condition of the key controls within JGAAP - ITGC Focusing on Changes with AWS And New Tools (i.e., controls after the cloud migration and the introduction of new resource management tools) for the period September 1, 2023 to February 29, 2024. A control condition audit is designed to provide reasonable assurance as to the design and effectiveness of the system of internal control implemented by management. As a result of Internal Audit's testing, no issues were identified.

**Control Condition:** Satisfactory with Limited Exceptions

**Control Environment:** Unrated

## Rating Rationale:

Based on the results of the work performed, Internal Audit has concluded that the system of internal controls implemented by management is adequately designed and operating as intended to mitigate the risks of the business.

Internal Audit confirmed through this audit as to how management handled the results of the vulnerability assessment tool "Checkmarx". While a certain number of vulnerabilities were identified in the YuYu New Business system, Internal Audit noted that they were not addressed. However, Internal Audit and management have assessed these remaining vulnerabilities, determined that the risk is deemed low, and also management is taking possible actions. In addition, given that the YuYu New Business is not an externally web facing system, the risk of these vulnerabilities resulting in a security incident is reduced. Furthermore, this problem was already reported as a medium-rated issue (ISS-36444 / IS-002637 in OpenPages) in a separate audit "2023 Global Technology Chief Technology Office - Central Express Audit" and the relevant action plans driven by the US are ongoing and expected to be completed by July 2024.

As a result, Control Condition has been rated Satisfactory with Limited Exceptions.

## Scope:

Between the period from September 2023 to February 2024, following the coverage of last year's PGFL- IT General Controls Audit (reported in December 2023), there were two changes that impacted the JGAAP - IT General Controls (ITGC).

1. Migration to a cloud-native environment (YuYu New Business)
2. Introduction of new resource management tools in the existing environment (YuYu Annuity, Claim Payment system, MyPage, DWH (Data Warehouse)).

The scope included an assessment of the design and effectiveness of the key controls related to ITGC after the aforesaid changes.

The audit focused on the key risks including:

- Information Technology - Inadequate Incident Response and Recovery
- Information Technology - System Delivery Failures

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- Information Security - Unauthorized System Changes

Testing focused on controls in key processes including:

- Program Development and Change Management (YuYu New Business, YuYu Annuity, Claim Payment system, MyPage, DWH)
- Computer Operation (YuYu New Business)
- Access Control (YuYu New Business)

The following processes were excluded from the scope of the review:

- Not Applicable

Any questions regarding this report should be directed to the PGFL Internal Audit Executive Officer, Akiko Togashi, or Group Vice President responsible for the audit, respectively.