



**Internal Audit Committee's Report for the General Assembly**

FY 2023 G

Head Office : Riyadh

Po. Box 609 – Riyadh 1142 – KSA

Tel : + 966 11 235 5555

Fax : + 966 11 236 6666

Unified No. 920002667

Toll-free No.: 800 122 8800

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## Internal Audit Committee`s Report for the General Assembly

FY 2023G

**Dear Shareholders Aldrees Petroleum & Transport services Co. (ALDREES)**

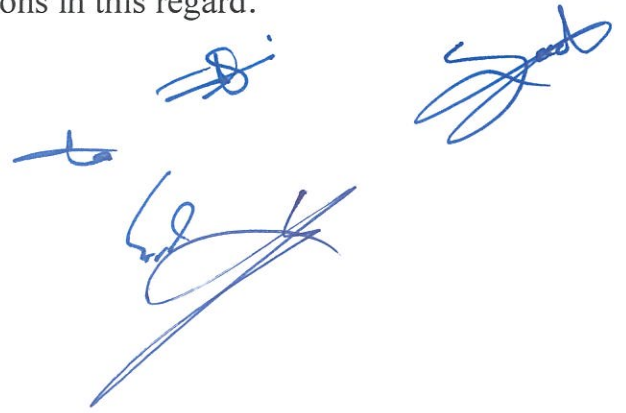
The audit committee is an independent committee formed by a decision of the company's Ordinary General Assembly. The audit committee is concerned with monitoring the company's business and verifying the integrity and integrity of the reports, financial statements, and internal control systems therein. And accounting policies and supervision of the work of internal auditing and external auditors.

The committee held 6 (Six) meetings during the FY 2023G, and its activities within the scope of its competence as following:

- Supervising the internal audit department and following up on the implementation of the approved audit plan for the year 2023.
- Examining the internal audit reports and following up on the implementation of the important recommendations contained in the internal audit reports.
- Examining all related party deals as defined by the applicable rules and regulations.
- Study the effectiveness of the process of identifying, assessing, and reporting on significant risks to the company's activity, and the company's management method for those risks, and submitting appropriate recommendations in this regard to the Board of Directors.
- Study the preliminary and annual financial statements for the fiscal year ending on 31/12/2023 and the auditor's notes on the financial statements and follow up on what has been done about them, and the results of the company's financial year review with the appropriate external auditors and management representatives and raise the recommendation for consideration for approval to the Board of Directors.

The bottom of the page features several handwritten signatures in blue ink. One signature is accompanied by the number '1/4'. To the right, there is a blue graphic element consisting of a curved shape. Below this shape, the text 'with you' is written in a light blue font, with the website address 'www.aldrees.com' underneath it.

- Supervising the auditor.
- Study the management letter issued by the auditor.
- Studying the auditor's offers and recommending the appointment of the auditor for the year ending 12/31/2023.
- Studying compliance reports that reflect the extent of compliance with the statutory requirements and following up on the implementation of the recommendations contained in the reports.
- Review accounting policies and practices, including the consistency of these policies, annually.
- As well as the responsibilities above mentioned the audit committee takes it upon itself to carry out any other tasks assigned to it by the company's board of directors. It submits to the Council a periodic report on the examinations carried out by the committee, and its recommendations in this regard.

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**Internal and Financial Control and Risk Management System:**

Control procedures and their effectiveness are of utmost importance and play a pivotal role in achieving the company's goals. The company's management is responsible for preparing a comprehensive and effective internal control system. The internal control system is based on the vision and assessment of the company's management to develop a control system commensurate with the relative importance of financial risks and other risks inherent in the company's activities.





With reasonable cost and benefit, limited regulatory controls in place. The internal control system is designed for the purpose of managing the risks of not achieving the objectives and not avoiding them. Therefore, the internal control system is designed to give reasonable assurances to avoid material errors and related losses

In addition to the aforementioned, the audit committee periodically reviews the reports prepared by the internal and external auditors, and these reports include an assessment of the adequacy and effectiveness of internal control.

Based on the above, we believe that the company has a sound and effective internal control system to a reasonable degree in terms of design and implementation, and there is no doubt about the company's ability to continue its business.





During the year, there was no material observation related to the effectiveness of the company's internal control system and procedures.

**Committee Members (Previous):**

Sr.	Name	Position	Signature
1	ADEL FARIS AL OTAIBI	Head	
2	EID FALEH AL SHAMARI	Member	
3	KHALID MOHAMMED AL-KHOWAITER	Member	
4	SAAD HAMAD ALDREES	Member	



**Committee Members (Current):**

Sr.	Name	Position	Signature
1	EID FALEH AL SHAMARI	Head	
2	FARRAJ SAAD AL-QABBANI	Member	
3	KHALID MOHAMMED AL-KHOWAITER	Member	
4	SAAD HAMAD ALDREES	Member	

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