
Audit Committee Report

On the adequacy of the internal and financial control systems and risk management Yanbu National Petrochemical Company (YANSAB) (Saudi Joint Stock Company)

Introduction:

The Audit Committee ensures the integrity of the procedures followed within the company, and its responsibilities include supervising financial reports, internal control systems, Internal Auditing, External Auditor, and the professionalism and ethical compliance.

During the year 2024, the Audit Committee reviewed the company's business and verified the integrity of the reports, financial statements, internal control systems, risk management, and verified accounting estimates in the material issues mentioned in the financial reports. The committee also reviewed the results of the reports of the regulatory authorities and internal auditing bodies and ensured that the necessary and corrective measures were followed up for the observation, and reviewed and supervised the performance and activities of the internal audit department in the company to ensure the independence of its activities and verified the availability of the necessary resources and their effectiveness in performing the work and assigned tasks in addition to evaluate the internal audit department annually. Additionally the Audit Committee recommend to board of director the appointment or dismissal of the external auditor and verified their independence, full compliance with the applicable professional ethics, their commitment to the generally accepted accounting standards, and the effectiveness of the audit work carried out, verified that the external auditor did not provide technical or administrative work outside the scope of the audit, study the auditor's plan and reports, and his observations on the financial statements, and followed up the actions taken regarding them.

The Audit committee also reviewed regulatory reports on the company's compliance with applicable laws and regulations, ensuring that the necessary actions have been taken by the company. Additionally, the Audit committee verified the company's adherence to relevant laws and regulations.

The opinion of the Audit committee on the adequacy of the internal and financial control and risk management system:

The Audit Committee and in accordance with its scope of work, and based on the information provided by the company's management, internal auditor, external auditor, Risk Committee, Compliance and the other various regulatory authorities have concluded that the audit did not show any fundamental weakness in the internal and financial control systems, and risk management, and the board's Annual Report and Financial Statements were prepared according to the regulatory requirements.
