

## **Audit Committee Report**

Date: 15 April 2025

**Dear Shareholders of Alkhaleej Training and Education**

Greetings

**Subject: The Audit Committee's report to the General Assembly of Shareholders for the fiscal year 2024 and its opinion on the adequacy of the company's internal control system**

The Audit Committee of Alkhaleej Training and Education Company is pleased to present to the esteemed shareholders annual report for the financial year ending on December 31, 2024, which includes opinion on the adequacy of internal control and a statement of the work carried out by the committee within its authority, in accordance with the regulatory and supervisory requirements as stipulated in Article 88 of the Corporate Governance Regulations and Article 5 of the company's audit committee charter.

**First: A brief overview of the audit committee:**

- The company's audit committee consists of four members, two of whom are independent and non-executive members of the board of directors and two external members. All members have the required competence and experience to perform their duties, and one of them is a specialist in finance and accounting.

- The committee held several meetings during the fiscal year 2024 to discuss the initial and annual financial statements, in addition to its periodic meetings with the company's external auditor to review the financial statements , reports and notes provided by the external auditor, as well as periodic meetings with the company's internal audit department to follow up on the implementation of the internal audit plan and the effectiveness of the company's internal control, meetings with governance and including legal.

The Audit Committee is responsible for providing oversight of governance, risk management, compliance and control practices. The Audit Committee also serves to provide confidence in the integrity of practices to enable fulfillment of the purpose of the organization and achievement of its strategic objectives.

**Second: The main responsibilities carried out by the committee within the scope of its jurisdiction and authority during the fiscal year 2024:**

- 1 .Reviewed quarterly and annual financial statements with the external auditor and senior management before recommending to the Board of Directors.
- 2 Reviewed the company's accounting policies and following up on new developments and regulations.and accounting estimates and matters related to financial reports.
3. Reviewed the external auditors' proposals for auditing the second and third quarters, as well as the annual financial statements for fiscal year 2024 and the first quarter of 2025. Presented the committee's recommendations to the Board of Directors and the General Assembly of Shareholders, ensuring the chosen candidate possesses the required experience to perform their duties impartially and independently.

- 4 .Maintaining the independence of the company's external auditors, Board of Directors, and executive management.
5. Reviewed and updated the audit committee charter for submission to the Board of Directors, pending approval by the General Assembly.
- 6 .Reviewed and approved the internal audit plan and charter. Monitored the effectiveness of the company's internal audit department in executing its assigned tasks, reviewed periodic reports from the Internal Audit Department, and followed up on the implementation of recommended corrective actions.
- 7 Evaluated the company's compliance with applicable laws, regulations, and policies for effectiveness.
- 8 .Conducted periodic reviews of regulatory authority observations to ensure the company's compliance with governance regulations and legislation.
9. Reviewed and updated the company's Authority Matrix.
- 10 .Prepared and issued a report on the annual review of the company's internal control effectiveness, providing an opinion on the adequacy of the internal control system for the fiscal year 2024.

**Third: The Audit Committee's opinion on the adequacy of the company's internal control system:**

The company's executive management is responsible for ensuring the existence of a comprehensive and effective internal control system, which includes commitment to working with the policies and procedures approved by the executive management to ensure the achievement of its strategic objectives and the protection of its assets.

An integrated internal control system has been designed in the company as recommended by the regulatory and supervisory authorities. The company evaluates and monitors the internal control, finance and risk management systems through the company's oversight departments and relevant committees based on the periodic reports presented to the committee by management and the reports of external auditors.

Based on the annual confirmations and disclosures obtained from the executive management, the Audit Committee believes that the internal control, finance and risk management systems currently in place is working with acceptable effectiveness, with the need to improve some aspects of the effectiveness of the systems, noting that any internal control system no matter how sounds its design and effectiveness of its application is, it cannot provide absolute assurance.

Best Regards,

**Dr. Abdullah Al-Hussaini**



**Chairman of the Audit Committee**