

# Audit

## Committee Report

### Committee Chairman Speech



#### Mr. Ameen Ben Fahad Ben Abdulaziz Al-Shiddi

Audit Committee Chairman

Peace, Mercy and Blessings of God be upon all of you

Dear shareholders,

On behalf of the colleagues and the audit committee, presenting to you the annual report of the audit committee, the report covers the most important tasks and activities carried out by the committee during the year 2022.

The audit committee, which is composed from the board of directors, is one of the most important internal control tools in the company within the framework of corporate governance and aims to establish a culture of commitment and accountability, and contributes to strengthening values and principles of governance that achieve the company's goals and protect the interests of shareholders.

During the year 2022, the audit committee continued to assist the board of directors in fulfilling its supervision and audit

responsibilities. The committee reviews the financial data on a regular basis before presenting it to the board of directors and provides opinions and recommendations to the BOD.

The audit committee plays a vital role in ensuring the quality of the financial statements. The committee reviews the financial position of the company, verifies the accuracy and integrity of the financial statements, and ensures the transparency and completeness of data disclosure. The committee also supports and enhances the independence of the external auditors to enable them to perform their duties fully and to express an impartial opinion on the fairness and accuracy of the financial data.

The existence of an effective internal control system is one of the main responsibilities of

the audit committee, where the committee ensures the adequacy and effectiveness of the internal control systems applied in the company. The company's management has designed and implemented high-efficiency internal control systems. This is done through its supervision role in carrying out inspection and evaluation procedures of internal control systems. The committee studies and reviews the audit reports on the internal controls systems, accounting systems, financial and administrative procedures, and proposed modifications to these areas.

The committee supervises the internal audit, supports its independence and provides necessary resources to enable it to perform its tasks and activate its role in assessing the adequacy and effectiveness of internal control systems.

The committee also monitors the company's compliance with laws, regulations, and professional standards, as well as its adherence to adopted internal policies and regulations. Finally, the audit committee concludes that the monitoring and supervision carried out along with reviewing of auditors' reports, and the applied internal control systems which indicate Kuwait Telecommunications Company **(stc)**, has an adequate control environment for its activities and an effective internal control system to a reasonable extent, and the company is continuously achieving improvement in designing and implementing effective internal control systems.

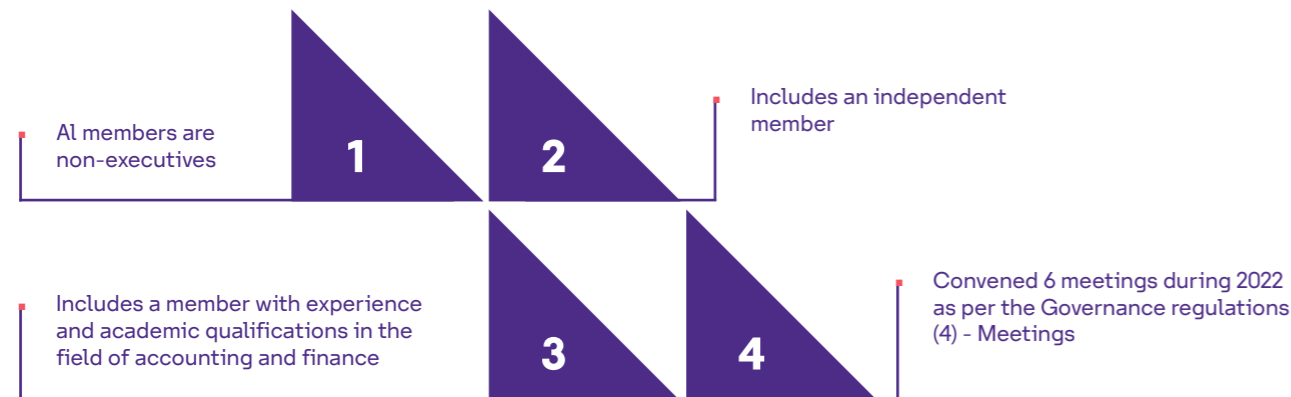
## Objective

To strengthen the culture of compliance within the company by ensuring the validity and integrity of the company's financial reports, in addition to verifying the efficiency of the internal control systems implemented in the company.

## Members

<p><b>Mr. Ameen Ben Fahad Ben Abdulaziz Al-Shiddi</b> Committee Chairman - (Non-Executive) &amp; Board Member - (Non-Executive)</p>	<p><b>Mrs. Iman Mohammed Al-Ahmed</b> Committee Member - (Non-Executive) &amp; Board Member - (Non-Executive)</p>
<p><b>Eng. Omar Abdullah Al Noamani</b> Committee Member - (Non-Executive) &amp; Board Member - (Non-Executive)</p>	<p><b>Mr. Salah Ahmad Al Fouzan</b> Committee Member - (Independent) &amp; Board Member - (Independent)</p>

## Committee features








## Roles and responsibilities

Roles and responsibilities assigned to the committee as per the committee charter and governance regulations are as follows:



## 2022 - Snapshot

	<p style="text-align: center;"><b>Financial Statements</b></p> <ul style="list-style-type: none"> <li>✓ Periodic review of FS (Quarterly &amp; Year-end) before presenting it to the board.</li> <li>✓ Discussing external auditor's opinion on the FS and insure its independency.</li> <li>✓ Discussing significant changes in IFRS and its impact on the FS.</li> <li>✓ Ensuring the Financial statements are correctly Consolidated.</li> </ul>
	<p style="text-align: center;"><b>Internal Control</b></p> <ul style="list-style-type: none"> <li>✓ Reviewing the ICR report that is conducted by independent external auditor.</li> <li>✓ Discussing the quarterly and annual internal Shari'a audit reports and Shari'a Supervisory Board reports before submitting its recommendation to the board of directors.</li> <li>✓ Assigning the ICR project to an independent and approved firm to review the internal control system and then send it to the CMA.</li> <li>✓ Inforce the whistle blowing policy and insure the compliance of it laws.</li> </ul>
	<p style="text-align: center;"><b>Internal Audit</b></p> <ul style="list-style-type: none"> <li>✓ Approving the internal audit charter and the risk based plan.</li> <li>✓ Discussing the IA reports and follow-up reports submitted by the IA department to close the raised points.</li> <li>✓ Ensuring the independency of the Chief Internal Audit.</li> <li>✓ Discussing and reviewing IAD's objectives and KPIs.</li> <li>✓ Assess the Chief Internal Audit's performance.</li> </ul>
	<p style="text-align: center;"><b>External Audit</b></p> <ul style="list-style-type: none"> <li>✓ Reviewing the scope of work and objectives of external auditor.</li> <li>✓ Presenting proposals and recommendations related to assigning the external auditor by the board and General Assembly.</li> <li>✓ Presenting proposals and recommendations related to assigning the Shari'a Supervisory by the Board.</li> </ul>
	<p style="text-align: center;"><b>Compliance</b></p> <ul style="list-style-type: none"> <li>✓ Following up with the management on the periodical reports sent to the regulators.</li> <li>✓ Reviewing the compliance reports that reflect the company's compliance with external regulatory requirements and following up on the implementing the recommendations.</li> <li>✓ Ensuring compliance with corporate governance to enhance regulatory compliance.</li> </ul>