

4 - 19 Results of the Annual Review of the Company's Internal Control Procedures

Internal Control



The Board shall approve the internal control system for the Company in order to assess the policies and procedures relating to risk management, implementation of the provisions of the Company's governance rules approved by the Company and compliance with the relevant laws and regulations. Such system shall ensure compliance with clear accountability standards at all executive levels in the Company, and that Related Party transactions are implemented in accordance with the relevant provisions and controls.

Internal Audit Department Scope of Work

Review and Discussion	Oversight and Follow up	Check and Assess	Verify and Confirm	Recommend
Review of the submitted internal audit reports, and discuss any feedback	Oversight the Company's internal audit work, and follow up the effective implementation of its operations	Check and assess the effectiveness and adequacy of the Company's internal control systems	verify the presence of an effective internal control system inside the Company, and confirm that all violations are rectified	Recommend to the Board to activate and enhance the Company's internal controls

Auditing Process

The auditing reports did not reveal any substantial weakness in the Company's internal controls regarding the financial statements. In fact, most feedback mainly focused on enhancing performance, boosting the work of various departments and sections and raising the efficiency thereof, completing the authentication process for the sake of strengthening the control system and optimally using available resources.

Internal Auditor's Report

First Milling Company's Internal Audit Department has carried out a number of internal auditing processes during 2023G, in accordance with risk-based internal audit plan approved by the Audit Committee, with a special focus on the high-risk activities and processes in order to achieve the Company's objectives and protect its assets.

In this respect, a number of internal auditing processes have been carried out to determine the adequacy and efficiency of the internal control system. The results were then reported to the relevant departments in order to handle the same and lay down the necessary corrective measures, to follow up the implementation thereof and in turn regularly report the results to the Audit Committee.

Audit Committee Opinion

In light of the findings of the internal audit tasks carried out by the relevant department, and following the discussions held with the independent auditor and the Executive Management on First Milling Company' annual and interim financial statements for the year 2023G, the Audit Committee did not detect any substantial deficit in the internal control environment, specially that the efficiency of the internal control system cannot be reliably assured.

