

Internal Audit Service

THE SERVICE'S MISSION IS TO PROVIDE THE NECESSARY ASSISTANCE TO THE BOARD OF DIRECTORS AND THE EXECUTIVE BODY IN FULFILLING THEIR DUTIES TO ACHIEVE THE COMPANY'S STRATEGIC GOALS.

The main objective of the Service's activity is to provide the Board of Directors with independent and objective information designed to ensure effective management of the Company by bringing a systematic approach to improving risk management, internal control and corporate governance systems.

During 2023, the Service's activities were regulated by the following documents:

- International professional standards of internal audit;
- Code of Ethics of the Institute of Internal Auditors;
- Regulations on the Internal Audit Service of KEGOC JSC approved by the Board of Directors of KEGOC JSC;
- Rules for Organisation of Internal Audit at KEGOC JSC approved by the Board of Directors of KEGOC JSC;
- Job descriptions of the Service's employees approved by the Chairman of the Board of Directors of KEGOC JSC.

All audit assignments were planned to take into account the mission and main objective of the Service's activity. A risk-oriented approach was applied in the planning of internal audit, i.e. priority for inclusion in the plan was given to business processes that are most susceptible to the occurrence of negative events.

The annual audit plan of the IAS for 2023 provides for the fulfilment of 17 assignments. The scope of audit assignments covered comprehensive audits of 6 branches of KEGOC JSC, audit of procurement, audit of actual KPI values of KEGOC JSC executive and managerial employees for 2022, as well

as long-term KPIs, analysis of the efficiency of IT contract execution, audit of sufficiency and efficiency of IRD requirements and other documents (Plans, orders, etc.) in relation to IT infrastructure, audit of the procurement process for waste management services to increase environmental responsibility, audit of measures on state registration of rights to immovable property of KEGOC JSC, audit of formation and monitoring of the Investment Programme implementation, audit of measures to mitigate sanctions risk, audit of KEGOC JSC risk management system and internal control system, audit of compliance with labour and social legislation, as well as internal HR regulations of KEGOC JSC and Samruk-Kazyna JSC.

Also, in 2023, the Service conducted an audit of procurement of goods, works and services according to a special procedure, in accordance with the order of Samruk-Kazyna JSC 'On compliance with the principle of optimal and efficient spending of money used for procurement'.

In addition, in 2023, the Service carried out an audit of certain processes of modernisation of BEM.

All tasks were fulfilled. No material non-compliances capable of affecting the Company's operations were identified.

Based on the results of the completed audit assignments in 2023, the Service provided relevant recommendations to eliminate the identified inconsistencies. The audit objects together with the Service have developed Corrective Action Plans. The Service monitors the implementation of the issued recommendations on a quarterly basis.

