



## Internal Control Policy and Supervision & Monitoring Mechanisms

Al Hilal Charity Foundation (1077)



The purpose of this policy is to ensure the organization's compliance with previously established procedures, regulations, and working methodologies, with the aim of adding value to the organization and improving its operations. It supports achieving the organization's objectives through a systematic approach to evaluating and improving the effectiveness of risk management, control, and governance processes.

### **1. Scope and Responsibilities:**

The scope of the internal audit activity is to determine whether the organization's control systems, risk management, and governance procedures, as designed and defined by management, are adequate and operating in a manner that ensures the following:

- Risks are appropriately identified and managed by determining and assessing key risk-prone areas and contributing to the development and improvement of related control systems.
- Financial, administrative, and operational information is accurate, reliable, and available in a timely manner.
- Internal and external reports are consistent and aligned.
- Employee actions and conduct comply with applicable policies, standards, procedures, laws, and regulations, by ensuring the existence of clearly defined standards approved by senior management that reasonably support the achievement of set objectives.

### **2. Types of Internal Control:**

A. Administrative Control:

This includes the organizational plan, means, and procedures primarily aimed at achieving maximum possible operational efficiency and ensuring the implementation of administrative policies, including:

- Authorization to sign program and project agreements after obtaining the necessary approvals from authorized parties in accordance with the financial authorization matrix. After reviewing contracts and agreements by the financial



and legal departments, the Executive Director of the organization represents the entity in signing such contracts and agreements subject to this policy.

- Securing resources in an economical manner, using them efficiently, and adequately protecting them by evaluating the efficiency of human and financial resource utilization within the organization, and assessing the adequacy and effectiveness of asset protection methods.
- Achieving programs, plans, and objectives.
- Providing recommendations to improve and develop procedures and control measures governing work to enhance the organization's image, profitability, and control procedures, as well as reporting such opportunities to the appropriate management level.

#### B. Accounting Control:

All procedures aimed at ensuring the accuracy of data recorded in books and accounts in order to protect the organization's assets, including:

- Disbursement of the organization's allocated revenues in accordance with the approved financial authorization schedule.
- Financial authority controls related to grant programs and social investment programs as approved by the Board of Directors.
- Ensuring that no funds are disbursed outside the organization's areas of operation.
- Ensuring that amounts disbursed are aligned with the organization's strategic direction.
- Ensuring the dissemination and sharing of the strategic direction with all internal and external stakeholders.

