

Approved on June 12, 2024 of the
Council Meeting of Joint-stock company
"Latvijas Jūras medicīnas centrs" (nr.4.)

Report of the Audit Committee of Joint-stock company "Latvijas Jūras medicīnas centrs" for the year 2023 (nr.4.)

The duties of the Audit Committee of Joint-stock company "Latvijas Jūras medicīnas centrs" are performed by the members of the Council. The Chairman of the Council is M. Birks, and the council members are V. Šiliņš, I. Gadzjus, J. Kalējs, U. Osis.

Internal Control of the Company

The Council of Joint-stock company "Latvijas Jūras medicīnas centrs" (hereinafter LJMC) organizes the successful implementation of internal controls by involving unit managers in decision-making. In 2023, the Council assessed the goals and economic activities of LJMC units, setting new tasks for them. The Council continued to improve the quality of decision-making by conducting in-depth analysis of monthly operational data (accounting and medical).

Proposals are made, if necessary, to achieve the company's internal objectives. Decision-making and execution control take place.

Technical supervision and control of the use of medical technologies and equipment were carried out, and internal control aimed to ensure the provision of quality health care services in units. LJMC's compliance with mandatory requirements for medical institutions was also audited by the Health Inspection of the Republic of Latvia's Ministry of Health.

Preparation of Annual Reports

The Audit Committee oversees the preparation of the company's financial statements. Reports are prepared quarterly, reviewed by the Council, and the results are presented to the company's Council each quarter.

The company's quarterly and annual reports are prepared in accordance with the requirements of International Financial Reporting Standards, and the reports are audited by the company's auditor. The reports are submitted to the stock exchange within the specified deadlines, and public information is also available on the company's website.

The Audit Committee regularly discussed with LJMC's auditor, SIA "KPMG Baltics," the most significant financial statement risks and LJMC's appropriate reflection of these risks in the auditor's report.

Budget Planning

At the beginning of the year, the board prepares the company's annual budget. It develops an action plan, plans the investment budget, and cash flow statement. Plan execution is monitored quarterly, and the income and expenditure flow are tracked, with the results being presented to the company's Council.

The company's budget planning is done by types of services provided, payers, and funding programs for units. Expense tracking and budget execution control are done by expense items, clearly indicating expense groups. Expense analysis is regularly performed, and decisions are made in a timely manner for optimal expense management.

To increase operational efficiency and fully utilize available space, decisions are made to more effectively utilize available resources and reduce operating expenses in the provision of diagnostic services.

Based on the analysis of economic processes and service demand, the board promptly makes changes to individual paid service prices and conducts an analysis of the range of medical services provided, supporting the availability of services provided and increasing customer flow.

Corporate Governance Principles

The Audit Committee has access to all the information necessary to perform its oversight role. Documentation of management processes is made for all decisions taken, management decisions are documented in writing and distributed to the performers.

On behalf of the Audit Committee,

Chairman of the Audit Committee:

M. Birks