



إتحاد الخليج الأهلية للتأمين التعاوني  
GULF UNION AL AHLIA COOPERATIVE INSURANCE

# إجتماع الجمعية العامة العادية

شركة إتحاد الخليج الأهلية للتأمين التعاوني

الثلاثاء 2022/06/28 م - 1443/11/29 هـ

الساعة السادسة والنصف مساءً - عبر وسائل التقنية الحديثة



## البند الخامس

التصويت على تعيين مراجعي حسابات الشركة من بين المرشحين بناء على توصية لجنة المراجعة، وذلك لفحص ومراجعة وتدقيق القوائم المالية للربع الثاني والثالث والسنوي من العام المالي 2022م والربع الأول من العام 2023م وتحديد أتعابهم.

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Voting on appointing the Auditors for the Company from among the candidates based on the Audit Committee's recommendation. The appointed auditors shall examine, review and audit the second and third quarter and annual financial statements, of the fiscal year 2022 G, and the first quarter of the fiscal year 2023 G, and the determination of the auditors' fees.

الأتعاب Fees (SAR)	الشركة Company
757,000 ريال سعودي	شركة برايس وترهاوس كوبرز محاسبون قانونيون (PwC) <i>PricewaterhouseCoopers Certified Public accountants</i>
330,000 ريال سعودي	شركة المحاسبون المتحدون للإستشارات المهنية (RSM) <i>Allied Accountants Professional Services Company (RSM)</i>



التاريخ: ٢٠٢٢/٠٥/١٥

الموافق: ١٤٤٣/١٠/١٤ هـ

المحترمين

السادة / أعضاء مجلس إدارة شركة إتحاد الخليج الأهلية للتأمين التعاوني

السلام عليكم ورحمة الله وبركاته،،،

### توصية لجنة المراجعة بتعيين وإعادة تعيين مراجعي الحسابات الخارجيين

بالإشارة إلى رغبة الشركة في تعيين مراجعي الحسابات الخارجيين لأعمال المراجعة المالية لحسابات الشركة وفحص ومراجعة وتدقيق القوائم المالية عن الربع الثاني والثالث والسنوي من العام ٢٠٢٢م، والربع الأول من العام ٢٠٢٣م، نفيدكم بأن لجنة المراجعة قد اجتمعت بعون من الله وتوفيقه، عبر اتصال مرئي في تمام الساعة التاسعة من صباح يوم الأحد ١٥ مايو ٢٠٢٢م. حيث قامت بدراسة العروض التالية المقدمة من مراجعي الحسابات ومناقشة خبرتهم في المراجعة المالية لشركات التأمين.

اسم الشركة	Crowe	PwC	Al-Kharashi	KPMG	RSM	Al-Bassam & Co
المبلغ	٣١٠,٠٠٠	٧٥٧,٠٠٠	٣٥٥,٠٠٠	٧٧٠,٠٠٠	٣٣٠,٠٠٠	٤٠٠,٠٠٠

وبناءً على ما تقدم، فإن لجنة المراجعة توصي بإعادة تعيين شركة برايس وترهاوس كوبرز محاسبون قانونيون (PWC)، وشركة المحاسبون المتحدون للاستشارات المهنية (RSM)، لأعمال المراجعة المالية لحسابات الشركة وفحص ومراجعة وتدقيق القوائم المالية عن الربع الثاني والثالث والسنوي من عام ٢٠٢٢م والربع الأول لعام ٢٠٢٣م، وفقاً للأتعاب الموضحة أدناه:

الشركة	الأتعاب
شركة برايس وترهاوس كوبرز محاسبون قانونيون (PWC)	٧٥٧,٠٠٠ ريال سعودي
شركة المحاسبون المتحدون للاستشارات المهنية (RSM)	٣٣٠,٠٠٠ ريال سعودي

وتفضلوا بقبول وافر التحية والإحترام.

مصادقة أعضاء اللجنة		
دكتور/ إبراهيم عبد الله المطرف	رئيس اللجنة	
أستاذ/ محمد عقيل الشائع	عضو اللجنة	
أستاذ/ إبراهيم عبد العزيز المقحم	عضو اللجنة	





توصية مجلس الإدارة

التاريخ: 2022/05/24م

الموافق: 1443/10/23هـ

## المحترمين

السادة / مساهمي شركة اتحاد الخليج الأهلية للتأمين التعاوني  
السلام عليكم ورحمة الله وبركاته،،

توصية مجلس الإدارة/ تعيين / إعادة تعيين مراجعي الحسابات الخارجيين

بالإشارة إلى رغبة الشركة في تعيين مراجعي الحسابات الخارجيين لأعمال المراجعة المالية لحسابات الشركة وفحص ومراجعة وتدقيق القوائم المالية عن الربع الثاني والثالث والسنوي من العام 2022م، والربع الأول من العام 2023م، فإننا نتشرف بأن نعرض على سعادتكم الآتي:

1- طلبت الشركة الحصول على عروض أسعار من عدة مراجعين وقد تم تزويدها بالفعل بالعروض الآتية:

Al-Bassam & Co	RSM	KPMG	Al-Kharashi	PwC	Crowe	إسم الشركة
400,000	330,000	770,000	355,000	757,000	310,000	الأتعاب

2- قامت لجنة المراجعة بدراسة العروض المقدمة من مراجعي الحسابات ومناقشتهم بالآتباع المقدمة واطاعة نصب أعينها الأمور الآتية:

- الإحتفاظ بأحد مراجعي الحسابات الحاليين - وجود خبرة للمراجعين في أعمال التأمين - الحصول على أفضل الأسعار الممكنة

وبناءً على ما تقدم فإن مجلس إدارة الشركة يتقدم لسعادتكم ببناءً على توصية لجنة المراجعة، بالتوصية بإعادة تعيين شركة برايس ووترهاوس كوبرز محاسبون قانونيون (PWC)، وشركة المحاسبون المتحدون للإستشارات المهنية (RSM) لأعمال المراجعة المالية لحسابات الشركة وفحص ومراجعة وتدقيق القوائم المالية عن الربع الثاني والثالث والسنوي من عام 2022م والربع الأول لعام 2023م، وفقاً للأتعاب الموضحة أدناه:

الشركة	الأتعاب
شركة برايس وترهاوس كوبرز محاسبون قانونيون (PwC)	757,000 ريال سعودي
شركة المحاسبون المتحدون للإستشارات المهنية (RSM)	330,000 ريال سعودي

وتفضلوا بقبول وافر التحية والإحترام.

عبد العزيز بن علي التركي  
رئيس مجلس الإدارة

# Gulf Union Alahlia Cooperative Insurance Company

## FY22 Fee Proposal



**Annual audit, quarterly reviews and other regulatory non-audit services**

15 May 2022





Ali H. Al-Basri  
Lead Client Service Partner

Farrukh Faizi  
Engagement Leader

Mr. Mesheal Al Shayea  
Chief Executive Officer  
Gulf Union Alahlia Cooperative Insurance Company  
Dammam 31432  
P.O. Box 519  
Kingdom of Saudi Arabia

15 May 2022

Dear Sir

**Fee proposal for the year ending 31 December 2022 and related interim reviews**

On behalf of PwC Saudi Arabia, we are delighted to present our proposal for the statutory audit for the year ending 31 December 2022 and interim review services for the periods ending 30 June 2022, 30 September 2022 and 31 March 2023.

Farrukh Faizi is uniquely placed to serve as your Engagement Leader. Farrukh's vast experience spans across the industry in which your organization operates for audit and other related assurance engagements, with leading global and local organisations, during good times as well as challenging ones. Ali H. Al Basri, our Lead Client Service Partner, will bring insights from his wide array of clients from both insurance and non-insurance sectors. He will work closely with Farrukh and attend all key meetings. Farrukh will be supported by Umar Aziz on the audit as the Audit Senior Manager. Umar brings you the breadth of his audit knowledge and extensive experience in the Insurance sector.

Kindly note that our proposal is also subject to the satisfactory completion of our internal client continuance procedures.

Yours faithfully

PricewaterhouseCoopers

PricewaterhouseCoopers, License No. 25,  
Al Hugayet Tower, P.O. Box 467, Dhahran Airport 31932, Kingdom of Saudi Arabia  
T: +966 (13) 849-6311, F: +966 (13) 849-6281, [www.pwc.com/middle-east](http://www.pwc.com/middle-east)

# Our fees

## Your requirements

We understand you require the following:

- audit of the financial statements of the **Gulf Union Alahlia Cooperative Insurance Company (the “Company”)** for the year ending 31 December 2022 and issuance our audit reports in Arabic and English languages;
- interim reviews of the financial information of the **Company** for the periods ending 30 June 2022, 30 September 2022 and 31 March 2023 and issuance our review reports in Arabic and English languages;
- communicate to management any material weaknesses in accounting and/or internal control which come to our attention during the course of the audit; and
- upload the required information of the **Company** on Qawaem portal as required by the Ministry of Commerce (MoC) under the MoC’s resolution No. (353/Q) dated 18 Safar 1436H.



## Our fees



Service	Saudi Riyals
Audit of the financial statements of the Company for the year ending 31 December 2022	517,000
Quarterly reviews for the periods ending 30 June 2022, 30 September 2022 and 31 March 2023	80,000 per quarter

- Our above proposed fee includes fee for uploading the **Company’s** financial statements and related financial information for the year ending 31 December 2022 on the MoC portal
- Our above proposed fee excludes out of pocket expenses, mainly related to out-of-town per diem, travel, translation, telefaxes and courier service, which will be billed at actual.
- You will also pay any taxes, including VAT, that are due in relation to our services. You will pay us the full amount of any invoice, regardless of any deduction that you are required by law to make.
- In accordance with our normal terms of engagement, 50% of our fees are payable prior to commencement of the services, 40% on completion of detailed fieldwork and 10% on submission of our reports.

Should we foresee that more time is required to complete the planned audit work, we will highlight the impact of the change to you and if the change results in fee revision, we will discuss this with you and get your agreement prior to billing.



## GULF UNION ALAHLIA COOPERATIVE INSURANCE COMPANY (A SAUDI JOINT STOCK COMPANY)

Proposal for audit, interim review and other services - 2022

Allied Accountants Professional Services Company (“RSM”, “RSM Saudi Arabia” or “RSM Allied Accountants”)

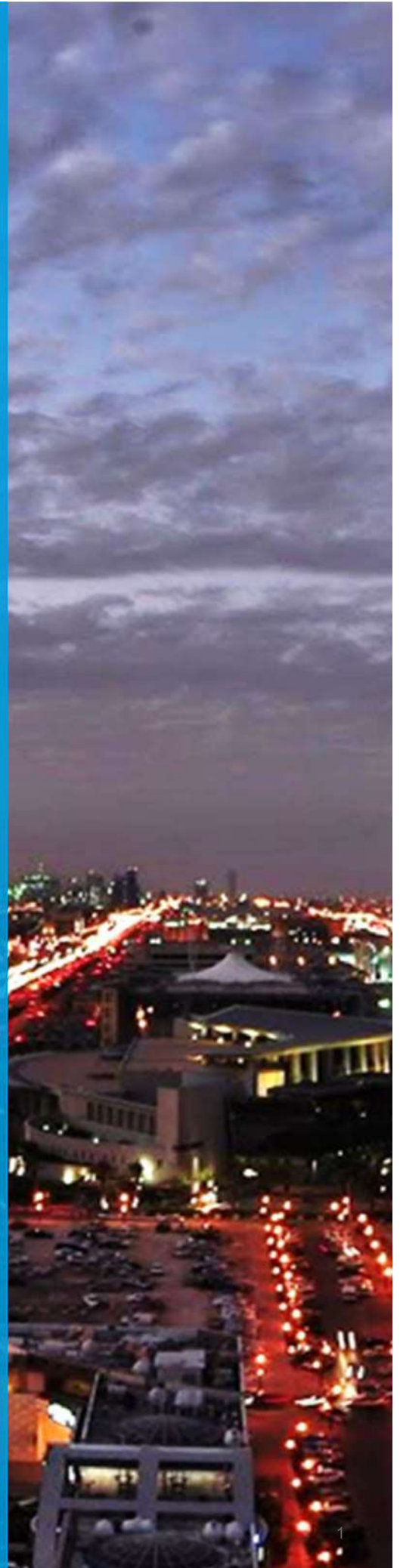
April 2022

### Contact personnel:

Mohammed Al Nader	Kamran Naseem
<a href="mailto:malnader@rsmsaudi.com">malnader@rsmsaudi.com</a>	<a href="mailto:knaseem@rsmsaudi.com">knaseem@rsmsaudi.com</a>
+966 55 22 84828	+966 50 167 8870

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# Proposal Letter

18 April 2022

We are delighted to have the opportunity to propose our audit, interim review and other services for Gulf Union Alahlia Cooperative Insurance Company (the “Company”).

*(Refer to page no. 4 for details of services)*

RSM is among the major professional firms providing audit, tax and consulting services in the Kingdom of Saudi Arabia. We have continued to invest in our people and processes in order to meet the demands of our clients who operate in almost all sectors of the economy domestically and abroad.

Our proposal, which is detailed over the following pages, mirrors the approach we will take for your audit – a true partnership which features robust communication, a joined-up team bringing you fresh ideas and innovative thinking, with the underlying support from across the firm to help you grow the business.

We are very excited to present our ideas on how we envisage working together, but most importantly the benefits you will get from appointing RSM.

## Key features of our proposal

### Our team

We have picked a team for their powerful combination of credentials, skills, working style and enthusiasm. They have unprecedented experience of auditing several sectors and large conglomerates. They fully understand business risks and will be able to advise you on the matters of significant judgement. The team will be duly supported by specialists and subject matter advisors.

### Working with those charged with governance

We will play our part in ensuring that the Company has an effective risk management process and in supporting those charged with governance role by providing clear opinions and insights on topics that directly impact your ability to manage risk and uncertainty.

We will work with others to provide coherent, understandable views that lead to practical recommendations.

### Specialist Panel

We have already set up a team of specialists for the companies who will sit alongside the core audit team, and meet with you on a regular basis to provide insight and facilitate audit team’s responsiveness to the Company requests. The panel comprises some of our most experienced Partners/Directors in their respective fields who would be there to help you.

### Value

#### A competitive fee

We will be the best value, not measured just on price but also on the level of quality and insight, knowledge and people we will bring to the table.

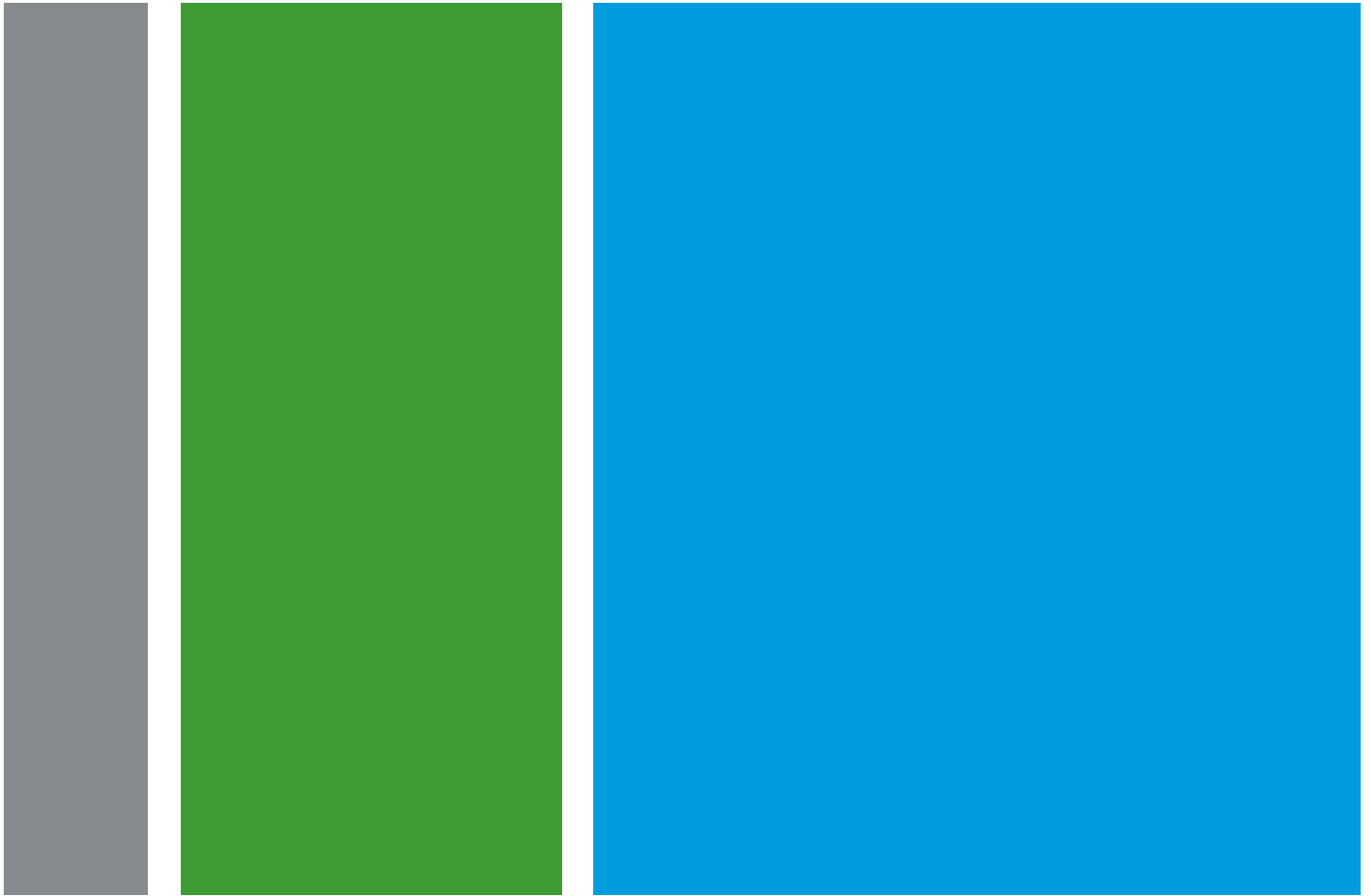
Our proposal aims to bring to life the solutions and benefits that working in partnership with us can bring to the Company.

We look forward to the opportunity to continue to build a long-term relationship with you.

In the meantime, please feel free to contact us with any questions.

**Mohammed Al Nader**  
Managing Partner





# Scope of Work

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# Scope of work

We will perform audit service for the financial statements of the Company for the year ending 31 December 2022, interim review services for interim periods ending 30 June 2022, 30 September 2022 and 31 March 2023, and other services as detailed below.

## Audit

Our principal objective will be to express an opinion whether the financial statements taken as a whole present fairly the financial position of the Company, results of their operations and their cash flows in accordance with International Financial Reporting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements endorsed by the Saudi Organization for Chartered and Professional Accountants (SOCPA).

Our audit will be carried out in accordance with International Standards of Auditing (ISA) and, accordingly, will include such test of the accounting records, selection of items on a test basis, evaluation of accounting policies adopted by management and accounting estimates and such other auditing procedures that we consider necessary in the circumstances.

## Quarterly Reviews

We shall perform reviews of your quarterly interim financials in accordance with the ISRE 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", endorsed in the Kingdom of Saudi Arabia. Accordingly, our review will be limited primarily to analytical procedures applied to financial data and enquires of Company personnel on financial and accounting matters. Our reviews will be substantially less in scope than an audit in accordance with the ISA that are endorsed in the Kingdom of Saudi Arabia, the objective of which is the expression of an opinion regarding the financial statements taken as a whole; accordingly, we will not express such an opinion.

## Agreed-upon procedures

We will perform the procedures agreed with the management of the Company in relation to the filing of prudential forms with the regulators in accordance with International Standard on Related Services 4400 – Agreed Upon procedures engagements.

## Limited assurance report

We will perform our procedures to issue a limited assurance report in accordance with International Standard on Assurance Engagements 3000 - Assurance Engagements Other Than Audits Or Reviews Of Historical Financial Information, on the transactions of the Company with the board of directors.

## Qawaem filing

It is **RSM's** responsibility for the electronic filing of the financial statements in the Qawaem System at the Ministry of Commerce and Investment (the "Ministry") in accordance with the resolution of the Ministry No. 353/S dated 18/2/1436H, requires the electronic filing of the financial statements in the Qawaem System which is applicable for all statutory financial statements signed subsequent to the date of the mentioned resolution.

## Also,

It is our normal practice to write a management letter at the conclusion of our audit, setting out our comments on the systems and controls, together with suggestions for improvements and other matters relevant to the financial statements which merit management's attention and necessary action. Our aim is to offer constructive comments with the objective of assisting our clients to manage their business more effectively.





RSM International



# THE RSM INTERNATIONAL NETWORK

The **RSM** network connects member firms through common methods and processes, including commonly agreed and applied quality standards. This connection provides comfort to **RSM** member firm partners and their clients that the quality of service and advice to referred clients will be to a consistently high standard, everywhere in the world.

Many RSM member firms are among the top firms in their respective countries and possess some of the best professional resources and experience available. The member firms have a broad client base, from large listed and international companies to smaller, Owner-Managed Businesses in the public and private sectors. In addition to traditional assurance services, RSM possesses significant resources and experience in tax, transaction support, risk advisory, internal audit and corporate recovery and insolvency.

The brand and trademark RSM and other intellectual property rights used by members of the network are owned by RSM International Association, an association governed by article 60 et seq of the Civil Code of Switzerland whose seat is in Zug.

## REQUIREMENTS OF MEMBER FIRMS

RSM member firms agree to adopt and align with the following policies and procedures as a requirement of membership:

- ☐ RSM Quality Assurance and Risk Containment Policies and Procedures.
- ☐ RSM Audit Manual and its methodology
- ☐ RSM Ethics and Independence Policies.
- ☐ RSM Assurance Services Training and CPD Policies.
- ☐ RSM Member Firm Inspection Programme Policies and Guidelines.
- ☐ RSM Anti-bribery and Corruption Policies and Procedures

## MANAGEMENT AND GOVERNANCE

The organisational structure of RSM International is aimed at executing the RSM global strategy – the Power of Focus – and providing member firms with the platforms to develop business together in a high-quality manner. The structure also reflects the network's geographic coverage, ensuring representation from all key regions.

## REGIONAL OPERATION

Currently, the key regions of RSM International are Africa, Asia Pacific, Europe, Latin America, North America and Middle East/North Africa (MENA).

Regional Leaders are devoted to the development of the region and work with the member firms in that region on a daily basis.

The current Regional Leaders are:

Africa	Europe	MENA
Clive Betty	Gregor Schmidt	Bassam Dahman
Asia Pacific	Latin America	North America
Jason Yau	Eileen Turkot	RSM US LLP International Office

## RSM INTERNATIONAL'S COMMITMENT TO QUALITY

Quality is the absolute cornerstone for RSM International and as such every member firm is required to meet a number of obligations in relation to quality. To ensure consistent practices and standards among member firms, RSM International has developed a number of global methodologies, policies and practices which are compliant with International Standards (where applicable). These have been developed by specialists and leaders at member firms and the Global Executive Office, under the oversight of the RSM Transnational Assurance Services Executive Committee.

Every member firm is required to conduct an internal inspection over the quality of services delivered and compliance with network policies and procedures as well as their own incremental policies and procedures each year. RSM International organises global observations of these inspections on a cyclical basis, not to exceed every three years. If a firm's annual inspection or the cyclical global observations highlight significant non-compliance, a follow-up review is scheduled to check progress on issues raised. Significant non-compliance can result in a number of sanctions being imposed on the firm, including up to termination of the firm's membership in RSM International.



# THE RSM INTERNATIONAL NETWORK

RSM is a leading provider of audit, tax and consulting services to global leaders.

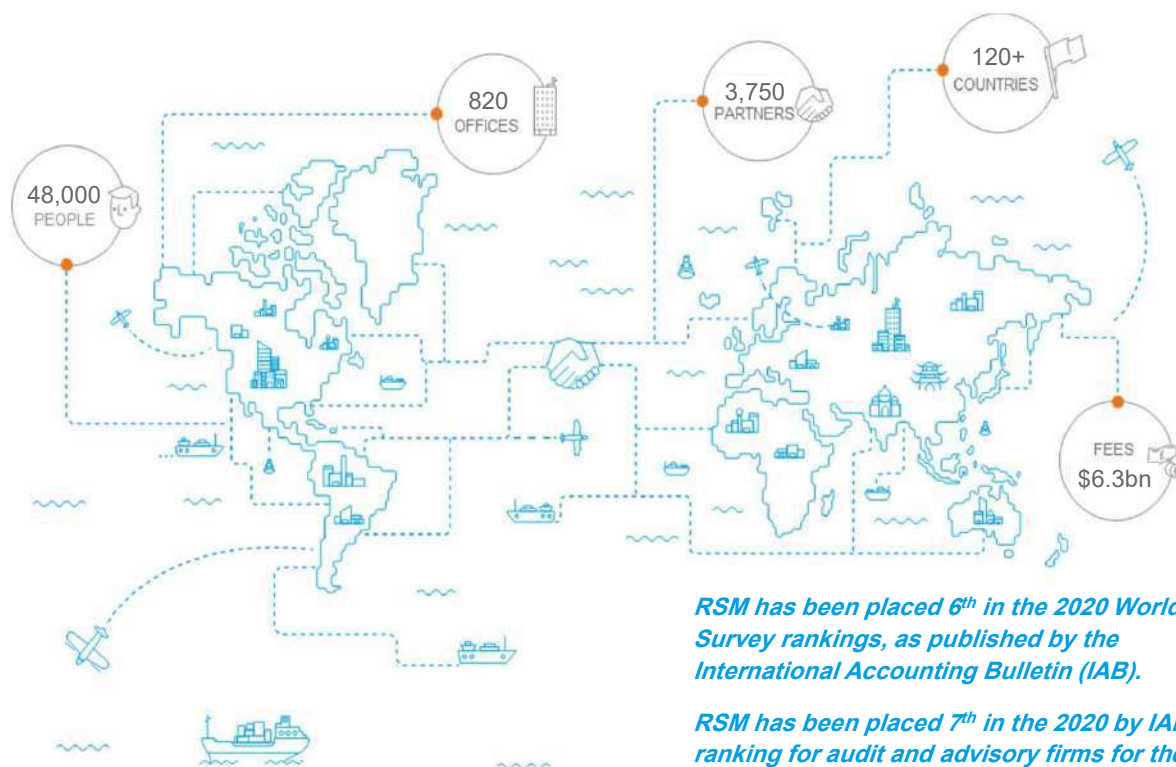
## Middle East and North Africa

The ongoing political and social changes in the Middle East and North Africa continue to present both challenges and opportunities. RSM draws on its deep experience of the financial landscape across the region to anticipate change, business trends and help clients to enable change.

We believe in providing all of our clients with a consistent service going above and beyond their expectations, wherever they are in the world. That means providing both full-service local support and coordinating with RSM network firms around the world to unlock the international knowledge and insights of our most experienced senior professionals.

As an integrated team, we share skills, insight and resources, as well as a client-centric approach that's based on a deep understanding of your business. This is how we empower our clients to move forward with confidence and enable them to achieve their full potential.

## THE FIVE C'S OF RSM



*RSM has been placed 6<sup>th</sup> in the 2020 World Survey rankings, as published by the International Accounting Bulletin (IAB).*

*RSM has been placed 7<sup>th</sup> in the 2020 by IAB ranking for audit and advisory firms for the Kingdom of Saudi Arabia.*

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# Bringing “The Power of Being Understood”

The business world is evolving rapidly. Through advances in technology, communications and infrastructure, business barriers are disappearing and each day we become ever more global. In this fast-paced environment, you need an adviser that thinks ahead and rapidly responds to your changing needs. At RSM, we build strong relationships based on deep understanding of what matters most to our clients.

It is our strong, collaborative approach that differentiates us. We will strive to truly understand you, your strategies and your aspirations and endeavour to be considered the adviser of choice to your business. By sharing the ideas and insights of our most senior professionals, we bring our expert local and global knowledge and resources to your environment, so you feel understood and empowered to move forwards with confidence.

**This is the power of being understood.**

**This is the RSM experience and our commitment to you.**

## Vision

To be the adviser of choice to middle market leaders globally.

## Purpose

To deliver The Power of Being Understood to our clients, Colleagues and communities.

## Distinguishing Beliefs

A set of principles through which we can realize our vision and empower all our clients to make confident decisions, being accessible, responsive and adaptive.

## Collaboration

Building strong, collaborative and lasting relationships with all our stakeholders, being accessible, responsive and adaptive.

## Understanding

Gaining a deep understanding of clients' needs, strategy and aspirations and striving to be an essential part of their business environment.

## Ideas and Insight

Ensuring every client benefits from tailored thinking and the insight of our more senior experts, both locally and globally.

## Values

As a network, we underpin our brand with the following VALUES that are integral to the way we act with each other and with clients;

## Respect

We display respect in each interaction with:

- ✓ Clients
- ✓ Employees
- ✓ Partners

## Integrity

We stay true to our beliefs:

- ✓ In decisions
- ✓ In negotiations
- ✓ In communications

## Teamwork

We cultivate genuine collaboration:

- ✓ In our work groups
- ✓ Across member firms
- ✓ Across functions

## Excellence

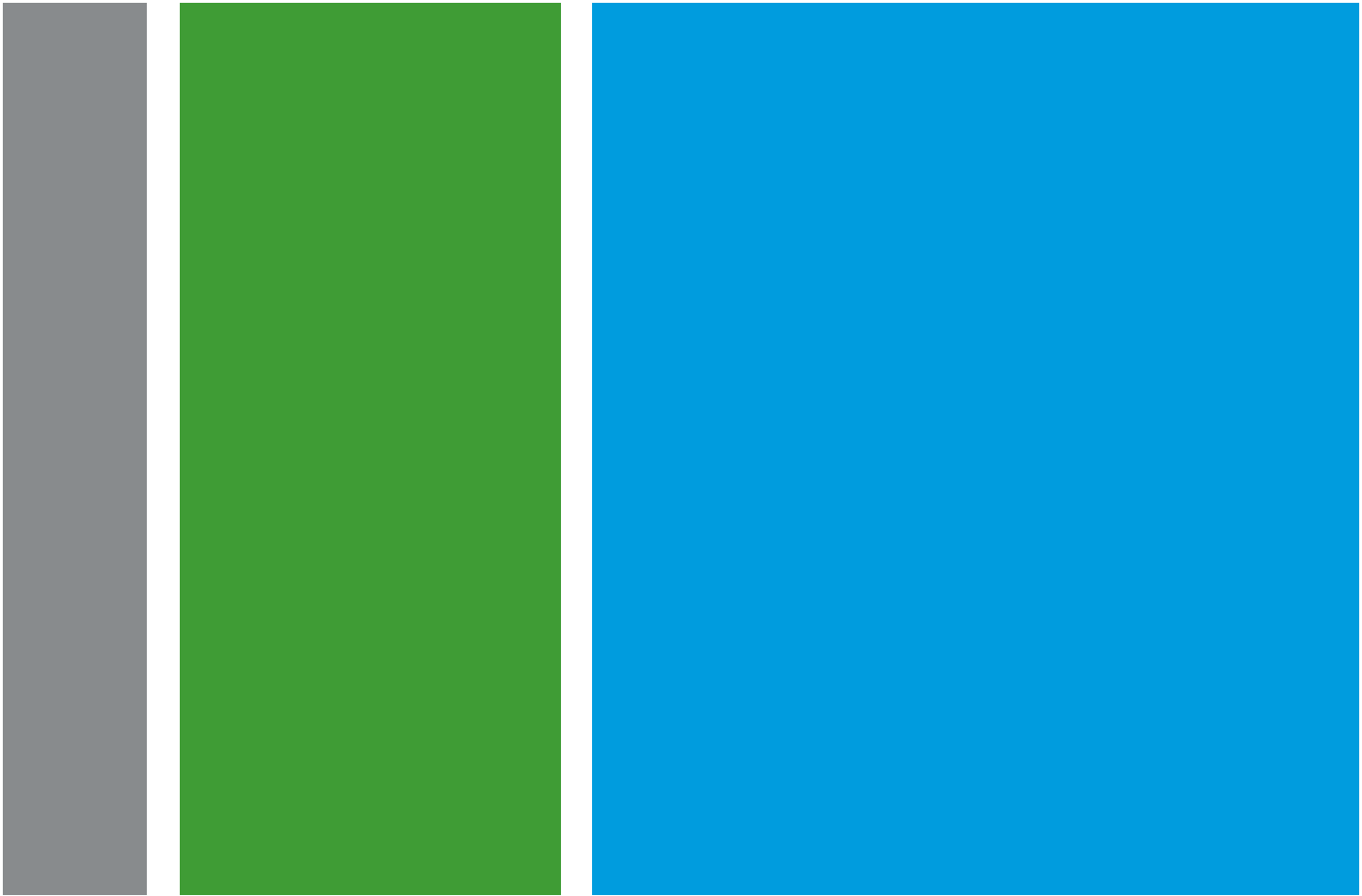
We achieve distinction through:

- ✓ Our standards
- ✓ Our operations
- ✓ The work we deliver

## Stewardship

We make RSM a better place by:

- ✓ Developing our people
- ✓ Building our brand
- ✓ Supporting our communities



**RSM Saudi Arabia**



# RSM Allied Accountants

## RSM ALLIED ACCOUNTANTS

Allied Accountants Professional Services Company is one of the quality firms in the field of audit, tax & zakat and consulting services. Allied Accountants is member of RSM since 2009.

Commercial Registration No. 4030228773

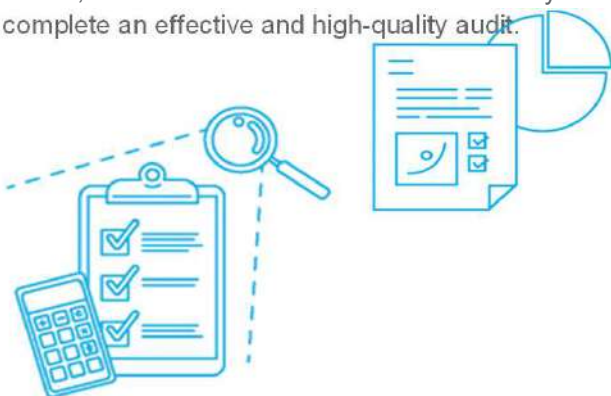
CMA registration No. 190900 (dated 29/07/2019)

License No. 323/11/168

## OUR EXPERIENCE

RSM has experience across multiple sectors and throughout the global market. We focus that diverse experience into a complete knowledge package of international best practices and expertise to provide you with an internationally competitive service. Additionally, RSM has had the pleasure of working with other organizations in the MENA region, and has a developed knowledge by offering audit services to customer-focused organizations within this geographic area.

Our professional staff across the world offering a full range of audit and assurance services. RSM will talk to management about their observations and findings during the audit to help the business improve its compliance and performance. Our professionals specialize in particular sectors and industries, to give a deeper understanding of the challenges that may be faced. Prior to commencing an audit, our audit teams will visit you to understand how your business operates, the risks it faces and how to work with you to complete an effective and high-quality audit.



Our audit methodology has been developed by our leading firms with public interest as priority. Of course we need to complete an audit in accordance with relevant international and national standards but our audit process is flexible, which enables our audit teams to modify their audit approach to better match the client needs and circumstances.

We work closely with our clients to meet their service expectations and we pride ourselves on being a responsive, pragmatic and approachable team.

We believe we are ideally placed to provide professional services for the following reasons:

- ❑ A team of experienced professionals will be assigned to serve you. Our team has extensive experience in providing audit, zakat & tax and consulting Services
- ❑ Team members are committed to provide high quality service throughout the project and possess thorough industry knowledge and exposure
- ❑ Our proposed fee is reasonable compared to the quality of services which we are committed to provide to Client.

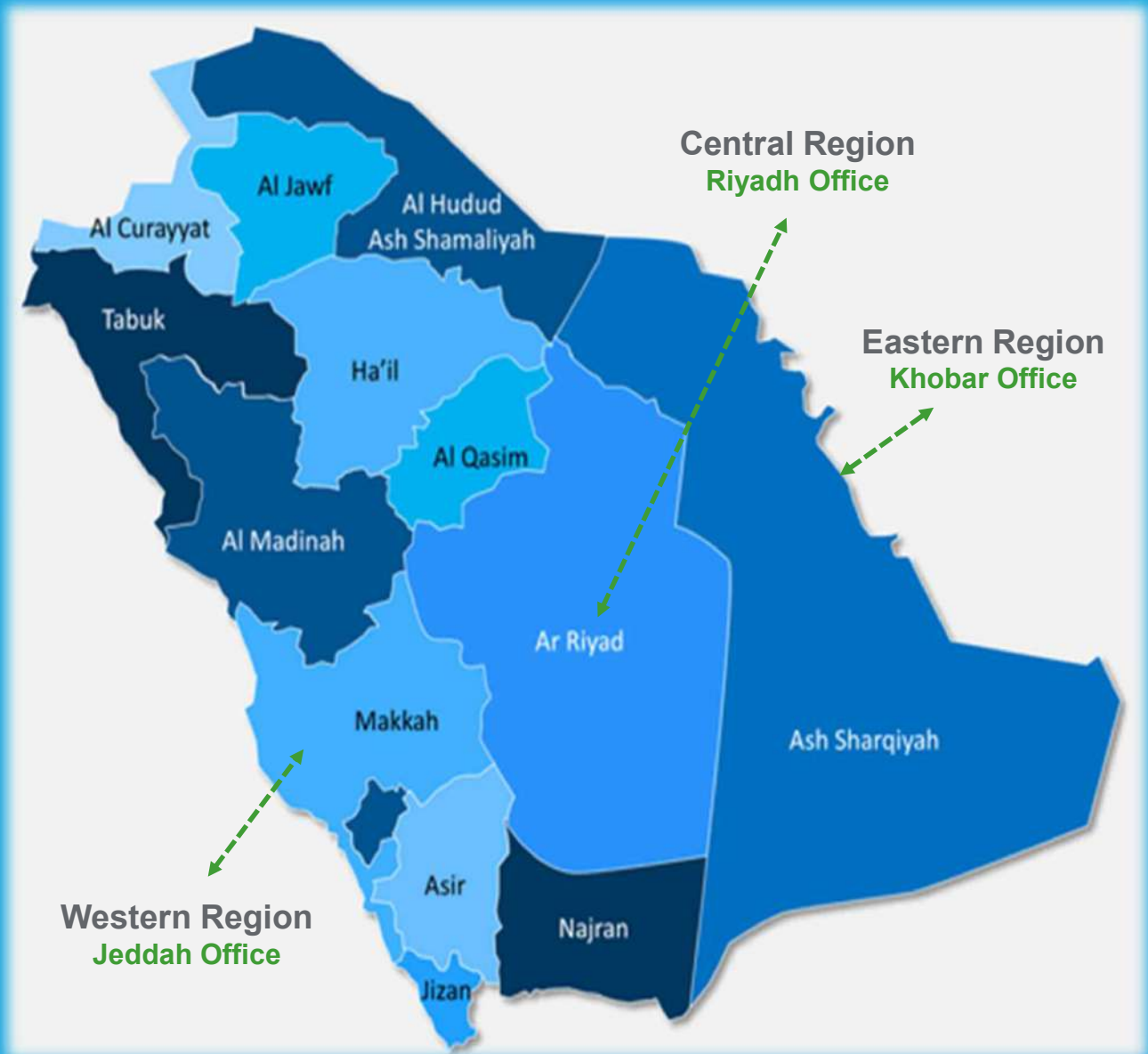
## Details of Partners

❑ **Mohammed Farhan Bin Nader**

❑ **Abdul Hamid Nazer**

All partners are Certified Public Accountants (CPAs) registered with Saudi Organisation for Chartered and Professional Accountants (SOCPA).

## FIRM'S KEY STATISTICS



Over  
220+  
Partners  
and Staff

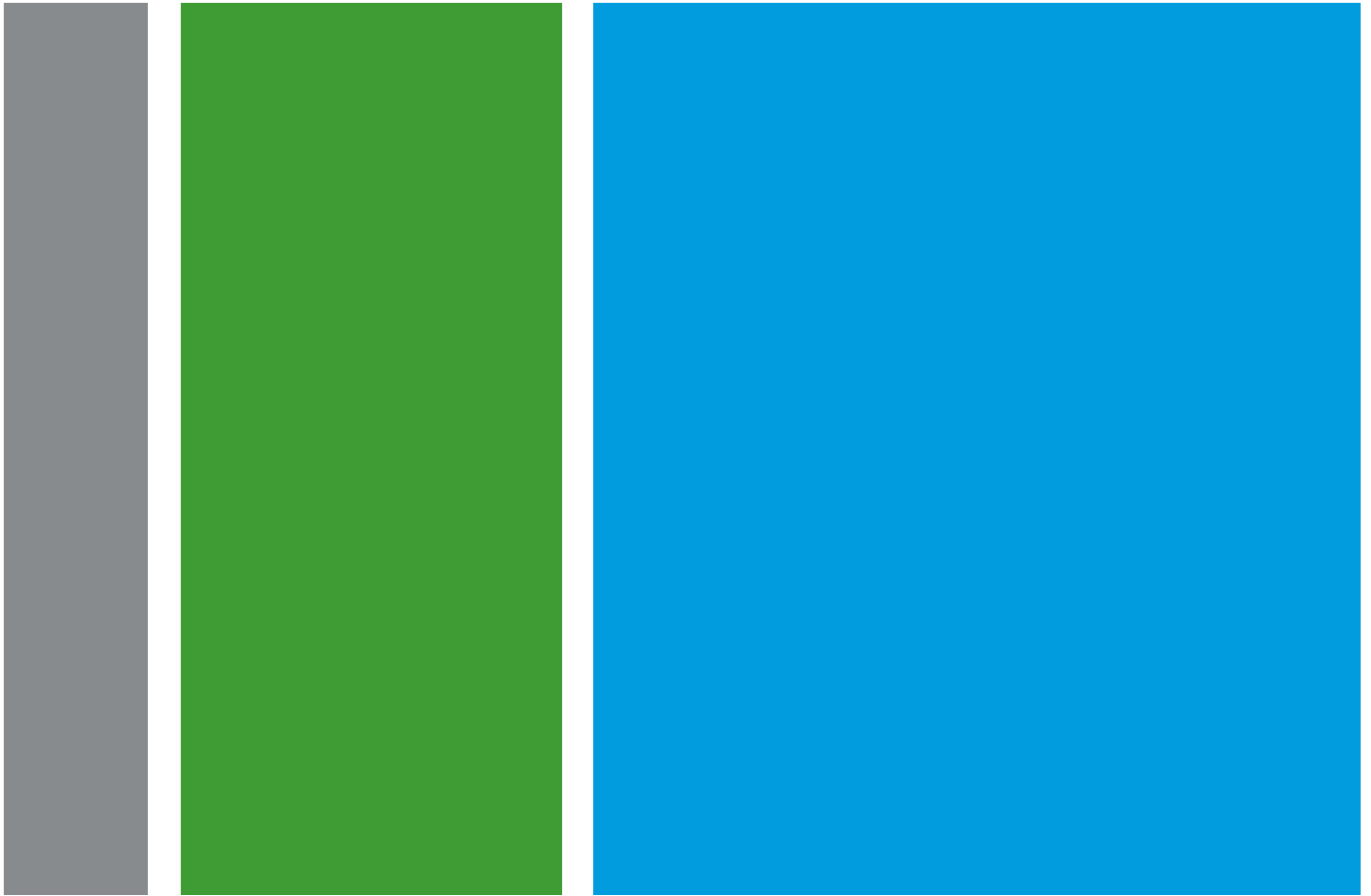


Operating  
from  
3  
Locations



Total  
revenue  
SAR 35.8m





## Audit Methodology and Commitment to Quality

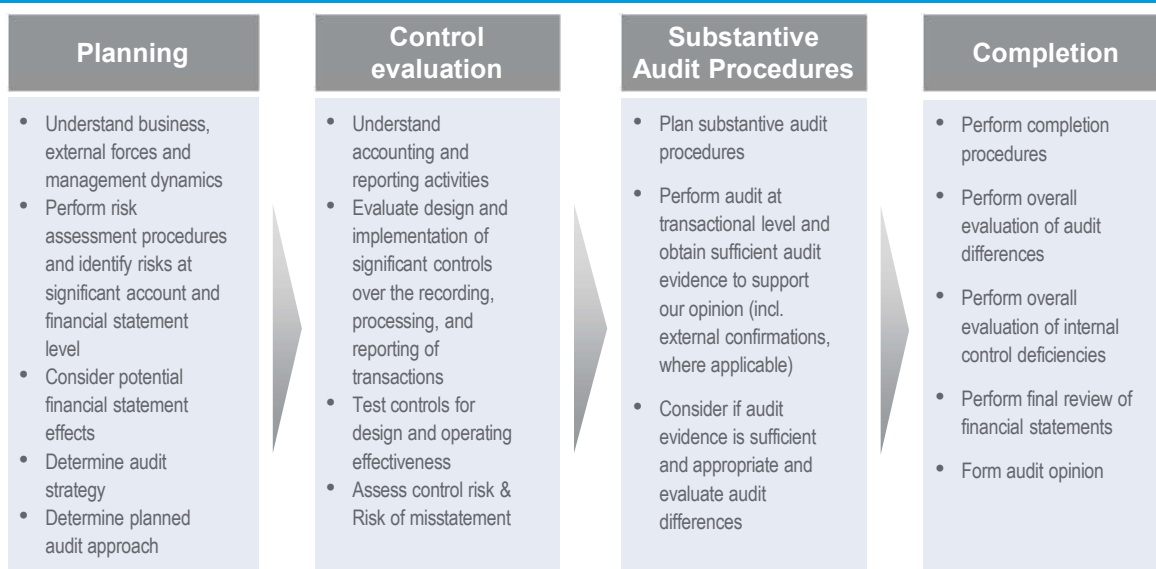
# OUR AUDIT METHODOLOGY

**Consistency** – All audit professionals involved in the Company's audit will use the same methodology. Applying a consistent approach globally promotes efficiency, regardless of the location where the audit is performed.

**Industry knowledge** – Access to industry knowledge facilitates our audit professionals' ability to focus on what's important to your business. Our global knowledge base allows us to provide you feedback on how your processes and controls compare with industry leaders.

## ONGOING COMMUNICATION

### CLOSE COORDINATION



### CLOSE COORDINATION

#### Efficient, effective audit

- Highly focused on significant risks
- Reliance on Internal Audit, where relevant and possible

#### Ongoing communication

- Prompt response to emerging issues including changes in accounting and regulatory requirements.
- Reduction in year-end "crunch"
- Year-round interaction with the Audit Committee and management

#### Added value

- Sounding Board on business and people issues
- Meaningful feedback and advice
- Comparison with industry "leading practices"

### Outputs for you

- Engagement letter
- Audit plan

- Report significant deficiencies and material weaknesses in internal control

- Timely communication of issues with management and provide regular status updates

- Audit Committee presentation
- Audit report
- Management letter

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# COMMITMENT TO QUALITY

RSM Allied Accountants primary objective is the maintenance and enhancement of quality which leads to a sustainable and profitable business.

## COMMITMENT

Our commitment is underpinned by our emphasis on professional and decisive leadership, IT capability and investment, effective training and personal development, the operations of the Quality Assurance Department (QAD) and being responsive to the findings of the firm's regulators. We are continually striving to improve our internal monitoring procedures and our response to external monitoring.

The firm aims to attain the highest standard of professional conduct through the cumulative effect of the following:

- ☐ Internal quality control procedures (at the point of delivery
- ☐ Internal quality assurance by reviews of engagements and of principals' and staff's competence;
- ☐ Continuous training, informing and assessment of all principals and staff;
- ☐ Feedback from staff and RIs; and
- ☐ The external quality monitoring by the firm's regulators.

## QUALITY AND CULTURE

It is vital that the firm is constantly assessing its messaging and the behavior of staff to ensure that quality culture permeates throughout the firm. the Management looks for signs that any aspects of culture need redressing and the Ethics team promotes and monitors adherence to independence and integrity.

All partners and staff are provided with access to the employee guide which sets out the firm's code of conduct the employee guide contains information covering all aspects of day to day working life and is available on the intranet as a reference tool, ensuring that both partners and staff always act in a professional manner.





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# ETHICS AND INDEPENDENCE

## THE FIRM DEVOTES A HIGH DEGREE OF RESOURCE TO ETHICS

Ethics materials and personal advice are readily available to staff at all levels, covering the external ethical obligations to which the firm is subject as well as its own ethical policies and access to advice from the Ethics Partner or a member of the Ethics Team on request and at any time of day.

Staff receive regular short messages on ethics via front page intranet news alerts e.g. around gifts and hospitality. This is supplemented by an ad hoc newsletter, which goes to all staff directly from the Ethics Partner.

## ETHICS PARTNER, ETHICS TEAM AND PANEL

The Ethics Partner keeps members of the Panel informed on operational and policy related issues and briefs its members on his expectations across all of the service lines. The Terms of Reference of the Panel acknowledge the Ethics Partner's entitlement to determine any matter related to the taking on, continuation of, and disengagement from an audit engagement for ethical reasons, an entitlement emphasised by the Ethics Partner's own Terms of Reference. The Ethics Partner prepares and distributes the agenda for Panel meetings.

The firm's ethical policies lies with the Ethics Partner, assisted by the Ethics Team. It is the Ethics Partner's function to act as the ultimate arbiter of the application of the ethical codes to any given set of circumstances and all partners and audit staff are apprised of the need to consult the Ethics Team on any issue, particularly of interpretation, that they are unclear about.

In addition to the above, there are internal reviews of independence practices. Each year, a summary report in relation to the independence declarations that all principals and staff need to make is provided to the Ethics Partner.

## POLICIES AND PROCEDURES

The firm has well-established systems and procedures in place to help safeguard the objectivity of staff and avoid conflicts of interest, whilst complying with ethical and other applicable standards.

Partners and staff are required to declare financial interests held by themselves, members of their immediate or close family or in their capacity as trustee in any client or affiliate.

Similarly, policies are in place providing guidance on business relationships and the purchasing of goods and services in the normal course of business. The annual declarations completed by staff, partners and consultants are monitored for any change in business relationships.

Compliance with the firm's audit rotation policy is monitored and is applied to all audit partners and senior members of staff involved in an audit.

There are clear guidelines for dealing with gifts, hospitality and sponsorship so that any self-interest threat is avoided and objectivity is not impaired. The firm has a clear and extensive gifts and hospitality policy in place to determine whether or not a gift or hospitality should be accepted and it is kept refreshed.



# RISK MANAGEMENT

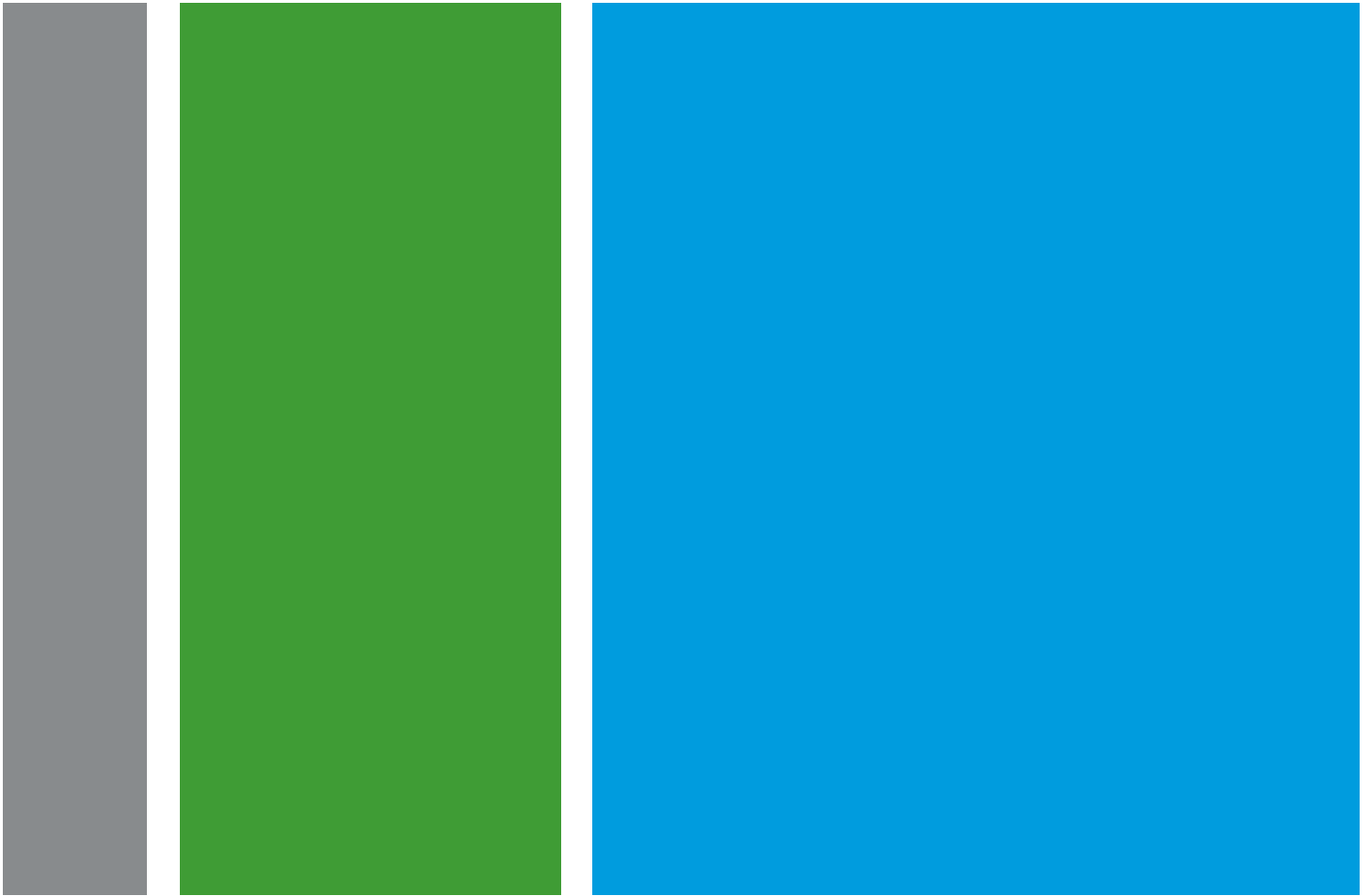
All staff and partners are expected to embody the values of the firm with regards to risk and follow correct procedures. The promotion of risk mitigation is a key theme at audit workshops and meetings.

## RISK MANAGEMENT PROCEDURES

Across the firm, the management has primary responsibility for dealing with strategic and operational risk management including internal controls. The firm has also established an internal Risk Advisory Group which is led by the head of operations and comprises members from its Compliance, Legal and QA teams. Their work is to look at risk matters and internal controls within the firm and advise and support management to improve risk management strategy, operations and internal controls.

The firm requires the completion of the Client and Engagement Acceptance Programme (CEAP) for all new clients and additional and continuing engagements in relation to existing clients. The programme is designed to assist in identifying and managing risk, including the risk of breaching ethical standards, and incorporates an automated upward review and authorisation process. It forms an important element of the firm's procedures to enable the firm to obtain reasonable assurance that it, and its personnel, comply with those standards before undertaking or retaining an engagement. Compliance and QAD undertake frequent checks to ensure procedures are being followed appropriately. System is continually enhanced and extensive intranet guidance and training is provided to users.

A wide Risk Register has been compiled and is used by QAD in the performance of an internal audit function. The compilation of the Risk Register and the review of effectiveness of controls have made use of the FRC Guidance on Risk Management and Internal Control.



**Audit Approach**

# OUR TRANSITION PHILOSOPHY

We realize that a change in the audit relationship can be a significant undertaking for Company of your size and complexity. The transition needs to be approached with great care and professionalism. Our team has significant experience in determining a smooth auditor transition, based on successful transition at many complex and non-complex organisations.

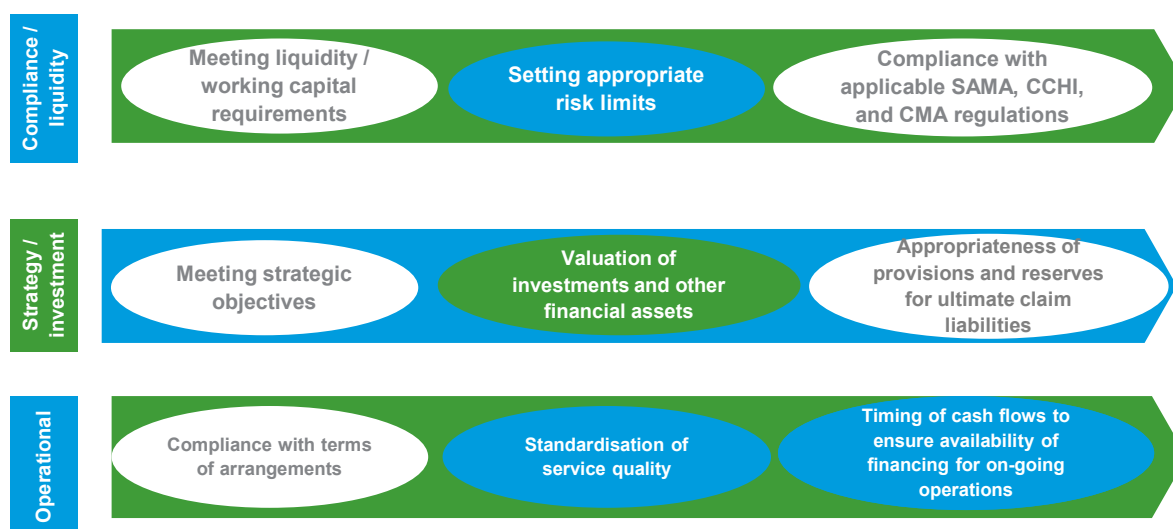


# AUDIT APPROACH

Our audit will be aligned to your business drivers and challenges. We will ensure quality and timely delivery with an emphasis on proactive and pre-emptive advice and above all a quality audit opinion.

## Risk assessment and impact on our audit approach:

Our audit is risk based and therefore knowledge of your business risks is the most essential part of our approach. Based on our understanding through meetings with senior management, review of annual financial statements and using our understanding of companies operating in similar industries, we have developed the following risk map that will be in core focus for the audit (*but not limited to*). The risk map identifies key risks and how these are translated into audit risk. We would discuss this in more detail during audit planning meetings.





# AUDIT APPROACH

## Delivering a proactive, timely, robust and 'no surprises' audit

Our robust risk-based audit approach uses a globally consistent methodology and leverages technology platforms to identify key focus areas and engage with clients proactively to address them. Some of the key elements of our audit approach, which enable us to deliver a 'no surprises' audit consistently are set out below:



We are geared to meet audit completion deadlines - even the most stringent timelines



We engage with you closely to anticipate issues ahead of time



We are proactive and provide prompt feedback on reporting and compliance



We have extensive experience in working in multiple locations



Our audit planning and approach is risk-based and focuses on what is relevant



Significant audit senior management presence throughout the engagement



Skills and proven experience in audit transition

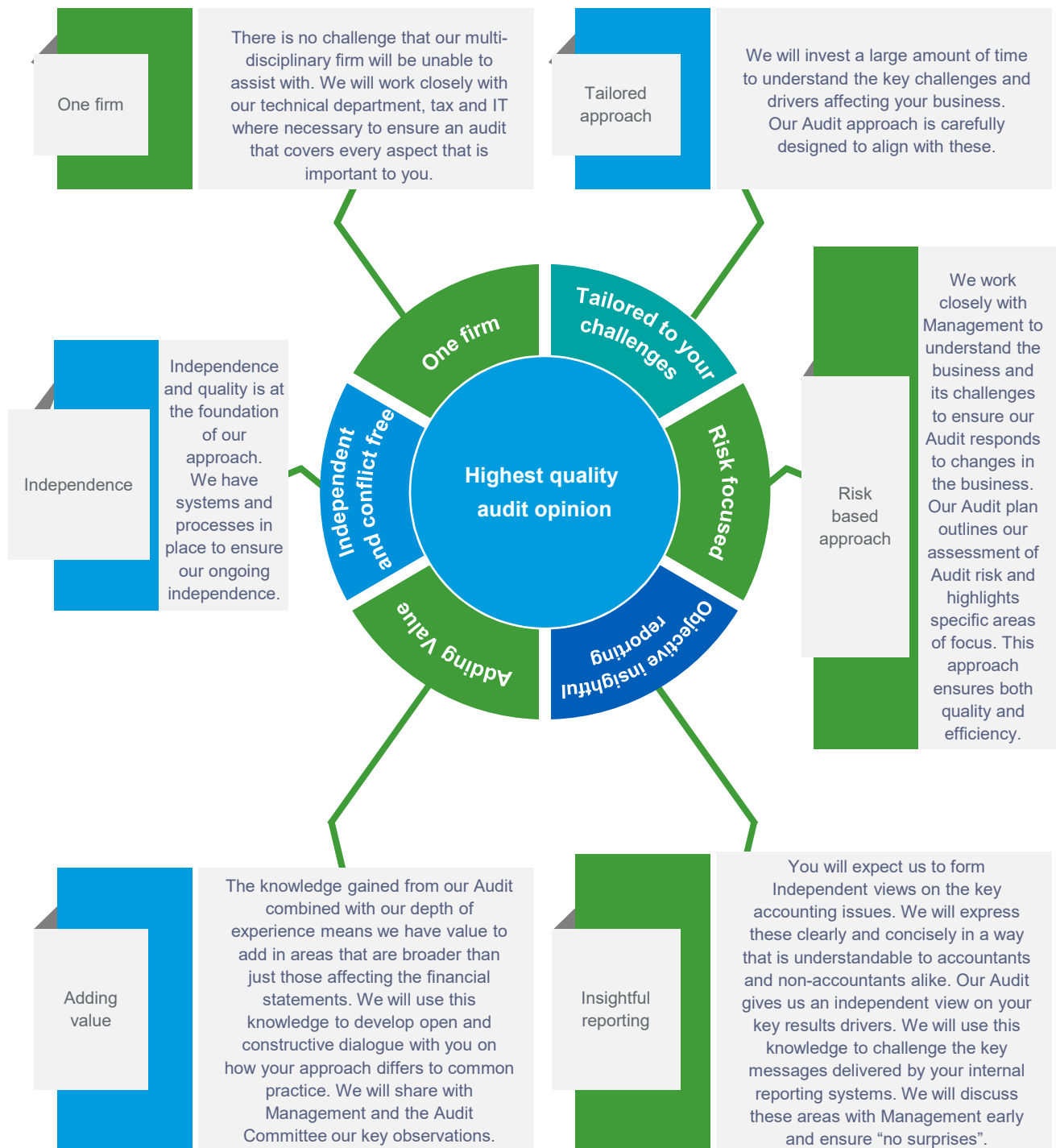
*RSM delivered strong growth in 2019 but, for that to be sustainable, we must maintain a focus on quality and remain dedicated to ensuring that we also continue to meet and exceed the expectations of our rapidly growing, international client base."*

*"Our strategy for this year includes expansion into new markets, expanding our capabilities and footprint through aggressive M&A strategies, creating new products and services and identifying emerging new sectors - while delivering the service and expertise our clients expect."*

Jean Stephen CEO of RSM international

# AUDIT SUCCESS FACTORS

Our risk based audit approach is based on several elements which we believe contribute to a successful audit



# VALUE ADDED

## Understanding your needs

We seek to provide our clients with the power of being understood throughout our association and beyond.

### Experience in similar industry:



- Our planned RSM team for you have been involved in client's from similar industry, such as:
  - Gulf Union Alahlia Cooperative Insurance Company;
  - Al Sagr Cooperative Insurance Company

*(Refer slide no. 25 and 26 for other notable listed and non-listed clients)*

### Independence



We confirm that RSM, including its partners, directors and such other staff are independent of the Company and related entities (including it's directors).

### Staff details



- Our key team members, such as engagement leader, directors, managers and filed in-charge continue their association with our clients to ensure maximum efficiencies for us and seamless cooperation for our clients;
- Support staff assisting the senior members of the team may rotate as the engagement progresses, considering the work requirements;
- Our team members require minimum 2-3 working weeks from each quarterly period ending date, to conclude a review engagement, subject to the readiness of the required information.

### Use of experts



- As part of the audit engagement for the year ending 31 December 2022, based on our audit planning and strategy, we may involve:
  - Actuarial experts for the review of Employee benefit obligations;
  - Other experts as determined necessary for the audit pertaining to financial statement line items that may require involvement of experts.

# VALUE ADDED

## Advice beyond audit

We seek to provide our audit clients with advice beyond a statutory audit. Elements of this philosophy that would benefit the Company are listed below:

### Thought Leadership and Newsletters:



- Access to newsletters and knowledge updates:
  - Accounting and Auditing Update
  - Voices on Reporting
  - First Notes

### Working with regulators



- Close engagement with regulators
- Active participation in initiatives of the SOCPA, including membership of Committees and Working Groups
- Leadership on IFRS convergence initiatives

### Training / Benchmarking



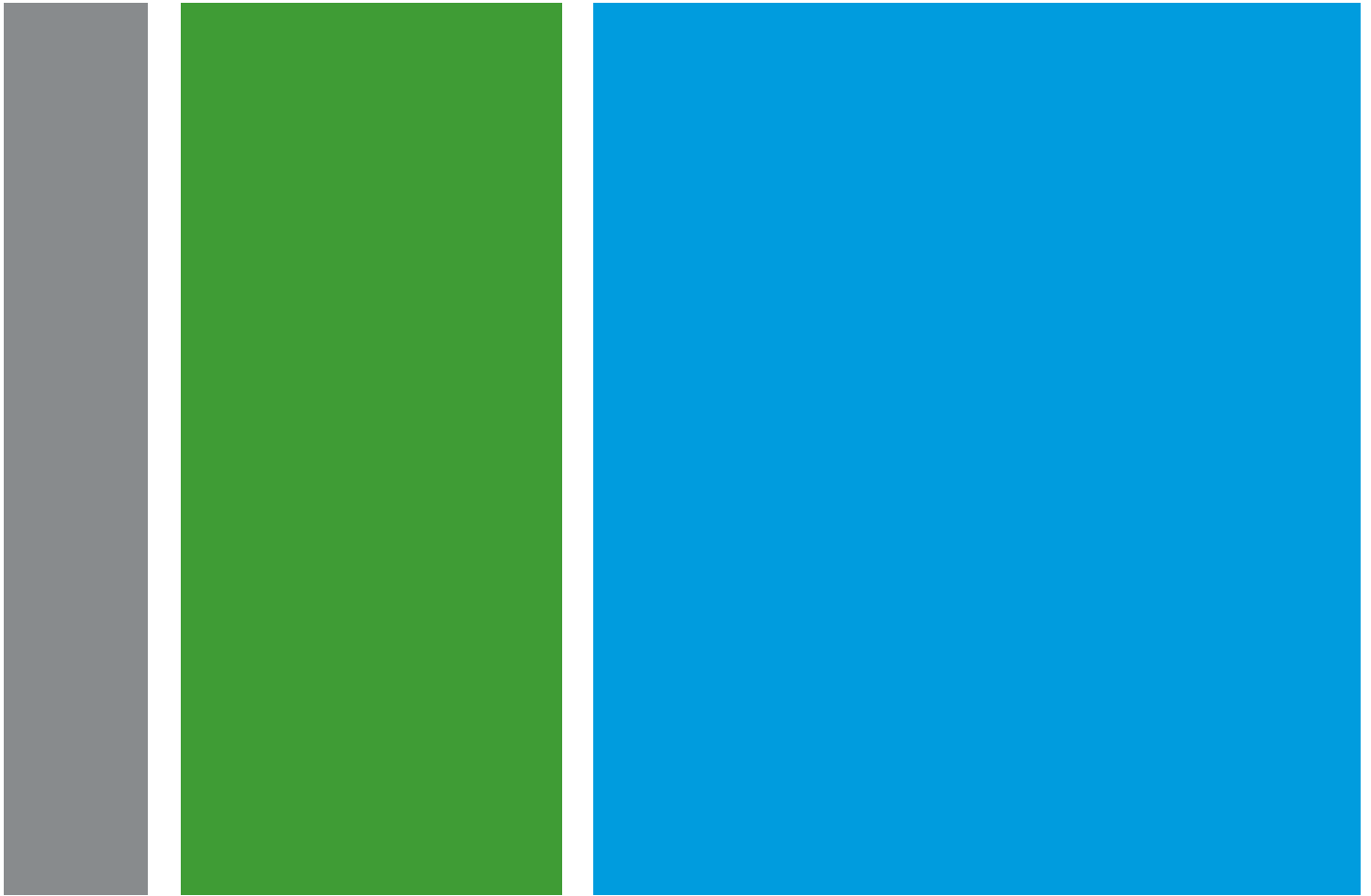
- Training and awareness sessions on regulatory, compliance and financial reporting developments
- Benchmarking of accounting policies with Saudi and global peers in the sector through Accounting Advisory subject matter experts

### Other initiatives



- Access to the International Standards Group – specialists based in London
- Working with independent directors

*Globally, RSM audit teams are coordinated or assisted by our Global Engagement Leaders, whose role it is to ensure the seamless delivery of high quality audit services to our global clients.*



# Our Credentials





## Our experience

Audit & Assurance







## Our experience

IFRS, ADVISORY, VAT, IKTVA & OTHERS



SAAEDEDDIN  
PASTRY



مؤسسة الملك عبدالعزيز ورجاله للموهبة والإبداع  
King Abdulaziz & his Companions Foundation for Giftedness & Creativity



## CLIENT FEEDBACK

It is vital that audits are robust and independent but they also need to deliver a useful product to business managers and audit committees. We regularly carry out face to face interviews with our clients. These are conducted by personnel who have not been involved with any aspect of the service.

Each client interview is reviewed by the management and any issues on audit quality or service are addressed with the RI and the team. When particular themes emerge these are discussed and addressed the Management.

We frequently conducts reviews on audit clients. Clients were given the opportunity to comment on quality in delivery, staff competence and integrity.

### Key themes



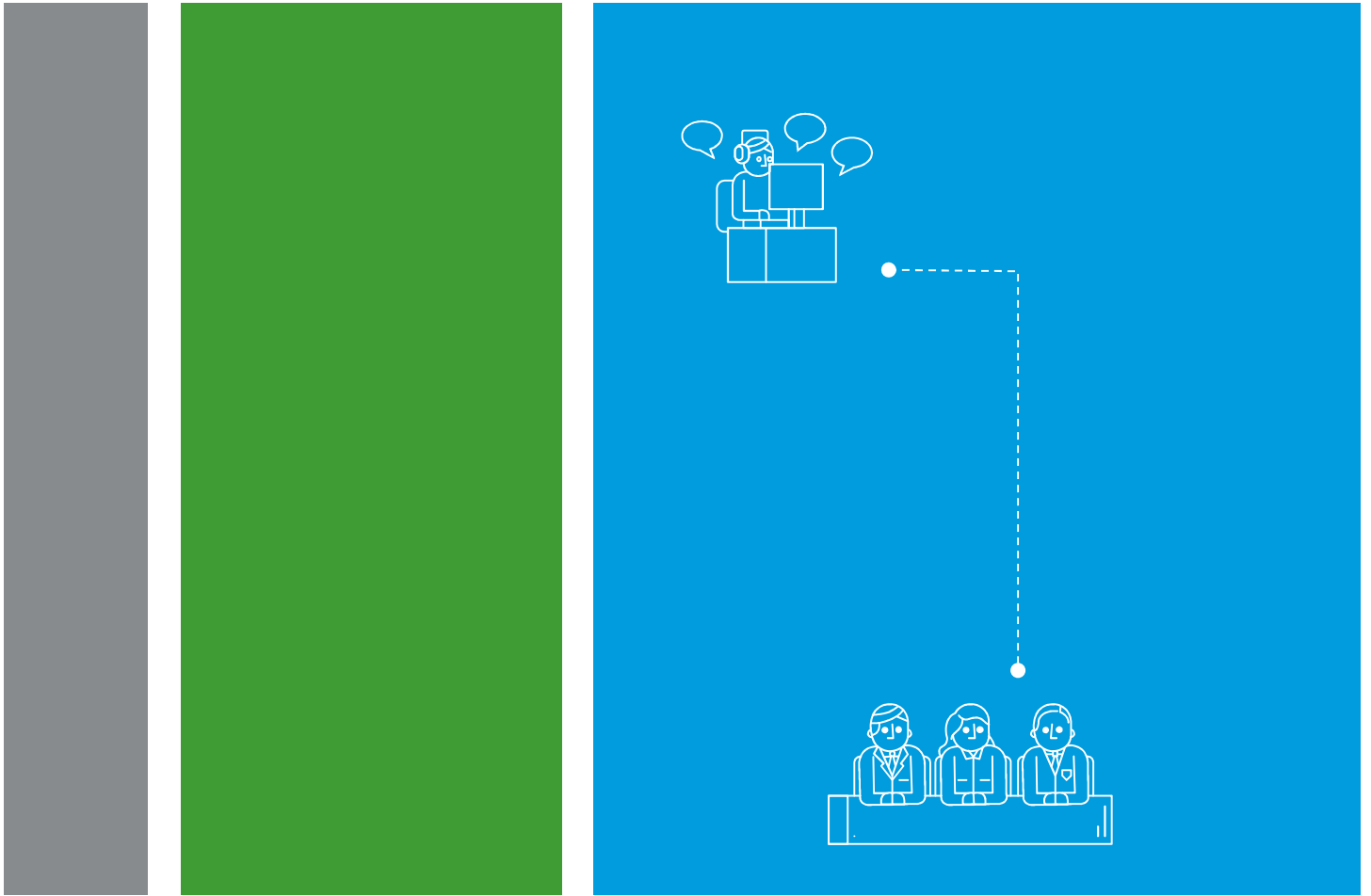
## OTHER ASSURANCE SERVICES



<https://iktva.sa/>

<https://www.se.com.sa/en-us/business/Pages/LEILocalContentDevelopmentStrategy.aspx>

<https://socpa.org.sa/Socpa/Media-Center/Magazine-Journal.aspx>



**RSM Team For You**



**Mohammed Al Nader, SOCPA, CPA, MSc**  
**Managing Partner**  
**Kingdom of Saudi Arabia**

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Mohammed is Managing Partner of RSM in Saudi Arabia. He has experience in providing a range of consultancy services in GCC. He has extensive experience in IFRS, US, and Canadian GAAP. He has worked with Big-4 auditing firms providing audit and advisory services to major banks, investment companies and clients from telecom and other industries.

Mohammed's portfolio includes some major listed and non-listed companies in the Kingdom of Saudi Arabia, such as Saudi Telecommunication Company (STC), Saudi Arabian Basic Industrial Company (SABIC), Al Bilad Bank, Riyadh Bank, and major capital companies in Canada, such as Merrill Lynch, State street, Permal Group, Alange Energy Corp (Oil and Gas, Public Company- Toronto Exchange Market) and Shell Chemicals.

He has led risk based compliance reviews / inspections of several regulated entities in Saudi Arabia mainly in the financial services sector. These projects were conducted on behalf of the respective regulators.

Mohammed is also member of audit committee and board of directors of various listed companies.

*"I have personally ensured that the right team is available to serve you. You will get nothing less than total dedication from your audit team. I am satisfied that all the resources that you require are made available to you, and that you will see a continuous and on-going effort towards service improvement and delivering added value".*

**Mohammad Al Nader**



**Kamran Naseem, FCA**

**Assurance Leader**

**Kingdom of Saudi Arabia**

Mobile # +966 (50) 167 8870

[knaseem@rmsaudi.com](mailto:knaseem@rmsaudi.com)

Kamran is the Assurance leader of RSM in Saudi Arabia. He has over 20 years of experience in providing a range of assurance services in Saudi Arabia and Pakistan. He is a technology driven leader and always focused on exceeding the clients expectations by bringing in new ways to streamline the delivery, understanding the clients needs and delivering high value services.

He has previously worked with a Big-4 professional firm and provided assurance and related services to his clients. His client portfolio includes companies operating in petrochemicals, engineering and construction, retail, industrial manufacturing and other sectors. Few of his key clients were Saudi Kayan Petrochemical Company, Al Jubail Petrochemical Company, Saudi Petrochemical Company, Nesma & Partners Contracting Company Ltd, Sinopec Group, Saudi Arabian Bechtel Company, Al Rashed Group, Rawabi Vallianz Offshore Services, Nobel Drilling Company, Shelf Drilling Company, KCA Duetag Drilling etc.

He has also led various other assurance projects for the petrochemicals and other companies in Saudi Arabia including compliance testing of various agreements e.g. marketing and off take agreement, joint production etc., IFRS conversions, IFRS advisory etc.

*"I have always brought a fresh perspective for my clients and worked closely with the senior management to understand their business needs and objectives. One of the key challenge for clients is auditor transition which I have ensured by deploying teams with the right skill set, early commencing the audit work and working closely with clients to avoid any surprises. I always believed that only the value adding service provider can survive in this competitive market and my clients have always appreciated the value added to them".*

**Kamran Naseem**



**Baasab Deyb, FCA**  
**Partner – Independent Quality Reviewer**  
**United Arab Emirates**  
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Baasab is a Fellow member of the Institute of Chartered Accountants of India with over 20 years of experience in Assurance, Hospitality & Leisure- Audit and Advisory, Risk management and Financial Services - Insurance and extensive experience in respect of audit of several regulated companies registered with Dubai International Financial Centre (DIFC).

Baasab joined RSM Dahman in November 2013 as a Partner and handles Audit, Assurance, Internal Audit, Risk management. His areas of expertise include the Hospitality & Leisure sector and Insurance.

Baasab has extensive experience in the Financial Services sector, mainly insurance. Under the insurance sector, his clients included Al Futtaim Orient Insurance PJSC, Dubai Insurance PSC, Friends Provident Fund-UAE, IGI Insurance-DIFC, ACR Re-Insurance-DIFC, ACE Insurance, Tokio Marine Insurance-UAE, Aon UAE, Marsh, and Willis UAE.

Previously Baasab was associated with one of the Big-4 firms where for around 18 years., where he was the Middle East Hospitality Leader since 2008. Under this role, he has served as the "Hospitality Champion" with several years of experience in auditing clients in the Hospitality & Leisure sector. In addition, he has secured significant experience in carrying out contractual and revenue audits for 5 star and luxury hotels and review of hotel's management agreements and Uniform System of Accounting for Hotel compliances, risk management services, financial due diligence, business reviews.





**Muhammad Hamood, FCCA, BSc**

**Senior Manager**

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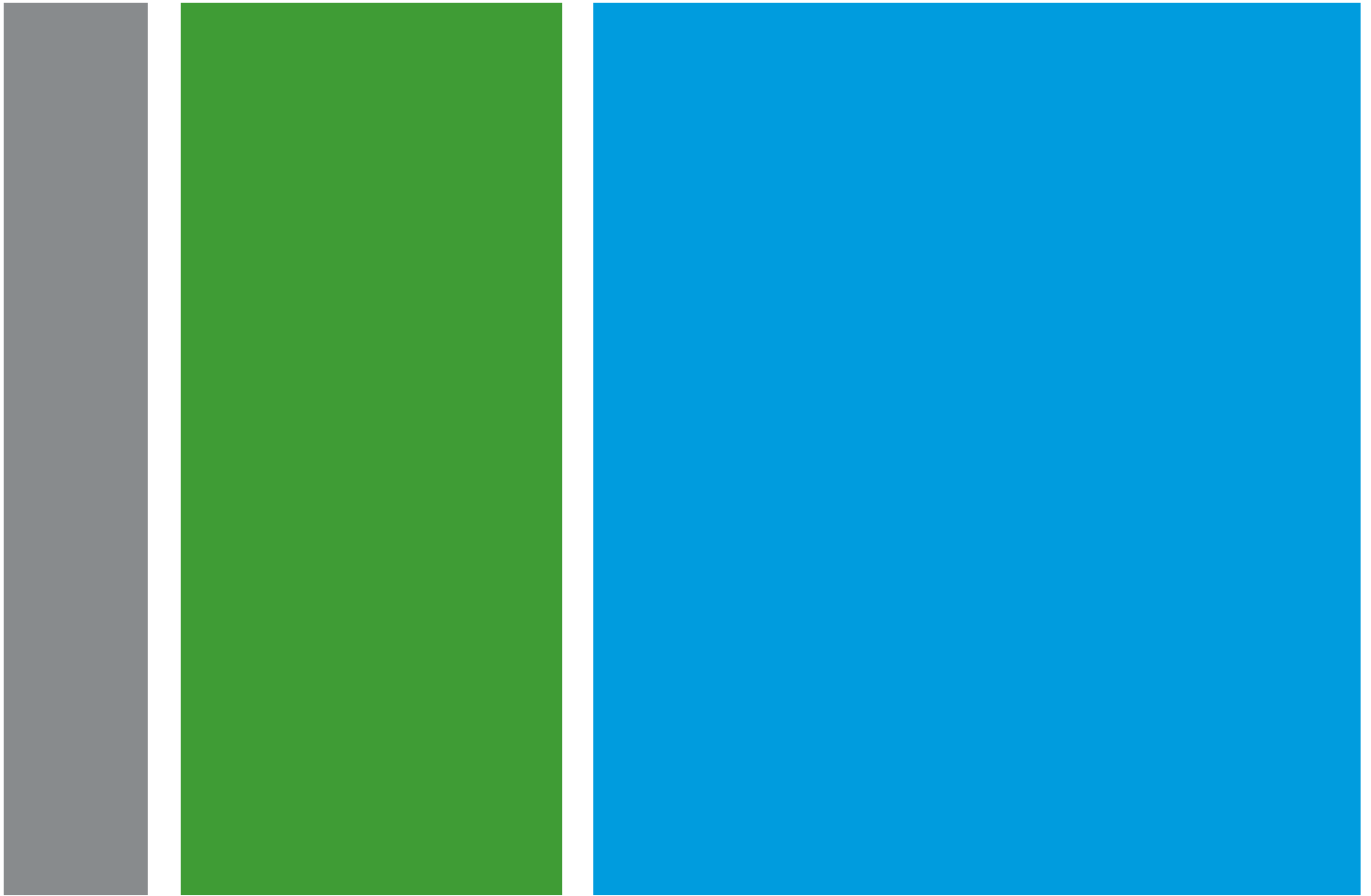
Hamood is a senior manager in our Khobar office at RSM in Saudi Arabia. He has over 8 years of experience in providing a range of assurance services in Saudi Arabia. He is a value driven individual and always focused on providing the client with workable and smart solutions to ensure timely delivery, responding to the clients needs and delivering high quality results.

He has previously worked with a Big-4 professional firm and provided assurance and related services to his clients. His client portfolio included companies operating in insurance, petrochemicals, engineering and construction, retail, industrial manufacturing and other sectors. Few of his key clients were Gulf Union Alahlia Cooperative Insurance Company, AXA Cooperative Insurance Company, Al Sagr Cooperative Insurance Company, Tecnicas Reunidas Saudia for Services and Contracting Company Ltd, Mondelez Arabia for Trading, Daelim Saudi Arabia Company, Farabi Petrochemicals Company, Rosen Saudi Arabia, International Ports Services Company, SPIE Oil & Gas Services, etc.

He has also led various other assurance assignments for the insurance and other companies in Saudi Arabia including agreed upon procedures, and other non-audit assurance engagements.

*"I have always attuned myself and my team in a way that my clients consider the services provided to be highly valuable as they are deeply rooted with trust and mutual support. This helps both the engagement team and the clients in seamless transitioning to ensure timely completion of assignments with no late surprises. I believe in extending my support by being available for my clients in order to assist them on any technical and business matters even outside the engagement period as this goes beyond expectations and forms basis of long lasting positive relationships".*

**Mohammed Hamood**



Commercial

# COMMERCIALS

Our overriding philosophy is to provide with a high quality, value for money service. Our fees are based on the degree of skills and experience required for the engagement through combination of Senior Director level resources accompanied by Subject Matter Experts and consultants to ensure that tasks are done right at the first time.

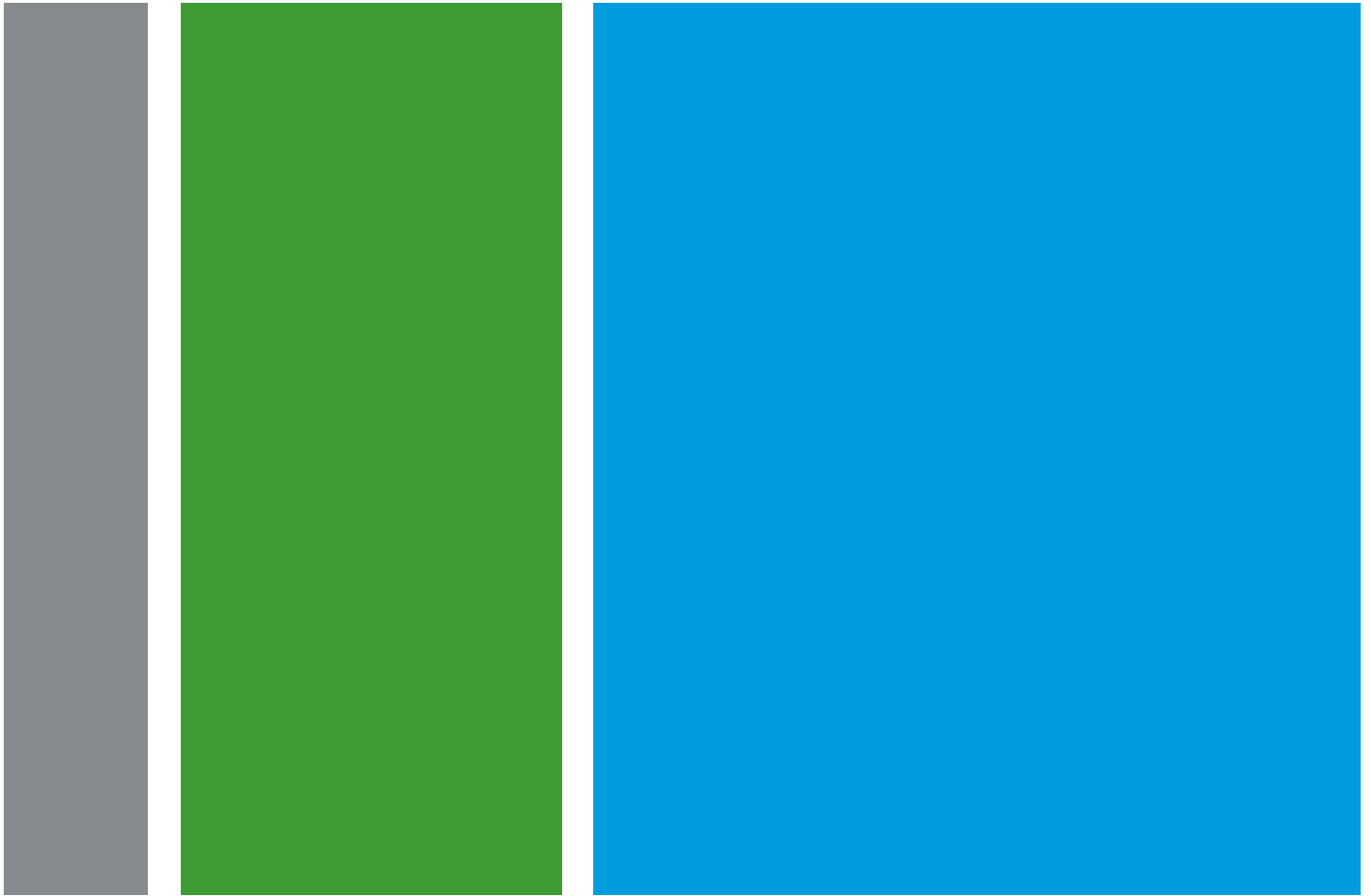
Generally, our fees are based upon hours of professional services at standard rates, according to the level of individuals assigned to the engagement, plus out-of-pocket expenses. However, based on the preliminary information made available to us, we estimate our total fees as follows:

Sr.#	Services	Fees (SAR)
	<i><b>Audit and interim review services</b></i>	
1	Audit of the financial statements for the year ending 31 December 2022	180,000
2	Interim reviews (per interim period)	50,000
	<i><b>Agreed upon procedures</b></i>	
3	Agreed-upon procedures engagement in relation to the prudential forms to be submitted to the regulators for the year ending 31 December 2022	25,000
	<i><b>Other assurance services</b></i>	
4	Limited assurance report on transactions with board of directors	10,500

## Notes:

- Fee for actuarial specialists and other experts in relation to the review of implementation of IFRS 17 – Insurance Contracts, has not been considered in the proposal. We have not assessed the level of work required in this regard and accordingly have not included our fee in the above.
- The size and complexity of the business will not change significantly (changes such as significant increase, mergers etc, might cause a revision to quoted fees upon signing the engagement letter).
- You will provide key documents on the dates agreed and there will not be any significant delays beyond our control.
- We will be able to place reasonable reliance on the Company's internal controls, documents and records.
- Our proposed fee (exclusive of applicable **VAT**). Out of pocket expenses for travelling and stay in outstation areas etc. will be billed at actual).
- Our proposal is subject to our customary client evaluation procedures which are in progress and signing of a formal engagement letter.





# Our Presence in Saudi Arabia

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# KINGDOM OF SAUDI ARABIA

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**THANK YOU FOR  
CONSIDERING  
RSM FOR THIS  
OPPORTUNITY**

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**THE POWER OF BEING UNDERSTOOD**  
AUDIT | TAX | CONSULTING

