

## البند التاسع

التصويت على صرف مبلغ (1,304,821) مكافأة لأعضاء مجلس الإدارة  
عن السنة المالية المنتهية في 2021/12/31م.



## توصية لجنة المراجعة بشأن تعيين المراجعين الخارجيين

التاريخ : 2022/05/19م

مقدمة من : لجنة المراجعة

مقدمة الى : مجلس الإدارة

الإجراء المطلوب: الموافقة على تعيين المراجعين الخارجيين

السلام عليكم ورحمة الله وبركاته،،،

إشارة إلى الموضوع أعلاه ومع إنتهاء فترة التعاقد مع المراجعين الخارجيين الحاليين بالشركة قد تلقت لجنة المراجعة عدد أربعة عروض أسعار من أربعة مكاتب مراجعين خارجيين للقيام بأعمال المراجعة للقوائم المالية السنوية للعام 2022م وأيضاً الربع الثاني والثالث من العام المالي 2022م والربع الأول من العام المالي 2023م وهما كالتالي :

اسم المكتب	إجمالي الأتعاب	القوائم المالية السنوية للعام 2022م	القوائم المالية للربع الثاني من العام 2022م	القوائم المالية للربع الثالث من العام 2022م	القوائم المالية للربع الأول من العام 2023م
مكتب إبراهيم أحمد الهمام وشركاؤه محاسبون ومراجعون قانونيون	446,000	290,000	52,000	52,000	52,000
مكتب العظم والسديري وآل الشيخ وشركاؤهم محاسبون ومراجعون قانونيون	425,000	320,000	35,000	35,000	35,000
*مكتب عبدالله العميد والخراشي وشركاؤه محاسبون قانونيون	390,000	195,000	60,000	60,000	60,000
مكتب بريس ووتر هاوس	940,000	640,000	100,000	100,000	100,000

\* المبالغ في الإجمالي

\* رسوم لجنة بمبلغ 5,000 ريال سعودي

\* رسوم مراجعة لمداخ البنك المركزي 12,000 ريال سعودي

وعلى ذلك تومي اللجنة بتعيين المراجعين الخارجيين التالية أسمائهم:

- 1- مكتب إبراهيم أحمد السام وشركاؤه محاسبون ومراجعون قانون (PKF).
- 2- مكتب العظم والسديري وآل الشيخ وشركاؤهم محاسبون ومراجعون قانون (CROWE).

وذلك للأسباب التالية:

- خبرتهم الطويلة في تدقيق حسابات شركات التأمين .
- خبرتهم السابقة بمراجعة حسابات الشركة.
- جودة فريق العمل.
- المعرفة بكافة تفاصيل مشروع النظام المحاسبي SAP.
- مقارنة بأسعار المكاتب الأخرى تعتبر منخفضة.

وفي حال إختيار هذين الشركتين فستبلغ التكلفة النهائية لأعمال المراجعة مبلغ إجمالي وقدره 871,000 ريال.

وتقبلوا تحياتي

والله تعالى الموفق لما يحبه ويرضاه

اعتماد سكرتير اللجنة	اعتماد عضو اللجنة	اعتماد عضو اللجنة	اعتماد رئيس اللجنة
عبدالمحسن عون البركاني	رائد فهد الرصيص	وليد محمد مري	خالد جبر الزبيدي
			



# Bringing in fresh perspective

**Salama Cooperative Insurance Company**  
Proposal for statutory audit and interim review  
services for the year ending 31 December 2022



The Audit Committee  
Salama Cooperative Insurance Company  
P.O. Box 4020  
Jeddah 21491  
Kingdom of Saudi Arabia

26 April 2022

Dear Sirs,

### **Proposal for statutory audit and interim review services**

On behalf of PwC Saudi Arabia, we are delighted to present our proposal to Salama Cooperative Insurance Company (the "Company") for statutory audit and interim review for the year ending 31 December 2022. Our interim review services will comprise quarterly reviews for the interim periods ending 30 June 2022, 30 September 2022 and 31 March 2023.

For us, this is not just an audit - this is the start of something big. We have invested time in getting to know you and understanding your business, your values and the scale of your ambitions - and what this means for your people and your audit. We are truly excited at the prospect of becoming your auditors. Our promise to you is that:

- The team is fully committed to the success of this audit. We have selected the best team to work with you, all of the members have proved themselves time and again with their clients, which is why we have chosen them to work with you.
- We are committed to invest in the Company. We have included in our team, a selection of experts with sound experience. Our experts will provide you with fresh perspectives and will keep you abreast of the latest market developments, both regionally and internationally. We have also put together a suite of training opportunities that we feel will benefit your team.
- We will provide you with a smooth transition and an audit plan that you can trust. We know that change creates uncertainty and we can assure you that you are in safe hands with this team. We have transitioned many companies and will work with you and your current auditor to ensure this transition is smooth and efficient.

- We will provide you with technology that will transform your audit. We use the latest technological innovations to improve the level of assurance our audit provides whilst becoming more efficient at the same time. We would welcome the opportunity to demonstrate our technology to you when we come and present our proposal.

Our commitment to you, and on behalf of the team and the firm, is that we will work with you as one connected team to improve the value you derive from your audit, to deliver on time, to ensure there are no surprises and to identify ways to continuously improve your business.

Kindly note that our proposal is subject to the satisfactory completion of our internal client acceptance and independence procedures.

Finally, we would like to thank your management team for the information made available to us during the proposal process. I believe our team will continue to work well together and look forward to discussing our proposal with you in further detail.

Yours sincerely,

Mufaddal Ali  
Licensed Partner

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01

**Executive summary**





# Executive summary - our understanding of your needs

## Your needs

## Our value adding responses

### The right team

We bring you a highly credentialed team that is passionate to work with you. The team we propose to you has been hand-picked. The team has many years of experience auditing other large firms in the industry in which you operate and most importantly they enjoy working with each other which results in an excellent client experience. The team will be based out of our Jeddah office and led by Omar Saraswala and supported by Salman Hadi.

### Deep knowledge of your reporting requirements

We have extensive knowledge of IFRS and its requirements for businesses in your industry. We bring you an experienced team fully aware of the financial and regulatory reporting requirements applicable to the Company.

### Seamless transition and an efficient audit

You can be confident that we'll leverage our prior experience of other clients in your industry to provide a seamless audit transition and hit the ground running on day one to deliver an audit with minimal distraction to your business.

When you choose to work with PwC, you receive the benefit of a team that knows you and brings communication approaches and tools to make your life simpler. We're transforming how we audit with major investments in technology that allows us to make our audits more effective and efficient.

### Proactive dialogue

We believe in the value of proactive dialogue and constructive recommendations. Our audit approach entails careful year-round planning, up-front communication, and coordination between your management and your PwC engagement team. This partner-led initiative is designed to enable us to listen to your concerns, discuss alternative points of view, as appropriate, and inform you of significant issues in a timely manner. Throughout the engagement, you'll have regular interactions with all the members of our team.

### A competitive audit fee with value

In setting the level of our audit fee, we have aimed to balance your need for a value-for-money proposition with your desire for a service of the highest quality with no surprises.

### Availability of subject matter experts

Our extensive experience goes beyond the audit. We have assembled a wider team to meet your business needs as they arise. This wider team can help the core audit team in resolving and concluding on key matters related to tax, IT and complex IFRS matters. However, as you are aware, the current local independence requirements prohibit us to provide any non-audit services to our audit clients with the exception of zakat and tax compliance services. In case of any changes in the current regulation permitting us to provide any additional non-audit services, we will share with you the details accordingly.

# 02

**A deep understanding of  
your business, people and  
operating style**



# A focused audit approach



Our audit approach starts at the same point as your business - with your strategies and business objectives. Through discussions with senior and operational management, we understand and update your business objectives and risks. We then focus our audit on those risks that may impact financial reporting.

Our “top-down” management discussions not only identifies the business objectives and risks, but also key controls in place to manage those risks. We test those management controls. We then determine how we will substantively test significant account balances and classes of transactions.

Applying the audit comfort cycle will enable us to obtain an understanding of the Company and its environment, including its internal control, that is sufficient to assess the risks of material misstatement of the financial statements, whether due to fraud or error, and sufficient to design and perform our detailed audit procedures. We then validate controls on which we seek to rely for audit comfort.

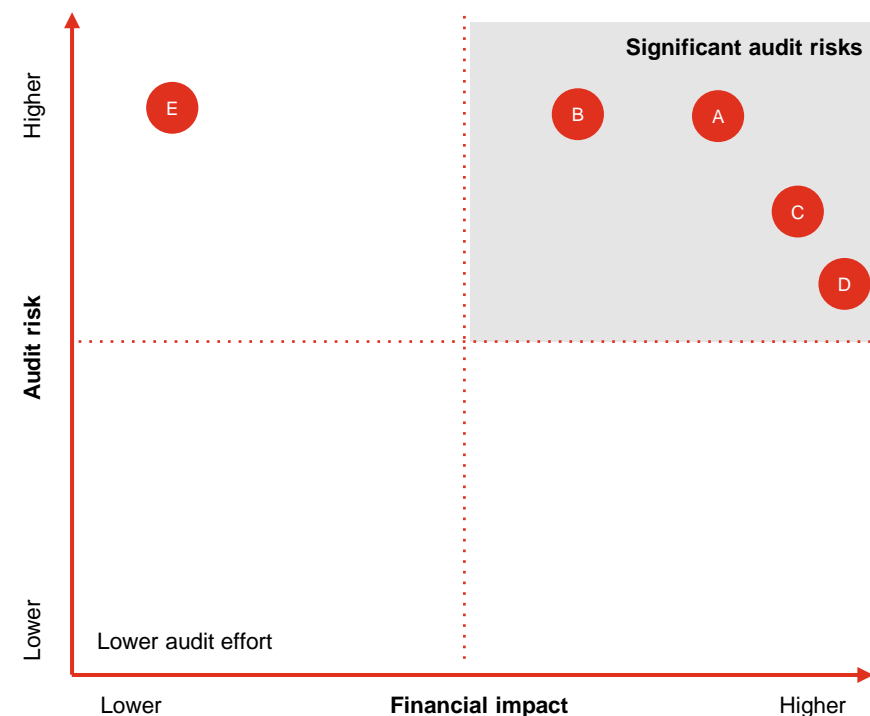
We apply the audit comfort cycle by holding meetings with management and other personnel and testing the effectiveness of controls we intend to validate. Also ongoing interaction with internal audit will be going on and detailed discussion regarding their inspected findings of periodic reviews, if any.

# Our areas of focus

We have considered the nature, magnitude and likelihood of each audit risk to the financial statements in order to determine if the identified risks are significant or normal. This subsequently drives the design and extent of our testing procedures.

Our preliminary audit risk assessment, based on the most recent audited financial statements, is set out below which highlights those risks that are deemed to be significant in the context of the risks facing the Company (key audit risks) and other areas of focus where the likelihood or financial impact of a material misstatement is relatively lower. We have summarised below our audit responses in these areas.

## Risk map



Audit risk	Nature	Our approach
A. Risk of management override of controls	Fraud	<ul style="list-style-type: none"> <li>Evaluate design of key controls</li> <li>Examine journal entries and other adjustments</li> <li>Inquiries with management including those outside finance</li> </ul>
B. Risk of fraud in revenue recognition	Fraud	<ul style="list-style-type: none"> <li>Evaluate design of key controls</li> <li>Substantively test contracts and transactions to obtain a high level of assurance in conjunction with the results of evaluation of key controls</li> </ul>
C. Valuation of ultimate claim liabilities	Error	<ul style="list-style-type: none"> <li>Evaluate design of key controls</li> <li>Substantively test claim transactions to obtain a high level of assurance in conjunction with the results of evaluation of key controls</li> <li>Obtain sufficient audit evidence to assess the integrity of data used as inputs into the actuarial valuations</li> <li>Evaluate the competence, capabilities and objectivity of the management's expert</li> <li>Involvement of auditor's expert to validate the methodology, assumptions and perform independent reprojections</li> <li>Assess the adequacy and appropriateness of related disclosures in the financial statements.</li> </ul>
D. Going concern	Error	<ul style="list-style-type: none"> <li>Evaluate management's assessment of the Company's ability to continue as a going concern.</li> <li>Obtain sufficient appropriate audit evidence to determine whether or not a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.</li> <li>Assess the adequacy and appropriateness of related disclosures in the financial statements.</li> <li>Evaluate impact on our report, if any.</li> </ul>
E. Disclosures not in line with IFRS	Error	<ul style="list-style-type: none"> <li>Complete IFRS disclosure checklist based on our understanding of the entity.</li> <li>Assess the completeness, adequacy and appropriateness of disclosures in the financial statements.</li> </ul>

# 03

**A highly credentialed  
team, passionate about  
bringing you our best**



# A highly credentialed team, passionate about bringing you our best

## A team of dedicated professionals

Our team is structured to mirror your organisation. Omar will lead the audit of the Company to provide continuity, seamless communication and insights. He is supported by dedicated teams who are experienced in your business.

The audit is led from our Jeddah office. We have a dedicated team for the Company. This means that there is a point of contact for all your key management team members.

We also have a selection of specialist partners and directors in place, who are subject matter experts and remain available to offer valuable insights and perspectives to support your wider business objectives.

CVs of our key team members can be found in Appendix C.

## Our audit team

**Mufaddal Ali**  
Lead Client Service Partner

**Omar Saraswala**  
Engagement Leader

**Salman Hadi**  
Engagement Senior Manager

## Specialists

Accounting Advisory  
Partner

Actuarial valuation expert

Zakat and income tax compliance

## Technical reviewer

IFRS Technical Partner

Quality Review Partner

## IT assurance team

IT Risk Assurance Director

IT Risk Assurance Manager



04

**Technology to drive the efficiency of your audit**



# Innovation through technology

Our industry-leading, cutting-edge technology supports our ability to deliver a smooth, no surprises audit, to bring greater insight, and to help us drive audit efficiency. Our investment in technology has been significant and is embedded in the way we work for the benefit of our clients. We set out below how our technology may bring value to the Company.

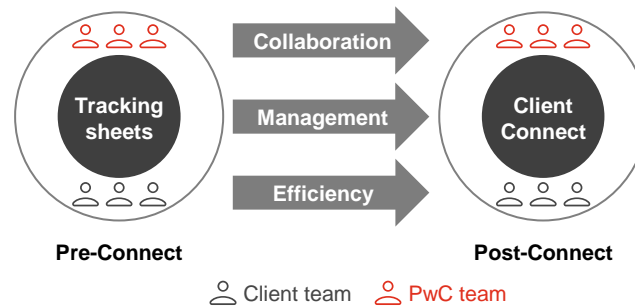
## Connect - Our project management tool

- Web-based collaboration tool to electronically request and exchange documents and information securely.
- Allows all stakeholders to track the status of audit deliverables real-time.

### How can this bring value to the Company

Connect gives you a real time view of the status of audit deliverables across all audits, in a secure database environment. This will help both you and us manage the audit across a spread of locations.

One of the key benefits of using Connect is that it creates institutional memory that can be leveraged later on, saving time and effort agreeing deliverables every year with your teams. This is particularly useful where there is staff turnover, as once secure access is granted all prior year documents provided by you can be viewed.



### Our clients tell us that they value Connect.

We use Connect with majority of our clients, similar to you and it has been really beneficial in the exchange of information. We plan to use this tool to facilitate information exchange in an efficient and effective manner.

**\$650m+**

Our global investment in technology in the last five years



We are proud to have won the International Accounting Bulletin's Audit Innovation of the Year award in recognition of our market leading audit tools consecutively in 2016 and 2017.

Personalised dashboard with real time visibility of status



Halo



Connect



Aura



# Innovation through technology



## Halo - Our data auditing tool

- Uses analytics to better identify, assess and quantify risks
- Evaluates 100% of the population and identifies unusual and high risk transactions
- Provides insights on business and controls performance

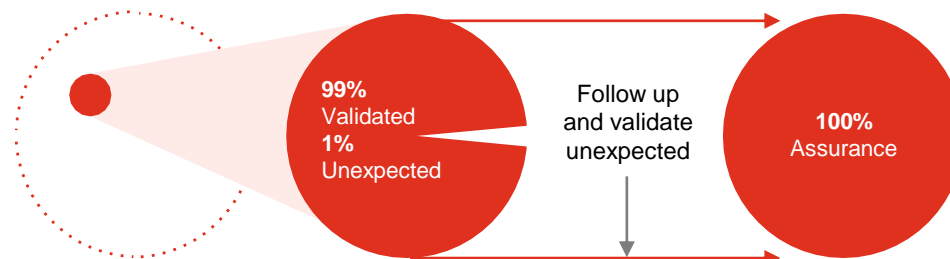
### How can this bring value to the Company

Use of data analytics has the potential to bring great insights. We will continue to seek opportunities to use data auditing techniques, but at a pace with which you are comfortable. Generally the investment made to set up data analytics, leads to efficiencies later on.

We are using data auditing techniques more and more with our clients, with examples including tests to analyse unusual payroll transactions, such as more than one employee linked to the same bank account, and tests to understand the profile of accounts payable, for example where the three way match is circumvented or where vendor bank accounts match those of an employee. We will work with you to identify those areas that provide useful insight to you, as well as leading to efficiencies in our audit approach.



We will seek to identify areas where these techniques can be used, delivering greater assurance and insight.



## Aura - Our audit software

- Built and evolved over the last seven years
- Used by every PwC professional performing audits around the globe - 100,000 users
- Work performed consistently and effectively, centrally and locally
- Systematic, risk based approach with workflow technology

### How can this bring value to the Company

Via our use of Aura, you can be assured of a high quality and consistent audit approach for each entity. Our Aura audit software is used by every PwC team executing an audit, ensuring that the right amount of work is performed on every risk. We use Aura to review the audit risks identified and to monitor the status of work performed. This supports our delivery of the highest quality audit. Further, Aura has built-in sampling tools to assist us in the audit.



# Innovation through technology

## Cash.ai - combined cash procedures

PwC's Cash.ai is a revolutionary AI-powered bot that automatically reads, understands and tests client documents, including reported cash balances, bank reconciliations, bank confirmation letters, foreign exchange and financial condition of the bank – in essence, the complete audit of cash.

Cash.ai takes audit quality and efficiency to a new level by standardising the approach and harnessing intelligent automation to perform the audit of cash with superhuman speed and accuracy. Automated data requests and immediate issue identification support a hassle-free, frictionless experience for clients.



## Count

Automates and standardises inventory count testing, assisting us with your counts. It interfaces with our audit software to provide immediate recording of your results in our files.

### How can this bring value to the Company

Count is completed on site with no need to duplicate documentation or return to the management with follow up questions; saving us time after the inventory count and contributing to better client service. Further, it makes it easier to get the inventory count right first time by providing the counter with detailed information ahead of the count.



# Innovation through technology

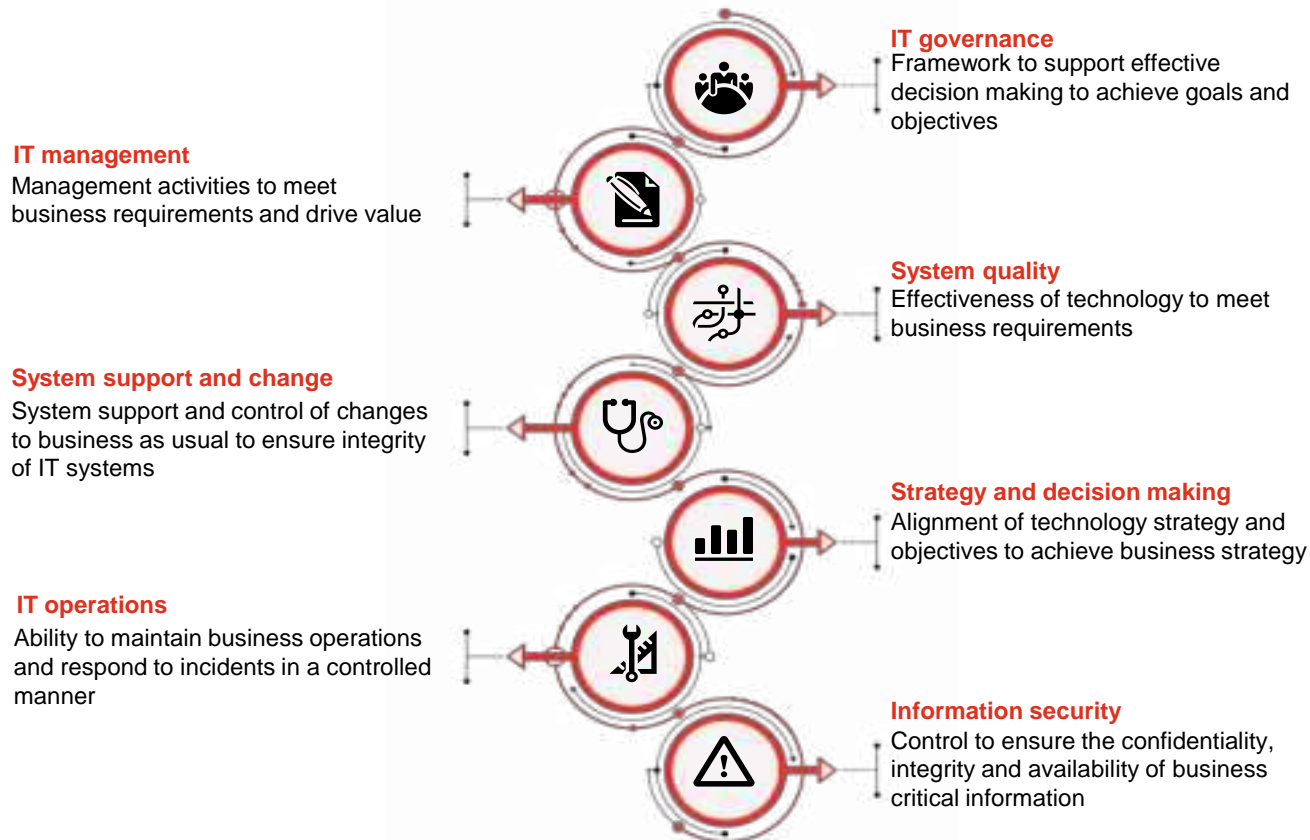
## Your ERP

Your business is critically dependent on IT and processes large volumes of data. As your efforts towards strengthening your IT processes and controls progresses, we will work closely with our IT audit specialists to develop an audit approach that fits your timetable.

## How can this bring value to the Company

Based on the assessment of your IT environment, we will identify areas where reliance can be placed on automated controls throughout your application landscape. Further, we will provide you with insight into how your controls compare against your peers and the industry using our diagnostic and benchmarking tool to assist you in the understanding of IT risks.

Our IT risk assessment consists of seven key focus areas based on industry standards such as COBIT, ITIL, ISO27001, regulatory rules and PwC market expertise. We will analyse results of our risk assessment to identify any impact on audit approach and the root causes of any deficiencies identified. Our observations and recommendations will be discussed with you.



05

**A seamless transition with  
minimal disruption**



# A seamless transition without disruption

We appreciate that changing auditors may require some level of investment in time from both within the business and the auditors. However, we do believe that transition to PwC would be a positive experience, in that a fresh perspective is brought to business issues. We are committed to a smooth and speedy transition with close to zero hindrances in the process avoiding the potential disruption and risk of transition to new auditors. We are familiar with your accounting policies and financial reporting best practices, hence your management and finance teams will neither need to exert much effort nor time in getting us up to speed. We have developed our key procedures of ensuring a smooth transition process.

## Six things to get it right

We have expertise in the insurance sector that you can tap on.

We believe that our audit will help you achieve these objectives and will provide insights about your organisation that will help you identify areas of focus.

1

### Detailed planning

The best transitions are those that are well planned. We have developed a plan that includes key milestones for the transition process and have started preparing for these by commencing the hardclose work early, recognising there is a lot more to come.

2

### A team that is up to speed - ready for 2022

The key to a successful transition involves bringing our team, from the most junior to the most senior, up to speed so they understand your business and are ready for the audit. The majority of the audit team members have a good understanding of the Company through their experience of working on other similar engagements.

3

### A trusted partnership - getting ahead of the issues

You do not want any unexpected reporting issues. To minimize the disruption during transition, we commit to working with you up-front to understand past judgements and the impact of any new matters.

4

### Clear communication

You want a smooth transition. To make sure that this happens, we commit to maintaining clear and frequent communication with you at every level. We believe this is best achieved through regular meetings with the management. We want to hear your feedback and share our observations at each milestone, maintaining open dialogue throughout the process.

5

### The importance of our technology

As your auditor, establishing clear communication lines to stay on top of progress and any complex matters arising is critical. We use our **Aura audit** software to track the nature, extent and progress of work across all our teams, and we use our **Connect** project management tool to understand the timing and progress of deliverables from management.

These mechanisms have significantly streamlined and improved our ability to report meaningful progress and insight through transition to our clients.

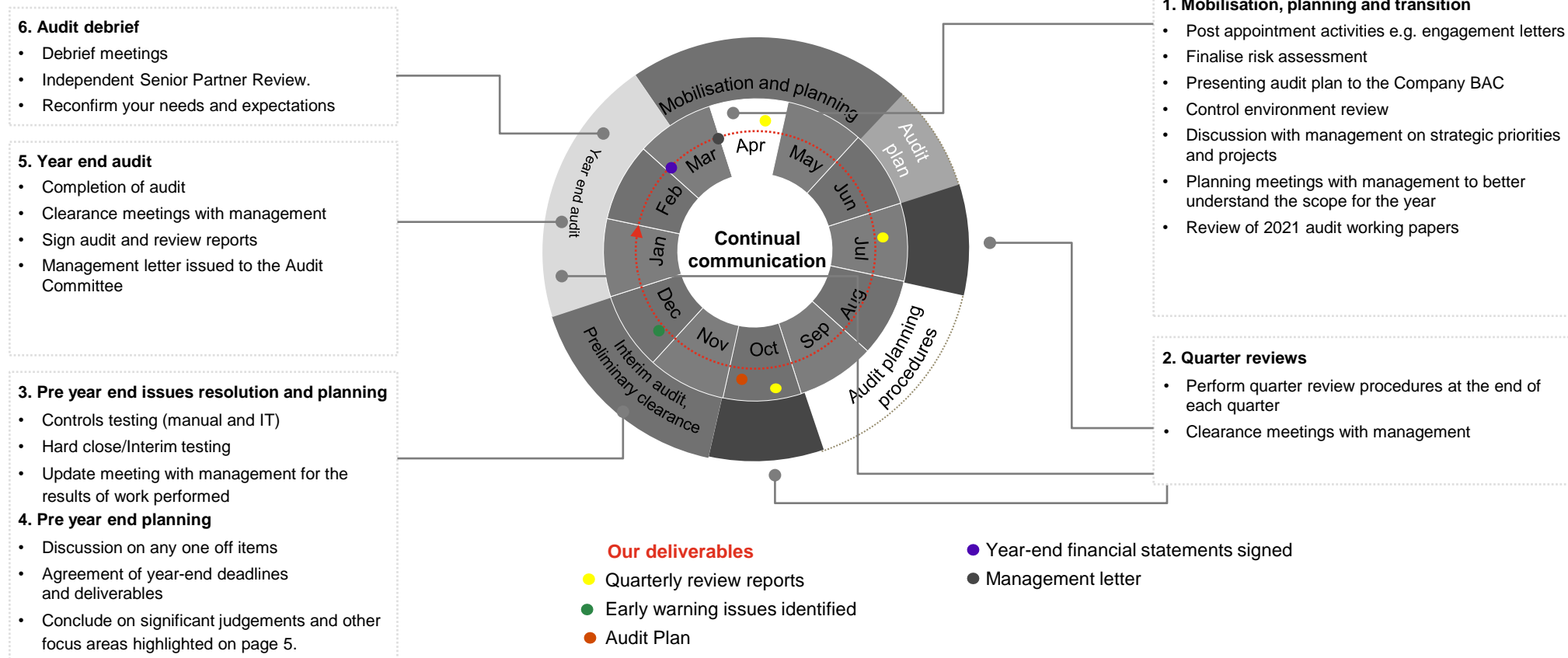
6

# A seamless transition without disruption

## Our communication plan

Our knowledge of your businesses and financial reporting priorities puts us in a strong position to ensure that the audit is effective, efficient and completed on time. We want the process to be unobtrusive. At the same time, we want to make sure you do not feel left in the dark. As with our audit approach, innovative technology will allow us to keep you informed every step of the way. Using 'Connect', a dedicated tool built for our interactions, you will be able to track the progress of the transition in real time.

We have created a live timeline that will give you an exact picture of how your audit will progress.



*\*Other deliverables, which we are allowed to issue as per the independence requirements of KSA, will be issued as and when requested.*



# Appendix A

About PwC



# About PwC

We are a network of firms in **156** countries with more than **295,000** people who are committed to delivering quality in assurance, tax and advisory services.

## Size and international reach

Being one of the largest professional services firm globally, we have offices in more international locations than any other firm.

These offices support your strategy and our team has vast experience of leveraging this network whilst managing local relationships.

## Iconic firm

Like you, we strive to be an iconic brand in the markets in which we operate and aim to give a distinctive and top quality service to our clients.

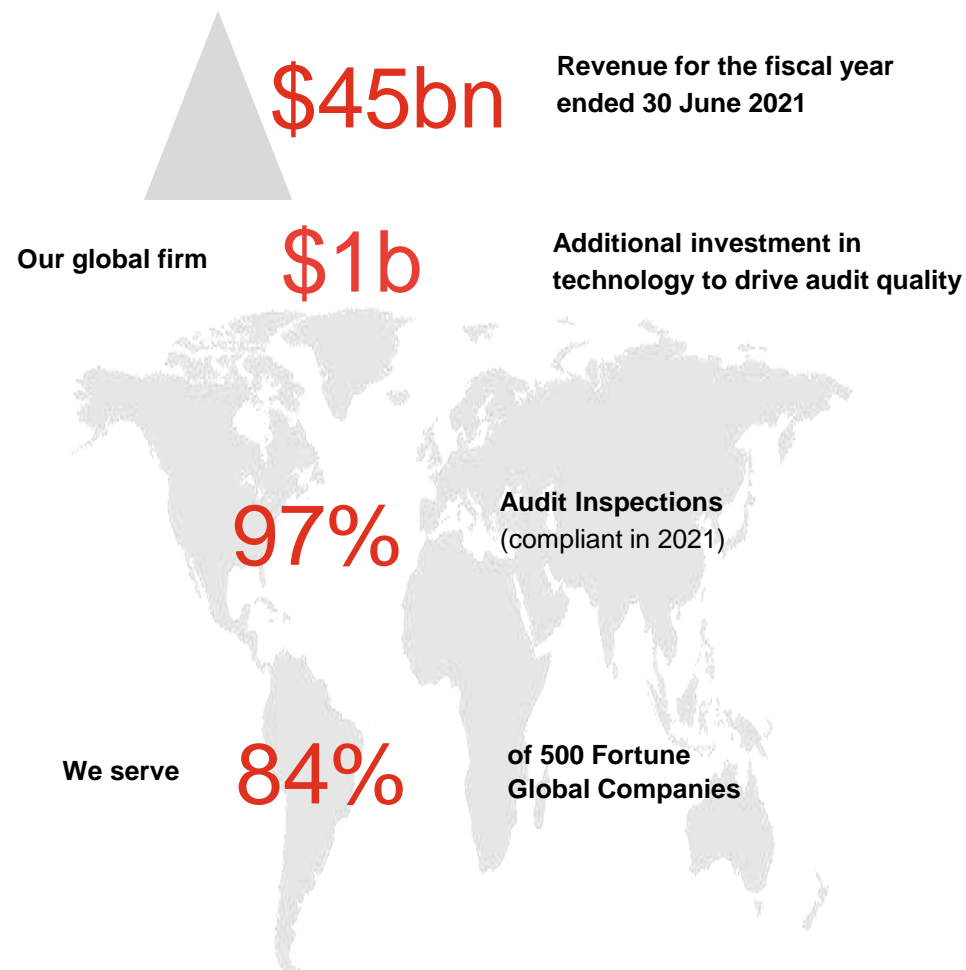
We are the leading professional services advisor to more of the world's leading companies than any of our competitors.

**156** countries

More than **700** locations

**295,371**  
employees

**\$187.5 M**  
Global community  
investment





# About PwC

## PwC Middle East

PwC has operated in the Middle East region for more than 40 years. Collectively, our Middle East network employs in the region of 7,000 people working from offices in 22 locations across 12 countries: Bahrain, Egypt, Iraq, Jordan, Kuwait, Lebanon, Libya, Oman, the Palestinian territories, Qatar, Saudi Arabia and the United Arab Emirates.

We are one of the fastest growing PwC member firms worldwide and the largest professional services firm in the Middle East.

Our tailored solutions help clients to meet the challenges and opportunities of doing business in the Middle East market and beyond.

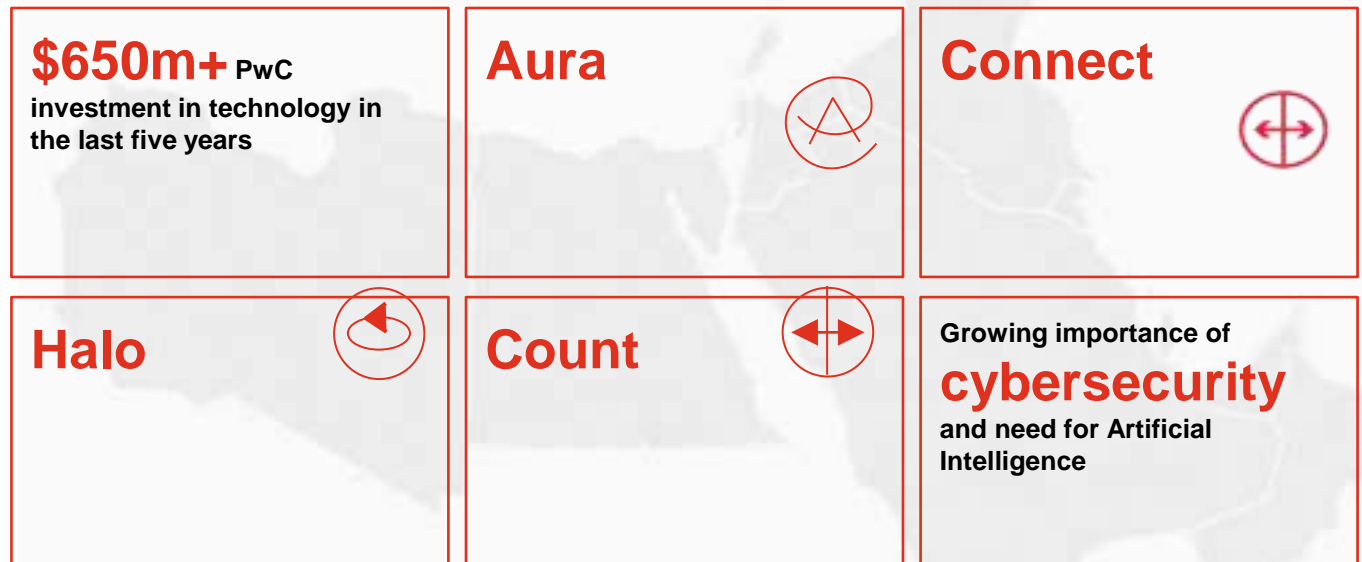
We have experience in industries including government, energy and utilities, financial services and banking, retail, construction and engineering, manufacturing, entertainment and telecoms.

Our clients in the Middle East include prominent public and private companies, governments, banks and family businesses.

There are over 90 members of staff from other international territories on secondment to our Middle East firm, meaning we bring global perspectives and the full extent of our worldwide network to the work that we do for our clients in the region.

Our regional network functions as one seamless practice unit structured on the basis of industry lines. This enables us to mobilise our industry specialists across the Middle East region, whenever and wherever needed.

## Our technology



# About PwC

## Our presence in Saudi Arabia has been strong for 40 years

PwC is strongly committed to the Kingdom of Saudi Arabia where we've had a presence since 1979. Today we have over 1,500 people, including 53 partners and 52 directors, serving clients from offices in four main locations: Riyadh, Jeddah, Al Khobar, and Dhahran.

Through our Assurance, Advisory, and Tax practices based here in the Kingdom, we advise a wide range of clients including family-owned companies, high-profile local businesses, industrial and service companies, and global organizations. We are also lead advisors to the Government and some of the Kingdom's largest public sector entities.

Due to our long history of delivering services from this region, we have extensive experience of working with clients in most industries.



**Presence in the Kingdom of Saudi Arabia since 1979**

**4 Offices (Riyadh, Al Khobar, Dhahran and Jeddah)**

**PwC is an advisor to the companies in the 100 Saudi Fast Growth awards organized by Ministry of Investment in Saudi Arabia**

**Over 1,500 people**

**75% are Arabic speakers**



# About PwC

## Supporting Saudisation and diversity

PwC KSA is a keen supporter of Saudisation and diversity at workplace. Of all its employees in KSA PwC employs **42%** Saudis and **20%** females of which **16%** are Saudis.

*“We at PwC have been at the heart of the Kingdom’s transformation and we remain committed to supporting one of the Kingdom’s main ambitions; developing its local talent. We continue to invest heavily in our people, their capabilities to deliver on our purpose of building trust in society and solving the Kingdom’s most important challenges. Across our offices in KSA, we remain committed to having a truly diverse and inclusive workforce”.*

Riyadh Al-Najjar  
KSA Country Leader



### Saudisation

PwC is very committed to train and develop Saudi Nationals. We have an aggressive plan to continue recruiting, developing and training Saudis. Our 2021 graduate intake in Saudi Arabia comprised 100% Saudi Nationals. We are proud of this achievement.

# About PwC

## Assurance Center of Excellence

During 2019, PwC's KSA office welcomed an all female Saudi staff to start off the Assurance Center of Excellence (ACE) in Al-Khobar. The team is the first fully female team in the firm's rapidly growing Assurance practice.

ACE is a service delivery center supporting our audit engagement teams across varied tasks and will be a key part of our proposed audit team at the Company.

*"I am extremely pleased to achieve this milestone at a time when the Kingdom continues to implement Vision 2030. We, as PwC, are committed to support this vision by playing our part in enabling and empowering women to fully participate in the workforce and the economy."*

Omar M. Al Sagga  
KSA Assurance Leader



### Our ACE team

Our ACE staff strength has grown over the period and we currently have more than 40 female Saudis supporting our diverse client base across the Kingdom.



# Appendix B

Quality Assurance and Independence explained



# Quality Assurance and Independence explained

Our priority is to ensure that you have absolute confidence in the quality and independence of our firm and our audit offering

## Quality control

Our culture is underpinned by our Code of Conduct which sets standards of professionalism and integrity for all partners and staff. We are committed to maintaining best practice systems for risk management and quality control.

Our firm's worldwide quality management program includes reviews of selected audits as well as of internal processes and procedures which helps ensure quality.



## Our training

Our partners and staff receive extensive training on accounting developments, industry issues, corporate governance, quality assurance, risk management and ethical issues on an ongoing basis



## 'Four eyes' principle

The structure of our team means that all significant issues and judgements go through at least two senior members of the team.

The audit engagement team has a dedicated field team leader responsible for the day to day operations of the audit. A senior manager and/or an experienced manager supervises the audit effort and performs a review of work performed.

A partner and/or director is responsible for oversight and final review of the work performed.



## Our people

We recruit, train and retain people of the highest caliber and this is reflected in your audit team.

We have included CVs of our key team members in **Appendix C** to allow you to obtain a third party view of the quality of our people.

We are committed to continually developing the skills of our partners and staff.



## Feedback

Client satisfaction and continuous improvement are an integral part of our quality assurance programme. We will meet annually with management to set objectives for our service delivery and will collate your feedback to improve our service quality and delivery at all levels.



## Independence requirements

We confirm that PwC, its partners and staff are independent of the Company.

As you are aware, the current local independence requirements prohibit us to provide any non-audit services to our audit clients with the exception of zakat and tax compliance services. In case of any changes in the current regulation permitting us to provide any additional non-audit services, we will share with you the details accordingly.

# Quality Assurance and Independence explained

## Independence

We have rigorous policies and procedures in place to safeguard independence, including technology-based monitoring systems, to assist both employees and our firm in complying with independence rules and regulations.

More specifically, our procedures include:

- All non-audit services are pre-screened and approved before acceptance;
- Our staff are required to confirm independence from their clients on a client to client basis and receive annual training to make sure that they are kept up to date with these requirements;
- If conflicts of interest are identified, we raise them with you immediately and work with you to mutually agree a course of action to resolve the same;
- The engagement leader, Omar Saraswala, is responsible for handling and communicating to you any independence matters and potential conflicts; and
- Our firm, partners and staff comply with the requirements of the code of professional conduct and ethics, endorsed in the Kingdom of Saudi Arabia, that are relevant to our audit of financial statements.

As part of our year end procedures, we will make enquiries of all PwC teams providing services to you and communicate the results of these enquiries to the Audit Committee. Further, we will provide you with our Independence confirmation prior to signing of the engagement letter.

## What does this mean for you?

- Our firm, partners and staff (current and proposed) are independent;
- We seek your approval before accepting any services;
- We report details of our services to you on a regular basis;
- Any independence breaches are communicated to you as soon as they are discovered; and
- Any changes to partners or senior team members will be discussed with you.





# Appendix C

The right teams for you





# The right team for you



**Mufaddal Ali**  
Lead Client Service Partner

M: +966 50 459 0460  
E: [mufaddal.ali@pwc.com](mailto:mufaddal.ali@pwc.com)

Mufaddal is a Licensed and Engagement Partner in our Jeddah office, having (25) years of diverse experience in providing various services of public accounting industry in Saudi Arabia.

Ali has a widespread experience over various multi-national and local industries of Saudi Arabia, namely; Hospitality, Investments, Manufacturing, General Services, Health Care, Contracting and many others. He carried out several internal audit assignments on 5 star Hotels in the region. He also possesses the practical experience of working in the private sectors as Head of internal audit and finance and accounting.

Mufaddal Alil is a qualified CPA, SOCPA & CIA.



**Omar Saraswala**  
Engagement Leader

M: +966 56 925 5900  
E: [omar.s.saraswala@pwc.com](mailto:omar.s.saraswala@pwc.com)

Omar has over 25 years of public accounting experience and brings considerable experience working with a high-profile client portfolio. He has extensive experience in auditing and managing audits of complicated Group of companies and has extensive IFRS knowledge.

Omar's experience includes supervision of a large variety of audit engagements and special audit projects for multinational and local financial institutions including insurance companies. He is currently he engagement leader on Wataniya insurance, United Cooperative Assurance, Hannover, Cigna, Saudi National Insurance. He is also involved in AXA as the Quality review partner and will be acting as the Engagement Leader for Salama Cooperative Insurance Company.

Omar is a Bachelor of Commerce, Chartered Accountant (CA) from ICAEW (UK and a Certified Fraud Examiner (CFE).



**Salman Hadi**  
Engagement Senior  
Manager

M: +966 56 368 3605  
E: [hadi.salman@pwc.com](mailto:hadi.salman@pwc.com)

Salman is a Senior Manager in PwC's Khobar office. He has over 13 years of experience servicing audit and accounting needs of his clients including 4 years with PwC Middle East.

Salman has experience in managing some of our most significant clients in the Khobar/Jeddah office i.e. Al Sagr Cooperative Insurance, Wataniya Insurance Company, Al Majdouie Group etc.



# Appendix D

Our scope and proposed fee



# Scope of work and proposed fee

## Understanding your requirements

Based on the request for proposal and our discussion with management, we understand you require the following:

- audit the financial statements of the Company for the year ending 31 December 2022 and issuance our audit reports in Arabic and English languages;
- review of the interim financial information for the quarters ending 30 June 2022, 30 September 2022 and 31 March 2023.and issuance our review reports in Arabic and English languages; and
- communicate to management any material weaknesses in accounting and/or internal control which come to our attention during the course of the audit;

Our proposed fees	Saudi Riyals
<b>Proposed fee for audit</b>	640,000
<b>Interim reviews (@ Saudi Riyals 100,000 per quarterly review) for quarters ending 30 June 2022, 30 September 2022 and 31 March 2023</b>	300,000

*Time spent on the audit forms the basis for our fees, computed at rates which reflect factors such as complexity, level and grade of staff assigned, degree of skill and specialist input, urgency and inherent risks and the use of techniques, research and know-how developed within our firm.*

## Notes

- The proposed fee excludes our charges for uploading the financial statements and related financial information for the year ending 31 December 2022 on the Ministry of Commerce (MoC) portal as required by the MoC's resolution No. (353/Q) dated 18 Safar 1436H, which shall be billed at the rate of **Saudi Riyals 10,000**.
- Our proposed fee excludes out of pocket expenses, mainly related to travel (principally to Dubai and Jubail), hotels, perdiems, 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, 65% of our fees are payable prior to commencement of the audit, 25% on completion of detailed audit work and 10% on submission of our report.

# Thank you

[www.pwc.com/me](http://www.pwc.com/me)

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At PwC, our purpose is to build trust in society and solve important problems. We're a network of firms in 155 countries with more than 270,000 people who are committed to delivering quality in assurance, advisory and tax services. Find out more and tell us what matters to you by visiting us at [www.pwc.com](http://www.pwc.com).

Established in the Middle East for over 40 years, PwC has 22 offices across 12 countries in the region with over 5,200 people. ([www.pwc.com/me](http://www.pwc.com/me)).

PwC refers to the PwC network and/or one or more of its member firms, each of which is a separate legal entity. Please see [www.pwc.com/structure](http://www.pwc.com/structure) for further details.

This proposal contains information that is proprietary and confidential to PricewaterhouseCoopers. As such, the addressee should not disclose this document or any attachments in whole, or in part to any third party without the prior written consent of PricewaterhouseCoopers.

The addressee also acknowledges that information shared here within is the intellectual property of PricewaterhouseCoopers and is subject to a non disclosure agreement as recognised by the copyright and intellectual property regulations.

# Salama Cooperative Insurance Company

## *Technical Proposal To provide external Audit*

March 31, 2022



Salama Cooperative Insurance Company  
Jeddah, KSA

AlAzem, AlSudairy, Alshaikh & Partners  
CPA's & Consultants  
Member Crowe Global  
C.R License No: 323/11/148  
P.O. Box 40097 Jeddah 21499  
Saudi Arabia  
Telephone :( 012) 6928552  
Facsimile :( 012) 6928551  
Email: ch@crowe.sa  
www.crowe.com

**Subject: External Audit Service**

Thank you for inviting us to submit a proposal for carrying out an External Audit Service for Salama Cooperative Insurance Company.

Crowe, ranked as the eighth largest global accounting network, with operations in over 130 countries across more than 800 offices, we have a vast global footprint able to serve our clients' needs wherever they choose to do business.

This proposal sets out the scope of work, our methodology, timelines and our fee estimates for the assignment. It provides a statement of the experience and capabilities of the members of Crowe that will participate in this assignment. We are confident that our over 18 years history of providing professional services to our clients will result in valuable, cost effective services for your project under consideration.

Please review the terms of our engagement carefully, if these are not consistent with your understanding of our engagement or you would like any further information or clarification about any aspect of our proposal, please do not hesitate to contact the undersigned. We look forward to receiving your approval on our proposal.

Kindly return us the proposal, duly signed by the authorized person for our record to signify your acceptance to our proposal. We would consider it a privilege to be professionally associated with your organization and look forward to supporting your goals and being a trusted advisor to your growing business.

Sincerely yours,



# Contents

Executive Summary <i>1</i>	Scope of work <i>2</i>	Methodology <i>3</i>	Deliverable <i>4</i>	Timeline <i>5</i>
Fees <i>6</i>	Our Team <i>7</i>	Our Clients <i>8</i>	About Crowe <i>9</i>	Appendix <i>10</i>

# 1. Executive Summary



# Executive Summary – Background of Salama Cooperative Insurance Co. “SALAMA”

Salama Cooperative Insurance Co. “SALAMA”, formerly known as Islamic Arab Insurance Co. “IAIC”, is part of SALAMA International Group which is a major player in the MENA region and is backed with SR. 2 Billions Paid Capital.

- The group is currently operating in:
- United Arab Emirates
- Kingdom of Saudi Arabia
- Bahrain - Algeria
- Senegal - Malaysia
- Egypt



We started our Insurance Operations in Saudi Arabia in 1979 and was approved as a Public Listed Company in the Kingdom after the release of the Royal Decree in 2006. With more than 40 years of experience, SALAMA is considered one of the leading Insurance Companies in the Saudi Market and the whole region.

سلامة  
تأمين

# 2. Scope of work

## Scope of work

Our audit will be conducted in accordance with International Standards on Auditing endorsed in kingdom of Saudi Arabia. Those standards require that we plan and execute the audit to obtain reasonable satisfaction about whether the financial statements are free of material errors. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. The audit also includes assessing the accounting principles used and significant estimates applied by management, and presentation of the financial statements to satisfy prevailing legal requirements and SOCPA adopted by IFRS .

As a basis for the preparation of the financial statements. We will study and understand the Company's accounting and internal control system, in order to assess their adequacy for the purpose of determining the nature and procedures. Our audit should not be relied upon to discover all defalcations or other irregularities that may have occurred. However, their discovery, if any exist, may result from the audit tests undertaken and such cases will be reported immediately to management.

In addition we may filling of the IFRS checklist to avoid any questions from the Regulator related to the disclosures.

## Scope of work

The nature and extent of our procedures will vary according to our assessment of the Company's accounting and internal control system. Our audit procedures may include any aspects related to the Company's operations that we deem appropriate.

Our study of the Company's accounting and internal control systems do not require a detailed valuation or assessment for us to provide an effective and efficient independent opinion of the internal control system. Audit work is not designed to identify all important and significant weaknesses in the Company's systems, in the case of any weaknesses observation, management will be informed.

In addition to that, an examination of the consideration of Fraud during the course of audit of financial statements, will be conducted & reported to the management.

## Scope of work

We will make specific enquiries to management and others on the items included in the financial statements and the effectiveness of the accounting processes. The International Standards on Auditing endorsed in kingdom of Saudi Arabia require written confirmation from management on the information provided to us relating to the audit.

Part of our audit requirements, we will request the following confirmations, but not limited to:

1. Direct confirmation with selected third parties of amounts due to or by them and other relevant information.
2. Representations by lawyers or other experts concerning matters on which special expertise is required.
3. Direct confirmations from the banks, selected receivables.

The results of the audit tests, management responses to our inquiries, and affirmations written provided by the department will serve as the evidence and clues that we rely on in the formation of our professional opinion about the financial statements.

# 3. Methodology

We are required to provide audit services based on the International Audit Standards (ISA) and provide with our independent audit opinion on the financial statement as prepared by the management in compliance with International Financial Reporting Standards (IFRS).

## Step 1

## Planning\*

1. Audit initiation meeting
2. Determine the overall audit strategy
3. Planning the nature, timing and extent of the audit procedures



**\*Plan control or substantive approach for each audit objective**

## Step 2

### Control Evaluation\*\*

1. Understanding the entity and its control environment
2. Evaluate design and implementation of the key controls
3. Test operational effectiveness on the key controls
4. Assess control risk and risk of material misstatement

## Step 3

### Substantive Testing

1. Plan and perform substantive procedure
2. Collect sufficient and appropriate audit evidence
3. Draw conclusion on all material matters
4. Collection of sufficient appropriate audit evidences to support
5. Conclusions in the light of International Standards on Auditing

**\*\* Decide on the plan for control or substantive approach for each audit objective**



## Step 4

## Completion

1. Perform completion procedure
2. Evaluate the overall presentation and disclosures in the financial statement in accordance with IFRS
3. Form an audit opinion



# Caseware

We use the secure technological platform to plan and perform the audit and document our findings. The electronic audit file allows us to manage the documentation efficiently, as the appropriate working paper templates are populated automatically with information from planning tool and mapping of the financial statements.



# 4. Deliverables

# Deliverable

The expected deliverables, as per the deadlines agreed upon with the External Auditors, for the above assignments will be:

- Signed quarterly review report on the quarterly financial statements.
- Signed annual audit report in accordance with the auditing standards prevailing in the Kingdom of Saudi Arabia.
- Signed audit report on Special-purpose annual financial statements for the Managed Assets.
- Upload of all the financial statements on Qawaem
- Upload of all the financial statements on Tadawul (IFSAH) using XBRL format

# 5. Timeline

# Timeline



November 2022

**Planning**



December 2022

**Control Evaluation**



Mid-Jan to the end  
of February 2023

**Substantive Testing**



March 2023

**Completion**

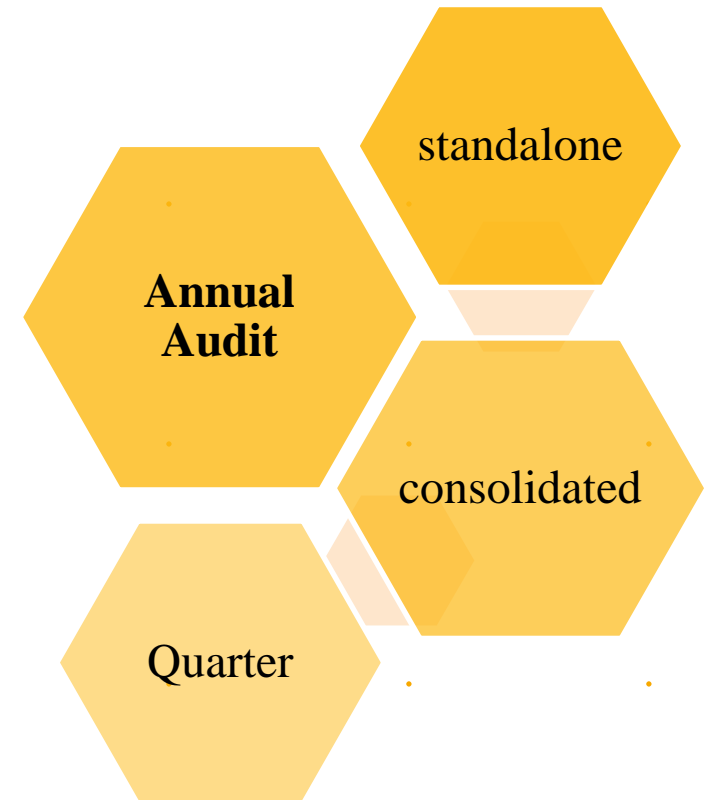
# 6. Our Fees

# Fees

Scope of work	Fees SAR
Annual Audit of financial statement for the year ending December 31, 2022	320,000
Review of quarterly financial statement Q2 2022	35,000
Review of quarterly financial statement Q3 2022	35,000
Review of quarterly financial statement Q1 2023	35,000

## Terms & Condition

- Prices are in Saudi Riyals
- The estimated fees are exclusive of VAT and shall be charged separately on billing.
- Offer valid for 45 days.
- This fees do not include traveling and other expenses and if incurred will be billed to you





# **7. Our Team: Experience, Technical Expertise, Availability & Level of Seniority**



## Mr. Abdullah M. Al-Azem

Managing Partner

a.alazem@crowe.sa

### Experience

Abdullah worked for more than 15 years for one of the largest professional firms in the field of assurance, business advisory and consulting services whereby he gradually occupied positions up till he reached the Audit Manager post.

During his career path, Abdullah acquired vast and diversified experience in the audit of commercial companies, motor industry, manufacturing, oil and gas, financial institutions and banks, insurance, construction and contracting, hotels and tourism, hospitals, non for profit organizations, utilities and agricultural companies. Additionally, Abdullah handled several market and feasibility studies and companies' valuation and due diligence. Finally, Abdullah participated in consultancy works for companies' restructuring and the design and development of financial and accounting systems.

### Professional Summary

Abdullah obtained the license to practice the Assurance and Auditing Services in Saudi Arabia in 1997, and he is considered one of the premiere Saudi Nationals who were licensed to practice after the formation of the Saudi Organization of Certified Public Accountants (SOCPA).

### Professional Affiliations

- He is a member of the American Institute of Certified Public Accountants (AICPA) and a fellow member of the Illinois Certified Accountants.
- Also, Abdullah is a holder of Saudi fellowship certificate and a previous member of the training and continuous education committee for the Saudi Organization for Certified Public Accountants (SOCPA).
- Abdullah graduated from King Saud University, with a Bachelor in Accounting.

### Client Focus:

- Audit, review, compilation
- Personal tax planning
- Real estate consulting & implementation
- Tax planning and compliance
- Succession planning
- Wealth management
- Holding Companies
- Manufacturing, wholesale and distribution
- Not-for-profit and charitable groups
- Professionals
- Real estate and construction



## Mr. Musab A. AlShaikh

Partner

m.alshaikh@crowe.sa

### Professional Summary

In CMA, Musab was the Head of Financial Statement Review responsible of issuers compliance with the IFRS and related corporate governance. Additionally, Musab was the Senior advisor of CMA listed companies and investment product deputy who contributed in developing the implementing regulation related to investment products and listed companies including Zakat & Tax law, Bankruptcy law, insurance Company law and other capital market implementing regulations. During his career path, Musab acquired vast and diversified experience in audit and laws applicable to government and private sector entities, banking and financial institutions, insurance sector, manufacturing sector, trading sector, construction and contracting sector, motor industry, hotels and tourism sector, nonprofit organizations, utilities and agricultural companies.

Musab handled several projects related to companies' inspection and compliance of related regulation and represented CMA in several national and international meeting and committees related to IFRS conversion, IOSCO C1 committee and attended attachment program with FINRA, SE Malaysia.

### Experience

Musab joined Crowe as the Head of Business Assurance Department. He worked for more than 5 years for one of the largest professional firms in the field of assurance, business advisory and consulting services and more than 14 years in the Capital Market Authority "CMA" since its establishment.

### Professional Affiliations

- Certificate of Saudi Organization for Certified Public Accountants (SOCPA).
- Certified Fraud Examiner (CFE)
- Previous member of SOCPA Peer Review Committee, National IFRS conversion committee, IOSCO Issuer Accounting, Audit and Disclosure (C1) committee
- Bachelor's in accounting

### Client Focus:

- Banking and Financial institutions
- Insurance
- Hospitality
- Retail and Trading
- Construction and contracting
- Motor Industry
- Non-Profit Organizations
- Utilities
- Agriculture
- Manufacturing
- Government



# Mohammad AlTellawi , ACCA, JCPA, CMA, DipIFRS, VAT Expert

## Director

M.Tillawi@crowe.sa

### Professional Summary

- Mohammad has over fifteen years of extensive experience in audit and VAT Consulting in KPMG – Qatar, KPMG – Jordan, Deloitte – KSA and Crowe – KSA.
- Mohammed's years of experience exposed him to have a wide range of experience in different industries such as holding companies, insurance, medical, airlines, manufacturing, contracting, trading, services, real estate and others.
- Additionally, he has managed the audit of clients in different sectors such as investments, construction, manufacturing, trading, hotels, retails and none-profit organizations in Jordan, Qatar and Saudi Arabia.

### Experience

- Mohammad has extensive experience in External and Internal Audit function, VAT consultation, IFRS conversion and Trainings.
- Mohammad is an accomplished trainer on internal auditing related topics, as well as IFRS subjects.

### Professional Affiliations

- Member of the Association of Chartered Certified Accountants, UK
- Member of the Institution of the Management Accountant, US
- Member of the Association of Jordanian Certified Public Accountants, Jordan
- ACCA from Association of Chartered Certified Accountants, UK
- CPA from Association of Jordanian Certified Public Accountants, Jordan
- Certified Management Accountant from Institution of Management Accountants, US
- Diploma in International Financial Reporting from ACCA, UK
- VAT Expert from SOCPA, KSA

### Client Focus:

- Holding companies
- Insurance
- Medical
- Airlines
- Manufacturing
- Contracting
- Trading
- Services
- Real estate and others

# **8. Our Clients/ Assignments carried out in the recent past**

# Specialized Industry Groups

---

Clients benefit from our deep specialization, accessing our extensive industry experience and insights.



**Financial  
Services**



**Healthcare**



**Real  
Estate**



**Not for Profit  
(NGO)**



**Hotels,  
Travel and  
Leisure**

# Some of Crowe Saudi Arabia's Clients (Insurance companies)



# Some of Crowe Saudi Arabia's Clients (Real estate companies)





# Some of Crowe Saudi Arabia's Clients (Private Sector)



# 9. About Crowe

# Why Crowe?

## Digital Delivery

We leverage an online platform to track assessments. This allows us to provide client alerts, dashboards and reports.



## Commitment to Quality

Your assigned team will work to understand your specific needs, and ensure the best customer service experience.



## 'Always-On' Staffing

Our team is always available 52 weeks of the year and our staff offers a personalized approach.



## Impact-Driven Deliverables

We write our reports to clearly outline the issue and impact. We work to gather action plans that reduce risk over time.



## Experienced Global Team

Crowe operates in 130 countries. Our regulatory compliance team has vast experience in the Financial industry



## Valuable Insights

Because of our focus on these services, we can provide insight as to leading practices, common risks and controls.



# **Crowe**

## **Kingdom of Saudi Arabia**

# Our Core Values



## Care

- Integrity
- Mutual respect and trust
- Diversity
- Highly-valued professional, personal and community relationships



## Share

- Teamwork
- Mutual pursuit of opportunities
- Shared commitment and contribution to the vision, strategy and goals of the organization



## Invest

- Continuous learning
- Adaptability
- Specialty innovation
- Client-service capability development
- Unwavering commitment to excellence and consistent high-quality service



## Grow

- Quality growth and financial strength in national and multinational business

# AlAzem, AlSudairy, Al Shaikh & Partners CPA's & Consultants

Al Azem & Al Sudairy, Al Shaikh & Partners is a member firm of Crowe Global, which is ranked among the top 10 global accounting networks around the world providing professional services including auditing, accounting, tax, and consulting.

Al Azem & Al Sudairy, Al Shaikh & Partners consist of a team of committed business professionals with the essential expertise, personal integrity and objectivity needed to render quality service to the clients and the public. We provide this quality service to each client through a responsive and effective personally led relationship. This relationship is based on our understanding and caring for our client's business and his needs.

Our professionals located in our offices in Riyadh, Jeddah and Al Khobar are more than just auditors, consultants or tax/zakat advisors. They are all of these and much more. They are also acknowledged as providers of financial and advisory services in addition to auditing and tax/zakat consultancy, including accounting, management consulting, information systems consulting and other consulting services.

# Al Azem, Al Sudairy, Al Shaikh & Partners (Crowe)

**%15** of the companies listed in Tadawul

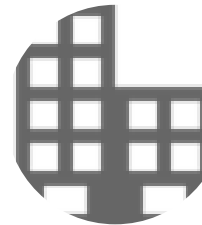
**15** Insurance Companies



Licenses from the Organization of Certified Public Accountants



More than 150 Employees



3 Branch's in Saudi Arabia



3 Partners



Licenses from the Capital Market authority

# Our team holds the





# About Crowe - Network of Offices and Presence

The firm has offices in following of KSA:



• **Riyadh**



• **Jeddah**



• **Al Khobar**

# Our Services



## Internal Audit & Risk Consulting

- Internal Audit
- Secondment of Internal Auditors
- Establishment of Internal Audit Function
- IT Audit Services
- Enterprise Risk
- Regulatory Risk
- Fraud Risk
- Operational Risk
- Financial Risk
- Drafting SOPs
- Cyber Security
- Robotics Process Automation



## External Audit

- Audits, Reviews and Compilations
- Agreed-upon Procedures
- Forecasts and Projections
- Securities Exchange Reporting
- Benefit Plan Audit Services



## International Taxation

- International Tax Planning
- International Tax Structuring Solutions
- International Tax Restructuring Solutions
- International Tax Advisory Services
- International Tax Compliance Services
- Tax Advisory Services and Tax Due Diligence Services for M&A's



## Advisory

- Transaction Support
- Deal Structuring
- Business Valuations
- Purchase Price Allocation
- Merger Integration Services
- Acquisition Strategy
- Due Diligence
- Strategic Consulting

# **New Solutions & Specialized Services**

# Saudi Aramco's In-Kingdom Total Value Add (IKTVA)



**70 by 21**  
70% localization by the year 2021

**THE IN-KINGDOM TOTAL VALUE ADD (IKTVA) PROGRAM**

**IT'S A WIN-WIN, AND WIN AGAIN PROGRAM**

أرامكو السعودية  
Saudi Aramco

**"In order to ensure that our suppliers are operating on a level playing field, we are requiring their IKTVA responses be validated by independent and qualified third party auditors".**

**Crowe Saudi Arabia** has been approved to provide the validation services.

**iktva**  
IKTVA is imperative for doing business with Saudi Aramco

COMPETITIVE COST  
QUALITY  
SCHEDULE  
SAFETY  
ENVIRONMENT

Source: <https://iktva.sa>

In order to ensure that Aramco suppliers are operating on a level playing field, Crowe is among the independent and qualified third party auditors.

# Local Content Development Strategic Plan



In order to ensure that the suppliers are operating on a level playing field, Crowe is among the independent and qualified third party auditors.

# Crowe Global

# A century in the making



**1915**

Horwath & Horwath established to develop expertise in the hospitality sector.

**1950**

Diversification into healthcare.



**1960**



Horwath & Horwath International established to develop international business through member firms.

**1921**

Reputation in the market grows. Launched leading accountancy publications

**Alarm Clock, Food Market List and Hotel Accounting.**



**1955**

Practice diversification. Accounting, audit and tax established.



**1967**

First annual meeting  
**30 members firms**  
**30 countries**  
Regional groups formed.





# A century in the making

**1972**



13<sup>th</sup> largest international accounting organization in the world.

**1994**



First international accounting organization to have a Chinese member firm.

**2015**

200 Member Firms  
120 Countries



**2018**

Brand Refresh to one brand



**1992**

Network expands into new geographical market – Eastern Europe.



**2001**



Brand visual identity strengthened.

**2017**

Ranked eighth largest accountancy network in the world



**2019**

China Marketing Centre opens



# The Pinnacle

---



## Quality

“Pinnacle” is defined as the highest level or degree attainable. It symbolizes our shared commitment to the pursuit of excellence and continuous improvement.

## Service

The Pinnacle symbol has visual characteristics of an arrow or a comet representing our shared commitment for swift and responsive service in meeting our clients’ needs.

## Integrity

Many perceive that the white space at the bottom of the Pinnacle symbol resembles a stylistic mountain that can be interpreted as a landmark of strength and stability.

# By the Numbers

# Global Facts and Figures

<b>42,018</b>	Total People
<b>32,822</b>	Professionals
<b>5,098</b>	Administrative Staff
<b>4,098</b>	Partners
<b>782</b>	Offices
<b>130</b>	Countries
<b>4.3b</b>	US\$ Global Revenue
<b>14%</b>	Annual Growth
<b>8th</b>	Eighth largest global accounting network



# A New Peak in 2018



# 2019 World Leading Networks

Rank	Network	Revenue (US\$m)
1	Deloitte	43,200
2	PwC	41,280
3	EY	34,772
4	KPMG	28,960
5	BDO	8,999
6	Grant Thornton	5,444
7	RSM	5,369
<b>8</b>	<b>Crowe</b>	<b>4,331</b>
9	Nexia International	4,000
10	Baker Tilly International	3,630
11	Moore Stephens Intl	3,060
12	HLB International	2,726



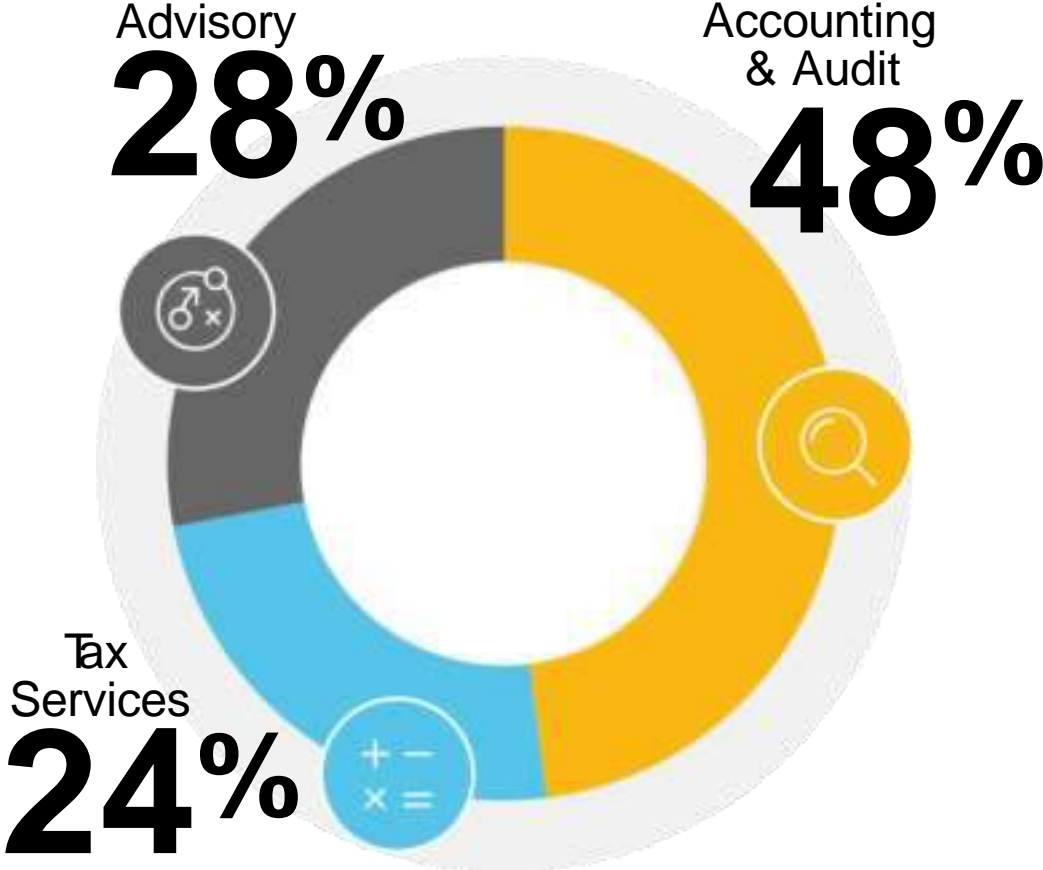
# 2019 Middle East Rankings

Rank	Network	Revenue (US\$m)
1	PwC	845.0
2	Deloitte	634.4
3	EY	606.2
4	KPMG	442.5
5	BDO	166.7
6	Baker Tilly International	70.1
<b>7</b>	<b>Crowe</b>	<b>59.3</b>
8	RSM	43.4
9	Grant Thornton	42.8
10	PKF International	36.4
11	SFAI	34.2
12	Moore Stephens Int'l	32.8

# Revenue by Core Service

Our member firms focus on the core services can be seen in the revenue segments

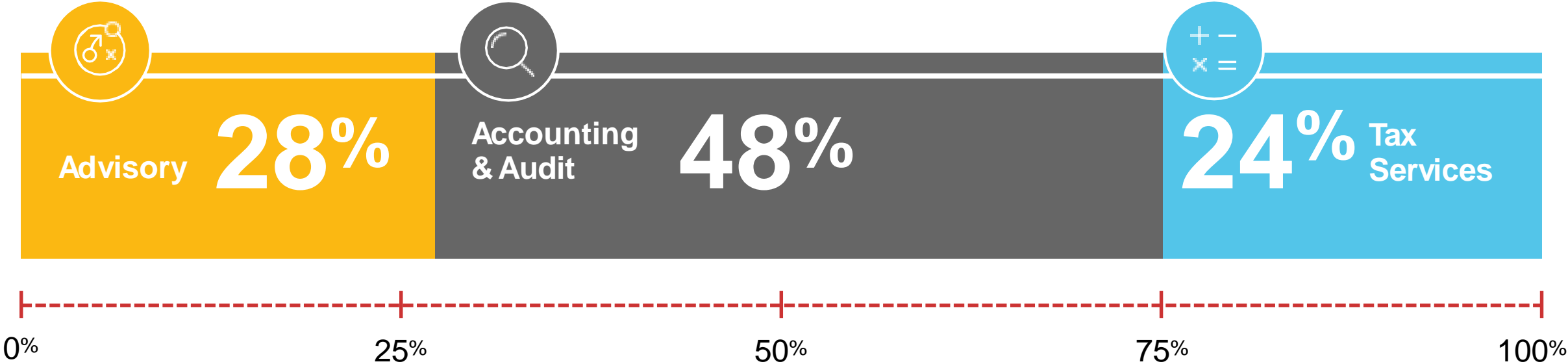
- Accounting and Audit
- Tax Services
- Advisory





# Revenue by Core Service

## Member Firms Core Services by Revenue



# EMEA by The Numbers



**10,284** Total People

**7,436** Professionals

**1,478** Administrative Staff

**1,370** Partners

**376** Offices

**81** Countries

# EMEA Region

- Albania
- Algeria
- Andorra
- Angola
- Austria
- Azerbaijan
- Bahrain
- Belarus
- Belgium
- Bulgaria
- Cameroon
- Croatia
- Cyprus
- Czech Republic
- Denmark
- Egypt
- Estonia
- Ethiopia
- Finland
- France
- Georgia
- Germany
- Ghana
- Greece
- Hungary
- Iraq
- Ireland
- Israel
- Italy
- Ivory Coast
- Jordan
- Kazakhstan
- Kenya
- Kuwait
- Latvia
- Lebanon
- Libya
- Liechtenstein
- Lithuania
- Luxembourg
- Malawi
- Mali
- Malta
- Mauritius
- Moldova
- Morocco
- Netherlands
- Nigeria
- Norway
- Oman
- Palestine
- Poland
- Portugal
- Qatar
- Romania
- Russia
- Rwanda
- Saudi Arabia
- Senegal
- Serbia
- Seychelles
- Slovakia
- Slovenia
- South Africa
- Spain
- Sudan
- Sweden
- Switzerland
- Syria
- Tajikistan
- Tanzania
- Tunisia
- Turkey
- Uganda
- Ukraine
- United Arab Emirates
- United Kingdom
- Uzbekistan
- Yemen
- Zambia
- Zimbabwe



**Bernard Delomenie**  
Regional Executive,  
EMEA

# Global Account Management

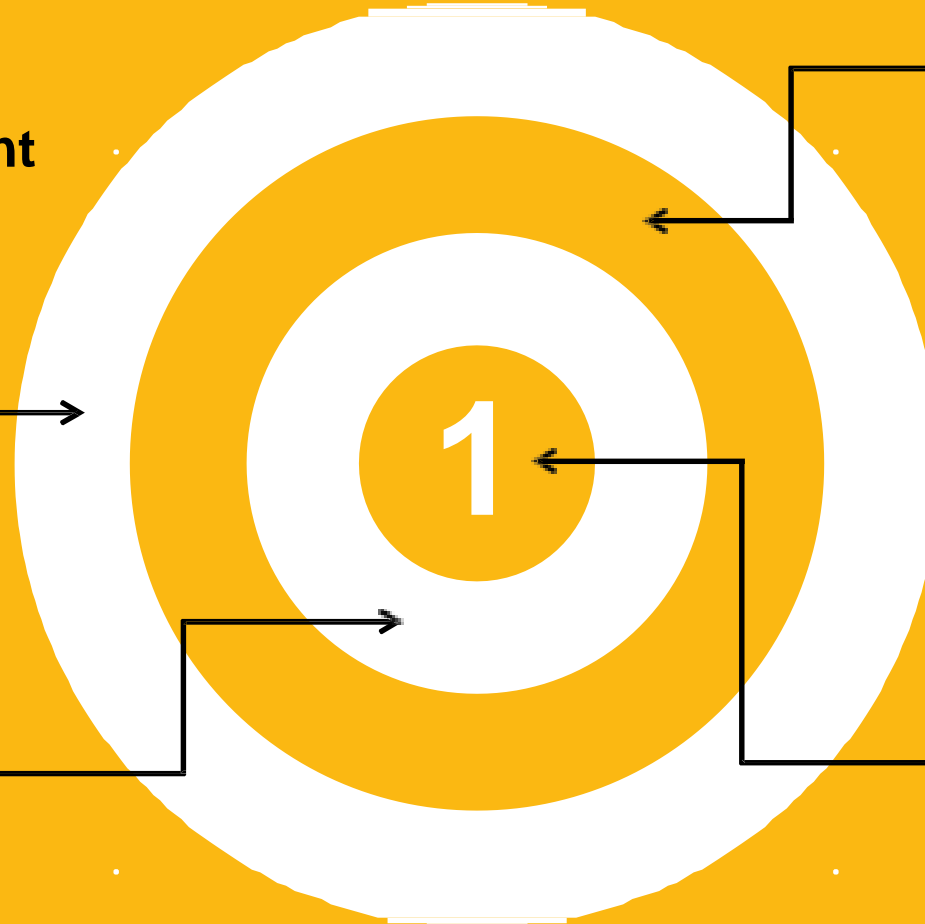
## One Point-of-Contact

**Multinational clients want consistency in cross-border engagements**

**Support by global and regional specialists with required knowledge**

**Local professionals who perform consistent processes in their home countries**

**We provide a single point-of-contact project leader**



# Global Audit



**Companies that successfully address audit issues, improve the quality of their financial reporting and stand to gain global credibility with leading sources of capital**

# Audit & Advisory Services

---

- Reporting on financial statements and other financial information
- Reporting on Non-Financial Information
- Reporting on other business information and processes
- Regulatory compliance reporting
- Reporting on frameworks such as the Global Reporting Initiative and Integrated Reporting
- Reporting to providers of finance
- Advising on the implementation and application of IFRS



# Building Lasting Value



## Reputation

- Methodologies and quality assurance programs
- Streamlined audit processes result in timely financial reporting and disclosure



## Service

- Flexible, well-designed, and risk-based processes
- Technologies that respond to client needs
- Prompt identification and communication of issues
- Timely delivery of results



## Insight

- Understanding of complex financial transactions
- Audit of the effectiveness of internal controls
- Advice on the convergence of national accounting practices to IFRS



# Ensuring Audit Quality

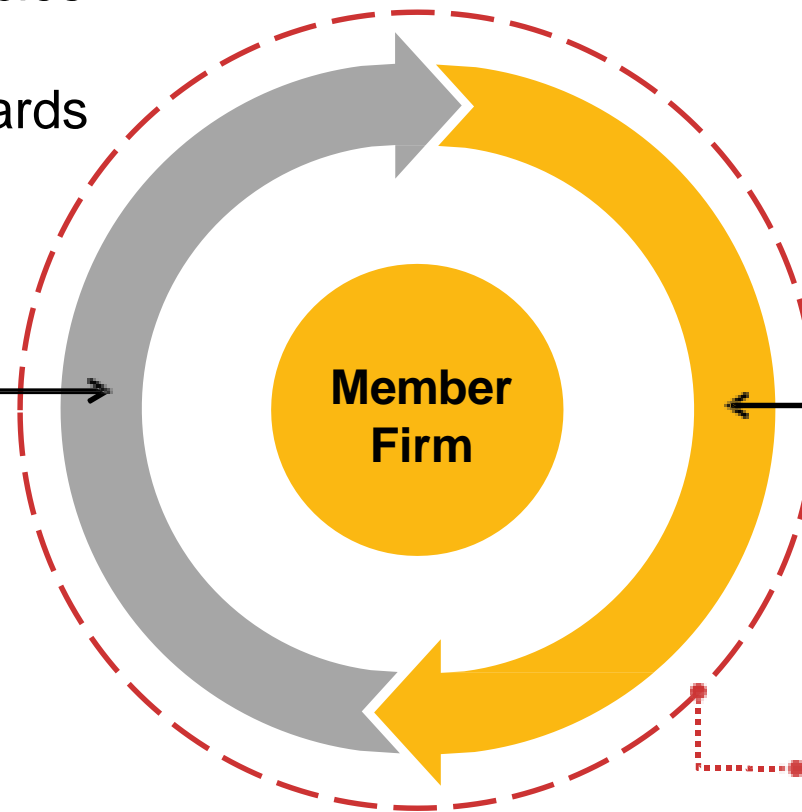
Our member firms maintain policies and procedures consistent with international professional standards which promotes continuous improvement in audit quality.

## Our Network

Performs a rigorous periodic review of members' compliance with global quality standards

## External Monitoring

Member firms are subject to external regulation and periodic monitoring of the quality of work performed



Compliant with international audit quality policies and procedures

# Ensuring Audit Quality



International  
Federation  
of Accountants

## Our member firms use:

- An established audit methodology, which allows for the sharing and transfer of information between members
- The methodology is consistent with the International Standards on Auditing (ISAs) as issued by the International Audit & Assurance Standards Board (IAASB)
- IAASB functions as an independent standard setting body under the auspices of the International Federation of Accountants (IFAC)

# We Support



- Setting Standards
- Dialogue with regulatory community
- Promoting convergence to international standards and audit quality worldwide
- One of 27 full members of the Forum of Firms
- Senior representatives of the IASB have presented at our Members' meetings
- We have periodic meetings with IASB staff members to be briefed about the development of standards
- We helped organize a Preparer's Forum for small / mid-cap listed companies

# EGIAN

- Crowe Global is an active member of EGIAN, the European Group of International Accounting Networks & Associations
- EGIAN has 23 members
- EGIAN is a link between middle-market networks and associations with the European Union's Institutions and other European leadership bodies, such as Accountancy Europe
- We have contributed to policy discussions on the development of the European audit and accounting legislation, and business policy such as Capital Markets Union



# Cyber Security

# CYBERSECURITY

## Strengthen security and protect data

As cybersecurity issues pose a growing threat to business operations and reputation, implementing a sound cybersecurity strategy has become critical to survival. The Crowe team can deliver a range of specialized cybersecurity risk management services that can help you strengthen your approach to IT governance and cybersecurity risk management.

## Cybersecurity expertise and capabilities

Our integrated approach to cybersecurity follows the Crowe integrated cybersecurity framework, which delivers customized cybersecurity risk management services to help you strengthen your approach to IT governance and risk management, including:

### Our services

- Assess
- Design
- Execute & optimize
- Implement
- Cyber Security Consulting Services
- Cybersecurity risk
- Cyberresilience
- Attack and penetration testing
- Solution implementation
- Managed security services
- SOC for cybersecurity attestation reporting

## 🔍 Assess

- Governance, Compliance and Risk Assessment
- Attack and Penetration testing
- Third party & cloud computing
- Social Engineering and Dark Web Assessment
- Security awareness
- SOC and IR/DF Assessement

## 💡 Design

- Prioritized IT security road map
- IT security vendor selection
- Business continuity plan
- Disaster recovery plan
- Incident response plan
- SOC plan



## 🌐 Execute & optimize

- IT security outsourcing and staff fuifillment
- Managed Security Services
- Support and SLA
- Incident response & forensics
- Knowledge transfer and Trainings



## 🌀 Implement

- Network Security Controls
- Data Security Controls
- Application Security Controls
- Endpoint Security Controls
- Monitoring and Response
- Policy and Procedures
- Cloud Security Controls
- IT/OT and IoT Security Controls





## Cyber Security Consulting Services

Failure to verify your firm's security and privacy protections may preclude firms from working with other member firms, clients and prospects. Our network integration is only as strong as our weakest link.

Crowe cybersecurity risk professionals can help you identify third-party information security risks by providing on-demand assessments around the globe. Our high-quality, certified specialists in third-party information security assessments apply advanced solutions designed to improve efficiency and deliver value.



## Cybersecurity risk

Helps navigate changing business conditions  
Manages IT and cybersecurity risk with flexible, adaptable, and responsive services. Let the Crowe portfolio strengthen your risk management program, Crowe's Cybersecurity specialists can help your organization.



## Cyberresilience

Business leaders must plan for how they will respond when – and not if – cyberattacks take place. Crowe cybersecurity professionals can help evaluate how prepared your organization is and assess your risk mitigation and disaster recovery plans. Strengthened cyberresilience, coupled with a well-planned response to incidents and breaches, can keep your organization on track. In addition, they are well-versed in the major cybersecurity standards and frameworks.



## **Attack and penetration testing**

Penetration testing, or pen testing, is more than just a matter of regulatory compliance. It's a key component to a sound cybersecurity risk management program. Our broad range of pen testing and advanced security assessment services can help you implement a best-in-class cybersecurity strategy.

## **Solution implementation**

Design and implement proper controls to protect data and meet compliance expectations to Strengthen your cybersecurity controls.

Just the daily maintenance of IT functions can leave little time for implementing critical cybersecurity controls. With fast-changing business conditions and limited IT resources, deciding which cybersecurity solutions to use can be overwhelming. Crowe can help you implement the right controls to protect your data and meet compliance expectations.

## **Managed security services**

Strengthen your digital security program with 7/24 monitoring and dedicated live analysts. Outsourced advanced event detection capabilities Incident response and investigation services.

Sophisticated cyber threats require sophisticated tools and expertise as the Cyberattacks are growing in number and intensity. Finding the talent to defend against such threats is getting tougher. Crowe can help you build a stronger, more resilient security program to effectively monitor and quickly respond to digital threats.

## **SOC for cybersecurity attestation reporting**

Cybercrime threatens your organization's security and value. When company stakeholders want to understand the status of your internal controls, a Service Organization Control (SOC) for Cybersecurity examination, based on the American Institute of CPAs (AICPA) cybersecurity attestation reporting framework, can help. An attestation from Crowe can provide the transparency and reassurance your stakeholders seek.

# Exceptional experience

Crowe is one of the largest and most experienced RSA Archer implementation providers in the world. Our certified specialists have received 14 industry awards for innovation and excellence.



# Crowe partners with Purdue Polytechnic Institute to tackle digital risk

Crowe has launched a collaborative effort with the Purdue Polytechnic Institute to work on digital risk research and projects. The partnership will also develop an executive training program for digital risk management.



# Crowe Partners



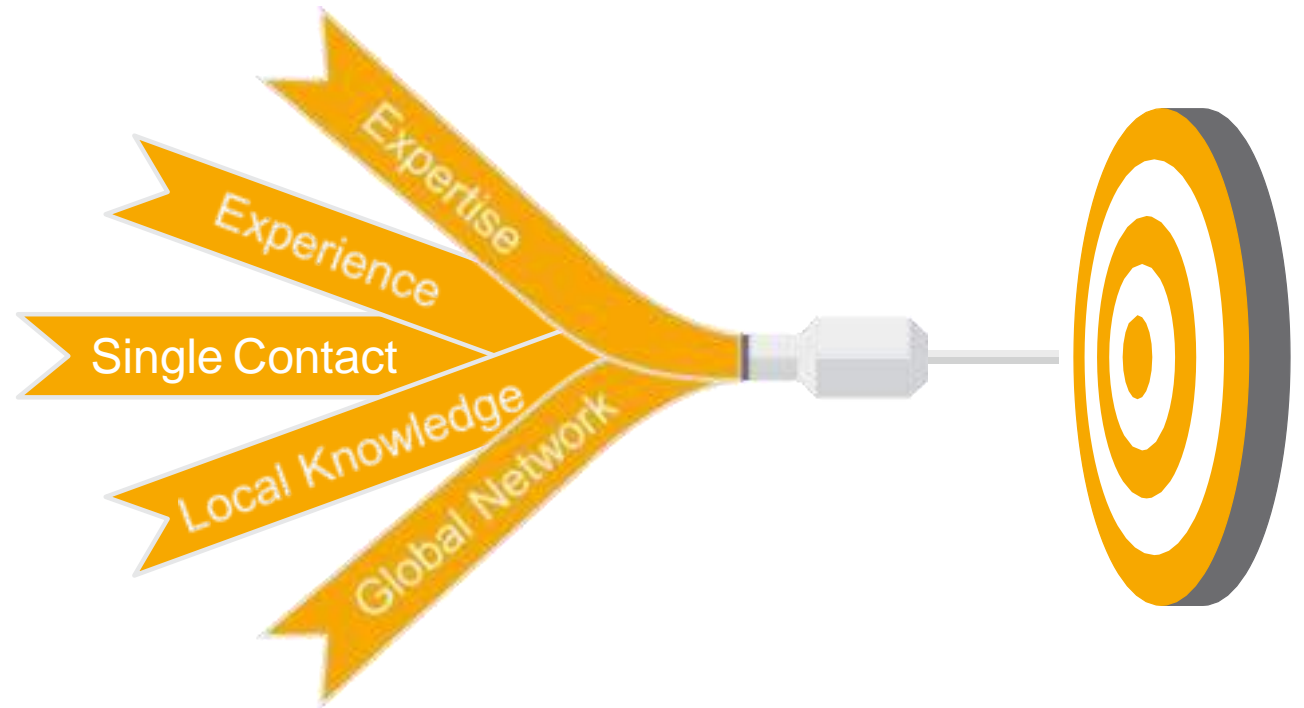
ORACLE®  
NETSUITE

5 STAR AWARD  
2019 ★★★★★



# Supporting Deals Worldwide

- We can support your deal with great connections in the banking, legal, and technical communities, as well within local and national governments.
- Deal Support
  - Connectivity
  - A single point of contact
  - More senior executive involvement
  - High profile account treatment
  - Lower cost structure than the big four
  - Equal-sharing partnership approach
  - Local country diligence



# Global Risk Consulting



**Cultures and customs vary, the language of identifying and monitoring risks is consistent in boardrooms and management suites throughout the world. Effective risk management provides the confidence to focus on achieving your business objectives.**

# Enterprise Risk Management (ERM)

The Crowe Governance Framework™ links seven essential and interrelated components of corporate governance.

Our ERM approach identifies and prioritizes risks, designs processes to manage risk including ongoing internal monitoring program.

- Organize the effort
- Establish a framework
- Conduct risk assessments
- Inventory risk responses
- Implement risk response monitoring





# Global Sustainability Services

Our range of global Sustainability Services provide you with expert, international processes to help your company to:

## Context

- Understand what to report
- Choose the right approach and framework
- Integrate financial and non-financial information



## Strategy

Develop a sustainability strategy aligned with corporate strategy

## Practicing Thought Leaders

- Report under global standards (e.g. GRI, SASB)
- Provide assurance to non-financial reports

# Global Sustainability Services

## Sustainability Strategy

Services designed help to develop, deploy, and communicate a sustainability strategy, aligned with stakeholders' views and corporate strategy.

- Strategic plans for sustainability
- Models for integrated capital management
- Materiality analysis for sustainability and integrated reporting
- Strategy-execution services (e.g., roadmap development, scorecard design, and tailored execution plans).



# Global Sustainability Services

## Sustainability and Integrated Reporting

Reporting is the most visible aspect of our work:

- Integrated Reports
- GRI Sustainability Reports and
- UNGC Communications of Progress
- Other non-financial types of reports.

We also help to develop and deploy the management systems needed to source the information for the reporting cycle, and to ensure compliance with norms and regulations.



# Global Sustainability Services

## Sustainability Management

Services to assess the capacity of management and management systems to develop and maintain maximum sustainability value enhancement.

## Report of Assurance

External assurance of report contents (integrated sustainability) and of carbon statements



# Specialized Industry Groups

Clients benefit from our deep specialization, accessing our extensive industry experience and insights.



**Financial  
Services**



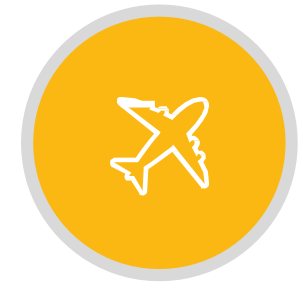
**Healthcare**



**Real Estate**



**Not for Profit  
(NGO)**



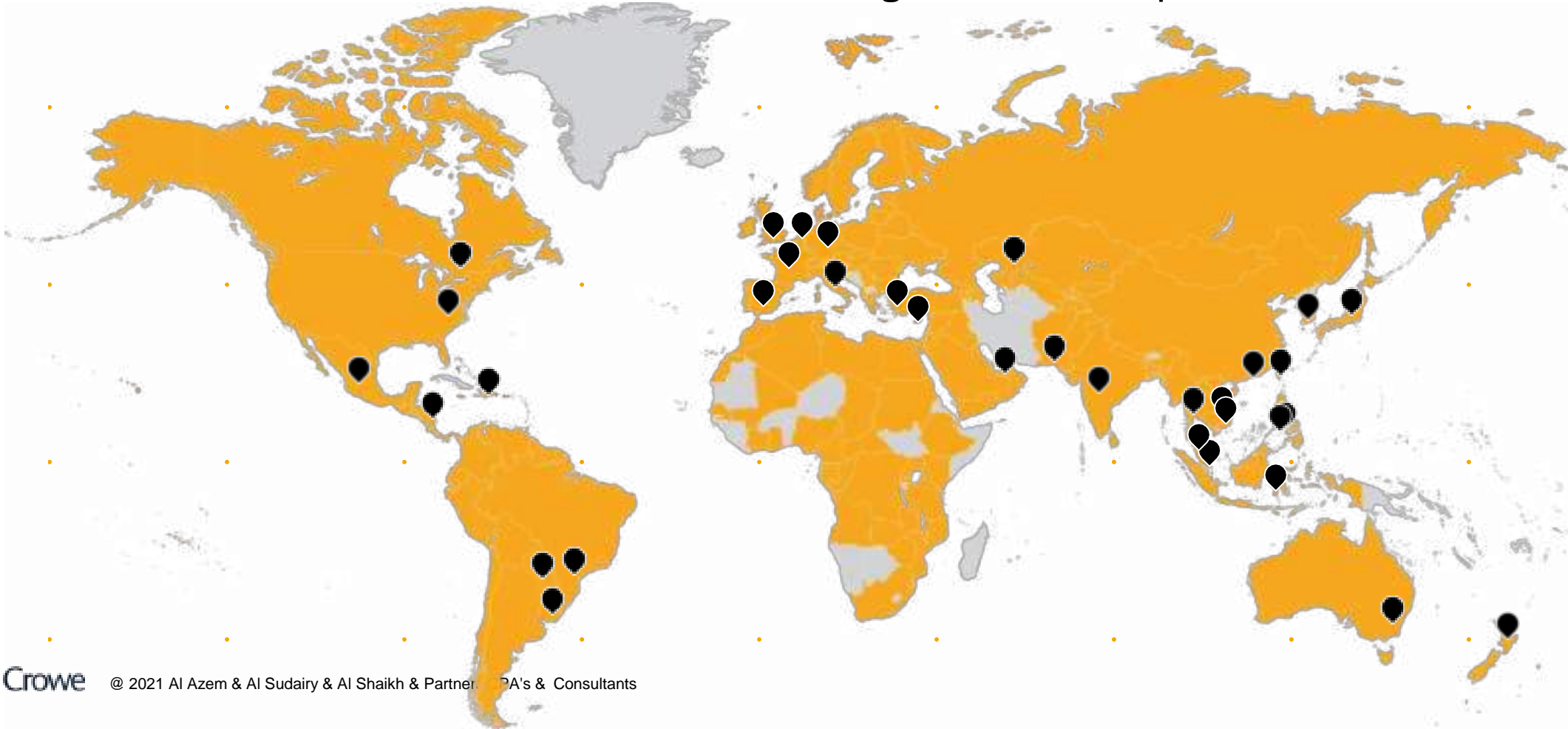
**Hotels, Travel  
and Leisure**

# **International Business Desks in various countries.**

# Business Desks

Reflect how our **local roots**, in-depth knowledge, and cultural diversity

Our professionals have a deep understanding **of the political, cultural, and economic background** of their practice countries



# Business Desks

## China Desks:

- Australia
- Brazil
- Cambodia
- Canada
- Cyprus
- France
- Germany
- Hong Kong
- India
- Indonesia
- Italy
- Japan
- Kazakhstan
- Malaysia
- Netherlands
- New Zealand
- Pakistan
- Singapore
- South Korea
- Spain
- Taiwan
- Thailand
- Turkey
- United Arab Emirates
- United Kingdom
- United States
- Vietnam

## German Desk:

- France

## Coming Soon Latin America\*:

- Costa Rica
  - Dominican Republic
  - México
  - Uruguay
  - Paraguay
- \*German speaking capabilities in place.***

## Japan Desks:

- Hong Kong
- Indonesia
- Malaysia
- Mexico
- Philippines
- Singapore
- Taiwan
- Thailand
- United States
- Vietnam



**Investing in Our**

**People & Communities**

# Investing in Our People

We believe that our people are our greatest asset and it is incumbent on our member firms to invest in programs and initiatives that enhance and grow partners' and professionals' skills and knowledge.

## Young Leadership Academy

Runs across our Asia Pacific and EMEA regions, brings together the next generation of leaders to help them build and cultivate cross-border relationships and foster the trust needed to deliver work across borders, seamlessly and effectively.



# Diversity and Inclusiveness

Throughout the network, diversity & inclusiveness is recognized as fundamental at every work stage that our people progress through.

It starts at recruitment and it continues through to all aspects of the business. We promote an inclusive work environment where respect, trust and integrity are valued, and everyone is able to contribute.



# Learning and Professional Growth

As a global network with more than 200 member firms, Crowe Global and our member firms host hundreds of training events at the local, regional and global levels.

Our network leaders are actively teaching, lecturing and promoting opportunities for learning and professional growth.



# Supporting Our Communities

We regularly conduct food, clothing and necessities products distribution programmes in various countries. We sponsor a wide variety of community-based special events, offers scholarships and other financial support to colleges and universities

Annually we conduct a complimentary health study programme in connection with doctors & physicians who conduct preliminary medical tests to assist individuals in getting a diagnosis on their illness.



# Environmental Stewardship

As we serve more and more clients around the world and work with member firms of the Crowe Global network, we're committed to environmentally conscientious practices and decision-making in every element of our business. We're also incorporating environmental accountability and thoughtfulness throughout our culture, business operations, and practices.



# 10. Appendix

# Licenses







وزارة التجارة والاستثمار  
Ministry of Commerce and Investment



رقم الترخيص : ٢٨٣  
تاريخ الإصدار : ١٤١١/٤/٣ هـ  
تاريخ الانتهاء : ١٤٤٢/٧/٣ هـ

## ترخيص مزاوله مهنة المحاسبة والمراجعة في المملكة العربية السعودية

يرخص للسيد / سلمان بن بندر بن أحمد السديري السعودي الجنسية ، بموجب هوية وطنية رقم ١٠٣٦٤ ٧٧٤٨١ وتاريخ ١٤٠٢/٢/٩ هـ الرياض بمزاولة مهنة المحاسبة والمراجعة في المملكة العربية السعودية. تتوفر شروط القيد الواردة في المادة الثانية من نظام المحاسبين القانونيين الصادر بالمرسوم الملكي رقم م/١٢ وتاريخ ١٤١٢/٥/١٣ هـ بموجب قرار لجنة النظر في طلبات القيد في سجل المحاسبين القانونيين رقم ١٨٥/٧٤٤٥م وتاريخ ١٤٣٧/٩/٧ هـ

رئيس لجنة النظر في طلبات القيد  
في سجل المحاسبين القانونيين

د. فهد بن أحمد ابوحيمد





  
وزارة التجارة والاستثمار  
Ministry of Commerce and Investment

**ترخيص مزاولة مهنة المحاسبة والمراجعة  
في المملكة العربية السعودية**

رقم الترخيص : 658  
تاريخ الإصدار : 1440/06/28 هـ  
تاريخ الانتهاء : 1445/06/27 هـ



يرخص للسيد / **مصعب بن عبدالرحمن بن عبدالله آل الشيخ** السعودي الجنسية ، بموجب هوية وطنية رقم 1018274447 وتاريخ 1412/05/14 هـ الرياض بمزاولة مهنة المحاسبة والمراجعة في المملكة العربية السعودية لتوفر شروط القيد الواردة في المادة الثانية من نظام المحاسبين القانونيين الصادر بالمرسوم الملكي رقم م/12 وتاريخ 1412/05/13 هـ بموجب قرار لجنة النظر في طلبات القيد في سجل المحاسبين القانونيين رقم 1/327 م/6 وتاريخ 1440/06/28 هـ



**رئيس لجنة النظر في طلبات القيد  
في سجل المحاسبين القانونيين**  
  
**وليد بن عبدالله الرويشد**





هيئة السوق المالية  
Capital Market Authority  
رقم الحساب: 19/5621/23  
تاريخ إصدار: 1440/02/28  
م: 2019/07/21  
ملاحظات: 1

الهيئة العامة  
رئيس الهيئة العامة  
Capital Market Authority  
1440

بسمه الله  
شركة الأستاذ عبدالله محمد بنديع العظم  
الشريك المسؤول عن الالتزام والتواصل مع الهيئة

شركة عبدالله محمد العظم و سلمان بندر السديري - العظم والسديري محاسبون  
ومراجعون قانونيون  
السلام عليكم ورحمة الله وبركاته . . .

لوضوح البدء بممارسة عمليات المراجعة للمنشآت الخاصة لإشراف الهيئة  
إشارة إلى صفتهم رقم 15 - 19/5621/23 وتاريخ 1440/02/28هـ الموافق 2019/07/21م،  
بشأن استيفاء شركة عبدالله محمد العظم و سلمان بندر السديري - العظم والسديري  
محاسبين ومراجعين قانونيين (الشركة) لشروط وقبول البدء بممارسة عمليات المراجعة  
للمنشآت الخاصة لإشراف الهيئة، وفق ما أشار إليه نظام الهيئة رقم (ص/547/33) وتاريخ  
1440/01/28هـ الموافق 2019/07/21م، وطلب موافقة الهيئة على البدء بممارسة عمليات  
المراجعة للمنشآت الخاصة لإشراف الهيئة.

وحيث استوفت الشركة الشروط والقيود المنصوص عليها في مخطبات الهيئة المشار إليه  
أعلاماً، فلهذا تم باستكمالها الشركة البدء بممارسة عمليات المراجعة للمنشآت الخاصة  
لإشراف الهيئة اعتباراً من تاريخ هذا الخطاب.

ولنؤكد في هذا الصدد على أهمية الالتزام بنظام السوق المالية الصادر بالمرسوم الملكي  
المطهر رقم (م/31) وتاريخ 1431/06/27هـ، وتولاه التفتيشية وجميع التعليمات الأخرى الصادرة  
من الهيئة.

من والقبول خالص التحية والتقدير . . .

مدير عام القوائم المالية ومراجعي الحسابات  
سامي بن محمد الشرفاء



رؤية 2030  
REPUBLIC OF SAUDI ARABIA  
MINISTRY OF COMMERCE AND INDUSTRY

وزارة التجارة والاستثمار  
Ministry of Commerce and Industry

شهادة تسجيل شركة مهنية  
الرقم 158/11/233 التاريخ 15 / 07 / 1426 هـ

بناء على أحكام نظام الشركات الصادر بالرسوم الملكي رقم (م/3) وتاريخ 28/01/1427 هـ ونظام الشركات المهنية الصادر بالرسوم الملكي رقم (م/4) وتاريخ 18/02/1412 هـ ولائحته التنفيذية الصادرة بقرار معالي وزير التجارة والصناعة رقم (41) وتاريخ 1/8/1413 هـ، فقد تم تكوين شركة مهنية بين كل من السادة:

اسم الشريك	الجنسية	رقم الترخيص	التاريخ	الهبة
عبد الله بن محمد بن محمد العظم	سعودي	339	15/07/1426 هـ	محاسب قانوني
سلمان بن ناصر أحمد السنديري	سعودي	53	15/07/1426 هـ	محاسب قانوني
مصعب عبد الرحمن آل الشيخ	سعودي	158	15/07/1426 هـ	محاسب قانوني

وذلك لزوجة مهنة (المحاسبة والمراجعة القانونية) بالملكة العربية السعودية.

باسم (شركة عبد الله محمد العظم وسلمان بن ناصر السنديري و مصعب عبد الرحمن آل الشيخ - المحكم والسنديري وآل الشيخ وشركائهم محاسبون ومراجعون قانونيون). ومركزها الرئيسي بمدينة (الرياض) حي العليا - شارع محمد بن عبد العزيز - مبنى رقم (3174) من طابق (1004) الرياض، (1423) هاتف: (2178000). وتم تسجيل هذه الشركة بسجل الشركات المهنية بالإدارة العامة للشركات برقم (158/11/233) وتاريخ 15 / 07 / 1426 هـ. سدت رسوم التأسيس بالفاكورة رقم (001241922) وتاريخ 13/07/1426 هـ. سدة لتكفي بـ 08 / 07 / 1426 هـ.

سدت رسوم التعديل بالفاكورة رقم (00121993) وتاريخ 18/07/1426 هـ.

مدير مركز خدمة العملاء بشمال الرياض

التفويض الرسمي

15/07/1426 هـ  
ريان بن محمد الشطاوي  
عبد الله بن محمد الشطاوي

# Confidentiality

# Confidentiality

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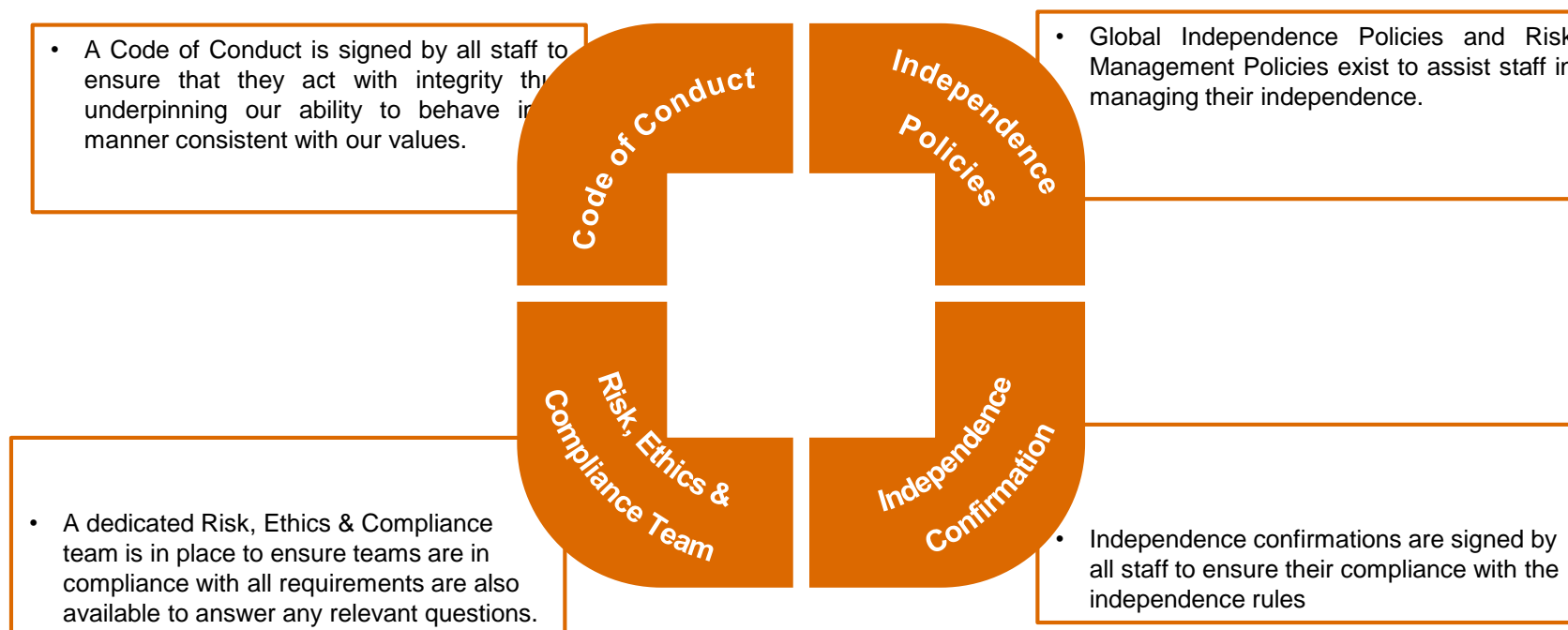
We agree that we will treat as such all confidential proprietary information obtained from the Client, and will not disclose such information to others, except to those (“AlAzem, AlSudairy, Alshaikh & Partners CPA’s & Consultants ”) persons engaged in providing services to the Client, or use such information except in connection with the performance of the services agreed to in this proposal. This undertaking shall not apply to any of the information that we are required by law or by the requirements of any regulators or by specific professional standards to disclose or that is in or hereafter enters the public domain.

# Independence



# Independence

- We can confirm that we are not conflicted on this engagement and we will ensure independence during period of appointment.
- Our dedicated Independence, Ethics & Compliance team works to embed quality and risk management into Crowe's business operations and culture.
- Delivering distinctive quality is a central part of what Crowe stands for and a fundamental element of what clients, regulators and other stakeholders expect of a market leader in professional services. As a fast growing firm it is critical that quality and risk be proactively managed, by ensuring that we achieve Operational Excellence in all aspects of Quality, Risk Management, Compliance and Independence.
- We will ensure our independence is maintained and conflicts of interest are mitigated through the following:



# Contact Us

# Contact Us



## Riyadh

Prince Mohammed Bin AbdulAziz  
Street (Tahlia)  
Unit No. 11  
Riyadh 12241, Saudi Arabia



## Jeddah

Al-Khalidiyyah District Prince Sultan  
Road  
1st Floor - Office: 109  
Jeddah 23326, Saudi Arabia



## Khobar

Alkhobar Gate - King Fahed Road  
AlShaikh tower - 5th Floor  
Alkhobar 34424, Saudi Arabia



Conjoint Number: 920001474



This is a proposal document and does not constitute a contract of engagement with Crowe. The information set out in it is an indication of the terms on which we propose to carry out our work for you but the proposal is subject to the terms of any subsequent engagement contract that may be entered in to between us. In the event that our proposal to you is successful, our acceptance of the engagement will be contingent upon the completion of all our internal engagement acceptance procedures.

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SALAMA  
COOPERATIVE  
INSURANCE  
COMPANY

**PKF** Ibrahim Ahmed Al-Bassam & Co  
Certified Public Accountants - Al-Bassam & Co.  
(member firm of PKF International)



Proposal for External  
Audit Services

Year Ending  
31 December 2022

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# LETTER TO THE MANAGEMENT



1 March 2022

Attention of The Audit Committee  
**Salama Cooperative Insurance Company**  
Jeddah, Saudi Arabia

**Dear Sirs,**

We are pleased to present our proposal to serve as external auditors of Salama Cooperative Insurance - (the Company). We appreciate your interest in our professional services and look forward to the opportunity of working with you and your esteemed Company. Our proposal describes our understanding of your needs and proposes how we can assist you.

PKF International Limited (PKFI) is one of the world's leading professional services organizations. The member firms of PKFI deliver world-class assurance and advisory, tax, and consulting services, with more than 20,000 staff in over 440 locations in around 150 countries. The member firms serve some of the world's largest companies, as well as large national enterprises, public institutions, and successful fast growing companies.

We feel that our firm is best equipped to respond to all of your service needs. Our strong presence in the Kingdom combined with the international strength of our affiliate, PKFI, will result in prompt effective responses to all of your Kingdom and in fact world-wide service needs.

Our mission is to help our clients and people excel. This mission requires an uncompromising commitment to high professional and technical quality and service excellence. Through the varied disciplines and expertise our firm possesses, both at the local and international level, we believe that the quality of services we offer will exceed your expectations.

In this proposal we will describe the scope of the work that we propose, our team of professionals and our fees for these services. We believe that we are well qualified to serve as the independent auditor and advisor to the Company. All the members of our team, in addition to solid professional qualifications and experience, share the same commitment to providing outstanding service to you.

**PKF Al Bassam & Co.**

**Ibrahim A. Al Bassam**

# PKF INTERNATIONAL

440 locations  
150 countries  
with 20,000 employees  
including 2,600 partners .....



# ABOUT PKF INTERNATIONAL



## NORTH AMERICA

PKF International has 41 member firms in US and Canada

## EUROPE

PKF International has member firms in every EU country, the key emerging markets in Eastern and Central Europe, and in some of the Central Asian republics.

## MIDDLE EAST

PKF has a comprehensive representation across the Middle East – from the Mediterranean states to the GCC states in the Gulf.

## AMERICAS

PKF is represented in Mexico, all the Latin American countries and throughout the Caribbean

## AFRICA

Our members extend from North Africa down through East Africa, across English and French speaking West Africa and throughout Southern Africa.

## ASIA PACIFIC

PKF members cover the region from the Indian sub-continent and South East Asia mainland to Oceania, Hong Kong and China.

# PKF

## AL BASSAM & CO.

FIRM PROFILE

**“WE AIM TO BE THE BEST AND NOT THE LARGEST”**

## OUR REGIONAL PROFILE

**PKF AL BASSAM and Co.** is one of the leading professional organizations in the Kingdom of Saudi Arabia and a member firm of PKF International.

Established late 2002, in Saudi Arabia and late 2005, in Bahrain. We have since then established ourselves as one of the leading firms in Saudi Arabia as evidenced by our wide portfolio of clients that includes many well established companies across a spectrum of different industries.

We audit are currently engaged in the audit of 32 listed companies in Saudi Arabia, we are ranked Number 4 in terms of audits of listed Companies in KSA and Number 1 by far in terms of audits of Listed Insurance Companies;

Majority of our Partners , Directors, Managers and Senior Staff are former Big 4 and carry formal qualifications from recognized accounting bodies i.e.

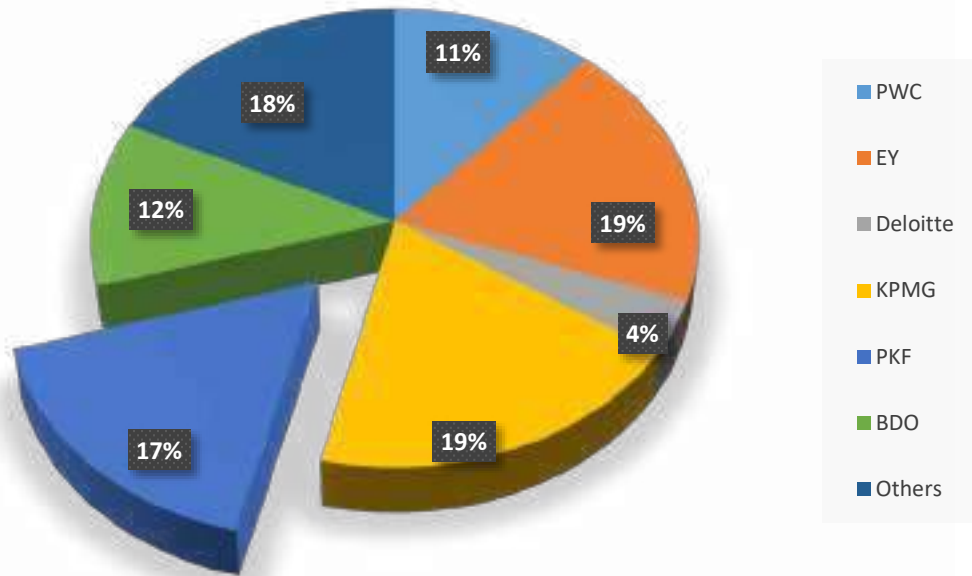
- American institute of Certified Public Accountants ([CPA](#)),
- Saudi Organization for Certified Public Accountants ([SOCPA](#))
- Institute of Chartered Accountants in England and Wales ([ICAEW](#)),
- Institute of Chartered Accountants of Pakistan and India ([ICAP](#) and [ICAI](#)),
- Association of Certified Chartered Accountants ([ACCA](#)) and
- Egyptian Society of Accountants and Auditors ([ESAA](#)).

Our team comprises of 90 staff in KSA including 7 Partners and Senior directors, 14 managers and 69 experienced professionals.



## OUR SHARE OF LISTED CLIENTS IN THE MARKET AS COMPARED TO THE BIG 4

Listed Clients Percentage



Number of listed clients:

*KPMG 37*

*E&Y 36*

*PWC 22*

*PKF 32*

*BDO 22*

*Deloitte 7*

*Others 34*

## OUR KSA PRESENCE



We believe that, whilst there are many reasons why PKF is uniquely placed to be appointed as auditors for your Company, the most important of these are;

## UNIQUE QUALIFICATION

There are many reasons why we believe PKF is uniquely qualified to meet the needs of your Company – reasons which differentiate our firm from other competitors are:

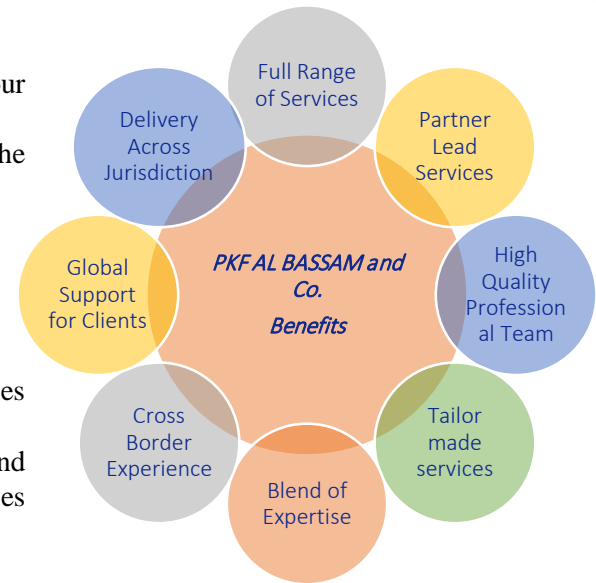
- Our team quality who has deep expertise working in a number of countries, especially in the Gulf region;
- Years of experience in providing services to clients from your industry
- Our unique, ‘no surprises’ audit methodology which is elaborated in detail
- Our professional approach to the provision of services to our clients.

## AUTHORITY

- We will be proactive in keeping you informed, responding to your requests, addressing issues that need to be resolved and making sure that deadlines are met.
- Your Company will be part of PKF Family, a program through which we serve our largest and most valued clients. Among other benefits, this means that PKF’s global network of resources can be accessed by the Company at any time.

## PROFESSIONALS WHO ‘FIT’

- We have a team in place for your audit, who have the ability to work effectively with you and with each other, and who remain totally committed to serving the Company into the future.
- Furthermore, we understand the need to adapt with the culture of the Company and to fit well within it. The members of our team will have a goal to develop highly productive relationships with management at all levels built on common values and mutual respect, while rigorously preserving their professional objectivity and independence at any times.
- We have put in place a team which has the experience and expertise.*
- Ibrahim Al-Bassam, will act as Client Service Partner. He acts as a sounding board on strategic matters to many businesses in the Saudi Arabia. He has worked closely with board members and key senior level executives of other businesses in the region and will do the same for Your Company.
- We have identified a dynamic team comprising of professionals who have extensive experience of relevant industries and will support the engagement partner, engagement director and engagement senior manager in delivering a quality audit to the Company.



## REGISTRATION WITH CAPITAL MARKET AUTHORITY (CMA)

It is with extreme pleasure, to announce that we have become the first firm in the Kingdom of Saudi Arabia (“KSA”) to be approved by Capital Market Authority (“Authority”) to carry on audit engagements for entities subject to the Authority’s supervision.

Being one of the firms with the largest share in terms of auditing entities subject to the Authority’s supervision in KSA, the approval is evidence of our commitment to fully comply with the regulatory requirements and deliver quality assurance services.

We are thankful to all our clients in having trust in us as their auditors.

(Source: Tadawul)

**Capital Market Authority registered  
Ibrahim Ahmed Albassam & Co.  
(Albassam & Co.)**



The CMA Board of Commissioners issued its resolution approving the registration of Ibrahim Ahmed Albassam & Co. (Albassam & Co.) (license No. (520/11/323) dated 13/10/1434H) to carry on audit engagements for ESAS.

نود مع بالغ سرورنا بأن نعلن لجميع عملائنا الكرام أننا أول شركة في المملكة العربية السعودية يتم الترخيص لها من قبل هيئة السوق المالية (الهيئة) وذلك لممارسة عمليات المراجعة للمنشآت الخاضعة لإشراف الهيئة.

كوننا أحد الشركات التي تملك الحصة الأكبر من حيث مراجعة المنشآت الخاضعة لإشراف الهيئة في المملكة العربية السعودية، فإن الموافقة هي دليل بأننا ملتزمون بالامتثال الكامل للمتطلبات النظامية و جودة خدمات المراجعة.

نحن ممتنون لجميع عملائنا على الثقة بنا كمدققين.

**تسجيل هيئة السوق المالية لشركة  
إبراهيم أحمد البسام وشركاؤه  
محاسبون قانونيون (البسام وشركاؤه)**



أصدر مجلس الهيئة قراره بالموافقة على تسجيل شركة إبراهيم أحمد البسام وشركاؤه محاسبون قانونيون (البسام وشركاؤه) (صاحبة ترخيص مزاولة مهنة مراجعة الحسابات رقم (323/11/520) وتاريخ 13/10/1434هـ) لممارسة عمليات المراجعة للمنشآت الخاضعة لإشراف الهيئة.

# SCOPE OF SERVICES & KYC METHODOLOGY



# SCOPE OF SERVICES OFFERED BY US



**PKF Al Bassam & Co. is specialized in providing the following professional services:**

- ❑ Assurance services- External audit & review engagements;
- ❑ Zakat and Tax services including Value added tax (VAT);
- ❑ Advisory services- Financial due diligence, business plan and feasibility studies;
- ❑ International Financial Reporting Standards (IFRSs) implementation.

## Assurance



- External audit and assurance services
- Agreed upon procedures

## ZAKAT, TAX AND VAT



- Direct Taxation
- Indirect Taxation
- Corporate Taxation
- International Taxation

## Advisory services



- Due Diligence
- Feasibility Study

## IFRS



- GAP Analysis
- Impact assessment
- IFRS financial statements

## AT PKF, WE APPLY THE KYC METHODOLOGY

At PKF, we apply the Know Your Customer (KYC) Methodology in order to enable us to deliver the best of our services to our prestigious clients. We ensure that the process of service delivery is smooth and satisfies the utmost requirements of the clients in the most efficient way.

### UNDERSTAND THE CLIENT BUSINESS

Obtaining a thorough understanding of the client business and the requirements of the engagement are one of the top most priority while a proposal is submitted to the client. We ensure that we have a clear understanding of the requirements, and the deliverables are prominently identified and outlined.



#### IMPORTANT CLIENT REQUIREMENTS:

1. *INDEPENDENCE*
2. *DEFINING THE SCOPE OF ENGAGEMENT*
3. *KNOW THE CLIENT BUSINESS*
4. *INDUSTRY SPECIFIC KNOWLEDGE*
5. *COMPLIANCE WITH SOCPA REQUIREMENTS*
6. *COMPLIANCE WITH CMA REQUIREMENTS*
7. *STAKEHOLDER REQUIREMENTS*
8. *LEGAL REQUIREMENTS*
9. *DEADLINES*
10. *CLEARLY IDENTIFIED DELIVERABLES*

# PLANNED APPROACH FOR ANNUAL AUDIT

# SCOPE OF ENGAGEMENT



## ENGAGEMENT WITH SALAMA COOPERATIVE INSURANCE COMPANY



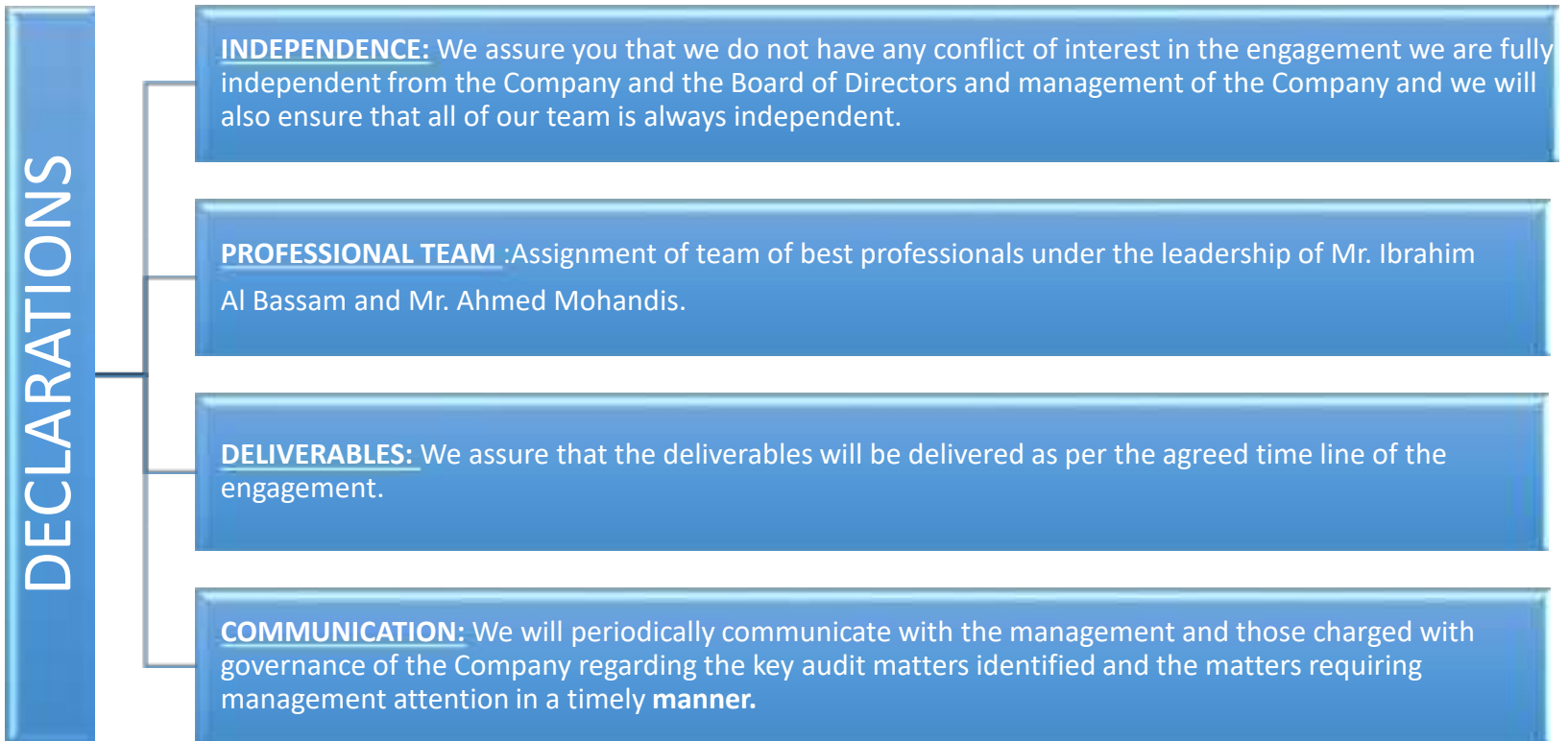
Our proposal is to carry out the following services for Salama Cooperative Insurance Company :

- a) Statutory audit of the financial statements for the year ending 31 December 2022 in accordance with International Financial Reporting Standards (IFRS) as endorsed in Kingdom of Saudi Arabia.
- b) Statutory interim reviews of the quarterly financial statements prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed in Kingdom of Saudi Arabia.

# PLANNED AUDIT APPROACH







## ENGAGEMENT WITH THE COMPANY



# OUR APPROACH AND REPORTING



## OUR APPROACH TO EXECUTE THE AUDIT ENGAGEMENT

	Our activities	Your involvement / our deliverables
 <b>Planning</b>	<ul style="list-style-type: none"> <li>• Understand business, risks and areas of sensitivity and subjectivity</li> <li>• Understand accounting and reporting activities</li> <li>• Plan audit procedures</li> <li>• Agree on audit timetable</li> </ul>	<ul style="list-style-type: none"> <li>• Audit planning meeting</li> <li>• Audit information requests</li> <li>• Early warning of any issues and areas of focus</li> </ul>
 <b>Controls testing</b>	<ul style="list-style-type: none"> <li>• Identify and document key systems and processes</li> <li>• Evaluate design and implementation of selected controls</li> <li>• Test operating effectiveness of selected controls</li> </ul>	<ul style="list-style-type: none"> <li>• Report on control observations</li> </ul>
 <b>Substantive testing</b>	<ul style="list-style-type: none"> <li>• Perform substantive audit procedures with a balance sheet approach</li> <li>• Audit of consolidation and statutory accounts process</li> </ul>	<ul style="list-style-type: none"> <li>• Discuss audit findings</li> </ul>
 <b>Completion</b>	<ul style="list-style-type: none"> <li>• Report to management</li> </ul>	<ul style="list-style-type: none"> <li>• Audit completion meeting</li> <li>• Insightful reporting on audit findings</li> <li>• Audit report and audit opinion</li> </ul>

### A uniform approach by

Submitting audit and review instructions to all PKF offices involved.

Define and communicate an agreed timeline for year-end audit and quarterly reviews.

Applying the PKF audit methodology as stipulated in the PKF Audit Manual.

Using uniform audit tools, e.g. audit software.

Compiling uniform audit documentation, e.g. summary of adjusted/unadjusted audit/review differences, inter-office audit/review memo

... working closely with you from the outset

# OUTLINING THE RESPONSIBILITIES

# AUDITORS' RESPONSIBILITIES



## AUDIT SCOPE OF WORK AND REPORTING REQUIREMENTS

The scope of work is always mutually defined in order that we take into account your specific needs and requirements. Based on our understanding, we conclude that the following services would be required:

- a) Statutory audit of the financial statements for the year ending 31 December 2022 in accordance with International Financial Reporting Standards (IFRS) as endorsed in Kingdom of Saudi Arabia.
- b) Statutory interim reviews of the quarterly financial statements prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed in Kingdom of Saudi Arabia.

Report to the shareholders of the Company (a & b), whether in our opinion:

- The financial statements present fairly, in all material respects, the financial position of the Company as of the balance sheet date and the results of its operations and their cash flows for the year then ended, in accordance with accounting/reporting standards recognized and prevailing in the Kingdom of Saudi Arabia.
- Comply with the requirements of the Regulations for Companies, Company's by-laws with respect to the preparation and presentation of the financial statements.

## AUDIT RESPONSIBILITIES, LIMITATIONS AND REPORTING FRAMEWORK

We will conduct our audit in accordance with International Standards on Auditing (ISA). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation.

Generally Accepted Auditing Standards require that we obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatements, whether caused by an error or irregularity. While an effective internal control structure reduces the likelihood that errors or irregularities (including misappropriation of assets) may occur and remain undetected, it does not eliminate that possibility. For that reason and because we use selective testing in our audit, a material misstatement may remain undetected and we cannot guarantee that material errors or irregularities, if present, will be detected.





## **AUDIT RESPONSIBILITIES, LIMITATIONS AND REPORTING FRAMEWORK-Continued**

Our audit should, therefore, not be relied upon to discover defalcations or other irregularities that may have occurred, but their discovery, if they exist, may result from the audit tests that we undertake and we will report such cases.

Pursuant to professional standards, in the unusual event that we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or decline to issue a report.

As part of our audit, we will obtain an understanding of the Company's internal control structure solely to plan the audit and determine the nature, timing and extent of our audit procedures. This understanding will not be sufficient to enable us to render a separate opinion on the effectiveness of the internal control structure over financial reporting.

The working papers, prepared in conjunction with our work, are the property of our firm, constitute confidential and proprietary information and will be retained by us in accordance with our firm's policies and procedures.

## **MANAGEMENT'S RESPONSIBILITIES AND REPRESENTATIONS AND REGULATORY REQUIREMENTS**

We remind you that, in accordance with Regulation No. 126 of the Saudi Companies' Regulations, it is the responsibility of the Company's management to prepare the financial statements including adequate disclosures. This includes the maintenance of adequate accounting records and internal controls, the selection and application of accounting policies, and the safeguarding of the Company's assets.



## Management Letter

Considering you as one of our important clients, our objective will be to provide you with an added value service via the development and submission of a Management letter depicting areas for improvements whether from internal control prospective or accounting and financial matters.

The Report will include the following:

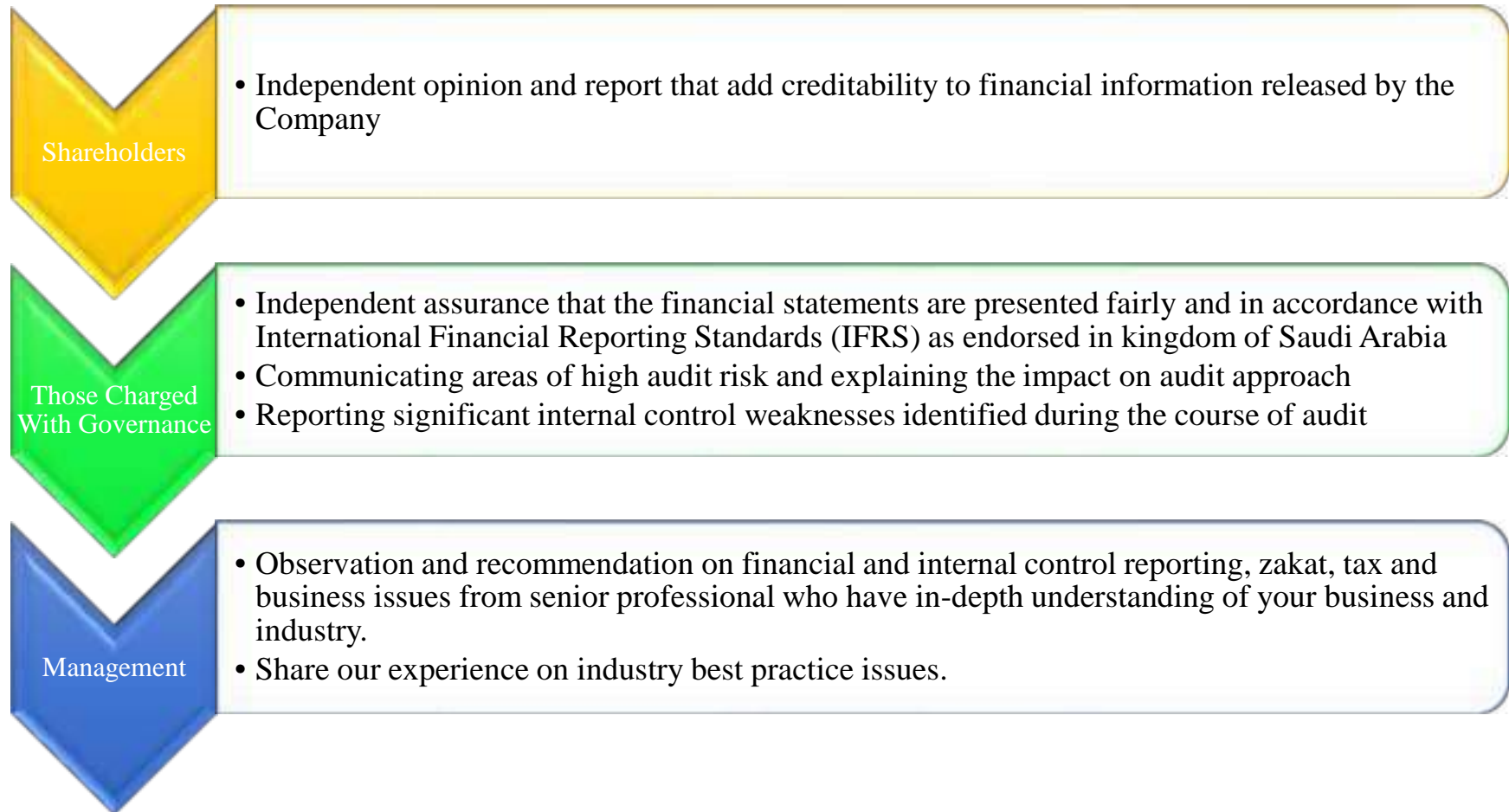
1. Management Letter: Auditing Standards require that auditors should inform their customers either orally or by a formal letter. Our approach requires us to separately report any significant deficiencies relating to the internal control structure noted during our audit and bring to your attention any material errors or irregularities or illegal acts of which we become aware during our audit in the form of a letter which will be submitted, after discussion with Company's management, to the Audit Committee or the Board of Directors / shareholders.
2. Report on issues along with recommendations for remedial action.

DETAILED WORK APPROACH  
FOR  
ANNUAL AUDIT  
AND  
QUARTERLY REVIEWS

# PURPOSE AND SCOPE OF WORK



## AUDIT OBJECTIVES



# SCOPE OF QUARTERLY REVIEWS



## QUARTERLY REVIEW OF FINANCIAL STATEMENTS AND ITS REGULATORY REQUIREMENTS

We will review the financial statements for each quarter in accordance with International Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” and provide you with a report as required by IFRS – IAS 34 “Interim Financial Reporting” as endorsed in Kingdom of Saudi Arabia.

This Standard requires the auditors to perform financial analysis and make specific inquiries of management and others about the items in the financial statements and the effectiveness of the accounting processes. We will request from management written confirmation in a Letter of Representation (LOR).

In the LOR, the management represents that in case any errors are not rectified, this will not materially affect the financial position of the Company and will not have any material impact on the presentation and disclosures in the financial statements.

After completion of our review, we will discuss the results with the management.

During our review, if we identify any issues [including any material impact over the completeness and quality of the presentation and disclosure in the reviewed financial statements] we will discuss these issues with the management before issue of the quarterly report.

This limited review is significantly lesser than the regular year end audit which is required by the Generally Accepted Auditing Standards. Hence, we will not express our opinion on the quarterly financial statements.

Our examination does not include any assurance that we will be aware of any errors, irregularities, fraud or illegal activities or any other issues that will have any impact on our judgment over the quality of the financial statements that could be identified during regular audit process.

It is the responsibility of the management to adhere to the Ministerial Regulations and to enable us to complete the limited quarterly reviews within the stipulated time and submit the Reports to the Ministry within the prescribed time limit.

# Purpose and Scope of Work



## Our Audit Emphasis

Based on our initial understanding of your accounting issues and challenges obtained from our discussion with the management, our experienced audit team will exercise special focus on the following areas during the early stages of the audit, in order to identify and resolve the potential accounting and technical matters in a timely manner.

Accounting issues and challenges	Description	Our approach
<b>Accounting policies and judgments and estimates are appropriate.</b>	There are frequent changes in accounting standards and the Company should be well equipped to handle the adoption of any standard that may have a material impact on the financial statements.	We will ensure that the Company is aware of new accounting standards and implications of adoption, if appropriate, as soon as practical. We will discuss the appropriateness of accounting policies, and review significant transactions and contractual arrangements against the requirements of IFRS accounting standards, SAMA guidelines, CMA regulations..
<b>Premium cycle</b>	In response to Applicable Standards on Auditing there is a fraud risk factor related to revenue recognition. Due to volume of policy issuance transactions, there is a risk that the premium as well as reinsurance premium are not recorded in the correct period.	Test the operating effectiveness of controls that ensure premium and reinsurance premium are recognized on a timely basis based on actual services provided at agreed contractual rates. Test of transactions occurring at or around the year end to ensure that premium and re-insurance premium are recorded in the correct period.
<b>Claims cycle</b>	Ensure that all the outstanding claims reported are recorded and corresponding reinsurance claims as per the terms of contract entered are recorded in the correct period.	Test the operating effectiveness of controls that ensure claims and reinsurance claims are recorded on a timely basis and in compliance with the policies issued. Test of transactions occurring at or around the year end to ensure that claims and re-insurance claims are recorded in the correct period and in compliance with the policies issued.
<b>Actuarial Valuation</b>	Ensure that actuarial valuation for the reserves is in accordance with SAMA guidelines.	To obtain understanding of the external actuarial involved for valuation. To challenge the actuarial assumption used and ensure it is in accordance with current market. To examine the data provided by management to actuary for computing the valuation for the period end

# Purpose and Scope of Work



## Our Audit Emphasis - continued

Accounting issues and challenges	Description	Our approach
<b>Investments</b>	Ensure that investment valuation in accordance with accounting standard applicable	Test the operative effectiveness of controls for investment cycle to ensure investment are made and redeemed/ sold in accordance with the company's polices and procedures. Insure that company's investments are in line with SAMA Guidelines and in accordance with investment committee sited policy. Test the existence of investment and valuation of each category of investment as on year end / period end.
<b>Premium Receivables</b>	There are always risk for the collectability of the accounts receivables due the instability of the market due to economic changes is Saudi market which may raise a risk of impairment.	We will review the Company's collection policy to insure that it is correctly applied, will request confirmations from customers / reinsurance companies and will review the subsequent collections. Based on aging, customers defaulting will be assessed on case by case basis. We will ensure that provision for doubtful receivable is calculated in accordance with SAMA guidelines.
<b>Operating Expenses</b>	Ensure that operating expenses are incurred as per the guidelines stipulated by management.	<ul style="list-style-type: none"> <li>• Understanding and testing of controls surrounding the expenditure cycle;</li> <li>• Perform analytical review of major operating expenses streams to assess for reasonability ;</li> <li>• Compare actual operating expenses incurred against budget;</li> <li>• Ensure that operating expenses are incurred as per the management directives.</li> </ul>
<b>Non-Routine Transactions</b>	Significant or unusual transactions may occur. The accounting and disclosure of transactions outside the normal course of business should be specifically evaluated.	Obtain understanding of the nature, business rationale, and terms of significant non-routine transactions. Consider alternatives and assess the accounting treatment and disclosures based on the nature and terms of the transactions.

## Fraud considerations

In accordance with Applicable Standards on Auditing, the Auditor has a responsibility to consider the risk of fraud in the audit of financial statements. Hence we will undertake specific procedures and report findings to management and the Board of Directors in respect of financial reporting fraud. The following highlights the phases of our work on fraud:

### Discuss fraud

- Discussions with:
  - Those charged with governance
  - Internal Audit

### Assess fraud risk

- Preliminary fraud risk assessment
  - Pressure to meet financial targets
  - Employee pressures
  - Management override
  - Internal control framework
  - Nature of industry
  - Structure of the entity
  - Attitudes / culture

### Tailor audit response

- Increased risk due to difficult market conditions potentially increases the level of procedures
- Review and test the fraud risk assessment process, systems and controls to prevent, deter and detect fraudulent activity
- Evaluate the design of financial reporting controls during process testing to assess their effectiveness in detecting fraud
- Identify and select specific journal entries for detailed substantiation for appropriate evidence and basis
- Review significant accounting estimates for possible management bias



# PROFESSIONAL FEES

## Delivering value for money

We make a long-term investment in our clients, and are committed to fair and transparent fees. This fee proposal reflects our dedication and our desire to work with you. Our proposed fees are set at a realistic level and make absolutely no compromise to the quality of our service. The scope of work discussed in this document has been used as the basis of the fee proposal.

*Our fees are charged on the basis of time occupied and expenses incurred having regard to the degree of responsibility involved and the experience and skills required for the audit of the financial statements.*

Service	Fees SR
Audit of the financial statements for the year ending 31 December 2022	290,000
Quarterly reviews of the financial statements	156,000

- For the Audit, it is our practice to request a **50%** advance payment upon signing the Engagement Letter, **35%** upon commencement of the final audit and **15%** upon issuance of the final report on the financial statements.

## Assumptions

Our fee proposal is based on the following assumptions:

- We will be provided with the final trial balance and management accounts for the year end;
- We will receive comprehensive supporting documentation (the exact requirements will be communicated in the form of an information request list);
- You will be responsible for the preparation of the financial statements;
- Fees are exclusive of out-of-pocket expenses and VAT;
- Where there is no change in the scope of our work, our fees will be fixed at the levels outlined above.

## Basis for charging for additional work

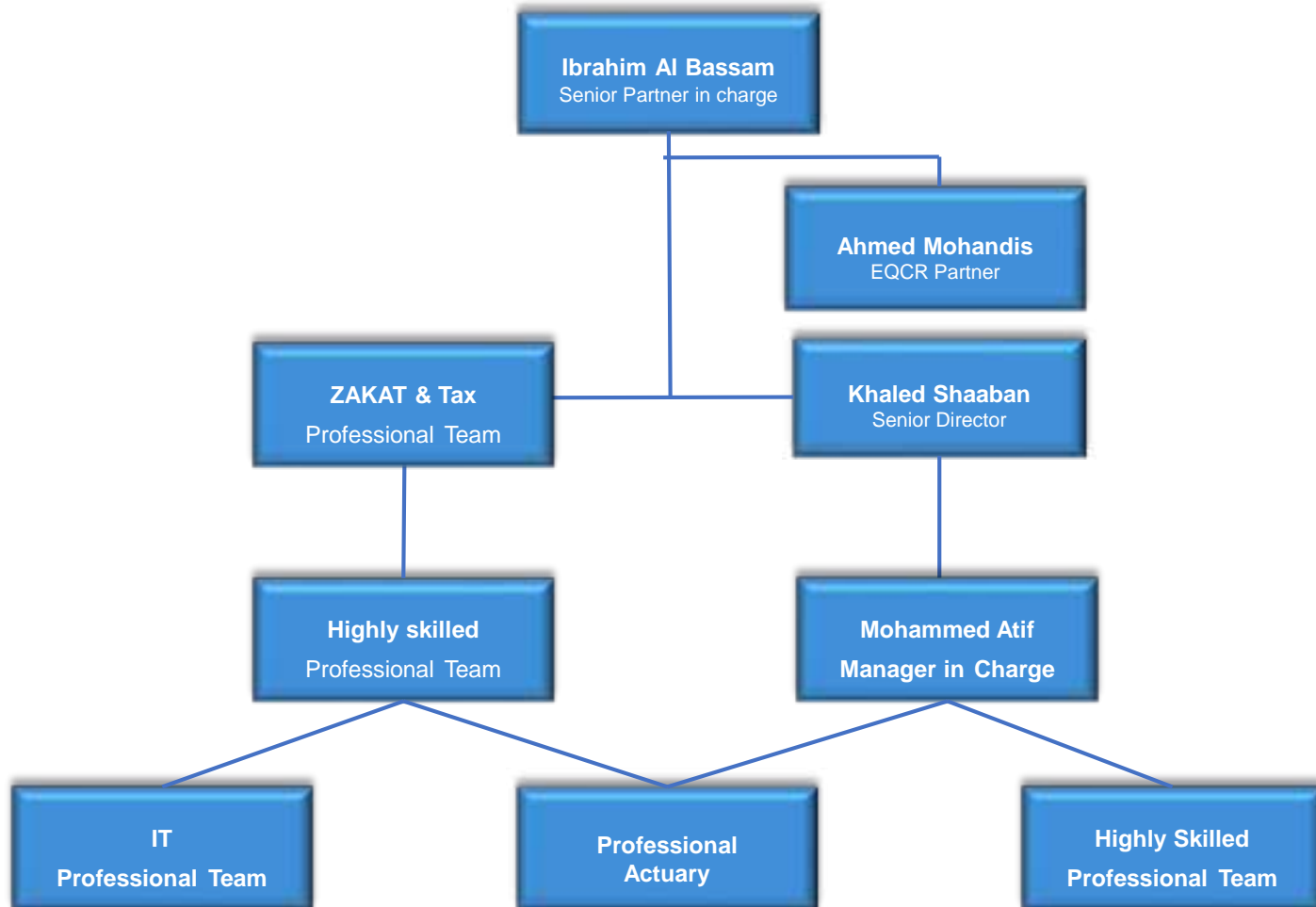
- Ad-hoc support during the year is included in our fee quote above, in order to encourage an open line of communication between us and the Company.
- Where we anticipate that a specific matter is likely to require a substantial time commitment, we will discuss our proposed fees with you in advance of carrying out the work, and will proceed only once instructed to do so. We believe transparency is key to all fee-related matters.

# OUR PROFESSIONAL TEAM

# ENGAGEMENT TEAM



Considering the nature and importance of this audit assignment, Ibrahim Al Bassam will be the Partner-in-charge and Ahmed Mohandis will be the responsible for the services provided with the assistance and co-operation of Khaled Shaaban, Audit Senior Director, who will be responsible for all the other audit team work.



# DISTINGUISHED FEATURES OF OUR TEAM



Extensive knowledge in serving multinational clients.

Broad experience in managing audits.

Highly experienced local teams with a clear understanding of their role and responsibility in contributing to the success of the global audit.

Proficient in timely and effective communication of audit results, both to the client and between the central and local audit teams

Pro-active and timely escalation of audit related matters outside the regular reporting process – no surprises

Understanding significance of timeliness and quality of inter-office communication, e.g. inter-office audit/review memorandum, inter-office audit /review opinion, etc.

High awareness for importance of meeting clients' deadlines, especially Audit Committee meeting and BOD meeting.

# IBRAHIM AL BASSAM (CPA, SOCPA, CISA)



## SENIOR PARTNER-IN-CHARGE

**Email:** [Ibrahim.Albassam@pkf.com](mailto:Ibrahim.Albassam@pkf.com)

**Phone:** +966 12 652 5333

**Mobile:** +966 50 6825333

Mr. Ibrahim Al Bassam is the Audit Partner in PKF Al Bassam & Co. Ibrahim carries an experience of more than 22 years in the profession of audit, tax and assurance services in the Kingdom of Saudi Arabia and Bahrain in various sectors providing services of audit and advisory, zakat and tax, financial due diligence, valuation and other special assignments in various industries ranging from manufacturing, trading, oil and gas, banks, insurance, construction, hospitality, healthcare and numerous others industries. In addition to this he has also served on various committees of SOCPA and participated as a team leader in various SOCPA Peer Review visits.

### Education and Professional Memberships:

- Certified Public Accountants (CPA)
- SOCPA Member of Saudi Organization of Certified Public Accountants
- Certified Information Systems Auditor (CISA)

### Years of Experience:

+22 years in Kingdom and Bahrain

### Notable experience in:

- Audit and advisory services in wide range of industries
- Due diligence and valuation services
- Zakat and tax services
- SOCPA Peer Review Visits

### Notable clients in the region:

- Saudi Post Corporation
- Al Othman Group of Companies
- Adraj Group of Companies
- King Faisal Specialist Hospital and Research Center
- National Gas and Industrialization (GASCO)
- Al Arkan Group
- Al Judee Group
- Gecat limited company
- Al Shifa Medical Company
- Ash Sharqiyah Development Company (S.J.C.)
- United Cooperative Company (S.J.C.)
- AlSagr Cooperative Insurance (S.J.C.)
- Sleep High
- Salman Group of Companies
- A.A. Al Qahtani & Sons Group
- Allianz Saudi Fransi (S.J.C.).
- Saudi Re(S.J.C.).
- Saudi General Investment Fund



## EQCR Partner

Email: [ahmed.mohandis@pkf.com](mailto:ahmed.mohandis@pkf.com)

Phone: +966 12 652 5333

Mobile: +966 50 566 6424

### Education and Professional Background

- Bachelor degree from King Abdulaziz University, Jeddah, Saudi Arabia.
- Modern Accountant Certificate (MAC).
- The Saudi Organization for Certified Public Accountants (SOCPA) Riyadh, Saudi Arabia

### Summary of Experience

- 25+ years of combined experience in Arthur Andersen & Abdul Majeed A. Mohandis office.
- Partner at PKF AlBassam & Co.

### Significant Experience in

- Audit and advisory services in wide range of industries.
- Due diligence and valuation services.
- Zakat and tax services.

### Experience also include:

Ahmed managed, performed and reviewed various engagements in wide range of industries including:

- Financial institutions, Healthcare, Education, Hospitality, Entertainment, Contracting, Investment, Manufacturing and Trading.

### Certain Clients in region

- AL SORAYAI Trading and Industrial Group Company and its subsidiaries.
- SNASCO Holding Company.
- Abdul Latif Banaja Holding Company.
- Abdul Latif Banaja Sofian Pharma.
- Abdul Latif Banaja Sofian Medical Services.
- Abdul Latif Banaja Sofian Logistic.
- Saudi Center for Pharmaceuticals.
- Banaja Trading Company .
- Aljazira Takaful Company (S.J.C.)
- Acig Company (S.J.C.)
- United Cooperative Assurance (S.J.C.)
- Gulf General Cooperative Insurance Company (S.J.C.)
- Saudi Enaya Cooperative Insurance (S.J.C.)





## SENIOR DIRECTOR

**Email:** [khaled.shaaban@pkf.com](mailto:khaled.shaaban@pkf.com)

**Phone:** +966 12 652 5333

**Mobile:** +966 56 5522205

### Education and Professional Background

- Bachelor degree from the Faculty Commerce, Cairo University, Egypt
- Member of the Egyptian Society of Accountants & Auditors
- Member of the Egyptian Society of Taxation

### Summary of Experience

- 22 years of experience in Saudi Arabia and Egypt

### Significant Experience in

- Audit and advisory services in wide range of industries
- Due diligence and valuation services
- Zakat and tax services

### Experience also include:

During his professional career, he gained rich experience as he was involved in financial advisory and audit for clientele engaged in transportation, real estate, healthcare, education, hospitality, contracting, investment, advertising, service and manufacture / trading in consumer products.

### Major clients in region

- Siemens Ltd. Company
- Pepsi Cola Egypt “Egyptian Bottling Company”
- Schlumberger Logelco (Petroleum Co)
- Afri Medical Company (Medical Industry).
- United Company For Paints and Chemicals - S.A.E.
- Nortel Networks Inc.
- SCIB Chemicals.
- Alico-Egypt- S.A.E.
- EMAAR Misr
- Grandview BVI (Private Equity Company owned 18 subsidiary)
- Beltone Financial Holding.
- Beltone Capital.
- Beltone Brokerage.
- Beltone Assets Management.
- Beltone Investments Banking.
- P&G Egypt.
- Citadel group.
- Egyptian International Beverage Co.
- Societe Arab International De Banque (SAIB)

# MOHAMMED ATIF (ACCA)



## AUDIT MANAGER

**Email:** [mohammed.atif@pkf.com](mailto:mohammed.atif@pkf.com)

**Phone:** +966 12 652 5333

**Mobile:** +966 53 7260929

### Education and Professional Background

- Bachelor degree from the University of Central, Pakistan
- Institute of Chartered Accountants of Pakistan (ICAP)
- The Association of Chartered Certified Accountants (ACCA)

### Summary of Experience

- 14 years of experience in Saudi Arabia

### Significant Experience in

- Audit and advisory services in wide range of industries
- Internal Audit, risk management

### • Experience also include:

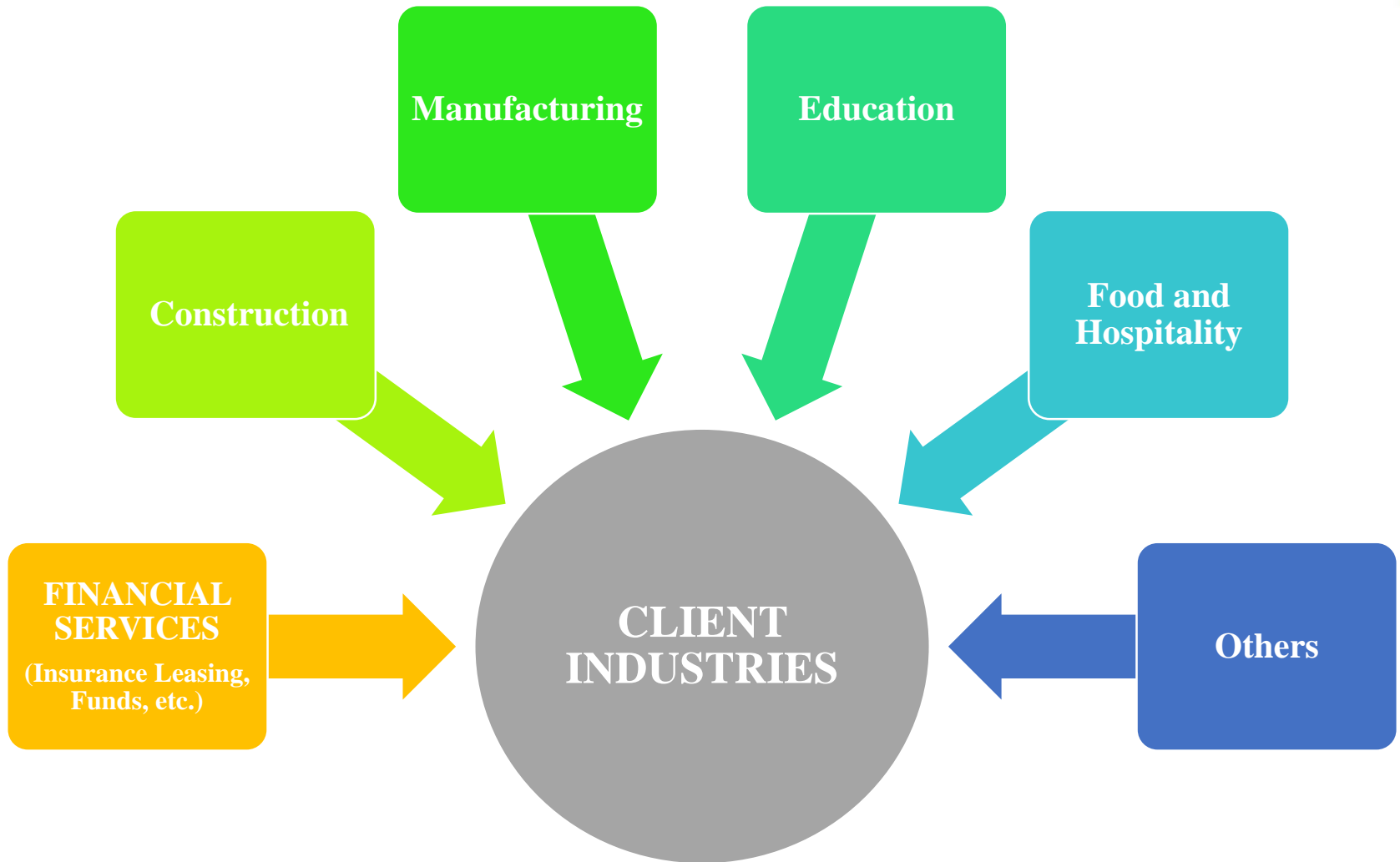
During his professional career, he gained rich experience as he was involved in financial advisory and audit for clientele engaged in real estate, healthcare, education, hospitality, investment, advertising, service and manufacture / trading in consumer products, mainly in insurance sector.

### Major clients in region:

- Al Ahsa Development Company(S.J.C.)
- SAMSUNG Saudi Arabia
- Al Osais Contracting Company
- Al Berry United Food Company
- Rehal Al Sharq Logistic Company
- Al Arabi Factory for steel Work
- SRACO HR
- United Chemical Manufacturing Co. (SIDCO)
- Al Sale Estern Company
- Enco Corp Contracting Company
- Kubota manufacturing Company
- Al Ghanem Investment Company
- Khafji International Aviation Company
- Saudi Pan Gulf Company
- VITA food products
- Environment Solution Company
- Pan Gulf Building Material Company
- MIZAT Al Khaleej Group Companies
- AL Kheriji Investment Company
- Al Khwarizmi Actuarial Service Company
- AL Ghamdi Holding Company
- Dar Al Baraka investment Company
- Qurat Al Masharee Contracting Company
- Consumer Oasis trading Company
- Al Mutawaa contracting company
- Sirti Saudi Arabia
- Advanced Technology Marketing Co.
- Abdullah Mesbeh trading and contracting
- Dewan Al Jazeerah real Estate Company
- Nanjing Huraun Contracting Company

# CLIENTELE PORTFOLIO

# MAJOR CLIENT INDUSTRIES



# CLIENTELE PORTFOLIO



Following is the sector wise list of some of our esteemed clients to whom we are providing our leading edge services:

## FAMILY GROUP

- ❖ Al Othman Group of Companies
- ❖ Al Gosaibi Group of Companies
- ❖ Al Ghamdi Group of Companies
- ❖ Al Osais Group
- ❖ Al Qahtani Group
- ❖ Pan Gulf Holding Group of Companies
- ❖ Pan Gulf Industrial Investments Group of Companies
- ❖ Salman Group of Companies
- ❖ Mizat Group of Companies
- ❖ Al Falak Group
- ❖ ATCO Group of Companies

## CONSTRUCTION

- ❖ Snamprogetti Engineering & Contracting Co.
- ❖ Larson & Toubro Group of Companies
- ❖ Hanwah Contracting Company - Korea
- ❖ Nanjing huarun middle east
- ❖ Gecat limited company

## FOOD AND HOSPITALITY

- ❖ Al Gosaibi hotel
- ❖ Sanbook Restaurant
- ❖ Saudi Pan Gulf - Food division
- ❖ Vita Food Products Company
- ❖ Al Ahsa Date Processing Company.

## MANUFACTURING COMPANIES

- ❖ Titanium & Steel Manufacturing Company
- ❖ Al Othman Agricultural Products Company (NADA)
- ❖ Gulf Steel Works Company
- ❖ Saudi Belt Company
- ❖ Arabian Pipe Coating Company
- ❖ Age Steel Group
- ❖ Mizat Heavy Industries
- ❖ Fence and Barbed Wire technologies.

## JOINT STOCK COMPANIES

- ❖ Saudi Steel Pipes Manufacturing Company (S.J.C.)
- ❖ Takween Advanced Industries Group (S.J.C.)
- ❖ United Electronics Company – Extra (S.J.C.)
- ❖ Nama Chemicals Company (S.J.C.)
- ❖ Saudi Papers Company (S.J.C.)
- ❖ United Electronics Co. (eXtra) (S.J.C.)
- ❖ Al Ahsa Development Company (S.J.C.)

## FINANCIAL SECTOR

- ❖ Arabia Insurance and Reinsurance Company (S.J.C.)
- ❖ Medgulf (S.J.C.)
- ❖ Chub Insurance Company (S.J.C.)
- ❖ Arabian Shield Insurance and Reinsurance Company (S.J.C.)
- ❖ Walaa Insurance Company (S.J.C.)
- ❖ Trade Union Insurance Company (S.J.C.)
- ❖ Burruj Insurance Company (S.J.C.)
- ❖ Salama Insurance Company (S.J.C.)
- ❖ Al Jabr Financing Company
- ❖ Allied cooperative Insurance Company (S.J.C.)
- ❖ AlAlamiya Insurance and Reinsurance Company (S.J.C.)
- ❖ Amanah Insurance and Reinsurance Company (S.J.C.)
- ❖ AlAhliya Insurance Company (S.J.C.)
- ❖ Sanad Insurance Company (S.J.C.)
- ❖ AlSagr Insurance and Reinsurance Company (S.J.C.)
- ❖ Soildarity Takaful (S.J.C.)
- ❖ Tawuniya(S.J.C.)
- ❖ Allianz Saudi Fransi (S.J.C.).
- ❖ Saudi General Investment Fund
- ❖ Saudi Re (S.J.C.)
- ❖ United Cooperative Company (S.J.C.)
- ❖ AlJazira TakafuL (S.J.C.)

# WHY PKF AL BASSAM & CO.?

# TOO GOOD TO BE IGNORED



## **Competitive pricing**

We will always be transparent in the way we work and how we price

## **World class service levels**

As a top client for PKF you will be an extremely important client for us

## **A significant investment of time in the relationship**

We will invest all the time necessary to understand your business and its processes

## **A fully coordinated, dedicated and highly qualified team**

Your individually selected and highly qualified team will be coordinated by an experienced Partner and Director.

## **A robust and efficient audit process**

We understand the importance of the audit process; delivering a robust audit, helping you to achieve 'good governance' and working to tight deadlines

## **Continuous communication leading to a "no surprises audit"**

We will speak with you in a straight forward and candid way, take a transparent approach to our working relationship, and give you clarity on technical issues

## **Client satisfaction and improvement**

You will be asked for feedback throughout the audit, ensuring we constantly refine our approach, and will also receive an annual face to face client service review

## Our Mission

Enhancing our credibility by enabling our clients to meet their objectives through clarity in engagement, excellence in delivery, and committed fulfilment, nurturing talent, competence and continuous learning. In order reach the goals of our mission we work on the following areas:

### Continuous improvement

Continuous improvement is an integral part of our audit methodology. Our standard audit work papers all require improvement points to be documented throughout the audit and these form the basis of our audit debrief, a process that will involve obtaining detailed feedback from all levels for the Company.

### Training program

As part of our quality control policies and procedures, all our staff are obligatory required to complete at least 75 hours of technical, managerial, soft skills, and professional training on an annual basis.

### Quality Review

As a member firm of PKF International, our firm is subject to periodical peer review from PKF. Also, we have been reviewed by SOCPA several times and last review were conducted in January 2015.

### Regular debriefs

The audit team will debrief with you after the completion of each audit so that learning points can be incorporated into our plans for the following year.

### Client service reviews

We will commission an independent review of our relationship at regular intervals to be jointly agreed. From this we will build an action plan to address the issues arising.

### Performance measurement

Our performance will be measured in several ways:

- We will actively seek informal feedback from you throughout the year to gauge how we are doing,
- Annual client service reviews incorporate a points scoring system covering various aspects of our performance,
- We will adopt a variety of measures to ensure the quality of our work.







## Why PKF AL BASSAM and Co. - (continued)

- *Increased interaction with those charged with governance*

- The role of those charged with governance is significant and Ibrahim Al-Bassam our Managing Partner together with Khaled Shaaban as practice audit leader will be continuously available to attend all the Board of Directors' meetings if specific issues arise that require their presence. In addition to the Engagement Director presenting the key audit issues, PKF team will be available to provide their perspectives on local risks, issues and accounting developments each year.

- We will also keep the Board of Directors fully informed of developments in corporate governance best practices.

- **TOOLS FOR PROFESSIONALISM**

- *Use of specialist knowledge*

- We use dedicated professionals in specialist areas as an integral part of PKF's audit process. This helps to ensure that you are provided with feedback based on an in-depth understanding of the risks and issues involved.

- *Independence*

- PKF has been, and continues to be, independent of the Company.

- Our initial risk management procedures require us to seek formal approval from our risk management team and your Board of Directors, prior to proposing for any non-audit related services.

- *No conflicts of interest*

- The team that will serve the Entity is specialized in your particular industry. They are highly experienced in auditing and advising clients in these industries, yet they have no conflicts of interest.

- *Smooth transition*

- We are confident that our current knowledge of you and the markets the Entity operate in will translate directly into a smooth transition, a short learning curve and the rapid deployment of a value-added audit.

## “NO SURPRISES”

OUR EMPHASIS IS ON PLANNING TO ENSURE THAT THERE ARE NO AUDIT SURPRISES.

### Focus on Planning, Quality and Clear Communications

Through comprehensive audit planning and the tracking of scheduled audit activities, we are able to consistently achieve timely results whilst minimizing risks of surprises. Our audit team preliminarily identifies the areas where the risk of material misstatements in your financial statements is the highest. We will do this through structured interviews of upper management, Finance team and others, analytical procedures, observation, and inspection to review activities, share observations, and expectations. Specifically, we may consider your financial reporting framework, business and industry, accounting policies and practices, financial performance and internal control.

We will identify also areas where estimates and management judgment could have a material impact on the financial statements. We analyse the significance of risks we have identified and determine our procedures accordingly. Our Planning Matrix links risk to significant accounts and related assertions in your financial statements, and accompanies the assertions about these accounts into the audit objectives. These assertions are; completeness of a given population, existence, accuracy, value, ownership, and presentation. For each objective, the team assigns a risk level and preliminarily determines an effective combination of tests of internal control, analytical procedures, and tests of individual transactions and balances.

We build up our audit planning procedures properly in order to ensure that it is closely and appropriately aligned with the Company’s activities, processes and cycles, and we will endeavor to build sound working relationships, fully respective of our imperatives related to objectivity and independence.



# OUR APPROACH AND REPORTING



**“NO SURPRISES” OUR EMPHASIS IS ON PLANNING TO ENSURE THAT THERE ARE NO AUDIT SURPRISES.**

## The Audit

Our comprehensive audit approach is risk-based and designed to anticipate issues and add value at all levels of our engagement. We understand the dynamics and complexity of your accounting and business issues. We will proactively provide strong support to your finance team in dealing with those issues. As part of our team, we have professionals who possess relevant in-depth industry knowledge to advise you on accounting standards, if needed.

## Emphasis On Understanding Your Environmental Controls

Attaining and continually helping management to enhance confidence in the Company’s controls will be a primary objective of our engagement. Our audit effectiveness is much greater when we are able to rely on controls and financial management procedures at a level that permits greater attention to those items where risks and/or exceptions are identified. We will clearly report our findings to management and the board, and make recommendations as appropriate, at the earliest possible date.

For audit objectives where we plan to rely on controls to modify the nature, timing, and extent of our substantive procedures, our control evaluation may include:

- Evaluating the design and implementation of entity-wide controls;
- Understanding the relevant accounting and reporting activities for each audit objective. For transactions processing, we look for significant risk points / places where errors could occur;
- Evaluating and testing any antifraud controls you have implemented;
- Evaluating selected controls over the significant risk points where material misstatements may occur;
- Performing a “walkthrough test,” tracing a transaction through the accounting activities and selected controls to confirm that we understand how your accounting activities and controls work; and
- Testing the operating effectiveness of selected controls.

***Rule of  
Thumb***



**Deadlines**

**are**

**Sacred**

## Our vision

A dynamic, high quality accounting network

Universally recognised and respected

Presented in all the world's geographic locations

• Too good to be ignored

## Our values



### Passion

We have an appetite for progress, strive to exceed our clients' expectations and provide opportunities to our people to grow personally and professionally



### Teamwork

We are advisers without borders. Member firms are independently owned and managed, but strong personal relationships allow us to work seamlessly. We treat our fellow members' clients as if they were our own.



### Clarity

We initiate clear and direct action, are open and transparent at all times, and are consistent with our approach



### Quality

We apply the highest standards of quality to our work, and are all party to the PKF Commitment



### Integrity

We have shared standards and a mutual respect for entrepreneurs and influential leads, which extends our voice and reach. There is a strong sense of support and encouragement to make things happen, together

# Contact us

**Ibrahim Al Bassam**

Senior Partner

T: +966 12 652 5333

M: +966 50 6825333

E: [ibrahim.albassam@pkf.com](mailto:ibrahim.albassam@pkf.com)

**Khaled Shaaban**

Senior Director

T: +966 12 652 5333

M: +966 56 5522205

E: [khaled.shaaban@pkf.com](mailto:khaled.shaaban@pkf.com)

[www.pkf.com](http://www.pkf.com)



PROPOSAL TO  
**SALAMA COOPERATIVE INSURANCE  
COMPANY**  
FOR THE PROVISION OF EXTERNAL  
AUDIT SERVICES



April 14<sup>th</sup>, 2022

SALAMA Cooperative Insurance Company

Riyadh

Saudi Arabia

Attention: Audit Committee

Ref: **External Financial Auditing 2022 for SALAMA Cooperative Insurance Company – Proposal**

Dear Sir,

We are pleased to present our proposal to serve as auditors for **SALAMA Cooperative Insurance Company** for the financial year 2022.

This opportunity to provide you our professional services is a privilege that we highly value. We know that the selection of the professional service provider is an important decision which requires thoughtful consideration.

We offer:

1. **An audit that adds value and is tailored to your needs.** We will provide a professional audit that goes beyond statutory obligations to consider the key strategic risks to your business, providing insight, a balanced perspective and challenge to help SALAMA Cooperative Insurance Company prepare for the future.
2. **Sector Experience.** At Mazars we have deep experience of your sector. We are able to mobilise our global team when required to support us in providing you the required level of service quality.
3. **Global presence** that matches your international activity, both now and in the future. We are a united and connected partnership with a shared commitment to serving our global and local clients.
4. **A fair and transparent fee** that reflects our desire to work with SALAMA Cooperative Insurance Company, without compromising the quality of our service.

We believe AlKharashi & CO (hereinafter "Mazars") to be the right fit for you. Our aim is to build a valued and enduring professional relationship with SALAMA Cooperative Insurance Company for the benefit of all your stakeholders. If appointed, we give you our commitment that you will receive the highest quality of service and a first-class audit.

In the proposal we have defined the range of services that we have been currently asked to quote for, however as requirements change we will of course be more than happy to adjust and tailor the quote, as well as provide quotes for additional work and advice as required.

If you have any questions regarding this document or have any additional questions or concerns, please do not hesitate to contact us.

Yours sincerely,



Abdullah S. AlMsned

Partner

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YOU WANT TO ENSURE **YOUR** BUSINESS GROWS HEALTHILY AND SUSTAINABLY AND CAN COMPETE STRONGLY IN AN EVER-CHANGING WORLD. BRINGING INSIGHT, CHALLENGE AND A BALANCED PERSPECTIVE, OUR PEOPLE OFFER AN **AUDIT** THAT IS TAILORED TO YOUR BUSINESS.

WE OFFER A POSITIVE, VALUE-ADD EXPERIENCE FOR ALL YOUR STAKEHOLDERS. **YOUR AUDIT.**





# 01

## EXECUTIVE SUMMARY





# EXECUTIVE SUMMARY

Mazars has one of the largest Insurance sector footprint amongst its competitor firms. Our experience, international presence and commitment make us the right fit for **SALAMA Cooperative Insurance**.

We are a leading audit service provider with an ever-expanding portfolio of listed clients. We are backed by Mazars Global knowledge and experience.

We believe we would be able to tailor our audit service specific to circumstances of SALAMA Cooperative Insurance thus providing "YOUR AUDIT". We further believe with the personalized attention we will be providing to serve you.

- This technical proposal contains our offer for annual external audit of **SALAMA Cooperative Insurance for year ending December 31, 2022**, quarterly reviews of Condensed financial statements. We expect to release the yearend financial statements by March, 2023, as we expect to perform most of the testing work by end of third quarter. We expect to complete the quarterly review work within 15 days of release of data to our audit team.
- Our proposal also includes a summary of work we propose to perform, to execute smooth transition for SALAMA Cooperative Insurance from prior auditors to new auditors.
- We have included a detailed communication protocol to keep the Audit Committee and management on board for possible delays, observations and elements which may impact our opinion.

**We believe you would find our proposal specific to your needs. We would request you to sign Section 09 as your agreement to our proposal.**





# 02

## SERVICE DESCRIPTION

### Why Mazars for your audit?

Global experience, local application

A focus on the key risk areas of

Integrated audit platform underpinning an efficient audit

Relentless communication with your stakeholder groups and a commitment to “no surprises” on findings.





# SERVICE DESCRIPTION

## SCOPE

Our understanding of the Scope is as below:

Company	Holding	Scope
SALAMA Cooperative Insurance Company	***	<ul style="list-style-type: none"><li>• Quarterly Review of Condensed Financial Statements</li><li>• Annual Audit of Financial Statements</li></ul>
***	***	***
***	***	***
***	***	***
***	***	***



# SERVICE DESCRIPTION

## PROVIDING AN AUDIT THAT STARTS AND ENDS WITH YOUR NEEDS

### Our approach to your audit

Audit must go beyond regulation. It is an opportunity to challenge constructively the quality and relevance of your governance, controls, judgements, outlooks and people. As a result, your business should be stronger and better able to deal with its risks and challenges: a business that is futureproofed.

We will:

- plan your audit based on a thorough understanding of your business risks and transactions;
- communicate and coordinate activities with management and your Audit Committee. We will talk to the finance team and the wider management team. It is the quality of this dialogue with all key parties that drives the reliability of our opinion and provides the depth and richness of our contribution;
- work with management to resolve any complex accounting or reporting issues as early as possible in the audit process; and
- provide well thought-through and practical recommendations to management and your Audit Committee on areas for improvement, capitalising on best practice observed in comparable organisations.

### Audit risk areas

Our audit plan starts with what we know about your business, your strategy and your industry environment. We can then identify and assess the significant audit risks at an early stage.

The table below identifies your key audit risks as we see them at this early stage, the time we propose to allocate to each and how we will address each during the audit.

Significant audit risks	Audit approach
Accounting for complex arrangements.	Addressed pre year-end through: <ul style="list-style-type: none"> <li>• discussions with management to identify complex arrangements;</li> <li>• discussion of proposed treatment by reference to contractual terms and accounting requirements</li> <li>• conclusions agreed with management and discussed with your Audit Committee.</li> </ul>
Revenue recognition.	Revenue accounting policies reviewed and assessed for compliance with IFRS 15 before pre year-end. IT environment reliance tested pre year end. Year-end substantive testing on key risk assertions.
Tangible and Intangible Assets	Pre year-end review of the management control over accuracy, existence and measurement of tangible and intangible assets. Review of the management impairment process for these. Advise management on any deviations from requirements of applicable accounting standards.

# SERVICE DESCRIPTION

## DELIVERING YOUR AUDIT EFFECTIVELY AND EFFICIENTLY

### Professional judgement

Your audit must cover your key issues and risks, including those that can be more subjective in nature. We endeavor to bring significant “hands-on” time from senior members of the team than other firms, allowing more time for on-site coaching of junior team members. We instill in our auditors the traits that enable them to exercise appropriate professional scepticism: a questioning mind, the ability to analyse and critically evaluate, problem solving ability, and a willingness to exercise judgement.

Our partners and senior team set the tone at the top to maintain and enhance our professional judgement and scepticism throughout the audit.

This culture provides you with the appropriate challenge over accounting policies, practices and internal controls as well as comfort on the key issues and risks.

### Materiality

Setting an appropriate level of materiality is a critical part of the audit approach. It helps us plan our audit and determines the extent of our audit procedures. It is key to evaluating the impact of any identified financial statements misstatements on our audit opinion.

We will set financial statement materiality at 1%] of revenue and we will report to the Audit Committee all audit differences we identify representing more than 3% of financial statement materiality.

### Using ATLAS to underpin your audit

ATLAS is Mazars’ global, cloud-based audit platform. It frees up time for our auditors to focus on your key risks and judgement areas. It enables us to consistently deliver robust and efficient audits in full compliance with international regulatory requirements.

Using ATLAS delivers significant benefits:

1. Our teams are supported by advanced project management functionalities.
2. The platform enables the delivery of seamless audits with full interaction between all teams involved in the audit
3. It delivers to all audit teams Mazars’ intellectual capital by capturing and disseminating the expertise of our global teams at a sectorial level as well as in specific technical areas.
4. It enables us to extract, manipulate, analyse, test and visualise data representing your business transactions.

ATLAS allows our teams to work collaboratively and internationally: anytime, anywhere and on any device.

### IT audit

Our IT audit methodology is designed to gain efficiency by reducing sample sizes and moving towards a controls reliance approach, whilst addressing key risks to financial audit.

The methodology enables us to perform testing that is tailored to your needs. Our audit approach will consist of the following IT audit areas:

- General IT Controls
- Automated and IT-Dependent Controls
- System Generated Reports (SGR)
- Information provided by the Entity (IPE)
- Interfaces testing

Auditing your financially-significant IT systems allows us to understand your IT control environment and automated controls in your business processes.

# SERVICE DESCRIPTION

## DELIVERING YOUR AUDIT EFFECTIVELY AND EFFICIENTLY

### Data analytics and process mining

We use data analytics in various audit areas such as journal entries testing, revenue recognition, and investments to better understand your business and assess your risks. We take a practical and proportionate approach in using a variety of data analytic tools to solve your challenges. Depending on the complexity of the procedure, we use tools such as Audit Command Language (ACL) and IDEA for low or less complex procedures. As the complexity of these procedures increases from medium to high, we use SQL and Python for analytics scripting and perform the analysis on a SQL Server. These audit scripts are custom-developed for each audit client whilst re-using components from our proprietary suite of tests coded previously.

Our data analysis experts process large volumes of information efficiently to identify anomalies and patterns that could indicate error or potential fraud. Data analysis offers additional assurance that your internal controls are working effectively. We use Computer Assisted Audit Tools (CAATs), to reduce sample sizes, enhance the level of substantive testing and automate complex systems and transaction testing processes. The use of CAATs even allows us to assess a whole set of transactions more efficiently than manual substantive procedures.

Using CAATs, we can translate raw data into meaningful analysis, offering useful audit evidence as well as providing insight to management and others charged with governance.

We utilise the following tools to help in supporting financial statement audits, as applicable, in a proportionate manner:

- Data analytics tests including custom scripting based on tools such as Audit Command Language (ACL), SQL Server (with SQL or Python), IDEA;
- We use tools such as D-CLIC (QlikSense), Power BI to visualise key results from our analytics tests; and
- Use of Mazars Zettafox, our proprietary advanced analytics platform.



# SERVICE DESCRIPTION

## DELIVERING YOUR AUDIT ON TIME

### Expected Audit timetable

Audit phase	Scope	Audit effort	Key interactions with your teams and deliverables
<p>Planning and review of quarterly reporting (including transition to new auditor)</p> <p>April 2022 for initial understanding and July, October 2022, April 2023 for quarterly reviews</p>	<ul style="list-style-type: none"> <li>Review audit files of predecessor auditor in year one.</li> <li>Hold meetings with key executives.</li> <li>Assess impact of key changes in the year.</li> <li>Review condensed quarterly FS</li> </ul>	<p>10 days in April and 15 days in each quarterly intervention</p>	<ul style="list-style-type: none"> <li>Audit plan discussed with management and presented to the Audit Committee.</li> <li>Reviewed quarterly condensed Financial Statements.</li> </ul>
<p>Internal controls and pre-final Audit Committee</p> <p>October 2022</p>	<ul style="list-style-type: none"> <li>Select key controls relating to audit risks and review their design and effectiveness in all material entities and a selection of non-material entities.</li> <li>Consolidate findings on internal controls and material audit issues.</li> <li>Define any necessary changes to audit plan.</li> </ul>	<p>10 days</p>	<ul style="list-style-type: none"> <li>Report on internal controls and any material year-end accounting estimates or treatments discussed with management and presented to the Audit Committee.</li> </ul>
<p>Annual Field work</p> <p>January &amp; February, 2023</p>	<ul style="list-style-type: none"> <li>Consolidate any issues that may arise during fieldwork and liaise with your central team accordingly.</li> </ul>	<p>18 days</p>	<ul style="list-style-type: none"> <li>Weekly progress report with the CFO and escalation of any material audit issues arising on a timely basis.</li> </ul>
<p>Completion and reporting</p> <p>February, 2023</p>	<ul style="list-style-type: none"> <li>Finalisation of Annual Audit</li> </ul>	<p>10 days</p>	<ul style="list-style-type: none"> <li>Audit completion report discussed with management.</li> <li>Audit completion report presented to the Audit Committee</li> </ul>
<p>Sign-off</p> <p>March, 2023</p>	<ul style="list-style-type: none"> <li>Signoff of Annual Financial Statements</li> </ul>		<ul style="list-style-type: none"> <li>Audit completion reports for individual statutory accounts discussed with local management.</li> <li>Review of SAMA forms.</li> <li>Related party transactions review</li> <li>Qawaeem Upload.</li> </ul>





# A TAILORED APPROACH TO YOUR AUDIT

## COMMUNICATING WITH ALL YOUR STAKEHOLDERS

### Communicating with your senior management

We know that good communication is crucial. We will communicate regularly with your team, at all levels and throughout the year.

Engagement with senior management requires planning and structuring. We suggest frequently, formal meetings with your CFO and members of the senior management team.

Our communication will cover:

- a shared vision of the risk assessment to build our audit approach addressing your key challenges and risk;
- timely briefings and updates about the internal control framework;
- detailed work plans and discussion on how working methods can be improved; and
- debrief meetings at the end of each audit cycle so that potential future improvements can be discussed.

However, communication must go beyond formal meetings. Mr. Abdullah S AIMSned is always available. He can be contacted at any point and will respond within 24 hours. He will contact the key management as soon as the need arises. Mr. Abdullah S AIMSned will also meet with key management of SALAMA Cooperative Insurance Company regularly throughout the year on a more informal basis to provide updates and seek feedback.

### Communicating with your Audit Committee

Reporting to the Audit Committee will take account of the requirements of the European Audit Reform and include the following considerations:

- 1. Presenting our annual audit plan before starting our work:** this document includes our timetable for communication with the Audit Committee, our audit scope and a description of our audit approach.
- 2. Reporting on the financial statements:** at each reporting date, our conclusions will be presented to the Audit Committee in a document describing the broad lines of work performed, highlighting any special accounting treatments, the main accounting options, and estimates made by management and audit findings.
- 3. Reporting on internal control:** we will report separately on our internal control review and on potential weaknesses raised by our teams.
- 4. Staying independent:** each year we will confirm our independence in writing to the Audit Committee.
- 5. Dealing with requests for additional services not directly related to audit:** we will consult the group's financial management and Audit Committee in advance for any specific engagement not directly linked to our audit, and present our analysis regarding compliance

with independence rules.

We will be available to meet with the Audit Committee to present these documents. All reports will be discussed in draft with management before reporting to the Audit Committee, although we will retain editorial control.

### Communicating with your Internal Audit function

You will receive more value from your audit if our activities are aligned with your Internal Audit processes.

We will work closely with your Internal Audit team to understand their strategic plan, areas of concern and the extent to which we can leverage on work they have performed. With the agreement of your Audit Committee, we will share our detailed local findings with your Internal Audit team to help them focus their plans on entities with greater risks or issues.



# A TAILORED APPROACH TO YOUR AUDIT

## A COMMITMENT TO INNOVATE

### **Innovation and technology**

#### Audit innovation

Our audit approach and methodology are constantly evolving to reflect the needs of our clients.

Efficiency and innovation are embedded in our audit methodology; through our global audit platform, our audit tools and utilities, data analytics and processes.

Digitisation will bring tremendous changes to audit, just like to any other industry. Both our operations and support functions will be affected in three main areas:

1. Artificial Intelligence, creating value, reducing / handling risks, providing simulations and intelligence.
2. Real-time reliable processes and data, enabling continuous cutting-edge monitoring.
3. Improved quality of interactions with external third parties and with internal decision-makers.

#### Growing the next generation of auditors

Technology is an important factor in driving innovation, change and efficiencies. However at Mazars we also consider that our team's mind set is a key driver to providing an innovative, high quality, tailored audit approach. We use design thinking techniques to shape our audits to the specifics of our clients and encourage our teams to think differently about their approach to the audit, as well as how to problem solve individual issues they encounter within the audit.





# 03

## ENSURING A SMOOTH TRANSITION

### Why Mazars for your audit?

Global experience, local application

A focus on the key risk areas of

Integrated audit platform underpinning an efficient audit

Relentless communication with your stakeholder groups and a commitment to “no surprises” on findings.





# ENSURING A SMOOTH TRANSITION

MAKING THE TRANSITION AS EFFICIENT AND PAINLESS AS POSSIBLE FOR YOU

## A smooth transition

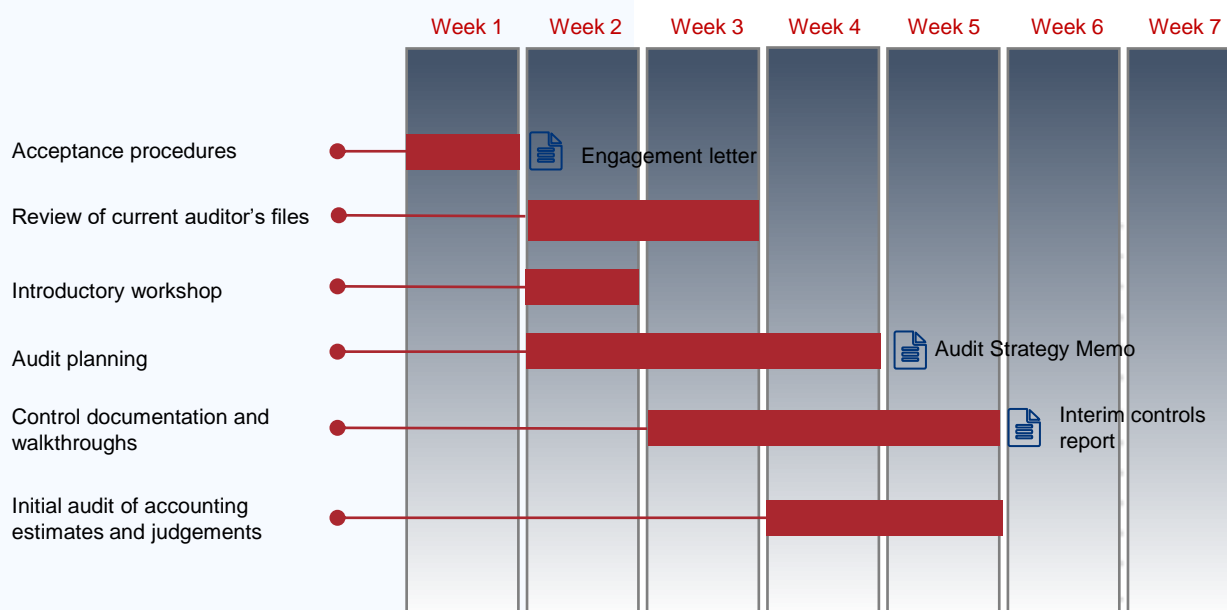
Transitioning to your new auditor is important but you have a business to run, so we do everything we can to make the transition as efficient and painless as possible for you.

We will:

- liaise with your current auditor wherever possible.
- arrange entrance meetings and planning sessions with key management to understand the latest developments in your business and any known location issues;
- brief our team to ensure they fully understand your business, the scope of the engagement and the audit approach.
- undertake an initial review. Our team will perform an initial review of local accounting and business processes, assessing these against your policies and local compliance requirements. We will time this review so that we can provide initial feedback to senior management on the control environment and accounting team effectiveness at all locations.

## Our transition plan

Our proposed transition plan is shown below starting date of confirmation of our appointment:





# 04

## OUR TEAM AND EXPERIENCE

### Why Mazars for your audit?

Global experience, local application

A focus on the key risk areas of

Integrated audit platform underpinning an efficient audit

Relentless communication with your stakeholder groups and a commitment to “no surprises” on findings.

# OUR TEAM AND EXPERIENCE

## OUR STRENGTH IN AUDIT

### The importance of audit

At Mazars, we believe audit is critical to the economic foundations of a fair and prosperous world. Audit has been, and remains, a profession at the heart of our business. We work for the public interest and, by caring about the organisations we audit and their stakeholders, help to build sustainable businesses for the benefit of society as a whole.

### Our approach to audit

*Building relationships:* Audit is first and foremost about people. We focus on building positive, effective relationships that engender trust and deliver demonstrable worth. We take the time to understand your business model, culture and commercial landscape and we tailor our audit strategy to your specific risks. Throughout the audit, we engage with all relevant stakeholders, with clear, pragmatic and timely communication.

*Our team and how we're organised:* We are one, agile, integrated and collaborative team, across sectors, services and geographies. This means we combine specialist local knowledge, with the international perspective that comes from being one single firm globally. We bring together the right people, with the right expertise, at the right time to deliver high quality audits consistently and efficiently.

*Our capabilities:* We pride ourselves on our rigour, independence of thought, perseverance and robustness. Supported by the latest technologies, global methodology and processes, we provide reliable, objective and insightful judgements and opinions. Our unique approach means we efficiently and consistently deliver high quality audits that benefit the companies we audit, their shareholders and other stakeholders.

### Our audit signature

Mazars has significant experience of working on major audit assignments and have supported major capital market transactions and financial due diligence assignments for some of the largest companies in the world.

Our audit signature is recognised by the international markets:

- We audit 1,750 Public Interest Entity (PIE) clients worldwide, including 950 with their headquarters in Europe
- 750 of these PIEs are listed on exchanges across the world
- Overall, Mazars is ranked fifth in Europe for the audits of large and listed European companies

We are an integrated partnership in 91 countries. This is a unique, one firm approach that benefits you because:

- our unique profit-share structure ensures the interests of all our countries are aligned to provide the best audit experience for you;
- communication is simple. We provide you with one engagement partner who leads on every aspect of the audit – wherever the audit takes place – and has the final say on all technical decisions and queries. Even for the most complex audits, integration is seamless: there is one reporting structure and one cohesive team;
- audit teams and specialists can be mobilised quickly where you need them. We think, decide, act and respond quickly; and
- consistency is a given. Using globally shared tools and quality control processes, unnecessary work is eliminated and the audit process is streamlined as much as possible.

“ With our distinctive, human-centric approach, we deliver an augmented audit experience: one that goes beyond just compliance and contributes to the development of sustainable businesses, economies and societies. ”

*David Herbinet, Global Head of Audit, Mazars*

# OUR TEAM AND EXPERIENCE

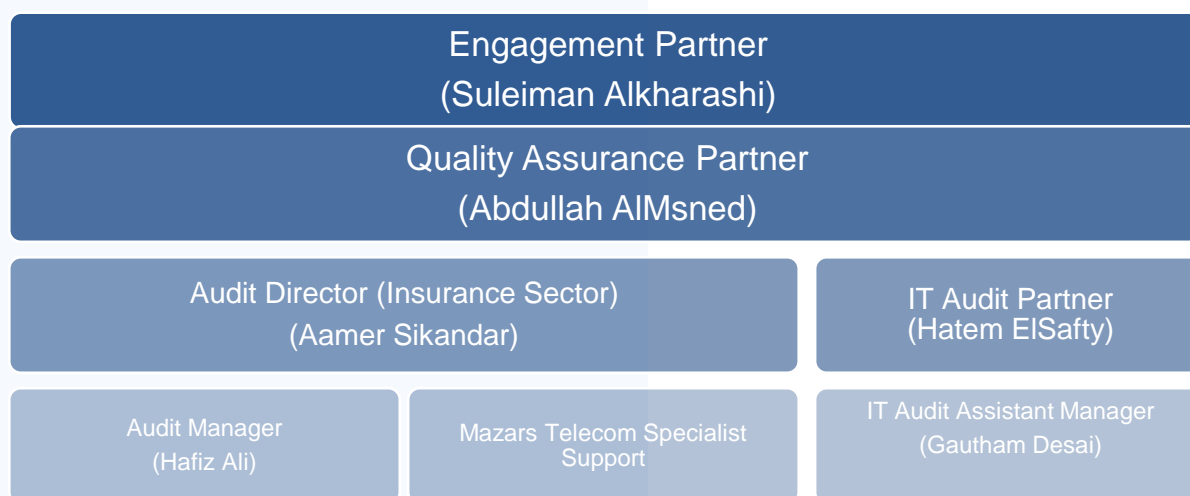
## SELECTING A TEAM COMMITTED TO YOUR AUDIT

### Our commitment to you

You must have confidence in the technical ability, commerciality and accessibility of your auditors. You expect them to work with you so that information is shared effectively, activities are co-ordinated efficiently and decisions made promptly. You want your auditors to embrace a culture of positive, constructive challenge where the willingness to raise difficult issues is matched by the ability to help the central management team to better understand what is happening on the ground day-to-day and suggest ways to improve business processes as the group evolves.

This is what we offer you.

### Our team for you



### An enduring relationship: continuity and succession

Team continuity enhances our understanding of your business, which reduces audit risk. We are committed to maintaining continuity at senior levels on the team.

We do not anticipate your audit partner will change throughout the engagement. However, if for any reason it becomes necessary to change your audit partner, we would only do so in consultation with you. We want to build an enduring relationship with you.

Team continuity is important to you and to us. However, we recognise, particularly for our larger engagements, that it is also important to develop and progress team members and therefore we will develop a continuity plan for your business.

Continuity is also linked to training. All staff have an annual training plan to ensure they are trained in Mazars' audit methodology as well as on specific industry developments and issues on a rolling monthly basis.

### Work Hours

Position	No. of hours
Partners	57
Directors	44
Managers	96
Seniors & Staff	654
Administration	22
<b>Total</b>	<b>872</b>

# OUR TEAM AND EXPERIENCE

**Engagement Partner**  
**Suliman A. Al-kharashi**

**Email:** general@alkharashicaa.com

**Telephone number:**  
+966114784009

**Biography:**



**PROFESSIONAL ASSOCIATES:**

- Member of Saudi Accounting Society
- Member of American Accounting Association
- Member of Saudi Education Council.
- Member of Saudi Computer Society
- Member of International Fiscal Associate
- He is Partner and has been with Mazars since 1999.

**Professional expérience:**

Manage and supervise Zakat and audit works for different kinds of activities :

- Manufacturing operations
- Hotels and related industries
- Trading companies
- Real Estates
- Farms and milking industries
- Oil Services companies
- Agricultural and dairy farms
- Joint stock companies
- Banking
- Petroleum companies
- Insurance companies
- Investments activities
- Constructions
- Oil and gas exploration companies

**Quality Assurance Partner**  
**Abdullah Al-Msned, SOCPA, CIPA**

**Email:** abduallah.m@alkharashicaa.com

**Telephone number:**  
+966 50 626 9909

**Biography:**



- Fellow of Saudi Organization for Certified Public Accountants (SOCPA).
- Fellow of Accounting and Auditing Organization For Islamic Financial Institutions CIPA.
- Member of Zakat and Tax committee in SOCPA.

- Abdullah is a partner and has been with AlKharashi - Mazars since 2009.
- He has a wide experience in Saudi GAAP, and has managed and supervised outsourcing and audit works as well as consulting services for different kinds of activities / sectors, including:
  - Oil and gas exploration companies,
  - Oil services companies
  - Manufacturing companies,
  - Commercial companies,
  - Agricultural and dairy farms,
  - Insurance,
  - Hotel and related industries.
- Abdullah provides Zakat and Tax services according to the Saudi Tax system.



# OUR TEAM AND EXPERIENCE

Director :

Aamer Sikandar

(GCC Desk)

Email: [asikandar@mazars.ae](mailto:asikandar@mazars.ae)

Telephone number: 920028229

## Biography:



### Professional Association:

- Bachelors of Science
- Fellow Association of Chartered Certified Accountants – UK
- Associate Chartered Accountant – Institute of Chartered Accountants England & Wales
- Associate Cost & Management Accountant (Pakistan)
- Certified Fraud Examiner (USA)

### Practical and professional experience:

- Has been working with Mazars from 2007-2012, then re-joined in 2014
- Served as Group CFO for Imexco Ghana Ltd from 2012-2014
- Trained at Deloitte Pakistan
- Gathered experience in EPC contractors, construction, architects, FMGC, online currency trading, insurance intermediaries, retail FMGC and services sectors.
- Heads Mazars audit and IFRS technical support desk for the Middle East region.

Manager:

Hafiz Muhammad Ahsan Ali

(Saudi Arabia & Riyadh)

Email: [Hafiz.ahsan@mazars.sa](mailto:Hafiz.ahsan@mazars.sa)

Telephone number: +966 55 420 3547

## Biography:



### Professional Association:

- Associate Member of Institute of Public Accountants of Australia
- Associate Member of Institute of Financial Accountants - UK

### Practical and professional experience:

- Has experience of big four firm both in kingdom and internationally
- Collectively has worked for more than 8 years in the field of assurance, business advisory and consulting services
- Trained at KPMG Pakistan
- Has wide experience in IFRS, and has managed audit works as well as consulting/advisory services for different kinds of activities / sectors, including:
  - Manufacturing companies,
  - Commercial companies,
  - Insurance,
  - Service providers,
  - Mutual funds,
  - Fund managers

# OUR TEAM AND EXPERIENCE

Partner (IT Audit)

HATEM ELSAFTY

Email:

Telephone number:

Biography:



**Professional Association:**

- 2005-2007 Masters of Science (Business & Information Technology), at Middlesex University, London, UK, Overall Merit grade
- 1996-2000 Faculty of Economics & Political Science (English Section), Cairo University, Bachelor of Arts, Major Economics, Minor: Computer.
- 2010 - 2012 Associate's Certificate in Project Management, at Washington University, USA

**Practical and professional experience:**

- Hatem has more than 18 years international experience in IT Assurance, IT Risk Management, cybersecurity, Program Assurance and Change Management with extensive professional services background starting at PwC followed by EY London, UK. Hatem then moved to Global Internal Audit function team of BP, UK followed by 3 years in Qatargas, Qatar, where he focused on IT security, Governance and Internal Audit.
- Hatem is highly qualified in IT security (CISA, CSSA) as well as Internal Audit, program assurance (CIA, PMP, ACP & PRINCE2) as well where he focused on major transformation program assurance, major system ERP implementations, lead major risk management and governance programs, in addition to financial controls including Treasury and financial trading system reviews. Hatem joined the Information Security Governance Program for major corporations including Qatargas and BP.
- Hatem is a regular speaker at regional & international cybersecurity conferences, including ISACA and QCERT events. Hatem is also a committee member of ISACA Qatar chapter, and the president of Institute of Risk Management (IRM) chapter of Qatar.
- Hatem lead multiple engagements including:
  - IT Cyber Security reviews with accreditation for ISO27001/2
  - Review and implementation of Enterprise Risk Management with accreditation for ISO31000
  - Integrated audits & governance review adhering to SOX and Basel II
  - Security audits and penetration testing
  - Cyber Security awareness review
  - Cyber Essentials readiness assessment
  - IT risk evaluation and management
  - Infrastructure and Operations Security
  - Business continuity planning, and IT Disaster Recovery planning reviews with accreditation to ISO22301
- Hatem clients included range from different industries including financial (Barclays, UPS, AON) Oil & Gas (BP, Shell) and Government sector (NHS UK). In Qatar, clients included Nakilat, Qatargas, Mannai Corporation, Naufar.

IT Audit Assistant Manager

GAUTHAM DESAI

Email :

Telephone number:

Biography:



**Range of experience:**

Ramaiah Institute of Technology, Bachelor in Computer Science & Engineering Bangalore First Class - 7 GPA 2015

**Practical and professional experience:**

- Information Security Auditor with 4+ years of experience in Information Security practices, standards, defining, implementation and compliance in ISO27001:2013, SSAE18/ISAE3402, ITGC, Automated business processes seeking a challenging role to utilize my proven detail-oriented approach with value combination of analytical and creative abilities towards Information Security governance and risk advisory goals of the organization.
- As part of Risk Advisory - Assurance team and core member of Third party assessments team - Designed control framework based on COSO principles and 5 security trust criteria - Confidentiality, Integrity, Availability, Security, Privacy for SSAE 18 SOC1 and SOC2 Type II audits for clients across various sectors.
- Experienced with defining the framework and testing controls for domains - change management, incident management, security incident management, Problem management, BCP/DR, SAP Security, User Access Management, Workstation/System operations controls, firewalls, networks, HR and corporate level controls.
- Provided guidance and shared knowledge with team members/new joiners to third party assessment under risk advisory a part of Learning and Development.
- Surveillance and Sustenance of ISO27001 Standard: Involved in activities like Enterprise Risk Assessment, Gap Assessment, Identification & Classification of Information Assets, Awareness Training and ISO27001 Certificate maintenance.
- As part of 5 member core Risk Assessment team at Accenture India geography for ISO27001, worked in identifying existing risks, mitigation plans, acceptable risk and risk treatment plans.
- Assisted in conducting asset valuation and access control review for corporate functions of Accenture India.
- Designed and implemented new technique of InfoSec awareness to be followed as part of awareness initiative across Accenture India.
- Certified ISO27001:2013 Lead Auditor.
- Certified ITIL V3 Foundation for IT Service Management.
- Proficient in Microsoft Word, Excel, PowerPoint.
- Extensive background in all stages of audits, including planning, study, evaluation, reporting.



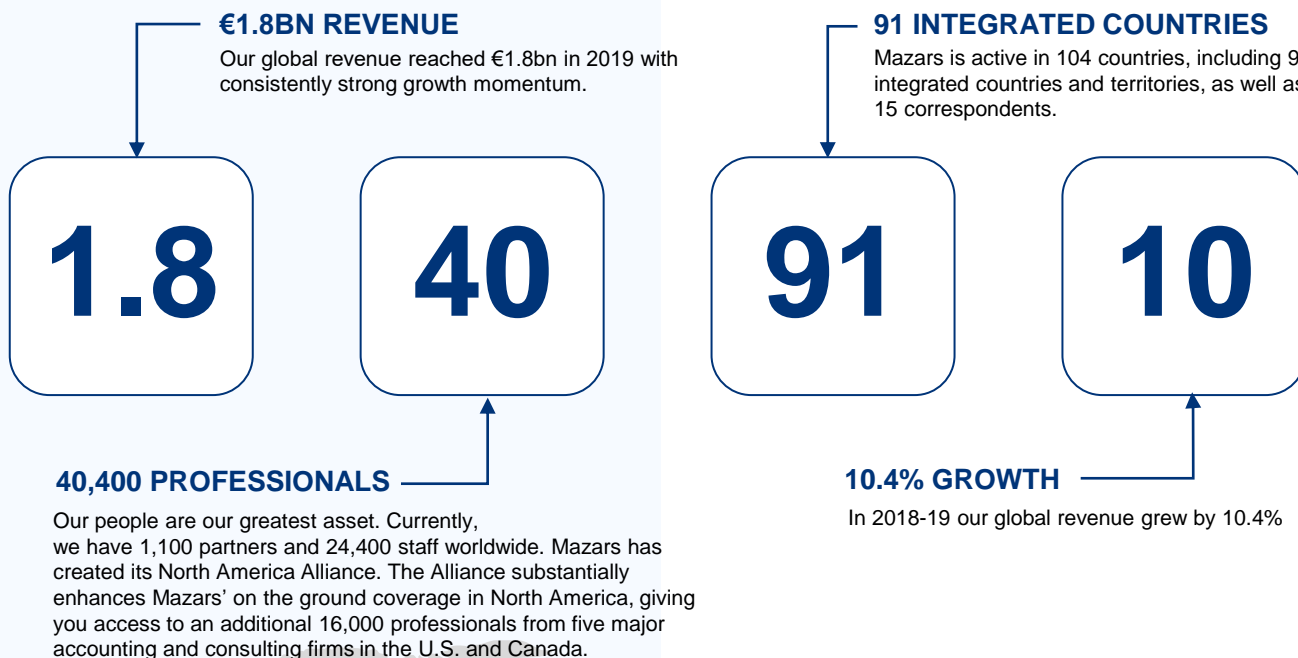
# 05

ABOUT ALKHARASHI & CO MAZARS



# A2: MAZARS AT A GLANCE

INTERNATIONAL, INTEGRATED AND INDEPENDENT, WE ARE A PARTNERSHIP SPECIALISING IN AUDIT AND ADVISORY SERVICES. WE CARE ABOUT THE SUCCESS OF OUR CLIENTS, WE PRESERVE THE INTEGRITY OF OUR INDUSTRY, AND WE ARE COMMITTED TO PASSING ON A JUST AND PROSPEROUS WORLD TO FUTURE GENERATIONS.



## AUDIT HAS BEEN OUR CORE AREA OF EXPERTISE FOR MORE THAN 70 YEARS

And it will remain so over the years to come.

We also know that a balanced portfolio of services is critical to support our clients' evolving needs. That is why we have developed expert advisory, tax and compliance services.

### AUDIT

### ACCOUNTING & OUTSOURCING

### CONSULTING

### FAS

### TAX

### LEGAL SERVICES

47.1%

16.4%

11.4%

7.2%

16.3%

1.6%

“ As a leading international audit and advisory firm, we know we are expected to do more than just grow our business and maximise profit. Our people, clients and stakeholders expect us to provide trust as well as the conditions for long-term growth, to contribute to healthier economies, better communities and overall fairer, more sustainable societies. ”

Hervé Helias, CEO and Chairman



# MAZARS IN SAUDI ARABIA



**“Al-Kharashi & Co. Certified Accountants and Auditors**, a Saudi national licensed audit firm.

- *AlKharashi & Co. is the member office of Mazars in Saudi Arabia*
- *3 offices: Riyadh, Jeddah and Dammam*
- *120 multi-national professionals*
- *Strong connections with Mazars’ International structure*





# 06

## QUALITY & INDEPENDENCE

### Why Mazars for your audit?

We take the time to understand you.

We channel our strength in audit to address what matters to you.

Our support starts and finishes with your business, your risks, your needs and your challenges.

*This is Your Audit.*





# FOCUSING ON QUALITY AND INDEPENDENCE

## QUALITY AND INDEPENDENCE ARE THE FOUNDATION OF YOUR AUDIT

### A relentless focus on quality

Every piece of work we undertake is shaped by our professional commitments and our social conscience. We maintain the highest quality standards, ensuring our clients, investors, markets and regulators have confidence in us to do what is right.

Globally, our Quality and Risk Management (Q&RM) Board works closely with regulators and contributes to the work of international accounting, tax and audit bodies. It also monitors the full implementation of accounting, tax, financial advisory and auditing and auditing standards or best practices across Mazars globally.

The Q&RM board has oversight of quality control, training, and the assessment of partners and staff. It is in charge of keeping Mazars' Audit Manual up to date. Ultimately, and through everything it does, the Q&RM board seeks to improve the quality of our activity and to develop added value.

We monitor quality on two levels:

1. Globally: The Q&RM board organises international quality assessments on a rotational basis.
2. Nationally: Listed audits are reviewed by an inhouse quality director.

To help us improve, we value suggestions from external reviewers, and we ensure that any recommendations are promptly implemented.

We also carry out internal reviews of our audit work. Complex or contentious issues are considered by a panel of senior partners within the firm.

In addition, Mazars is a member of the Forum of Firms, the association of international networks of accountancy firms with objective to promote consistent and high quality standards of financial and auditing practices worldwide.

### Inhouse Quality Review

Our major audit teams include an independent Engagement Quality Control Review (EQCR) and work carried out by all team members is subject to a mandatory review by their relevant supervisors.

The EQCR director for you will be a highly experienced assurance director with relevant background. He will challenge and support the Senior Statutory Auditor in assessing key risk areas and areas of judgement.

The EQCR director will have no direct contact with SALAMA Cooperative Insurance Company to ensure complete impartiality and independence.

### Independence

In order to establish and disseminate the values central to the group, Mazars has developed a Charter of Conduct for Objectivity and Independence (CCOI).

This Charter is complemented by internal positions on compatibility of certain services for audit clients in areas such as sale and acquisition audits, internal audit, actuarial

services, the changeover to IFRS and assistance with setting up financial information systems.

The Charter is distributed to all employees and ethical issues form an integral part of their ongoing training.

Our key compliance procedures are:

1. A centralised procedure for the acceptance and continuance of client engagements. Our acceptance department uses the software WeCheck. Its use is mandatory. There is an automatic blocking control for new engagements/clients
2. Annual individual declarations of independence by all partners and other staff
3. A specific acceptance procedure for all audit-related engagements

Your engagement partner will provide annual confirmation to the Audit Committee that Mazars has complied with all the applicable independence requirements.

Mazars' Charter clearly defines the audit-related activities we can perform whilst remaining compliant with all the applicable legal and regulatory requirements. In unusual circumstances, or in the event of any potential complementary engagement representing a material fee, we will seek prior authorisation from your Audit Committee.



# FOCUSING ON QUALITY AND INDEPENDENCE

## QUALITY AND INDEPENDENCE ARE THE FOUNDATION OF YOUR AUDIT

We have considered whether there are any actual or potential conflicts of interest or threats to independence connected with us being your auditor. We can confirm that we have not identified any conflicts of interest.

### Dealing with conflicts during the audit

If an issue arises between one of our offices and SALAMA Cooperative Insurance Company, the central team will be immediately involved to resolve the situation. This dialogue is made easier because Mazars' integrated partnership structure ensures we are always aligned as a single team with your interests.

If an issue arises between our technical office and the engagement partners, we will hold face-to-face meetings with our experts. The lead engagement partner has the final word.

### Claims and litigation

At the present time, Mazars is not facing any material claims or litigation related to its statutory audit activity in any of the countries in which it operates.







# 07

## BEYOND YOUR AUDIT

### Why Mazars for your audit?

[ADD VERY SHORT KEY POINTS FROM THIS SECTION E.G.:

Audit is a power for good in society. Mazars' Business. For Good® encourages companies to think and act long-term.

Investing in methodologies that will help us provide broader assurance on extra-financial key value drivers, such as culture, human rights and sustainability.



# BEYOND YOUR AUDIT

## SUPPORTING ETHICAL BUSINESS



### Doing business for good

Increasing public interest in ethics and in how companies create value, as well as regulators' growing focus on sustainability, is changing the way companies are expected to drive their business and performance and has given rise to Environmental, Social and Governance (ESG) metrics.

With global experts able to respond to increasing challenges within a more demanding and disparate ESG regulatory system, Mazars can advise clients in this ever more complex space. We have expertise aimed at reengineering trust in business, empowering people and nurturing collective responsibility.

### Culture audit

A sound corporate culture that is aligned with strategy and reflects the values of the business is a key driver for financial and operational success, as well as a major influencer on ethical behaviour. It can drive innovation, attract the next generation of talent and protect the brand.

Mazars' Culture Compass measures cultural alignment throughout the business. When companies are going through periods of change – to the team, structure and operations – Mazars' Culture Compass can highlight both successes to be replicated and recommendations to address areas of divergence.



### Sustainability

As auditors, consultants and entrepreneurs, we consider it our duty to help our clients become ever more sustainable and responsible. Our sustainability services include: non-financial assurance; data protection and information security to provide you with comfort that your GDPR processes are appropriate and effective; anti-bribery and anti-corruption, with Mazars being formally accredited as an approved certifier of anti-corruption programmes; cyber security; and CSR and ethics in business consulting.

# BEYOND YOUR AUDIT

## KEEPING YOU INFORMED ON MATTERS TO YOU

Mazars provides updates on financial reporting, governance, taxation, accounting and other issues throughout the year through newsletters and events. We also provide forums that enable board members of listed companies to come together to share views on current issues and on emerging best practices.



### IFRS

We have dedicated IFRS team who can help in understanding new pronouncements, implementation of new pronouncements.



### Zakat & Tax

The Kingdom's Zakat and Income Tax Regulations are changing continuously. The ultimate amount of Zakat liability often depends, in part, on the manner and timing in which certain information is presented to the Department of Zakat and Income Tax (DZIT). These circumstances make Zakat planning and compliance particularly important tasks for management, our firm has the resources, skills and experience necessary to fully assist you with these tasks, and help you legally minimize your Zakat and Income Taxes. Our experience could help to assess the effect on Zakat liability when applying IFRSs.



### Advisory

Our local advisory services comprise of due diligence, internal audit, IT audit, valuation and placements for raising finance.



### Regulatory & Compliance

We can assist in compliance to ever changing regulatory landscape in Saudi Arabia.



# 08

## FEES



# OUR COMPETITIVE FEE

## OFFERING YOU A COMPETITIVE AND TRANSPARENT FEE

### Our fee

Our fee is broken down as follows:

Scope	Interventions	Amount Per Intervention – SAR	Total SAR
Quarterly Review of Condensed Financial Statements	3	60,000	180,000
Annual Audit of Financial Statements	1	195,000	195,000
Review of SAMA forms	2	6,000	12,000
Related party transactions review	1	3,000	3,000
<b>VAT isn't included in the above fees</b>			

### Notes and assumptions

1. Our fee is exclusive of VAT and disbursements.
2. We will not charge you extra for meetings, telephone calls or ad hoc queries that arise during the normal course of our work.
3. Fee quotes are based on information available to us at the time of preparing this document. Circumstances can change. It is our policy not to charge you more than the amount quoted. However, if circumstances change and we need to do extra work, we will agree a revised fee with you before undertaking the work. No surprises – we promise.
4. We have made a number of assumptions when putting our fee together:
  - a. Accounting records and internal controls are properly maintained.
  - b. Timetables agreed in advance with you are met and information is provided on time.
  - c. Financial statements and appropriate disclosures are prepared by the finance team with minimal assistance from our financial reporting technical team. We would agree the list of required information with you well in advance of the start of each phase of the audit.



# 09

## SIGNATURES

### Why Mazars for your audit?

Global experience, local application

A focus on the key risk areas of

Integrated audit platform underpinning an efficient audit

Relentless communication with your stakeholder groups and a commitment to “no surprises” on findings.





# SIGNATURES

If the services outlined herein are in accordance with your requirements and if the terms are acceptable to you, kindly have one original version of this document signed in the space provided below and return this to ourselves.

Signed on behalf of Al-Kharashi & Co. Mazars KSA:

Abdullah S. AIMsned, CA License (456)

We agree the foregoing terms and conditions of this proposal.

Signed on behalf of SALAMA Cooperative Insurance Company. :

Name:.....

Position:.....

Signature:.....

Date: .....





# Contact us...

## **AlKharashi &Co - Mazars**

**Abdullah AlMsned**

Partner

E-mail:

Abdullah.m@alkharashicaa.com

Telephone: 920028229

Fax: +966 11 4774 924

Mail Address:

P.O Box 8306

Riyadh 11482

Saudi Arabia

The contents of this document are confidential and not for distribution to anyone other than the recipients. Disclosure to third parties cannot be made without the prior written consent of Mazars LLP.

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