

التاريخ: 2023/05/25م

الموافق: 1444/11/5هـ

## تقرير لجنة المراجعة لعام 2022

### مقدمة

إن وجود نظام رقابة داخلية فعال هو أحد المسؤوليات الرئيسية المنوطة بمجلس الإدارة. وتتمثل أهداف لجنة المراجعة في مساعدة المجلس في الوفاء بالمسؤوليات المنوطة به فيما يتعلق بوجود وكفاية نظام الرقابة الداخلية وتنفيذه بفاعلية، وتقديم أي توصيات للمجلس من شأنها تعزيز النظام وتطويره بما يحقق أهداف الشركة ويحمي مصالح المساهمين بكفاءة عالية وتكلفة معقولة.

### أولاً: تشكيل لجنة المراجعة:

تم تشكيل لجنة المراجعة طبقاً لنظام الشركات وللقواعد والأحكام الواردة في لائحة حوكمة الشركات الصادرة عن هيئة السوق المالية ولائحة لجان المراجعة الصادرة عن البنك المركزي السعودي والنظام الأساسي للشركة وقد تم تشكيل اللجنة السابقة للدورة الرابعة بعد موافقة الجمعية العامة على اختيار أعضائها في اجتماعها المنعقد في تاريخ 2019/10/23م من الأعضاء التالية أسمائهم:

1. الأستاذ/ بدر السويلم – رئيس اللجنة وعضو مجلس إدارة مستقل

2. الأستاذ/ حسام الدين بن هاشم صدقة – عضو لجنة من خارج المجلس

3. الأستاذ/ ماجد بن عائض الجعيد – عضو لجنة من خارج المجلس

وأنتهت أعمال اللجنة السابقة في 2022/08/15.

كما تم تشكيل لجنة المراجعة للدورة الحالية (الخامسة) بعد موافقة الجمعية العامة على اختيار أعضائها في اجتماعها المنعقد في 1444/04/12 هـ الموافق 2022/11/06م وتضم اللجنة كلاً من:

1. الأستاذ/ بشار طلال كيالي – رئيس اللجنة وعضو مجلس إدارة مستقل

2. الأستاذ/ حسن رميح الزهراني – عضو اللجنة وعضو مجلس إدارة مستقل

3. الأستاذ/ حسام الدين هاشم صدقة – عضو لجنة من خارج المجلس

### ثانياً: اجتماعات اللجنة وأعمالها:

اجتمعت لجنة المراجعة السابقة (المنتهية أعمالها في 2022/08/15) خلال عام 2022م خمسة اجتماعات تم من خلالها ما يلي:

1. التوصية بالموافقة على تعيين مراجعي الحسابات الخارجيين لفحص ومراجعة وتدقيق القوائم المالية للربع الثاني والثالث والرابع والسنوي من العام المالي 2022 والربع الأول من العام المالي 2023م.
2. مراجعة ومناقشة القوائم المالية للربع الأول والثاني لعام 2022م والسنوية للشركة لعام 2021م مع الإدارة التنفيذية والمراجعين الخارجيين والتوصية لمجلس الإدارة باعتمادها كما لفتت اللجنة انتباه المجلس للخسائر المتركمة وتأثيرها على استمرارية الشركة.
3. اوصت اللجنة لمجلس الإدارة بإجراء تحليل عميق لأداء الشركة من أجل معالجة الأسباب الجذرية التي ساهمت في الخسائر المتركمة لاجل التوصل لخارطة الطريق وتجنب تكرار نفس السيناريوهات السابقة.
4. اصدرت اللجنة خطاب موجهة للرئيس التنفيذي مع نسخة للمجلس للفت انتباهه فيما يخص تأخر معالجة الملاحظات الواردة من ادارة المراجعة الداخلية وحثه على أخذ اجراءات عاجلة وفعالة لمعالجة هذه الملاحظات.
5. مناقشة مشروع IFRS -17 مع الاستشاري (PWC).

كما اجتمعت لجنة المراجعة للدورة الحالية (الخامسة) ثلاثة اجتماعات) التي بدأت اعمالها في 2022/11/06 م)، تم من خلالها ما يلي:

1. تكليف مديرا لإدارة الالتزام لفترة ستة اشهر.
2. تعيين سكرتير لجنة المراجعة للدورة الحالية.
3. التوصية بإسناد بعض مهام إدارة المراجعة الداخلية إلى شركة إرنست و يونغ (مزود خدمة) للعام المالي 2023م.
4. وجهت اللجنة إدارة المراجعة الداخلية بإضافة تفاصيل لعرض خطة المراجعة لعام 2023 للتخصيص للموافقة عليها.
5. الإطلاع على الملاحظات الواردة في تقارير المراجعة الداخلية للشركة وتوجيه إدارة المراجعة الداخلية بإعادة ترتيبها وعرضها وفق مهام لجنة المراجعة.
6. وجهت الإدارة التنفيذية بالشركة بإصدار خطاب لحث الموظفين على سرعة الاستجابة للملاحظات التي تعدت الوقت المسموح فيه وذلك لمعالجة نقاط الضعف في نظام الرقابة الداخلية .
7. الاطلاع على نتائج التشغيل التجريبي الثالث لمشروع IFRS-17 ومناقشة ملاحظات المراجع الخارجي في هذا الصدد وتوجيه الإدارة المالية بمعالجة الملاحظات وتوصية الإدارة التنفيذية بمتابعة سير العمل لحين إستكمال جميع المتطلبات.

### ثالثا: نتائج المراجعة السنوية لفاعلية إجراءات الرقابة الداخلية:

قامت إدارة المراجعة الداخلية بتنفيذ خطة المراجعة الداخلية السنوية لعام 2021 المعتمدة من قبل لجنة المراجعة والتي تم تنفيذها بالتعاون مع شركة إرنست و يونغ (مزود خدمة) خلال عام 2021 لغاية المنتصف من عام 2022، وقد رفعت تقارير المراجعة للإدارة العليا ولجنة المراجعة. وبناء على ذلك قامت الإدارة التنفيذية بعمل خطة عمل لتنفيذ ومعالجة جميع الملاحظات الواردة في تقارير المراجعة الداخلية. وبدورها قامت لجنة المراجعة بمراجعة هذه

#### AMANA COOPERATIVE INSURANCE

Public Shareholding Company with Capital 430 million SAR  
Supervised by SAMA under  
Permit Number 30 / 2010 / ن م ت | CR# 1010288711  
P.O. Box 27986, Riyadh 11427, Kingdom of Saudi Arabia  
National Address 7529 Salah Aldeen Al Ayoubi – Az Zahra  
Unit Number 2, Riyadh 12811 – 2017 Kingdom of Saudi Arabia  
t +966 11 475 7700 | f +966 11 475 7722 | 920006088

#### أمانة للتأمين التعاوني

شركة مساهمة عامة برأس مال 430 مليون ر. س  
خاضعة لرقابة وإشراف مؤسسة النقد العربي السعودي  
بتصريح رقم ت م ن / ٢٠ / ٢٠١٠ س.ت ١٠١٠٢٨٨٧١١  
ص.ب ٢٧٩٨٦، الرياض ١١٤٢٧، المملكة العربية السعودية  
العنوان الوطني ٧٥٢٩ طريق صلاح الدين الأيوبي – الزهراء  
رقم الوحدة بالرياض ١٢٨١١ - ٢٠١٧- المملكة العربية السعودية  
ت ٩٢٠٠٠٦٠٨٨ | ف +٩٦٦ ١١ ٤٧٥ ٧٧٠٠ | +٩٦٦ ١١ ٤٧٥ ٧٧٢٢

الأعمال وتضمينها في تقريرها لمجلس الإدارة لتسليط الضوء على الجوانب المتعلقة بفاعلية إجراءات الرقابة الداخلية بالشركة، هذا بالإضافة الى تضمين كل من ملاحظات المراجع الخارجي الواردة فيما يخص تقييمه لنظام الرقابة الداخلية.

كما قامت إدارة المراجعة الداخلية بالبدء في تنفيذ خطة المراجعة الداخلية السنوية لعام 2022 خلال الربع الثالث من عام 2022 ومن ثم أرسلت نتائج المراجعات للدارات المعنية لمعالجتها. وبناء على ذلك قامت الإدارة بالتنفيذية بعمل خطة عمل لتنفيذ ومعالجة الملاحظات الواردة في تقارير المراجعة الداخلية.

#### رابعاً: رأي لجنة المراجعة في مدى كفاية نظام الرقابة الداخلية في الشركة:

بناءً على التقارير الصادرة من إدارة المراجعة الداخلية بالشركة، ترى اللجنة أن نظام الرقابة الداخلية في الشركة بحاجة ماسة الى علاج نقاط الضعف والثغرات في نظام الرقابة الداخلي وبعض مكوناته وتطوير أدوات التحكم بالمخاطر المطبقة لدى الشركة لتتواءم مع حجم أعمال ومتطلبات الشركة. حيث انه ورد للجنة كثير من الملاحظات التي لم يتم علاجها وفق الحدود الزمنية للخطط التصحيحية وهذا التأخر بدوره ينعكس سلباً على متانة وفعالية نظام الرقابة الداخلية في الشركة.

#### خامساً: خطة لجنة المراجعة خلال عام 2023 وجدول اجتماعاتها:

تماشياً مع متطلبات لائحة لجان المراجعة في شركات التأمين الصادرة من البنك المركزي، ناقشت لجنة المراجعة الدورة الحالية خططها السنوية لعام 2023م والتي من خلالها ستقوم بمراقبة أداء وتطبيق أنظمة الرقابة الداخلية في الشركة والتأكد من كفاءة وفعالية الانظمة والتحقق من تنفيذ القرارات المتعلقة بالرقابة الداخلية، وضمان الإلتزام بتطبيق نظام مراقبة شركات التأمين التعاوني ولائحته التنفيذية والأنظمة واللوائح والتعليمات الأخرى ذات العالقة.

#### بالياباة عن لجنة المراجعة لشركه أمانه للتأمين التعاوني

رئيس لجنة المراجعة

بشار ظلال كحالي

التاريخ : 1444/10/28 هـ

الموافق : 2023/05/18 م

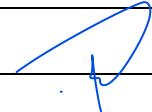

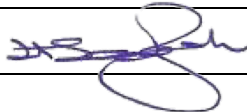
الموضوع: توصية لجنة المراجعة في تعيين مراجعي الحسابات

المحترمين

السادة / رئيس وأعضاء مجلس الإدارة

تحية طيبة وبعد ،،

قررت لجنة المراجعة التوصية لمجلس الإدارة بتجديد العقود القائمة لمكتب سليمان عبدالله الخراشي (الخراشي وشركاه محاسبون ومراجعون قانونيون) ومكتب السيد العيوطي وشركاه محاسبون قانونيون ، لمراجعة حسابات الشركة للسنة المالية المنتهية في 2023/12/31م والربع الأول من العام 2024م بمجموع تكاليف 938,000 ريال سعودي (غير شامل ضريبة القيمة المضافة). وذلك بسبب الحاجة لإكمال الأعمال للتحويل للمعيار المحاسبة المالية الدولية 17 (IFRS-17) لضمان حسن التنفيذ كون هذه المكاتب على علم بالتفاصيل التي تمت والمطلوبة لإتمام عملية التحويل للمعيار الأنف ذكره.

رئيس لجنة المراجعة	عضو لجنة المراجعة	عضو لجنة المراجعة
الأستاذ بشار كيالي	الأستاذ حسن الزهراني	الأستاذ حسام صدقة
		

AMANA COOPERATIVE INSURANCE

Public Shareholding Company with Capital 130 million SAR

Supervised by Saudi Central Bank - SAMA under

Permit Number ١٠١٠٢٨٨٧١١ / ٣٠ / ٢٠١٠ | CR# 1010288711

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أمانة للتأمين التعاوني

شركة مساهمة عامة برأس مال 130 مليون ر.س

خاضعة لرقابة وإشراف البنك المركزي السعودي

بتصريح رقم ت م ن / ٢٠ / ٢٠١٠ س.ت ١٠١٠٢٨٨٧١١

ص.ب ٢٧٩٨٦، الرياض ١١٤٢٧، المملكة العربية السعودية

العنوان الوطني ٧٥٢٩ طريق صلاح الدين الأيوبي – الزهراء

رقم الوحدة الرياض ١٢٨١١ - ٢٠١٧- المملكة العربية السعودية

ت ٧٧٠ ٧٧٠ ١١ ٤٧٥ | ف ٧٧٢٢ ٧٧٢٢ ١١٩٦٦ ٤٧٥ | ٩٢٠٠٠٦٠٨٨





# Proposal to Amana Cooperative Insurance Company for the provision of external audit

May 17, 2023

# Contents

You want to ensure your business grows healthily and sustainably, can compete strongly and remain agile and resilient in an ever-changing world. We offer an audit that is tailored to your business; one that looks beyond the numbers; and one that provides judgement, insight and challenge. **Your audit.**

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May 17, 2023

Amana Cooperative Insurance Company  
Riyadh, Kingdom of Saudi Arabia

Attention: Mohammed Al Abbad, Secretary Audit Committee

Ref: **External Financial Auditing 2023 for Amana Cooperative Insurance Company– Technical and Commercial Proposal**

Dear Sir,

We are pleased to present our proposal to serve as auditors for **Amana Cooperative Insurance Company** for the financial year 2023.

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 Amana Cooperative Insurance Company prepare for the future.
2. **Sector Experience.** At Mazars we have deep experience of Business services sector. We globally provide statutory audit services to Business services operators. We are able to mobilise our global Business services sector 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 Amana 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 Amana 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,





## Executive summary

Mazars has one of the largest Business services sector footprint amongst its competitor firms. Our experience, international presence and commitment make us the right fit for the Company.

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 the Company thus providing “YOUR AUDIT”. We further believe with the personalized attention we will be providing to serve you.

- This proposal contains our offer for annual external Audit of **Amana Cooperative Insurance Company** for year ending December 31, 2023, quarterly reviews of Condensed financial statements. We expect to release the year end financial statements by end of February, 2024, 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 the Company 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.**





## Understanding your needs

Understanding your business and what you need from us allows us to focus our global expertise to provide you with a first-class audit now, and as you grow.

### Understanding your business and your needs

Our understanding of the Scope is as below:

Company	Holding	Scope
Amana 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>
***	***	***
***	***	***
***	***	***
***	***	***

### How we will respond

No two audits should be the same. We offer a tailored approach to your audit – one that starts and finishes with your business, your risks, your needs, and your challenges. Your audit.

We offer:

- a seamless transition;
- a robust audit approach;
- a responsive audit team with the necessary technical ability and experience to provide insight and constructive challenge;

- clear and effective communication with all your stakeholders; and
- a fair and transparent fee.

## A tailored approach to your audit

A focus on the key risk areas. Integrated audit platform for an efficient audit. Relentless communication. No surprises on findings.

### 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 Board. 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 Board 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.

# A tailored approach to your audit (continued)

## Providing an audit that starts and ends with your needs.

### Audit risk areas for your audit

Significant audit risks	Audit approach
Management override of controls.	<ul style="list-style-type: none"> <li>• Assess the design and implementation of the key controls over the journal entry posting process.</li> <li>• Make inquiries with the finance team involved in the financial reporting process about any inappropriate or unusual activity relating to the process of journal entries and other adjustments.</li> <li>• Perform journal entry testing.</li> <li>• Maintain professional scepticism when reviewing key management estimates and other areas of management judgement and seek to identify any evidence of management bias.</li> <li>• Review any significant transactions outside the normal course of business.</li> </ul>
Insurance Contracts revenue	<ul style="list-style-type: none"> <li>• We presume existence of fraud in revenue .</li> <li>• Testing of details</li> <li>• Building fraud scenarios and testing for possible fraud</li> </ul>
IFRS 17 and IFRS 9 transition.	<ul style="list-style-type: none"> <li>• Assessment of the appropriateness of the accounting treatments adopted with reference to IFRS 17</li> <li>• Assessment of models used for determining liability for remaining coverage, liability for incurred claims, reinsurance asset/liability, IFRS 9 ECL models</li> <li>• Understanding and evaluation of the design and implementation of the system of internal controls relating to revenue recognition, with focus on key controls relevant to audit.</li> <li>• Where found appropriate and audit-efficient, testing of the operating effectiveness of the key controls relevant to our audit over revenue recognition.</li> <li>• Review the transition rollover templates from IFRS 4 to IFRS17</li> <li>• Engage Auditor Expert (actuary) to review the transition impact as determined by Appointed actuary</li> </ul>
Ultimate Liability under insurance contracts	<ul style="list-style-type: none"> <li>• Obtain the report with supporting working of Appointed Actuary</li> <li>• Review the assumptions, input data, methodology used by appointed actuary</li> <li>• Engage auditor expert to perform testing on the work of appointed actuary</li> </ul>
Emphasis on quality financial reporting.	<ul style="list-style-type: none"> <li>• Perform a review of current year financial statements, focusing on the presentation and disclosure of key items, with the view of concluding whether we considered the current level of disclosure appropriate and adequate to the users of the financial statements.</li> <li>• Evaluate Company's significant accounting policies for consistency with the applicable financial reporting framework.</li> </ul>
Adoption of new / revised accounting standards other than IFRS 7 and 9	<ul style="list-style-type: none"> <li>• Discussions with management to identify transactions affected by the new/revised accounting standards.</li> <li>• Discussion of proposed treatment by reference to contractual terms and accounting requirements.</li> <li>• Conclusion to be agreed with management and discussed with the Board..</li> </ul>

# A tailored approach to your audit (continued)

## Providing an audit that starts and ends with your needs.

### Professional judgement

Your audit covers key issues and risks of your business, including those that can be more subjective in nature. We endeavour 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 instil 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 expect to set financial statement materiality at 1% of gross written premium and we will report to the Board all errors 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;
- Information provided by the Entity (IPE), including System Generated Reports; and
- interfaces testing.

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



## A tailored approach to your audit (continued)

### Using technology.

#### Data analytics and process mining

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

Data analysis offers additional assurance that your internal controls are working effectively. Our data analysis experts process large volumes of information efficiently to identify anomalies and patterns that could indicate error or potential fraud. We use data analytics in various audit areas such as journal entries testing, revenue recognition, inventory and stocks, interface testing, interest calculation.

We use the following solutions to support financial statement audits, as necessary and always in a proportionate way:

- Data analytics tests including custom scripting based on tools such as Audit Command Language (ACL), SQL Server (with SQL or Python).
- Alteryx and Power BI to visualise key results from our analytics tests.
- Mazars' proprietary analytics platform, for advanced and predictive analysis and D-CLIC for process-dedicated data analysis.
- ATLAS Analytics, our in-house and standard solution to analyse journal entries, AR, AP, inventory and fixed assets





# A tailored approach to your audit (continued)

## Delivering your audit on time.

### Our audit plan

Audit plan	Scope	Audit effort	Key interactions with your teams and deliverables
Planning and review of interim reporting	<ul style="list-style-type: none"> <li>Assess impact of key changes in the year.</li> </ul>	15 days	<ul style="list-style-type: none"> <li>Audit plan discussed with management and presented to the Board</li> <li>Letter of comments on review of interim financial statements.</li> <li>Letter of engagement.</li> </ul>
Internal controls and pre-final <b>November 2023</b>	<ul style="list-style-type: none"> <li>Select key controls relating to audit risks and review their design and effectiveness in all material entities or significant business processes 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>	10 days	<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 Board.</li> </ul>
Field work. <b>January, February 2024</b>	<ul style="list-style-type: none"> <li>Update and evaluate changes to key controls subsequent to pre-final, if any</li> <li>Consolidate any issues which may have an impact on audit opinion, at [both local and] group levels, and liaise with your central team accordingly.</li> </ul>	28 days	<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>
Completion and reporting. <b>March 2024</b>	<ul style="list-style-type: none"> <li>Review of audit files.</li> <li>Review of draft financial statements.</li> </ul>	10 days	<ul style="list-style-type: none"> <li>Audit completion report and draft audited financial statements presented to the Board.</li> </ul>
Sign-off. <b>March 2024</b>	<ul style="list-style-type: none"> <li>Arrange financial statements to be signed off.</li> </ul>	7 days	<ul style="list-style-type: none"> <li>Audit completion reports for statutory accounts discussed with local management.</li> <li>CFO and Board</li> </ul>

# A tailored approach to your audit (continued)

## 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.

Communication with senior management requires planning and structuring. We always suggest 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 and your business;
- 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. Sherif Sharaf is always available. He can be contacted at any time and will respond within 24 hours. He will contact the key management as soon as the need arises.

### Communicating with your board of directors and Audit Committee

Reporting to the Board will take account of the requirements of the European Audit Reform and/or International Standards on Auditing and include the following considerations:

1. Presenting our annual audit plan before starting our work: this document includes our timetable for communication with the Board, our responsibilities and audit scope, potential areas of focus and a description of our audit approach; we will also obtain from the Board information relevant to the audit.
2. Reporting on the financial statements: our conclusions will be presented to the Board in a document describing the broad lines of work performed, highlighting any special accounting treatments, qualitative aspects of accounting practices, and estimates made by

management and audit findings.

3. Reporting on internal control: we will report separately on our internal control review relevant to your audit and on significant deficiencies raised by our teams.
4. Staying independent: each year we will confirm our independence in writing to the Board
5. Dealing with requests for additional services not directly related to audit: we will consult the group's financial management and Board 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 Board. to present these documents. All reports will be discussed in draft with management before reporting to the Board, although we will retain editorial control.

# A tailored approach to your audit (continued)

## Innovation for your audit.

### 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 Board, 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.

### 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.



## Our team and experience

One team with one reporting line. Deep industry experience. Global presence. We can mobilise teams wherever you need us to be.

### 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

#### Your core team

Abdullah Al-Msned will be your engagement partner. Aamer Sikandar will ensure the process is tailored, relevant and of the highest standard. We believe that a strong relationship between the lead audit partner, the senior management of the group and its Board is a key element of a successful audit. Sherif Sharaf will be the linchpin of this relationship.

Aamer Sikandar will be supported by Hafiz Ahsan Ali, an experienced audit manager. He will be your day-to-day contact, coordinating the audit team's activities, regularly communicating with your management and liaising with our specialists.

### Specialist support

Specialists are an integral part of our audit team, not separate to it. We will call upon their expertise, where appropriate, to ensure that you receive the maximum benefit from our audit services.

CVs for our core team members mentioned above can be found in Appendix 2.

### 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 audit.

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 monthly basis.

# Our team and experience (continued)

## 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.

We offer a distinctive, human-centric approach that goes beyond compliance, with an integrated structure that allows us to work seamlessly as one team. We believe constructive challenge, based on mutual trust and respect, builds confidence in how organisations report to their stakeholders.

### 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. 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, 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 2,150 Public Interest Entity (PIE) clients worldwide, including 1,100 with their headquarters in Europe.
- 850 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 over 90 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 (continued)

The experience and insight we can bring to

 <p>The Mediterranean and Gulf Cooperative Insurance and Reinsurance Company</p>	 <p>الدرع العربي للتأمين Arabian Shield Insurance</p>	 <p>Arabia INSURANCE A.I.C.C. ARABIAN INSURANCE COOPERATIVE COMPANY</p>	 <p>ACIG</p>
 <p>AMANA COOPERATIVE INSURANCE</p>	 <p>الإئماء طوكيو مارين Alinma Tokio Marine</p>	 <p>تكاful الراجحي Al Rajhi Takaful</p>	 <p>Axa cooperative Insurance</p>
 <p>وفا للتأمين Wafa Insurance</p>	 <p>إئتاد الخليج للتأمين التعاوني GULF UNION COOPERATIVE INSURANCE CO.</p>	 <p>الائئتاد AL-ETIHAD AL-ETIHAD Co-operative Insurance   ائتاد للتأمين التعاوني</p>	 <p>American life insurance Co.</p>
 <p>Saudi Stock Exchange Market</p>  <p>Qassim Agricultural (Joint stock Co.)</p>	 <p>هيئة السوق المالية Capital Market Authority</p> <p>Capial Market Authority</p>  <p>Tabuk Agricultural (Joint stock Co.)</p>	 <p>وزارة التجارة والاستثمار Ministry of Commerce and Investment</p> <p>Ministry of Commerce and Investment</p>  <p>هيئة السوق المالية Capital Market Authority</p> <p>Capial Market Authority</p>	 <p>Riyadh Chamber of commerce and Industry</p>  <p>Saudi Stock Exchange Market</p>
 <p>Dar Al-Arkan (Joint stock Co.)</p>	 <p>الشركة الوطنية للرعاية الطبية National Medical Care Co.</p>	 <p>رعاية ريادة مستشفى Riyadh Care Hospital</p> <p>Riyadh Care Hospital</p>	 <p>اسمنت اليمامة Yamama Cement (Joint stock Co.)</p>

## Our team and experience (continued)

We are where you need us to be.

### Our teams are where you need them to be

We have an integrated partnership structure in over 90 countries across the world. We can match your global footprint now and can support you as you grow.



Valid as of 1 January 2021

- Integrated countries and territories
- Non-integrated countries and territories:  
Mazars correspondents and representative offices

## A focus on quality and independence

A focus on quality, driven centrally from Mazars Group and consistently cascaded to all countries.

### 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 and analyses annual self-assessments of quality of each of our offices annually.
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.

### Independent Partner

Our major audit teams include an independent Engagement Quality Control Review (EQCR) partner. The EQCR partner will be a highly experienced assurance partner with a relevant background. HE will challenge and support the Senior Statutory Auditor in assessing key risk areas and areas of judgement.

The EQCR partner will have no direct contact with the Company to ensure complete impartiality and independence.

# A focus on quality and independence (continued)

## Quality and independence are the foundations of your audit

### Independence

Mazars firms observe the Mazars Code of Conduct for Objectivity and Independence (CCOI). The CCOI, while based on the IESBA Code of Ethics, is more restrictive on certain aspects.

This CCOI 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.

Mazars' CCOI clearly defines the non 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 Board.

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 non-audit-related engagements.

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

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.

### Conflicts of interest

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 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.



## Our competitive fee

### Transparent. Fair. Realistic.

#### Our fees:

Our firm wants to build a long professional business relationship with your esteemed Company. Based on our understanding of the operations of the Company we evaluate our fees to provide the professional services as follows:

Company	Scope	Interventions	Amount Per Intervention – SAR	Total SAR
Amana Cooperative Insurance Company	Quarterly Review of Condensed Financial Statements	3	78,000	234,000
	Annual Audit of Financial Statements.	1	234,000	234,000
	Related Parties transaction review	1	5,000	5,000
<b>Total</b>				<b>473,000</b>
<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. Our fee quote is 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
  - d) Qawaem and Surplus distribution verification are not included in the quote.



## Beyond your audit

Audit is a power for good in society. Providing broader assurance in non-financial area such as culture, human rights and sustainability.



### The Future of Audit

Recent high-profile corporate failures have cast a dark shadow on the audit sector. Calls for reform have been heard and transformation is underway. Mazars has long advocated change; not for self-promotion, but because integrity, independence and a strong sense of duty to serve the public interest have always been our core beliefs. We believe that three policies would provide meaningful answers to current doubts on audit quality and independence: more robust and better monitored quality, risk management, ethics and conduct processes; a common understanding of the respective roles of corporate management, audit committees and boards, supervisors and auditors; and mandatory joint audits for complex cross-border PIEs. The results of our audit survey 'The future of audit: market view - myths, realities and ways forward' can be found [here](#).



### 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 (continued)

### Insight. Events. Support.

#### Keeping you informed

We pride ourselves on our independent perspective: one that balances local and global, business and society, in a different way. We provide insights on the future of our profession and its role in building a fair and prosperous world. Through our publications, we highlight and share our views on the major changes that will impact the lives and business models of our clients, as well as on the megatrends that will reshape our world. More on our global insights can be found [here](#).

- IMazars 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.





# A

## Appendices

A1: More about Mazars

A2: More about our team



## A1: More about Mazars

### A word from our CEO and Chairman

“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 Hélias**  
CEO and Chairman

# A1: More about Mazars

## Introducing Mazars

Mazars is a leading international audit, tax and advisory firm, aspiring to build the economic foundations of a fair and prosperous world.

Operating as a united partnership, Mazars works as one integrated team, leveraging expertise, scale and cultural understanding to deliver exceptional and tailored services in audit and accounting, as well as tax, financial advisory, consulting and legal services\*.

Founded in Europe, Mazars is present in over 90 countries and territories, with over 42,000 professionals – 26,000+ in our integrated partnership, 16,000+ via the Mazars North America Alliance – dedicated to helping clients make the most of business opportunities and operate with confidence.

\*where permitted under applicable country laws.

**€1.9bn**

fee income\*  
(financial year 1  
September 2019 –  
31 August 2020)

**90+**

countries &  
territories

**1,100**

partners  
worldwide

**42,000+**

professionals to serve  
clients around the world:

26,000+ in the Mazars  
integrated partnership

+

16,000+ via the Mazars  
North America Alliance

**+7.8%**

growth in fee  
income  
(versus  
2018/2019  
financial year,  
excluding forex  
impact)

**300+**

offices

**53%**

of our global workforce  
are women

\*Fee income for Mazars Group  
Figures as at 1 January 2021 unless otherwise stated.



# A1: More about Mazars

## What makes us different

We are an international audit, tax and advisory firm offering a different perspective.

We believe that how we work is as important as what we do.

We are a multicultural and united partnership, committed to working in the public interest, with shared goals, values and service standards across the world.

We grow in ways that retain our independence, diversity and balanced world view.

We approach every piece of work with a commitment to the highest level of quality as well as with integrity, independence, accountability and a social conscience.

We look to truly understand our clients – who they are and how they work – and adapt our approach accordingly.

We focus on the long term: both for our clients and our firm.



# A1: More about Mazars

## An approach that sets us apart

### Four essential attributes enable us to deliver our promise to our stakeholders

#### Empowered expertise

##### **Professionals empowered to do the right thing for our clients**

We celebrate the individuality and leadership of our people.

We encourage an entrepreneurial and pioneering spirit.

We look to the future.

We help our people develop the highest levels of technical excellence.

We deliver a personalised service of exceptional quality for every client.

We use our expertise and independence to do what is right for our clients and for the public interest.

#### Balanced perspective

##### **Thoughtful counsel that blends local and global perspectives**

We are an international and multicultural partnership.

Our scale allows us to serve global and local clients across the world whilst remaining agile and personal in our approach.

Our deeply rooted local teams combine cultural awareness and understanding with a global perspective.

We are committed to a partnership structure and expansion in ways that retain our independence, diversity of thought and balanced world view.

#### Seamless integration

##### **One team delivering a rewarding experience and consistent quality**

We operate as one, integrated team: with each other, with our clients, and with our stakeholders.

Our teams are characterised by an agility and empathy that is uniquely Mazars.

We operate around the world as a single, united and connected partnership with aligned interests and consistent delivery models and standards.

We collaborate seamlessly across our sectors, services and geographies to deliver consistent quality to our clients everywhere in the world.

#### Social conscience

##### **A mindset that gives clients, investors, markets, regulators and the public confidence that we do what is right**

Each of us is committed to helping build the economic foundations of a fair and prosperous world.

We believe that how we work is as important as what we do.

We are accountable for our actions: we do what is right for our clients and society.

We manage our firm for the benefit of future generations.

Our social conscience is the reason we remain independent: bringing choice to our industry.

# A1: More about Mazars

## Our international presence



Valid as of 1 January 2021

- Integrated countries and territories
- Non-integrated countries and territories:  
Mazars correspondents and representative offices



## A2: More about our team

## A2: More about our team

### Team page



Name: **Abdullah Al-Msned**

Job title: Partner

E: [abdullah.m@mazars.sa](mailto:abdullah.m@mazars.sa)

Abdullah is a partner and has been with AlKharashi - Mazars since 2009.

He has a wide experience in IFRS, 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.

#### Professional qualifications and membership:

- 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.



Name: **Karim Gomaa**

Job title: Audit Director (EQCR)

E: [karim.gomaa@mazars.sa](mailto:karim.gomaa@mazars.sa)

#### Practical and professional experience:

- Karim has 17 years of auditing experience.
- He started his career with KPMG Egypt followed by 15 years in PwC (Egypt and KSA) before joining Mazars.
- During the last 17 years he provided external audit, risk advisory, forensic services to local and multinational clients including several stock exchanges listed and traded clients, in various lines of business mainly in the consumer and industrial products and services.
- Has vast experience with a variety of industries including automotive, mining, governmental, investments, real estate development, healthcare, construction & engineering, retail & trading, manufacturing and other consumer and industrial products and services.
- Strong accounting, auditing, laws and regulations foundation
- Wealth of experience in various countries in the Middle East with different accounting frameworks and regulations (i.e. Egypt, Saudi Arabia and other GCC countries).
- Used a variety of accounting standards (i.e. EAS, IFRS, SOCPA and US GAAP).
- Excellent knowledge of the risk assessment, internal controls evaluation, SOX and 404 reporting.

#### Professional qualifications and membership:

- Bachelor Degree of Commerce, English Section, University of Alexandria, Egypt.
- Certified Public Accountant (CPA), New Hampshire Board of Accountancy, USA.
- Certified Internal Auditor (CIA), Institute of Internal Auditors (IIA), USA.
- Member of the American Institute for Certified Public Accountants (AICPA)



## A2: More about our team

### Team page



Name: Aamer Sikandar

Job title: Audit Senior Director

E: [asikandar@mazars.sa](mailto:asikandar@mazars.sa)

Telephone number: 920028229

#### **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, retail FMCG and services sectors.
- Heads Mazars audit and IFRS technical support desk for the Middle East region.

#### **Professional qualifications and membership:**

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



Name: **Hafiz Muhammad Ahsan Ali**

Job title: Manager Audit

E: [hafiz.ahsan@mazars.sa](mailto:hafiz.ahsan@mazars.sa)

#### **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

#### **Professional qualifications and membership:**

- Fellow Member of Institute of Public Accountants of Australia.
- Fellow Member of Institute of Financial Accountants – UK
- ACA finalist of Institute of Chartered Accountants - PAK

**Abdullah AlMSned**

Partner

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Riyadh 11482

Saudi Arabia

Mazars is an internationally integrated partnership, specialising in audit, accountancy, advisory, tax and legal services\*. Operating in over 90 countries and territories around the world, we draw on the expertise of more than 42,000 professionals – 26,000+ in Mazars' integrated partnership and 16,000+ via the Mazars North America Alliance – to assist clients of all sizes at every stage in their development.

\*where permitted under applicable country laws

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# Amana Cooperative Insurance Company *(a Saudi Joint Stock Company)*

## Proposal for Quarterly Reviews and External Audit Services for the Year 2023



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FROM OUR  
WORLD  
TO YOURS

## About the Client

Amana Cooperative Insurance Company (“Amana”, the “Company”) is a Saudi Joint Stock Company established in Riyadh, Kingdom of Saudi Arabia by Royal Decree No. M/35 dated 3 Jamada Al-Akher 1431H, corresponding to 17 May 2010G.

The Company is registered under Commercial Registration number 1010288711 dated 10 Jamada Al-Akher 1431H, corresponding to 24 May 2010G.

The objective of the Company is to conduct insurance business in the Kingdom of Saudi Arabia in accordance with the Certificate of Incorporation and Saudi Arabian regulations and offers insurance products in segments related to medical, motor and property and casualty.

Amana is in compliance with the legislative and regulatory authority requirements in the Kingdom of Saudi Arabia. The Company has adopted a Corporate Governance framework based on shared responsibilities between the Board of Directors and the Executive Team.

Amana is currently in the process of availing the services of a professional audit firm to undertake the 2023:

- Co-review of the Company’s quarterly financial statements for the period ending Jun, Sep 2023 and Mar 2024
- Co-audit of the Company’s financial statements for the year ending 2023



## Our Methodology

Moore's Global Audit Methodology is tailored for audits in Saudi Arabia in accordance with the International Standards on Auditing (ISAs) as adopted by the Saudi Organization for Chartered and Professional Accountants (SOCPA). By applying our below methodology, we ensure to perform a focused approach while executing our audit service.

### Moore Global Audit Methodology



Understand the business	Consideration of fraud risk	Develop audit procedures	Audit Management Letter
	Establish the degree of reliance on internal control	Design IT systems review	
Perform initial planning procedures	Risk identification	Perform Test of Controls	Independent Auditor's Report
	Response to risks identified	Substantive audit procedures Gather evidence	

**Partner led approach | Firm independence | Subject Matter Experts | Stakeholders objective**

## Key Audit Areas

As per the nature of the Company's business and the norms of the respective industry the following could be issues of significance for audit:



### Revenue recognition

Premiums receivable

Investments

Accruals and other liabilities

### Unearned premiums

Claims

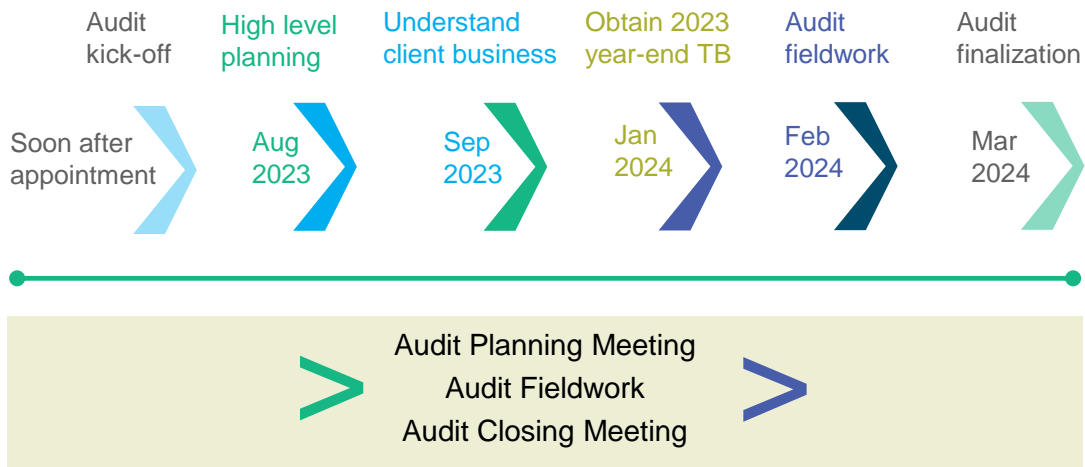
Actuarial calculation

Regulatory compliance

IFRS 17



## Audit Timeline



## Fees

We are your partner in success, thus, you deserve the highest standards of service with a commitment to manage costs effectively and receive value for money. Our fees is as follows:

Scope	SR
Co-review the Company's quarterly financial statements for the period ending Jun, Sep 2023 and Mar 2024 (SR 55,000 x 3)	165,000
Co-audit the Company's financial statements for the year ending 31 Dec 2023	300,000
<b>Total fees</b>	<b>465,000</b>

Our billing practice is to invoice as follows:

50% upon commencement of the audit

50% upon delivering the draft audit report

## Assumptions

Our fee is subject to VAT charges as applicable in the Kingdom of Saudi Arabia.

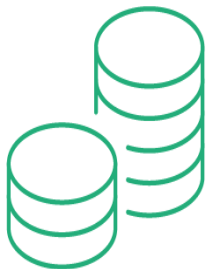
In case of our reappointment for the year 2024, we might revise our fees on the basis of the changes in the Company's business activities.

In case of merger of Amana Insurance with ACIG during our engagement for 2023, we might revise our fees on the basis of the changes in the Company's business activities.

Out of pocket expenses related to traveling and lodging, if any, will be charged on actual basis (maximum to 15% of total fees)

Fees rendered for any additional services will be based on the level of complexity, time requirements and associated risk and would be agreed upon prior to any assignment commenced.

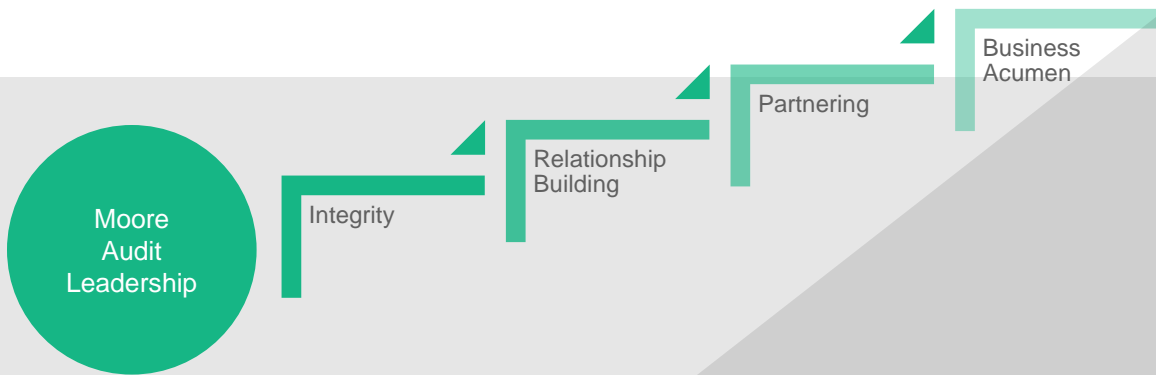
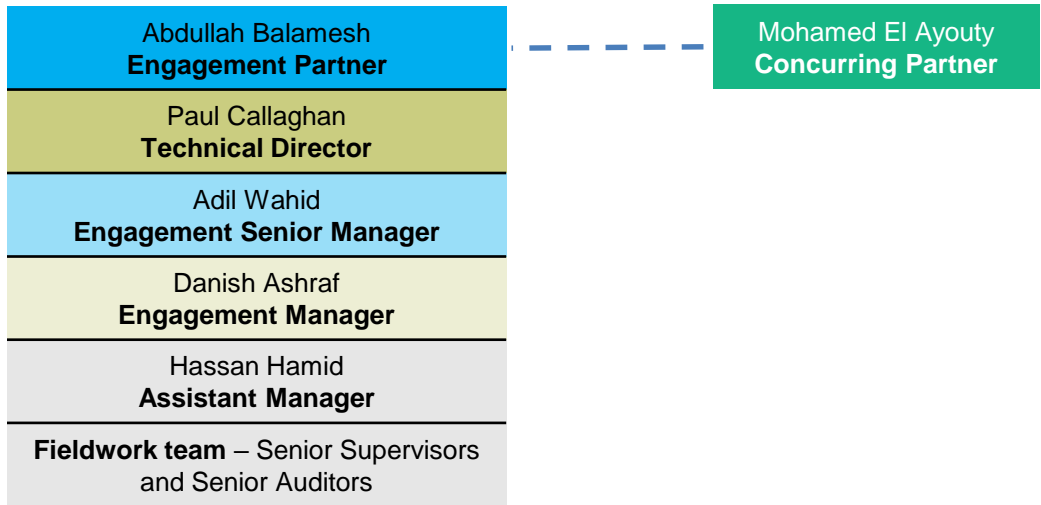
Fees rendered for any additional work, for e.g., certification of SAMA returns or any other agreed-upon procedures, will be calculated based on the time and budget requirements and will be decided upon prior to engagement commencement.



***If the proposed fee is the only limiting factor to our appointment, we would appreciate the opportunity to discuss solutions to meet our mutual requirements.***



**Professional Team**





## Professional Team (cont'd...)

### Detailed CVs

#### Abdullah Balamesh, Engagement Partner

Abdullah is a Certified Public Accountant (SOCPA) and holds a MBA qualification. He is a member of Audit Standards Committee and Control Committee of Professional Performance Quality Subject to The Saudi Organization of Certified Public Accountants, and he also one of its arbitrators. As a concurring partner to this engagement, his responsibility is to perform an objective review of significant auditing, accounting, and financial reporting matters independently and to conclude that the audit was performed as per the International Standards on Auditing.

#### Mohamed El Ayouty, Concurring Partner

He is a Certified Public Accountant both locally (SOCPA) and internationally (CPA - USA) and will be the lead engagement partner. He is a leading expert in audit, zakat and income tax advisory services of banking, investment, manufacturing, trading, construction, hospitality, health care companies with an experience over 20 years.

#### Paul Callaghan, Technical Director

Paul Callaghan is a Fellow of the Institute of Chartered Accountants in England and Wales and holds a Diploma in Insurance from the Chartered Insurance Institute of London. He has over 30 years professional experience gained in UK, UAE and Oman. Paul has over 24 years' experience in the Middle East including more than 23 years in Oman and is Moore's middle east insurance sector subject matter expert.

#### Adil Wahid, Engagement Senior Manager

He is a member of the Institute of Chartered Accountants of Pakistan and has been working in audit and advisory services for the last 18 years and associated with Big Four besides his current experience with El Ayouty. His experience counts audit and business advisory engagements in diversified sectors. He will be involved in all stages of the audit and will act along with the Technical Director in reviewing the technical side of the audit.

#### Danish Ashraf, Engagement Manager

He is a member of the Association of Chartered Certified Accountants and has been working in audit and advisory services of the Firm for the last 12 years. He has experience in multiple industry sectors and will directly supervise the work the senior auditors. He will be involved in all stages of the audit and will ensure that the deliverables are issued on time.

#### Hassan Hamid, Assistant Manager

A specialist in Arabic financials, Hassan has over 15 years of experience in the areas of audit and consultancy. He was previously associated with one of the big four audit firms. He mainly focuses on is insurance, hotel, manufacturing & trading. He will be responsible for the overall communication with the client as well as with co-auditor and coordination of fieldwork activities

## About Us

El Sayed El Ayouty & Co., (“We”, the “Firm”) registered itself as a licensed public accounting and auditing firm in 1954 with its Head Office in Jeddah. This early commitment to the Saudi Arabian market, together with our unwavering focus on quality, has been the foundation of our accumulated industry experience, and is reflected in our appointment by some of the Kingdom’s most prestigious companies.

The firm is managed by 2 Partners:

Mohamed El Ayouty	License # 211
Abdullah Balamesh	License # 345



The Firm’s blend of international expertise and local knowledge makes us well positioned to serve the ever expanding Saudi Arabian businesses looking to join the global economy as well as international companies seeking to enter the Saudi market.

We are a full member firm of Moore Global Network Limited since 1998.

## Key Facts



1954

Year of inception

The Capital Market Authority’s Board of Commissioners issued its resolution approving the registration of El Sayed El Ayouty & Co. Certified Public Accountants (license No. (35/11/323) dated 20/11/1408H) to carry on audit engagements for Entities Subject to the Authority’s Supervision.



169  
staffs



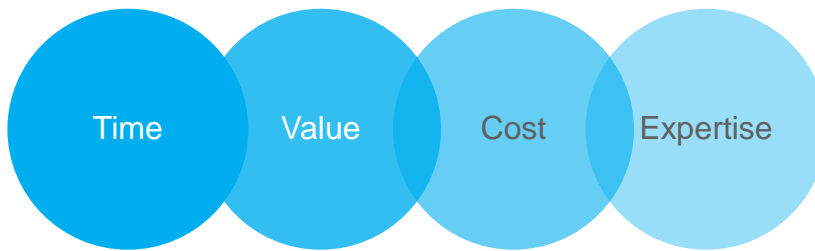
6 offices  
in KSA

We actively encourage the training and development of Saudi staffs and our Firm’s strategy is aligned with the Vision 2030.  
 As a Firm, we hire, train and develop the local talent pool and give them a long-term career path.

## Value Proposition

The Firm's objective is not about us. It's all about our clients.

When it comes to providing personalized and commercially astute assurance, tax and business advisory services, it simply can't be anything else. Our professionals partner with our clients to understand them, their business, their needs, their challenges and, most importantly, how they define their success.



The Firm

Professional  
Result driven  
Innovative

Clients

Meet expectation  
Value for money  
Global reach

## Our Services

Services			
Assurance	Zakat & Tax	Advisory	Regulatory
Financial Statements Audit	Zakat & Tax Compliance / Advisory	Internal Audit	Dispute Resolution
Limited Review	VAT Compliance and Advisory	Compliance Review	Corporate Liquidation
Special Purpose Audit	Transfer Pricing	IFRS Advisory	
Agreed-Upon Procedures		Accounting Outsourcing	



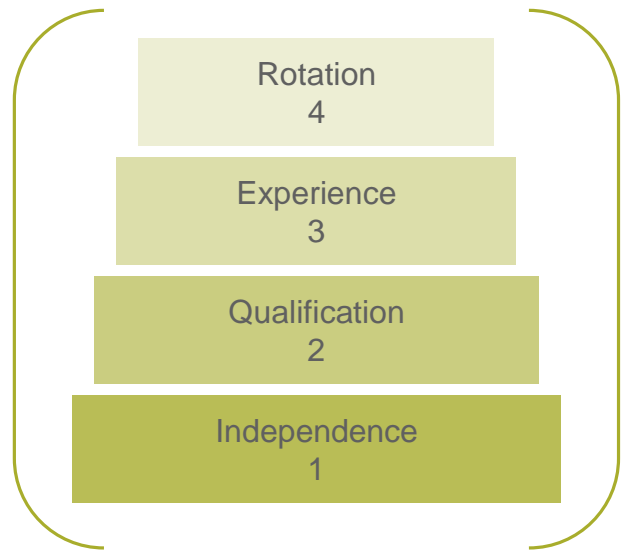
## Our Services (cont'd...)

### Assurance

#### Financial Statements Audit | Limited Reviews | Special Purpose Audits | Agreed-Upon Procedures

We deliver a robust and innovative approach to audit and assurance. We recognize the primary importance of internal control over financial reporting and for this reason, our audit approach emphasizes risk management, IT assurance, data analytics and financial reporting.

Our key deliverables typically include reports to the audit committee on significant risks, report on internal control over financial reporting, IT audit reports on transactions and processes, reporting under International Standards on Auditing, review engagements, assurance engagements and related services.



Audit Committee's expectations from external audit

YOUR BUSINESS COMPANION

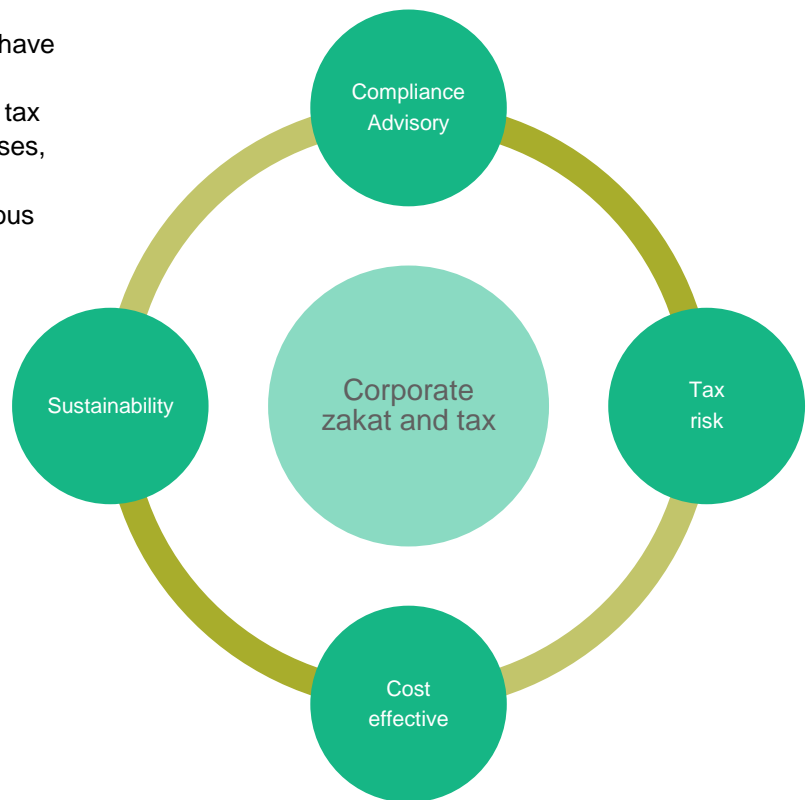
## Our Services (cont'd...)

### Zakat & Tax

Zakat & Tax Compliance / Advisory | VAT Compliance and Advisory | Transfer Pricing

The Zakat & Tax team consists of qualified international and local staffs with significant regional and national level experience. We have extensive experience in compliance and advisory engagements related to zakat and tax for various Saudi and multinational businesses, as well as in representing companies in the General Authority of Zakat and Tax for various appeal and resolution cases.

We also provide services for VAT, transfer pricing compliance.



HELPING YOU THRIVE IN A CHANGING WORLD

## Our Services (cont'd...)

### Advisory

Internal Audit | Compliance Review | IFRS Advisory | Accounting Outsourcing

Our Firm's breadth of experience allow our clients to benefit from specific and targeted consulting advice to support their long-term growth plans. By developing a real understanding of the clients' business and the issues and challenges they face, our advisory teams use local and global knowledge to help them achieve their goals.

Not only do they help them understand and plan to mitigate their vulnerabilities, they also help to establish a clear pathway to success.

We have a proven track record of working with a range of clients - from family-owned businesses to public companies and from entrepreneurial start-ups to established global entities - helping them develop and refine their business strategies.



GLOBAL KNOWLEDGE, LOCAL EXPERTISE

## About Moore

Helping you meet your global objectives

In today's global marketplace, change is unrelenting. Dealing with it successfully requires vision, flexibility and the support and knowledge of specialists. Our aim is to not only ensure that our clients embrace change, but prosper from it.

At Moore, our purpose is to help people thrive – our clients, our people and the communities they live and work in. We're a global accounting and advisory family of over 30,000 people across more than 260 independent firms and 110 countries, connecting and collaborating to take care of your needs – local, national and international.

When you work with Moore firms, you'll work with people who care deeply about your success and who have the drive and dedication to deliver results for you and your business. You'll have greater access to senior expertise than with many firms. We'll be here for you whenever you need us – to help you see through the maze of information, to guide you in your decisions and to make sure you take advantage of every opportunity. To help you thrive in a changing world.



**THE POWER OF A  
GLOBAL FAMILY**



## About Moore (cont'd...)

### Services

Audit and Assurance  
Business Consultancy  
Business Restructuring and Insolvency  
Corporate Finance  
Financial Services and Wealth Management  
Forensic and Litigation Support  
Governance, Risk and Internal Audit  
IT Consultancy  
Legal Services  
Outsourcing  
Tax  
Trusts and Estates  
Transfer Pricing

### Sectors

Agriculture, Forestry and Fishing  
Arts, Entertainment and Media  
Aviation  
Banking and Finance (and related support services)  
Charity and Not-for-Profit  
Education  
Energy, Mining and Natural resources  
Food and Drink  
Healthcare  
Hotels, Hospitality, Leisure and Tourism  
Insurance  
Manufacturing  
Private Clients and Family Offices  
Professional Services  
Public sector and Government  
Real estate and Construction  
Shipping  
Technology  
Transport and Logistics  
Utilities, Infrastructure and Environmental Services

WORK ACROSS  
OCEANS

LOCAL EXPERTS  
AT YOUR  
DOORSTEP

## Our Clientele

### Insurance Sector



MORE CONNECTED

**Our Clientele (cont'd...)**

**Other Sectors**

Our objective is to foster close working relationships with our clients so that we are always aware of their changing circumstances and hence able to be proactive in delivering timely and relevant support and advise.



*Rubaiyat*

Arabia's Luxury Fashion Destination



XENEL



مجموعة بن لادن السعودية  
 SAUDI BINLADIN GROUP



JAMJOOM WESCON  
 SAUDI ARABIA CO.  
 LTD.



## Terms and Conditions

The following terms of business apply to engagements accepted by the firm. All work carried out is subject to these terms except to the extent that changes are expressly agreed in writing.

### Our Responsibilities

We will conduct our audit in accordance with the ISAs as endorsed by SOCPA and the Kingdom's commercial laws. These standards require that we plan and perform the audit to obtain a reasonable assurance that the financial statements are free of material misstatements. An audit includes examining on a test basis, evidence that supports the amounts and disclosures included in the financial statements. It also includes assessing the accounting principles used and estimates made by the management, as well as evaluating the overall financial statements presentation.

Our audit should not be relied upon to discover all defalcations or other irregularities that may have occurred, but their discovery, if they exist, may result from the audit tests we undertake and we will report such cases. In addition to our report on the financial statements, we expect to provide the management with a report that highlights material weaknesses in accounting and control systems which come to our attention in due course.

While our reports and advice may be a factor to be taken into account when deciding whether or not to proceed with a particular course of action, management remain responsible for any commercial decisions taken.

The firm as well as all the professional staffs assigned for the audit are fully independent from the entity and does not have any business relationship.

### The Company's responsibilities:

The Company is responsible for the following:

Proper recording of transactions, safeguarding of assets, maintaining of general ledgers, journals in Arabic and the preparation of the financial statements.

Do everything in your power to contribute to the management of engagement risks. The management of risks attributed to factors outside the scope of the assignment or beyond the reasonable control of the firm will be your sole responsibility.

Implementation and maintaining controls for the prevention and detection of frauds.

Provide a written confirmation concerning representations made to us in connection with the audit.

### Intellectual Property Rights

We retain all copyright and other intellectual property rights in everything developed either before or during the course of an engagement including systems, methodologies, software and know-how.

We also retain all copyright and other intellectual property rights in all reports, written advice or other materials provided by us to you although you will have the full right to use these materials within your own organization. If you wish to make use of these materials outside your own organization, this will require our permission.



## Our Presence

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