

Management comments and recommendations

**Rasheed For Integrity and
Transparency**

31 December 2019





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To the Board of Directors

Date: 29 June 2020

Rasheed for Integrity and Transparency

In planning and performing our audit of the financial statements of Rasheed for Integrity and Transparency (the Company) as of and for the year ended 31 December 2019, in accordance with the International Standards on Auditing , we considered its internal control over financial reporting ("internal control") as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we do not express an opinion on the effectiveness of the Company's internal control.

During our audit, we identified certain internal control deficiencies, opportunities for improvement of your internal processes and business operations and other matters. These recommendations are attached and are limited to items that we identified during the audit up to 30 May 2020.

This communication is intended solely for the information and use of management and the Company and is not intended to be and should not be used by anyone other than these specified parties.

We would be pleased to discuss any of the matters contained within this letter or to respond to any questions, at your convenience.

Ernst & Young/ Jordan

Waddah Barqawi

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Internal Controls

1. Implement segregation of duties

Observation

The Company has one accountant who handles all accounting and finance matters. This caused lack of segregation of duties in the following areas:

- (a) The preparation and posting of the Company's journals;
- (b) The preparation of the monthly bank reconciliations; and
- (c) The preparation and issue of credit notes;

Lack of segregation of duties increases the risk that intention and unintentional error to occur without being detected on timely basis.

Recommendation

Where there are a limited number of accounting personnel, the lack of segregation of duties should be compensated by the close review and supervision by the executive director (ED). The ED should review the monthly financial statements closely to ensure that the information is consistent with her understanding of the business activities and investigate any results that differ from expectations. She should sign the financial statements as evidence of that review. In addition, she should do a spot check review of the Company's journals, bank reconciliations, payroll, and credit notes for any unusual or unexpected items on a regular basis.

Management's Response

Since we have limited activity span and budget, we can't afford more additional accountant, and since no need has been observed and no workload.

Jamal Al Salah

Chair



18.06.2020

2. Review of back dated journal entries

Observation

During the year, there was a delay in posting transactions which may have resulted in inaccurate interim financial reports.

Recommendation

Management should review all entries where the posting date is greater than one month from the effective date of the journal entries. All such entries should be reviewed and authorized by management to ensure that they were properly authorized and posted into the correct period.

Management's Response

This depends on the flow and timing of financial resource.

Jamal Al Salah

Chair



18.06.2020

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