

# **Management comments and recommendations**

**Rasheed For Integrity and  
Transparency**

**31 December 2021**





**Ernst & Young Jordan**  
P.O. Box 1140  
300 King Abdulla Street  
Amman 11118  
Jordan  
Tel:00962 6 580 0777 /00962 6552 6111  
Fax:00962 6 5538 300  
www.ey.com

**To the Board of Directors**

**3 October 2022**

**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 2021, 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 3 October 2022.

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**

Shorouk Nawaf Al Khateeb

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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). 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, the workload does not require an additional accountant. In addition, the company's budget is low to hire an additional accountant.

*Sameera Qadri*

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