

**Rasheed for Integrity and Transparency
Non-Profit-Limited Liability Company
Amman-The Hashemite Kingdom of Jordan**

**Management Letter
For The Year Ended December 31, 2022**

TABLE OF CONTENTS

1. Accounting Department.....	1
1.1 Segregation of duties	1
2. Accrued expenses.....	1
3. Journal voucher.....	1
4. Property and equipment.....	2
4.1 Physical count.....	2
5. Expenditure cycle.....	2

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Amman, October 26, 2023

To Messrs. Shareholders
Rasheed for Integrity and Transparency
Non-Profit-Limited Liability Company
Amman-The Hashemite Kingdom of Jordan

Dear Sirs,

With reference to the above subject, and through the preliminary review we conducted on the records, accounting books, and internal control system up to the current date, we have noted certain observations in the internal control system that may affect the company's ability to verify what is recorded in its records and accounts and to prepare appropriate financial reports in accordance with management's representations in the financial statements according to professional standards.

Our objective in reviewing the internal control system is for the purposes of auditing the company's accounts and not for expressing opinions or providing assurances on the internal control system. Therefore, due to the nature of the testing process in the audit of accounts and the inherent limitations in any internal control system, it is not necessary to discover all errors and weaknesses.

Please accept our utmost respect and appreciation.

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Talal Abu-Ghazaleh & Co. International



1. Accounting Department

1.1 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, to 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 comment:

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.

2. Accrued expenses

Observation:

Through our audit of accrued expenses account, as of December 31, 2022, it is observed that there are carried forward accrued expenses from previous years.

Recommendation:

We recommend to treat these accrued expenses.

Management comment:

Due to the lack of funding and government approvals we weren't able to settle the expenses, however we will settle the expenses as soon as we can.

3. Journal voucher

Observation:

During the course of our audit, we noticed that the vouchers are not signed by the preparer and financial manager.

Recommendation:

We recommend that journal vouchers should be signed by the preparer and approved by the financial manager in order to have adequate control over the recorded figures.

Management comment:

The recommendation will applied in 2023.

4. Property and equipment

4.1 Physical count

Observation:

The company does not conduct periodic property and equipment count to verify the existence, condition and location of its property and equipment.

Recommendation:

Periodic physical count procedures should be implemented. Failure to perform property and equipment count on a periodic basis (at least once every two years) could result in poor controls and inadequate safeguards to protect the Company's property and equipment.

Furthermore, a periodic property and equipment count would enable the Company to identify any damaged, idle or lost items.

Management comment:

The recommendation will be applied in 2023.

5. Expenditure cycle

Observation:

During the course of our audit, we noted that the accountant does not use at present a "paid" stamp to affix the original supporting documents.

Recommendation:

We recommend that "paid" stamp should be introduced and all the original supporting documents must be stamp "paid" in order to avoid the risk of representing such documents for payment more than once.

Management comment:

The recommendation will be applied in 2023.

In conclusion, we take this opportunity to express our thanks and appreciation for your cooperation and the collaboration of your employees with us during the performance of our mission. We kindly request that you carefully consider these remarks and inform us of the actions you will take regarding them, appreciating your valuable trust in our company