



# TRANSPARENCY REPORT

BDO Dr. Mohammed Al-Amri & Co.

31 August 2020

**IBDO**

الدكتور محمد العمري وشركاه  
Dr. Mohammed Al-Amri & Co.





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# Message of the Firm Executives



## Welcome to our transparency report

2020 is a year to remember. A year in which we have experienced extreme disruption, lockdowns and unusual business environment. It has been a real-life test to our foundation, innovation and resilience. At an early stage of the spread of the new coronavirus "Covid-19" across the globe, a response team was formed to put together a continuity plan during the pandemic. Our employees and clients are our priority. Creating a safe work environment and maintaining the quality of work was our first priority. With our solid IT infrastructure, we managed to quickly and effectively work from distance maintaining our obligation to the safety of our employees and our obligation to meet our client's deadlines, while maintaining the quality of our work.

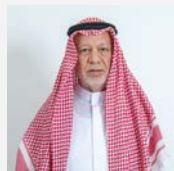
Everything we do at BDO Saudi is driven by our core purpose – 'helping you succeed'. It governs what we do. It's why we do what we do. Our purpose reflects how we work with our clients to achieve their business goals and be successful, it underpins the 'Achieving my Potential' learning and development framework that supports our people, and it is a key ingredient of our entrepreneurial and innovative culture.

We are guided by our values in everything we do, they act as a yardstick to measure our behaviors. Our core values complement each other and contribute to our success and to that of our clients.

We invest in our people and recognize they are the Firm key assets. The quality of their work reflects directly on the Firm's quality and reputation. Developing and empowering Saudi nationals is a commitment and a key success factor. This year, we admitted two enthusiast and dynamic Saudi partners and we plan to have more.

With people, we understand that digital transformation and technology are becoming an integral part of our services. Thus, we are investing heavily in technology to improve our audit and the service we provide to our clients.

*To us, continuance improvement at all aspects is an ever-going activity.*



Dr. Mohamed Al-Amri  
Senior Partner



Gihad Al-Amri  
Managing Partner



## Honesty and integrity

Be transparent, genuine and fair. Operate with the highest degree of personal and professional integrity. We need and want our clients to trust us. This can only happen if we act with honesty and integrity.



## Mutual support and respect

Value and support each other. Maintain an inclusive working environment where teamwork and relationships matter. This allows us to work better together and to deliver better services to our clients as a result.



## Professional and personal client relationships

understand the person as well as the business. Build relationships based on respect, trust and exceptional service. This reflects our commitment to understanding our clients and their businesses and markets.



## Empowerment and personal responsibility

Work with confidence, flexibility and freedom. Understand that trust and responsibility go hand-in-hand. There can be no one-size fits all approach and we empower our people to have the flexibility and freedom to deliver what our clients need.





# Our Firm

Dr. Mohamed Al-Amri & Co. is the Member firm of BDO in Saudi Arabia (referred to in this report as "BDO Al-Amri" or "the Firm"). It is a Saudi Professional Company (partnership) registered under the number 323/11/66.

The Firm is led by the Senior Partner, Dr. Mohamed Al-Amri, who sets the Firm strategy and ensure its implementation. The Managing Partner, Gihad Al-Amri, along with the other partners assist the senior partner in implementing the strategy and running the day to day operations.

## The Firm leadership team and partners consist of:



**Dr. Mohamed Al-Amri, the Senior Partner and the one responsible for setting up the Firm strategy and ensuring its implementation.**



**Gihad Al-Amri, the Managing Partner assisting the Senior Partner on implementing the strategy and running the day to day operations.**



**Jamal Al-Amri, an equity partner who is working with the Senior and Managing Partner on running the day to day operations.**



**Maher Al-Khatieb, a partner who is working with the Senior and Managing Partner on running the day to day operations.**



**Ahmed Al-Jumah, a partner who is working with the Senior and Managing Partner on running the day to day operations.**

The firm has an advisory committee consisting of all the partners and directors in the firm. The committee meets frequently to ensure alignment of the practice with the strategy and quality requirements. There are no other committees in the firm.

During the year ended 31 August 2020, the advisory committee discussed the Firm's recruitment plan for 2020, the plan for 2020 annual audits, updates to the international standards and regulatory requirements, requirements of International Standards on Quality Control, risks associated with assurance services, future challenges and the strategic direction of the firm.

**None of BDO Dr. Mohammed Al-Amri & Co. partners hold any director position or positions in committees of companies under the CMA supervision.**

**Please refer to Appendix I for The Firm organizational structure**

## Basis for partners' remuneration

**Partner's compensation consists of monthly salaries decided by the senior partner and based on the following:**

- ▶ consideration of the partner's role in the Firm, and
- ▶ the quality of work, but is not directly related to the individual's financial performance, and
- ▶ Seniority in the firm

## The BDO Network

BDO is an international network of public accounting firms, the BDO member firms, which perform professional services under the name and style of BDO. BDO is the brand name for the BDO network and all BDO member firms. 'BDO' and 'BDO International' are trademarks of Stichting BDO.

## Legal and Structural Arrangements in the Network

Each BDO member firm is a member of BDO International Limited, a UK company limited by guarantee, either as a voting member (one per country) or a non-voting member. The network is governed by the Council, the Policy Board and the Executive (or Global Leadership Team) of BDO International Limited.

The Council comprises one representative from each voting member and comprises the members of BDO International Limited in general meeting. The Council approves budgets, appoints the Policy Board and approves any changes in the Articles and Regulations of BDO International Limited.

The Policy Board, which is the Board of Directors of BDO International Limited, currently comprises a representative of the network's five largest member firms, whose appointment, each for a three year term, is approved by the Council. The Policy Board sets policies and priorities for the network and oversees the work of the Global Leadership Team. The Policy Board meets at least four times a year and more if required.

The Global Leadership Team is tasked with coordinating the activities of the network on a day-to-day basis. It is headed by the CEO and comprises the Global Heads of Audit & Accounting, Tax, People, Client Service, Network Development and the International Secretary.

Service provision within the BDO network is coordinated by Brussels Worldwide Services BVBA, a Belgian limited liability company with its seat in Brussels. BDO International Limited and Brussels Worldwide Services BVBA do not provide any professional services to clients. This is the sole preserve of the BDO member firms.

Each of BDO International Limited, Brussels Worldwide Services BVBA and the BDO member firms is a separate legal entity and has no liability for another such entity's acts or omissions. Nothing in the arrangements or rules of BDO shall constitute or imply an agency relationship or a partnership between BDO International Limited, Brussels Worldwide services BVBA and/or the BDO member firms.





# Our Firm

## Independence policies

As independence and ethical conduct are a the most important pillars of international professional standards and regulatory requirements, we strictly follow our independence policies and we have designated a Head of Risk and Independence to ensure the full compliance with independence and ethical conduct requirements.

Our independence policies have been prepared in accordance to IESBA Code of Ethics requirements, Saudi law, and regulatory requirements and have been effectively followed.

## Independence of The Firm, Partners and Staff

Independence of the Firm, partners and staff is governed by the Firm's policies. The robust systems in place and respective procedures are applied to ensure compliance with laws, professional standards and regulations, including the principles and requirements of the Saudi Organization for Certified Public Accountants and the IESBA Code of Ethics for Professional Accountants. The Firm's policies consider independence from various perspectives. This includes, but is not limited to, our relationships with audit clients, the approval of non-assurance services to audit clients, long association of personnel with assurance clients and fee arrangements.

## Services Provided to Audit Clients

We have policies and procedures in place to identify and resolve any threat to integrity, objectivity and independence and other fundamental ethical principles if they do arise, so that the professional conduct of the Firm is not compromised. This includes consideration of instance where fees from other services may potentially impact assurance work, whether in reality or in perception. The Firm continually reviews the effectiveness of such policies and procedures and as changes to laws and regulations arise, these are revised accordingly. Before providing any service, the audit engagement partner considers any potential conflict of interest or threat to independence that may arise before approving such service.

## Independence Declarations

On commencing employment with BDO, and annually thereafter, partners and staff are required to complete the independence declaration process. This process obtains confirmation from partners and staff that our policies around financial, business, employment and personal relationships have been complied with and requires all such relationships to be declared. All audit engagement team members, including internal experts, are required to confirm and declare their independence prior to commencing the audit. This declaration is documented and maintained in the audit engagement file.

## Conflict of Interest and Independence Checks

Our independence management system assists the Firm in demonstrating compliance with professional, regulatory and legal requirements by maintaining documented evidence of conflicts and appropriate resolutions.

A conflict and independence check (CIC) is sent locally and internationally, where appropriate, to all partners and staff prior to a new engagement being accepted.

When a conflict is identified, Firm Risk Administrators and Firm Risk Managers in each location assist with resolving. Where required, this is resolved with direct assistance from the Firm Risk Director or the Managing Partner. When the Firm is unable to reach an appropriate resolution to a threat to independence or conflict through appropriate safeguards then we decline to act.

## Global Independence

In order to perform effective enquiries to ensure that our independence on a global basis is not compromised, all partners and staff have access to a worldwide register of BDO's clients that are restricted entities. Such entities comprise those (mainly) assurance clients of which all BDO firms must be independent and include all financial statement audit clients relating to public interest entities as determined by the relevant jurisdiction, at a minimum.

When a proposed engagement involves a client who has operations outside Saudi Arabia, a conflict check is sent using our international conflict checking tool. This tool allows for checks to be targeted to specific countries or regions and for checks to be circulated globally.





# Quality Control

There are many drivers to achieving audit quality. These are often categorised in terms of those that are directly relevant to auditor performance (i.e. the performance of the engagement partner and team) and those that are external to the team and outside of our control.

BDO Audit Quality Framework has been developed by BDO Global Audit Steering Committee (ASC) for use by member firms to support the continuous consideration and enhancement of audit quality across the network. In summary the framework provides potential actions that can be undertaken within a member firm to address the factors that influence audit quality.

Moreover, and with consultation with the ASC and the Global Head of Audit and Accounting, Risk Management at the Global Office, a list of audit quality recommendations and reminders for member firms are announced regularly.

The Firm's compliance with quality requirements is assessed during BDO Quality Monitoring Program.

The Firm's system of internal quality control is designed to provide reasonable assurance that the Firm, its partners and staff comply with professional standards and regulatory and legal requirements, work is performed to a consistently high standard and that reports issued by the Firm are appropriate.

**The Firm's system of internal quality control can be split into the following elements:**

- ▶ Leadership responsibilities for quality within the Firm
- ▶ Ethical requirements
- ▶ Acceptance and continuance of client relationships and specific engagements
- ▶ Human resources
- ▶ Engagement performance
- ▶ Monitoring

## Leadership responsibilities for quality within the Firm

Quality control is dependent upon an organisational structure which is inherently sound and which clearly defines the responsibilities of the various levels of management.

The Firm has clearly established responsibilities for the Managing Partner, the Senior Partner and other senior personnel. Along with the Firm's top management, the Head of Risk Management reinforces the appropriate "tone at the top" by instilling professional and ethical values in the Firm. The Audit Stream "tone at the top" is set by the Head of Audit.

**The Head of Audit is responsible for the following:**

- ▶ developing assurance methodology and guidance to ensure compliance with auditing standards;
- ▶ maintaining the Firm's technical manuals and communicating developments to the Firm's partners and staff;
- ▶ helping maintain the Firm's assurance practice at the highest standards prevailing in the profession, including the supervision of the Firm's auditing work;
- ▶ consulting with the partners and other professionals seeking technical advice; and
- ▶ overseeing the Firm's technical continuing professional education programmes

**The Head of Risk Management, assists the Audit Partner, who inter alia is responsible for the following:**

- ▶ monitoring of independence;
- ▶ monitoring the Firm's auditing work;
- ▶ coordinating the professional performance of the offices and achieving in each of them standards that measure up to the Firm's professional objectives; and
- ▶ evaluating the Firm's quality controls policies and procedures.

## Ethical Requirements

The Firm's policies and procedures manual contains the principles and rules relating to ethical conduct. This is supplemented by forms and complemented by a comprehensive training programme designed to ensure compliance with both International and Saudi Ethical Standards. The manual is available to all staff. Annual declarations are made by all partners and staff to ensure compliance with relevant ethical requirements.

## Acceptance and continuance of client relationships and specific engagements

Robust client and engagement acceptance procedures play a pivotal role in the Firm's ability to deliver a professional and quality service.

Prior to the acceptance of any new client, certain procedures to assess the risks associated with that client must be carried out. These will include:

- ▶ consideration of the client's business including its geographical spread and the industry it operates in;
- ▶ evaluation of information concerning the client, its management and its owners including Know Your Client procedures;
- ▶ considering information regarding the character and reputation of the prospective client and key personnel;
- ▶ assessment of potential independence risks and potential conflicts of interest;
- ▶ if relevant, inquiry of the previous auditor regarding the reasons for the change in auditor and if there is any reason why we should not accept the appointment;
- ▶ assessment of our ability to serve the prospective client; and
- ▶ reviewing filings of the company, including prior year financial statements.

The acceptance of all clients requires an approval process that is appropriate to the perceived risk. "High risk" assurance clients require partner's pre-approval.







# Quality Control

## Human Resources

Human resources is a critical factor in our ability to provide professional services. In order to ensure that the Firm has sufficient personnel with the capabilities, competence, and ethical standards necessary to provide quality audits in accordance with professional and legal requirements we have established clear policies and procedures addressing the following areas:

- ▶ recruitment
- ▶ performance evaluation
- ▶ capabilities and competence
- ▶ career development, promotion and compensation
- ▶ forecasting of personnel requirements.

## Recruitment

Policies and procedures for recruitment are designed to provide reasonable assurance that those employed possess the appropriate characteristics to enable them to deliver a high quality service and perform their duties with professional competence. We work actively to ensure that diversity is embedded within the Firm's culture, not just in principle but in practice. Inclusivity within the organisation, whether it is based on age, gender, ethnicity or physical capabilities, strengthens the Firm's values, makes the Firm more representative and more capable of providing a quality professional service.

We seek people with high levels of intelligence, stability, maturity, integrity, motivation, aptitude and leadership qualities appropriate to the role for which they are being hired.

The Management Executive regularly reviews these policies and procedures to ensure that they are appropriate and are operating effectively.

## Performance evaluation

All staff members are subject to formal performance appraisal, review and counselling on a regular basis, in order to evaluate the level of competence, monitor training and to help them reach their full potential. Performance appraisal includes a review of each individual's contribution to the quality of service(s) provided by the Firm.

Evaluations are completed on annual basis. The factors evaluated (which may vary by level) include professional and technical competence, management skills and analytical and judgement skills.

## Capabilities and competence

Policies and procedures for assigning personnel to engagements are designed to provide a reasonable assurance that only those persons having adequate technical training, proficiency and competence will perform the work.

A current profile of staff's technical proficiency is obtained by personal knowledge and experience. This profile is used to assess the suitability of the staff member for specific subsequent assignments. In addition, consideration is given to ensure that staff have the necessary technical knowledge and other skills appropriate to the size, complexity and nature of the planned work.

## Career development, promotion and compensation

Staff career development is a key motive for staff. Generally, there is staff progression from an introductory staff level to supervisor, to manager and then to senior manager. Staff are promoted to the next level only when they are prepared for the increased responsibilities that promotion entails.

Non-compliance with the Firm's policies and professional standards is also recognised. Lack of compliance is reflected through additional training, delays in promotion or through dismissal for serious instances of non-compliance.

In order to be considered for admission to partnership, a candidate's integrity, honesty and moral character must be above reproach. While attributes of individual applicants may differ because of technical specialisation and years of experience, there are three basic attributes that all candidates must possess:

- ▶ technical competence in a chosen field of expertise;
- ▶ pride in self, the Firm and the profession; and
- ▶ professional attitude in work habits.

Partner compensation is reviewed regularly which includes consideration of the partner's role in the Firm, and the quality of work, but is not directly related to the individual's financial performance.

## Forecasting of personnel requirements

We recognise that ultimately it is the quality and commitment of the partners and staff that really makes a difference and enables us to deliver a quality audit. Given this, our ability to attract the right number of high quality people is of utmost importance. We predict personnel requirements so as to continue to service the Firm's clients and provide sufficient capacity to enable its partners and staff to develop the business.





# Quality Control



## Engagement performance in the Audit Stream



### Common methodology

Our policies and procedures are designed to ensure that audits meet all applicable professional standards, regulatory requirements and that the Firm issues reports that are appropriate in the circumstances. To achieve this and to ensure consistency in the approach to auditing, BDO International has developed the common BDO Audit Methodology, related software tools and other standard forms of documentation. This methodology is fully compliant with International Auditing Standards and where appropriate these common processes are used by BDO International member firms.



### Supervision and review

We require all professional work to be supervised by staff members who have appropriate knowledge and experience. It is the responsibility of the relevant partner or director to ensure that related risks are identified and that decisions are taken by those with an appropriate level of authority. The relevant partner or director must also ensure that professional work is carried out efficiently and that it meets the Firm's standards in all respects.

Our review procedures are designed to ensure effective control of the audit as it progresses. At a granular level these policies are designed to ensure that:

- ▶ the work is performed in accordance with applicable standards and regulations;
- ▶ significant matters have been raised for further consideration and appropriately addressed;
- ▶ appropriate consultations have taken place;
- ▶ the planned work has where necessary been reviewed and that the objective of all planned work has been achieved;
- ▶ the work performed and evidence obtained supports the conclusions reached; and
- ▶ the documentation present on the audit file enables an experienced auditor to understand the significant matters arising on the audit as well as the nature, timing and extent of the procedures undertaken, the results of those procedures and the evidence obtained.

An engagement quality control review (EQCR) is performed for audits of public interest entities and other high risk engagements. The EQCR reviewer will be familiar with the auditing and reporting practices used during the engagement, and be knowledgeable and familiar with the client's industry, but will be independent from the client's audit team. They will be an experienced audit director and not likely to be unduly influenced by the views of a particular engagement partner. The EQCR must be objective and cannot be actively involved in making ongoing decisions relating to the engagement and will not be involved in performing the engagement. EQCR reviewers are selected by the Head of Audit or the Managing Partner, or an independent partner where the Managing Partner is also the Engagement Partner.



### Consultation

Our culture encourages consultation with experienced partners/directors and other specialists where appropriate. According to the Firm's policy, when a team member requires consultation during the performance of his/her work, he/she should raise the technical issue with nominated team members, including the engagement partner.

Where there is a difference in opinion on the technical issue raised during the consultation process, or it can be interpreted differently, the partners and the directors shall jointly discuss the issue and conclude. If the partners and directors could not reach to a conclusion, the issue should be raised to BDO International and/or SOCPA for the consultation.



### Monitoring of the Audit Stream

Our policies and procedures concerning monitoring activities are designed to give the Firm reasonable assurance that the Firm's internal quality control system is operating effectively and is being complied with in practice.

Our leadership sets examples which significantly influence the internal culture of the Firm. Clear, consistent and frequent actions and messages from all levels of the Firm's management play a significant role to promote a quality-oriented internal culture that emphasizes the Firm's quality control policies and procedures, and the requirement to:

- ▶ perform work that complies with professional standards and applicable legal and regulatory requirements; and
- ▶ issue reports that are appropriate in the circumstances.

Such actions and messages encourage a culture that recognizes and rewards high-quality work. These actions and messages are communicated by, training seminars, periodic meetings, formal or informal dialogue, or briefing memoranda. They are incorporated in the Firm's policies and procedures related to the quality management system and training materials, and in partner and staff appraisal procedures such that they will support and reinforce the Firm's view on the importance of quality and how, practically, it is to be achieved.

The Firm's leadership promotes the internal culture of quality and ensures that it is applied consistently in all the Firm's engagements. Promoting such an internal culture includes:

- ▶ Establishment of policies and procedures that address performance evaluation, compensation, and promotion about Firm's personnel, in order to demonstrate the Firm's overriding commitment to quality;
- ▶ Assignment of management responsibilities so that commercial considerations do not override the quality of work performed; and
- ▶ Provision of sufficient resources for the development, documentation and support of our quality control policies and procedures.





# Quality Control

## Monitoring of the Audit Stream (Contd.)

In addition to that, our quality control system also includes a periodic Internal Inspection Programme (IIP) to assess the quality of audits performed on various assignments. The IIP is conducted at least once every three years and its frequency depends on whether an inspection is carried out by BDO International as Quality Assurance Review (QAR) of the Firm, by SOCPA or CMA. The program extends across all offices and engagement partners.

The review process is undertaken by senior staff independent of the selected audit client. Selection is made by a senior staff member and approved by the Managing Partner. The sample selected is weighted to include an appropriate number of Public Interest Entities (PIE), including listed clients, and covers all external audit engagement partners and directors.

Independence of the reviewers is ensured through having each partner reviewed by a team independent from the engagement. Instructions are issued to the reviewers in advance of the review setting out the objectives of the process, a checklist, appropriate guidance and reporting templates. Each review considers all matters from client take on, through planning and executing the assignment, to reporting and the role of the EQCR.

The review report details the results of the review and includes the grading for the engagement reviewed. The report highlights common findings noted for improvement. A root cause analysis is carried, combining all findings from all reviews and action plans are prepared and implemented for root causes identified from the IIP.

Results from the IIP feed into senior staff appraisals. We perform a root cause analysis for all common and significant findings noted from the IIP.

In the same manner, we receive regular inspections by BDO International in the form of QAR inspections. Inspections are usually carried out on a 3-year cycle. The last was completed in December 2019. The QAR inspections adopt a similar format to the IIP but with enhanced independence as experienced overseas reviews, taken from an international pool, are used.

## Result of last quality review

The most recent review carried out by BDO International in December 2019, where a sample of four audit engagements was selected and resulted in the following, as per BDO International's rating criteria:

The inspection program identifies four possible results:

- ▶ satisfactory
- ▶ satisfactory with minor comments for improvement
- ▶ significant improvement needed
- ▶ unsatisfactory

The review resulted in two selected files as satisfactory and the remaining two files as satisfactory with minor comments for improvement.

The most recent IIP was conducted in the period May-July of 2019. The review was conducted by a team of 11 members led by the managing partner and membership of the firm's head of audit, Quality & Risk Director, in additions to 8 directors. During this review, eight samples of audit engagements were chosen covering the firm's all offices and partners.

The inspection program identifies four possible results, same as used by BDO International described above.

The result of the review showed that most samples reviewed were satisfactory with some samples that are satisfactory with a need for improvement. The review identified some root causes and recommendation, such as the need for more focus on the amendments to the International Standards, and staff appraisals.

The root causes identified were included in an improvement action plan and implemented accordingly.

## Management Executive statement on effectiveness of functioning

These policies, procedures and monitoring activities have provided the Firm's Management Executive with reasonable assurance that the Firm, its partners and staff have materially complied with applicable professional, regulatory and legal requirements, that work has been performed to a consistently high standard and that appropriate reports have been issued.



## Sanctions and violations

There has been no punishments, penalties, or restrictions imposed against our firm, partners, and employees in the last fiscal year.

In 2020, the Firm received a notification from the CMA for not complying with the requirements of Section (A) of Article 12 of the rules for registering Auditors of Entities Subject to the Authority's Supervision for not communicating the changes in the Firm's Articles for admitting new partners and changed the head office to Riyadh.



## Litigation and claims

There has been no litigation, claims, or on-going investigation against our firm that might a material impact on our business in the last fiscal year.



## Saudization

Enabling and empowering Saudi nationals is a top priority for BDO Al-Amri. We work with youngsters from their later years in university where we participate in co-op programs. Student are allocated to the different service lines based on their interests and a designated senior is held responsible for his/her training. Some of the co-op students continue with the Firm after graduation in addition to other university graduates.

Fresh graduates are provided with practical training as soon as they join. This enable them to be in the field right after joining and apply what they have learned in real life. They are provided with full support and guidance to allow them to understand what they are practicing.

In addition, we have a mentoring-coach programme to guide and assess staff towards meeting their career goals and aspirations. The programme is a powerful force for developing employees and the organization, from helping new hires feel welcomed to building staff loyalty and retention. Under this programme BDO Al-Amri help establish a career plan, offer insight and advice about potential challenges, and serve as a sounding board for ideas and career- related decisions.

We are proud that our Saudization rate has reached 34%, out of which 10% females and 24% are males. Our goal is to reach 50% over the coming 5 years.







## Professional Education and Training

The Firm has a policy of facilitating and encouraging continuing education as an important means of developing knowledge and maintaining and improving the quality of its services and of motivating and retaining its personnel.

The continuing education program is comprised of training sessions organised by the Firm specifically designed to meet its needs, by the BDO International network as well as external training by relevant professional bodies. Certain courses are mandatory and others are optional. The CPE requirements for professional auditors in Saudi Arabia are also factored in to the program.

Extensive training is given to all new recruits on the BDO audit methodologies, tools and processes.

More experienced personnel and partners are encouraged to constantly update and deepen their technical knowledge.

Continuing professional education is also a factor taken into account for the yearly evaluation of audit staff and the assessment of their career potential within the Firm. We are committed to developing and maintaining the highest possible standards of technical competence through our own development programmes.

We have developed a curriculum providing technical training for our professionals throughout their careers. For all new assurance professionals, there is an orientation programme covering the Firm's audit approach and procedures and its organisational structure.

All qualified audit staff, including managers and partners, attend regular technical update courses. These courses are complementing by on the job coaching which provides a significant aspect of their professional development.

As part of an individual's performance appraisal, professional development needs are assessed and courses or other training opportunities are identified

Our Professional Education and Training program for the year ended 31 August 2020 covered the following topics:

- ▶ BDO Audit methodology & BDO Audit Tool (APT)
- ▶ International Standards on Auditing (ISAs)
- ▶ Training on IFRS for SMEs
- ▶ Advanced IFRSs training including IFRSs updates & amendments
- ▶ Anti Money Laundering
- ▶ Risk and Quality management on assurance assignments
- ▶ Independence

The training was facilitated through the following channels:

- ▶ BDO Global training portal
- ▶ BDO Global virtual training sessions
- ▶ BDO Al-Amri & Co. in-house training sessions
- ▶ External training

**Below is the average hours of training taken by our professionals participating in the audit of ESASs for the year ended 31 August 2020:**

Position	Average Hours
Partner	66
Director	64
Manager	60
Technical; Staff	60



# Financial Information



	SAR (million)
Total Revenue	69.24
Total revenues from audit engagements for ESAS	9.89
<b><u>Total revenue from non-audit services for ESAS:</u></b>	
ESAS audit clients	0.53
ESAS none audit clients	1.71

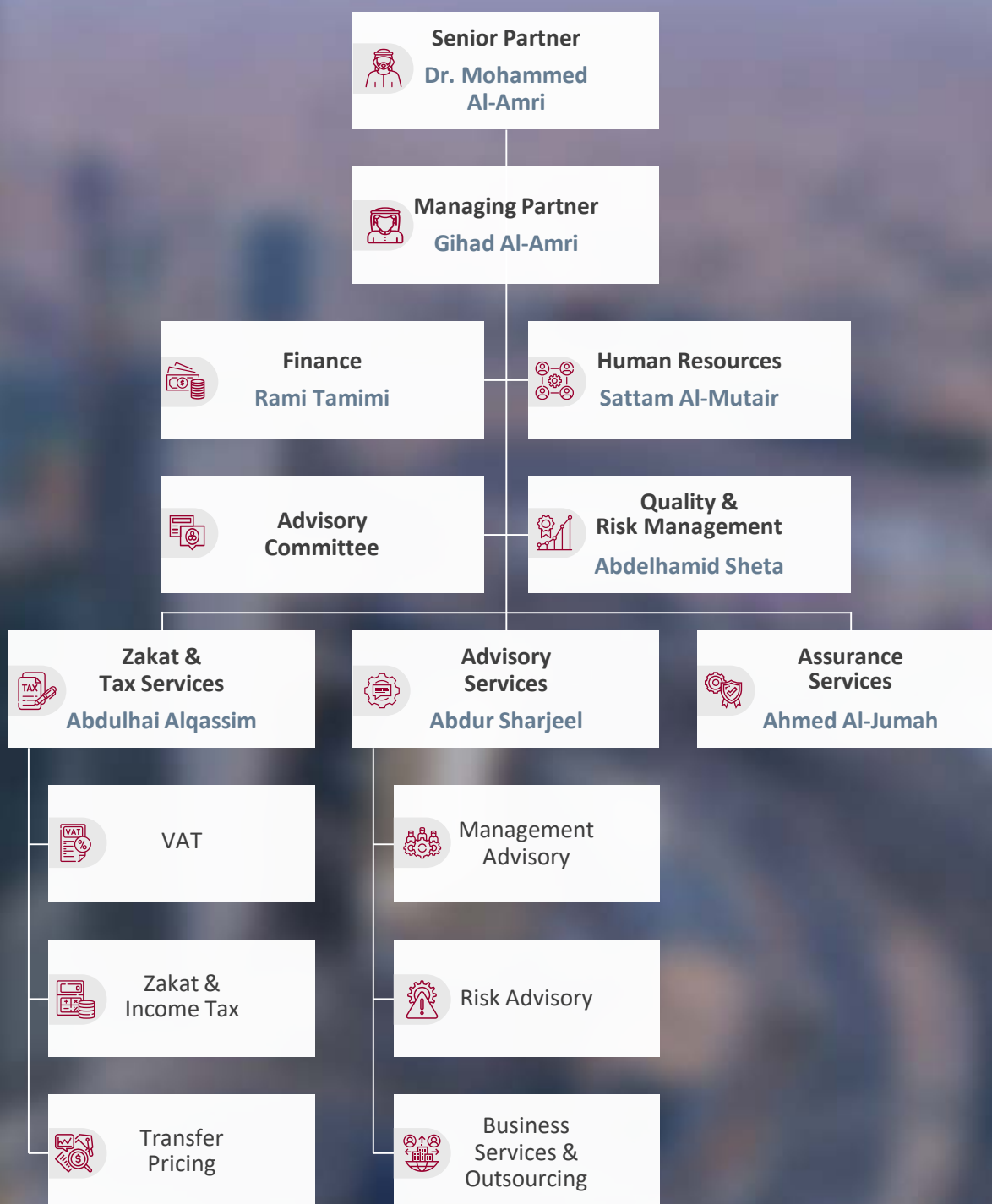






# Appendix I

Below is the Firm's organizational structure:





## Appendix II

ESAS Audit clients during the reporting period are listed below. The total hours spent auditing those clients are 34,543 hours of which the partners spent 649 (represents approximately 1.88% of total hours spent on ESAS audit engagements)

Client Name (English)	Partner In charge
Saudi Cement Company	Dr. Mohamed Al-Amri
National Metal manufacturing and Casting Company	Gihad Al-Amri
Saudi Marketing Company (FARMS)	Gihad Al-Amri
Eastern Cement Company	Dr. Mohamed Al Amri
Mobile Telecommunications Saudi Company (Zain)	Gihad Al Amri
Dallah Healthcare Company	Dr. Mohamed Alamri
OTHAIM MARKETS COMPANY	Jamal Al-Amri
National Medical Care Company	Jamal Al-Amri
BATIC Investments & Logistics Services Company	Dr. Mohamed Al Amri
Tabuk Cement Company	Jamal Al Amri
Amwal Consulting company	Gihad Al Amri
Aseer Trading, Tourism and Manufacturing Co.	Gihad Al Amri
City Cement Co.	Jamal Al Amri
Seera Holding Group	Dr. Mohamed Al Amri
Saudi Pharmaceutical Industries and Medical Appliances Corporation	Gihad Al-Amri
Tabuk Agricultural Development Co.	Jamal Al-Almri
Fitahi Group Holding Company	Dr. Mohamed Al-Amri
Aljouf Agricultural Development Co.	Jamal Al-Almri
Salama Cooperative Insurance Company	Jamal Al-Almri
Halwani Brothers Company	Jamal Al-Almri
Yanbu Cement Company	Jamal Al-Almri
Saudi Arabia Refineries Co	Jamal Al-Almri
Al Rajhi Company for Cooperative Insurance	Gihad Al-Amri
National Industrialization Company (Tasnee)	Gihad Al Amri
The Company for Cooperative Insurance (Tawuniya)	Gihad Al Amri
Malath Cooperative Insurance Company	Gihad Al Amri
Middle East Financial Investment Company (MEFIC Capital)	Gihad Al Amri
MEFIC Real Estate Income Fund	Gihad Al Amri
MEFIC IPO Fund (under liquidation)	Gihad Al Amri
MEFIC Saudi Freestyle Fund	Gihad Al Amri
MEFIC Saudi Riyal Murabaha Fund	Gihad Al Amri
MEFIC Murabaha Plus Fund	Gihad Al Amri
Middle East Financial Investment Company Fund 2	Gihad Al Amri
MEFIC Tower Fund	Gihad Al Amri
MEFIC Private Equity Opportunities Fund	Gihad Al Amri
MEFIC Private Equity Opportunities Fund 2	Gihad Al Amri
MEFIC Private Equity Opportunities Fund 3	Gihad Al Amri
MEFIC Private Equity Food and Beverage Opportunities Fund	Gihad Al Amri
MEFIC REIT Fund	Gihad Al Amri
MEFIC Porto Development Fund	Gihad Al Amri
Malaz Capital Company	Jamal Al Amri
The Saudi SME Fund	Gihad Al Amri
The Industrial Fund	Gihad Al Amri
Alinma Ewan Real Estate Fund	Gihad Al Amri
Alinma IPO Fund	Gihad Al Amri
Alinma Multi Assets Balanced Fund	Gihad Al Amri
Alinma Saudi Equity Fund	Gihad Al Amri
Alinma Saudi Riyal Liquidity Fund	Gihad Al Amri
Alinma Multi Assets Defensive Fund	Gihad Al Amri
Alinma Dana Al Hada Real Estate Fund	Gihad Al Amri
Alinma Durrat Al Hada Real Estate Fund	Gihad Al Amri





## Appendix II

Client Name (English)	Partner In charge
Alinma Real Estate Fund	Gihad Al Amri
Alinma Dahiat Alsomou Real Estate Fund	Gihad Al Amri
Daniyat Makkah Hospitality Fund	Gihad Al Amri
Al Qairawan Logistic Real Estate Fund	Gihad Al Amri
Alinma Riyadh Altaameer Al Awal Real Estate Fund	Gihad Al Amri
Alinma First Income Generating Fund	Gihad Al Amri
Alinma Althoraya Real Estate Fund	Gihad Al Amri
Al Wasatah Al Maliah Company	Gihad Al Amri
Wasatah IPO Fund (under liquidation)	Gihad Al Amri
Wasatah Saudi Equity Fund I	Gihad Al Amri
Wasatah Meta Med Fund	Gihad Al Amri
Wasatah Food and Beverage Privte Equity Fund	Gihad Al Amri
Alinma Investment Company	Gihad Al Amri
Alinma Education Fund (under liquidation)	Gihad Al Amri
Alinma Wareef Endowment Fund	Gihad Al Amri
Alinma Logistic Park Fund	Gihad Al Amri
Alinma Alakaria Fund	Gihad Al Amri
Alinma Makkah Real Estate Fund	Gihad Al Amri
Alinma Jeddah Economic City Real Estate Fund	Gihad Al Amri
Alinma Enayah Endowment Fund	Gihad Al-Amri
Alinma Orphan Care Endowment Fund	Gihad Al-Amri
Alinma Mosques Endowment Fund	Gihad Al-Amri
Alinma Masharif Al Awali Fund	Gihad Al-Amri
Alinma Makkah 1st Development Fund	Gihad Al-Amri
Alinma Makkah 2nd Development Fund	Gihad Al-Amri
AL Diyafa Makkah Fund	Jamal Al-Almri



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**BDO**

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