الجمعية العلمية الملكية
Royal Scientific Society

Royal Scientific Society/National Energy Research Center

Ref.: (510200)505/28/22/29134

Date: 19 /11 /2019

Audit the financial report of MINARET Project

Between

BDO Jordan (Samman & Co Public)

and

Royal Scientific Society (RSS)
National Energy Research Center (NERC)

November 2019

Phone: +962-6-581-6033
Fax:+962-6-581-6657
www.bdo.com.jo
info@bdo.com.jo

Samman & Co
Public Accountants and Business Advisors
P.O. Box 922564
Amman 11192, Jordan
256 King Abdullah II Str., Jandaweel

Date: 14 November 2019
Ref: AU241-10-353-11-19

Royal Scientific Society of Jordan/ National Energy Research Center (RSS/NERC)
Amman, Jordan

Dear Sir,

You have requested that we extend the audit of the financial report of the **MINARET project as stipulated in the agreement between Royal Scientific Society of Jordan/ National Energy Research Center (RSS/NERC) and Swedish International Development Agency (SIDA),** support to financial report for the period covering 01 January 2019 to 31 December 2019. We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter. Our audit will be conducted with the objective of our expressing an opinion on the project financial report.

We will conduct our audit in accordance with International Standards on Auditing (ISAs). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the project financial report is free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the project financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the project financial report, whether due to fraud or error. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the project financial report.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, there is an unavoidable risk that some material misstatements may not be detected, even though the audit is properly planned and performed in accordance with ISAs.

In making our risk assessments, we consider internal control relevant to the entity's preparation of the project financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. However, we will communicate to you in writing concerning any significant deficiencies in internal control relevant to the audit of the project financial report that we have identified during the audit.

Our audit will be conducted on the basis that management and, where appropriate, those charged with governance acknowledge and understand that they have responsibility:

a) For the preparation of project financial report that give a true and fair view in accordance with SIDA's stander terms of reference for annual audit project/ programme support;
b) For such internal control as management determines is necessary to enable the preparation of project financial report that are free from material misstatement, whether due to fraud or error; and
c) To provide us with:
   i. Access to all information of which management is aware that is relevant to the preparation of the project financial report such as records, documentation and other matter;
   ii. Additional information that we may request from management for the purpose of audit; and
   iii. Unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence.

As part of our audit process, we will request from management and, where appropriate, those charged with governance, written confirmation concerning representations made to us in connection with the audit.

We look forward to full cooperation with your staff and we trust that they will make available to us whatever records; documentation and other information are requested in connection with our audit.

BDO Jordan (Samman & Co), a Jordanian registered partnership, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms
BDO is the brand name for the BDO network and for each of the BDO Member Firms

Phone: +962-6-581-6033
Fax:+962-6-581-6657
www.bdo.com.jo
info@bdo.com.jo

Samman & Co
Public Accountants and Business Advisors
P.O. Box 922564
Amman 11192, Jordan
256 King Abdullah II Str., Jandaweel

Fees

- Our fees, which will be billed as work progresses, are not contingent on the result of our service and are based on the time required by the individuals assigned to the engagement plus direct out-of-pocket expenses. Individual hourly rates vary according to the degree of responsibility involved and the experience and skill required.

  Our fees to perform this audit engagement are **JOD 2,500** (Two Thousand Five Hundred Jordanian dinar) and will be paid as follows:

	Percentage
Upon signing the engagement letter	50%
Upon submission of draft report	50%

- A sales tax percentage will be added to our issued invoices as per the Sales Tax Law, unless exempted from taxes; then a letter of exemption should be provided.
- For any additional work, or in the event circumstances encountered not attributable to the performance of the engagement, such as: delays in recording; lack of accounting analysis; changes in the activity levels; changes in the accounting standards etc..., require us to introduce changes to our work plan and significantly increase budgeted hours, we will agree terms of reference with you and provide an estimate of our fees as required. We will endeavor to notify you of any such circumstances as they are assessed.

Working papers

The working papers for this engagement are the property of ***BDO Jordan (Samman & Co)***.

Applicable law

This agreement is to be governed in all respects by the laws of Jordan, under whose legislation it is entered into. Should any disputes arise from this agreement, they are subject to the exclusive jurisdiction of Jordanian courts.

Should a court or any other competent authority determine that any provision in this agreement is null or not applicable, either in whole or in part, all other provisions shall remain in legal force.

Liability limitation provision

In connection with this engagement you agree that the liability of ***BDO Jordan (Samman & Co)*** under this agreement is limited to the agreed fees.

Independence

We confirm that ***BDO Jordan (Samman & Co)*** or its associates have no conflicts which would preclude it from completing the performance of the services agreed in this letter.

Confidentiality

BDO Jordan (Samman & Co) will treat as such all confidential proprietary information obtained from **(RSS/NERC Jordan)** and will not disclose such information to others except to those **BDO Jordan (Samman & Co)** persons engaged in providing services to you or use such information except in connection with the performance of the services agreed in this letter.

BDO Jordan (Samman & Co), a Jordanian registered partnership, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms
BDO is the brand name for the BDO network and for each of the BDO Member Firms

E.

Phone: +962-6-581-6033
Fax:+962-6-581-6657
www.bdo.com.jo
info@bdo.com.jo

Samman & Co
Public Accountants and Business Advisors
P.O. Box 922564
Amman 11192, Jordan
256 King Abdullah II Str., Jandaweel

Contract period

This letter will be effective for future years unless it is terminated, amended or superseded in writing.

Report

The form and content of our report may need to be amended in the light of our audit findings.

We will provide you with four hard copies of the project financial report including the auditor's report and management letter issued in English language.

Please sign and return the attached copy of this letter to indicate your acknowledgement of, and agreement with, the arrangements for our audit of the project financial report including our respective responsibilities.

Yours faithfully,

Samman & Co

Audit & Assurance Since 1987 BDO JORDAN Amman, Jordan

Ahmad Ramahi
Audit Partner

Of	:	Royal Scientific Society of Jordan/ National Energy Research Center (RSS/NERC)
Signature	:	Walid Shahin
Name	:	Walid Shahin
Title	:	Director / NERC
Date	:	19/11/2019

الجمعية العلمية الملكية
المركز الوطني لبحوث الطاقة
Royal Scientific Society
National Energy Research Center
(NERC / RSS)

BDO Jordan (Samman & Co), a Jordanian registered partnership, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms
BDO is the brand name for the BDO network and for each of the BDO Member Firms