



2019 Transparency Report

Committed to driving Audit Quality

KPMG Al Fozan & Partners
Certified Public Accounts
Kingdom of Saudi Arabia

[2019 Transparency Report](#)



KPMG values,
foreword from the
Chairman and the
Head of Audit



Legal Structure
and the KPMG
network



Governance
Structure and
Operating model



Job nationalisation
percentage in
audit, inclusion &
diversity



Results of Internal
Quality Control
Inspection



Sanctions against
KPMG AI Fozan &
Partners



Litigation and
claims



Appendices

KPMG Values

We **lead by example** at all levels in a way that exemplifies what we expect of each other and member firms' clients.

We **work together** to bring out the best in each other and create strong and successful working relationships.

We **respect the individual** for who they are and for their knowledge, skills and experience as individuals and team members.

We **seek the facts and provide insight** by challenging assumptions and pursuing facts to strengthen our reputation as trusted and objective business advisors.

We are **open and honest** in our communication and share information, insight and advice frequently, and constructively manage tough situations with courage and candor.

We are **committed to our communities** to act as responsible corporate citizens by broadening our skills, experience and perspectives through work in our communities.

Integrity is a critical characteristic that stakeholders expect and rely on. Therefore, above all, we **act with integrity** and are constantly striving to uphold the highest professional standards, provide sound advice and rigorously maintain our independence.





Focus on Audit Quality



Dr. Abdullah Hamad Al Fozan

Chairman and Senior Partner

KPMG Al Fozan & Partners

Certified Public Accountants

We at KPMG Al Fozan & Partners Certified Public Accountants ('the Firm' or 'KPMG in Saudi Arabia') firmly believe that as auditors, we have a duty to serve our clients, our stakeholders and the public interest. Carrying out robust audits is fundamental to our role, and we are determined to set the paramount standard for quality across our profession. In this report we share with you how we deliver on our core promise of audit quality to the public interest, our clients, stakeholders, investors and audit committees we serve.

Audit is the cornerstone of our business. We define "Audit Quality" as the outcome when audits are executed consistently, in line with the requirements and intent of applicable professional standards, within a strong system of quality controls. We continually focus on objectivity, independence, ethics and integrity in everything we do.

As the Chairman of KPMG in Saudi Arabia, I am personally involved in ensuring that we deliver audits of the highest quality. We take our responsibility seriously. Audit Quality is the focus of our Board and Executive Committee and we are continually investing time and resources to consistently enhance the quality.

With the anticipated increase in participation by private sector in the economy in line with Saudi Vision 2030, the role of auditors is also expected to increase. We are confident that with the support of KPMG International and our audit regulators including the Capital Markets Authority and SOCPA, we will be fully equipped to deliver on those expectations.

I hope you will find the information in this Report insightful. I encourage you to also review the [2019 KPMG International Transparency Report](#) that you can access using the link.





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Delivering Audit Quality



Muhammad Tariq

Head of Audit

KPMG Al Fozan & Partners

Certified Public Accountants

KPMG globally has embarked on an ambitious journey aimed at continuously improving Audit Quality. This covers all aspects of our audit business including enhancement in governance and accountability, network level monitoring, overhaul of methodology, workflow and enabling technology and over all practice management. Significant investments are being made in all the aforementioned areas.

KPMG Clara is our new smart audit platform which will allow the integration of Audit workflow, methodology and sophisticated technology to enhance the audit process and quality.

We will continue to drive an approach to Audit Quality that not only meets the requirements of the standards but also fulfills our responsibility to service the public interest. We are fully supportive of the roles played by the Capital Markets Authority and SOCPA in enhancing Audit Quality through their inspection process and ongoing support and are committed to increasing our engagement with them to drive quality.

I along with my team are fully aligned with KPMG's vision to lead the industry in continually raising the standard for quality, integrity and public trust. This will help us to deliver on our promise of Audit Quality to the public interest, investors, audit committees and the stakeholders we serve.



Legal structure and the KPMG network



Legal structure of KPMG AI Fozan & Partners Certified Public Accountants

KPMG AI Fozan & Partners Certified Public Accountants is a partnership registered in the Kingdom of Saudi Arabia and affiliated with KPMG International Cooperative ('KPMG International'), a legal entity which is formed under Swiss law. The partnership is wholly owned by Saudi Partners who are licensed by SOCPA to sign audit opinions.



Legal structure of the KPMG network and relationship between KPMG AI Fozan & Partners Certified Public Accountants and KPMG International

KPMG is a global network of professional services firms that provides Audit, Tax and Advisory services to a wide variety of public and private sector organizations across 147 countries with over 219,000 employees. KPMG's structure is designed to support consistency of service quality and adherence to agreed values wherever the Member Firms operate.

The independent Member Firms of the KPMG network are affiliated with KPMG International, a Swiss cooperative which is a legal entity formed under Swiss law. KPMG International carries on business activities for the overall benefit of the KPMG network of Member Firms but does not provide professional services to clients. Professional services to clients are exclusively provided by Member Firms.

One of the main purposes of KPMG International is to facilitate the provision of high-quality Audit, Tax, and Advisory services by Member Firms to their clients. For example, KPMG International establishes and facilitates the implementation and maintenance of uniform policies, standards of work and conduct by Member Firms, and protects and enhances the use of the KPMG name and brand.

KPMG International is an entity that is legally separate from each Member Firm. KPMG International and the Member Firms are not a global partnership, joint venture, or in a principal or agent relationship or partnership with each other. No Member Firm has any authority to obligate or bind KPMG International or any other Member Firm vis-à-vis third parties, nor does KPMG International have any such authority to obligate or bind any Member Firm.

Under agreements with KPMG International, Member Firms are required to comply with KPMG International's policies and regulations including quality standards governing how they operate and how they provide services to clients to compete effectively. This includes having a structure that ensures continuity and stability and being able to adopt global strategies, share resources (incoming and outgoing), service multi-national clients, manage risk, and deploy global methodologies and tools. Each Member Firm takes responsibility for its management and the quality of its work. Member Firms commit to a common set of KPMG Values.



Governance Structure and Operating model



Organisation Structure

The Firm is led by an elected Chairman and Senior Partner; Dr. Abdullah Al Fozan, who was appointed in December 2018 following an election and confidential vote. The organisational structure of the Firm is included in the [appendix](#) and described below.



The Board

The main governance body of the Firm is the Board of Directors (“the Board”), which is responsible for the growth and long term prosperity of the Firm ensuring it keeps with, and is true to, its purpose, its vision and the ‘KPMG Values’. The Senior Partner leads the Board, which provides leadership to the organisation, approves the Firm’s strategy, oversees its implementation and monitors performance against business plan. The Board also ensures that there is a satisfactory process for managing cultural, ethical, risk and reputational matters affecting business including compliance with laws, other regulations relevant to our business and global KPMG’s policies.

The Board is responsible to approve and monitor the overall business strategy of the Firm. The Board is vested to approve and oversee the implementation of the Firm’s:

- Strategic plans and annual budgets;
- Overall risk strategy, including risk tolerance/appetite;
- Policies for risk management and compliance;
- Internal control systems;
- Corporate governance framework, principles and corporate values, including a code of conduct (or comparable document); and
- Remuneration system.



The Executive Committee (‘ExCom’)

Management of the day-to-day activities of the Firm is undertaken by the Executive Committee (‘ExCom’), whose responsibilities include the development and implementation of business plans, monitoring operating and financial performance, prioritisation and allocation of resources, investment and managing the risk profile of the Firm.

The ExCom is chaired by the Senior Partner; who is also the Chairman. In addition to the Senior Partner, the Excom includes; the Chief Operating Officer, Heads of Audit, Tax, Advisory, Markets, Quality & Risk Management functions, and the Managing Partners of the Firm’s offices in Riyadh, Jeddah and Al Khobar.

The role of the ExCom is to assist the Board in the implementation of the strategy of the Firm and running the day to day operational matters of the Firm. ExCom takes all decisions and has all powers of the Board except for those reserved for the Board.



The Audit & Risk Committee (‘ARC’)

The ARC assists the Board in the performance of its oversight responsibility of the Firm’s financial reporting policies, practices and controls, internal and external audit function and risk management strategies. ARC is vested with setting up of the internal audit department and for the appointment of the internal auditor as well as the independent external auditor who shall both report directly to ARC. Further, the ARC is responsible to review the accounting policies in force and advise the Board of any recommendation regarding them. The ARC also oversees the risk management function of the Firm.



The Audit Quality Committee (‘AQC’)

The purpose of the AQC is to oversee, on behalf of the Board, all relevant matters pertaining to audit quality including dialogue with key regulatory bodies, inspection results, and relevant audit brand and regulatory risks.

This committee’s role is to ensure Audit and Firm leadership are provided with sufficient guidance and support to make strategic, long term decisions to enhance public trust and audit quality. The committee among other things is responsible for ensuring:

- All global and regional audit quality initiatives are implemented with required level of rigour;
- Audit function is in compliance with International Standard on Quality Control 1 (ISQC1) and ready for compliance with International Standard on Quality Management (ISQM1) by end of 2020;
- A system of internal controls is in place to minimize, monitor, report and remediate audit quality incidents;
- Key areas of focus for public Trust and Audit Quality are identified;
- Key audit quality indicators are monitored;
- Provide assurance to the Board and ExCom on the appropriateness of system of internal control as it relates to audit.





Governance, Nomination & Remuneration Committee (GNRC)

The role of the GNRC is to assist the Board in administering and reviewing the compliance with Corporate Governance policies of the Firm. Further, the GNRC assists the Board in reviewing compensation paid to the Board and partners of the Firm, carrying out a periodic evaluation of the Board and its Committees, and providing recommendations to the Board.

The key responsibilities of the Nomination & Remuneration Committee are:

- to provide oversight of the processes for the appointment of leadership positions;
- to review and approve the annual remuneration and bonus policy for staff;
- to review the process for profit allocation and distribution to Partners;
- to make recommendations on the performance of and profit distribution to the Chairman & Senior Partner; and
- to review the recommendations of the Senior Partner in relation to the performance of the ExCom.



Strategy Committee (SC)

Role of the Strategy Committee is to assist the Board in laying down strategy, strategic plans and main objectives for the Firm. In doing so, the SC will consider the existing Firm resources, risks, economic and market conditions and growth, and also receive inputs from Function Heads and ExCom.



CPAs on Boards/Committees of ESAS

KPMG's policy prohibits its Partners and employees from accepting Director or Officer positions outside KPMG (other than in charitable organizations). None of the Partners hold any Director position or positions in Committees of any audit client that are under CMA's supervision ('ESAS')



Basis for Partner remuneration

The Partner remuneration model is designed to drive and reward one-firm behaviour consistent with our strategy and values, reflect an individual's medium term value as well as current year performance against their goals. To maintain auditor independence, no Audit Partner can be rewarded for selling non-audit services to his/her audit clients.

Partner remuneration is based on a number of factors including:

- roles and responsibilities (client related and internal);
- performance against financial targets (targets for firm, Audit function and individual);
- Performance in Quality & Risk Management matters; and
- his/her seniority in the firm.



System of quality control

Our system of quality controls fully complies with ISQC1 and have been effectively implemented.





Independence policies

Auditor independence and strong ethical conduct are cornerstones of international professional standards and regulatory requirements.

KPMG International's detailed independence policies and procedures, which incorporate the IESBA Code of Ethics requirements, are set out in the Global Quality & Risk Management Manual, which applies to all KPMG Member Firms. Automated tools, which must be used for every prospective engagement to identify potential independence and conflict of interest issues, facilitate compliance. In Saudi Arabia, we comply with the auditor independence rules prescribed by SOCPA in addition to the KPMG independence policies.

The Partner-in-Charge of the Global Independence Group is supported by a core team of specialists to help ensure that KPMG has robust and consistent independence policies and procedures, as well as guidance and tools to help Member Firms and their partners and staff comply with these requirements. The Global Independence Group communicates regularly to KPMG firms through announcements and alerts, headlining policy changes and enhancements as well as providing guidance on complying with the independence standards. The Global Independence Group holds various workshops and also provides ad hoc training over the course of each year.

The Firm has a designated Head of Risk & Independence ('HRI') who has primary responsibility for the direction and execution of Ethics & Independence policies and procedures locally. The HRI is responsible for communicating and implementing KPMG global policies and procedures and ensuring that local policies and procedures are established and effectively implemented when they are more stringent than the global requirements.

KPMG partners and employees are required to consult with their Member Firm's HRI on certain specific independence matters as defined in the GQ&RM Manual. The HRI may also be required to consult with the Global Independence Group depending upon the facts and circumstances. Guidance and tools are available to facilitate documenting these consultations.

Member Firms must clearly communicate their independence policies and procedures to their partners and staff. Compliance with independence policies and processes is monitored through annual independence confirmations and compliance audits within Member Firms, as well as through the network's wider monitoring programs.



Personal financial independence

KPMG partners and employees must be free from prohibited financial interests in, and prohibited financial relationships with, assurance and audit clients (by definition, 'audit client' includes its related entities or affiliates), their management, directors and, where required, significant owners. All partners — irrespective of their Member Firm and function — are generally prohibited from owning securities of any audit client of any Member Firm.

A web-based independence compliance system (KICS), which contains an inventory of publicly available investments, assists professionals in complying with personal independence investment policies.

All partners and manager grade or above client-facing professionals are required to use the KICS system prior to entering into an investment to identify whether they are permitted to do so. They must also maintain an up-to-date record of all of their investments in publicly traded entities in KICS, which automatically notifies them if any investment subsequently becomes restricted. Newly restricted investments must be disposed of within 5 business days of the notification.

The Global Independence Group provides guidance and suggested procedures relating to the audit and inspection by KPMG Member Firms of personal compliance with KPMG's independence policies. This includes sample criteria including the minimum number of professionals to be audited annually.



Employment relationships

Any KPMG professional providing services to an audit client is required to notify the Member Firm's HRI if he or she intends to enter into employment negotiations with that audit client. For partners, this requirement extends to any audit client of any Member Firm that is a public interest entity.

Former members of the audit team or former partners of a Member Firm are prohibited from joining an audit client in certain roles unless they have disengaged from all significant connections to the firm including payments which are not fixed and predetermined and/or would be material to the Member Firm and have ceased participating in the Member Firm's business and professional activities.

Any former partner who has a financial relationship with a Member Firm must notify the HRI if they intend to enter into employment negotiations with any listed audit client of any Member Firm.

Key audit partners and members of the chain of command for an audit client that is a public interest entity are subject to time restrictions (referred to as 'cooling-off' periods) that preclude them from joining that client in certain roles until a defined period of time has passed.





Firm financial independence

KPMG Member Firms must also be free from prohibited interests in, and prohibited relationships with, audit clients and their management, directors and, where required, significant owners. KICS is used to record Member Firm direct and material indirect investments in listed entities and funds (or similar investment vehicles) as well as in non-listed entities or funds. This includes investments held in pension and employee benefit plans.

Additionally, KPMG Member Firms are required to record in KICS all borrowing and financing relationships, as well as custodial, trust and brokerage accounts that hold Member Firm assets.



Fee dependency

Self-interest or intimidation threats at a firm-wide level may arise when the total fees from an audit client represent a large proportion of the total fees of the Member Firm conducting the audit. In the event that the total fees from a public interest entity audit client and its related entities represent more than 10 percent of the total fees received by a particular Member Firm for 2 consecutive years:

- disclosure is required to those charged with governance at the audit client; and
- a senior partner from another Member Firm is appointed as the engagement quality control (EQC) reviewer.



Business relationships/suppliers

KPMG has policies and procedures in place that are designed to ensure its business relationships with audit clients are maintained in accordance with the IESBA Code of Ethics and other applicable independence requirements, such as those promulgated by the US Securities and Exchange Commission (SEC).



Avoiding conflicts of interest

All KPMG professionals are responsible for identifying and managing conflict of interest, which are circumstances or situations that may reasonably be expected to have an impact on the firm's ability to be objective or act without bias.

KPMG engagement teams are required to use Sentinel to identify potential conflicts so that these can be addressed in accordance with legal and professional requirements.



Non-audit services

All KPMG firms are required, at a minimum, to comply with the IESBA Code of Ethics and applicable laws and regulations related to the scope of services that can be provided to audit clients.

Sentinel, a web-based application, facilitates compliance with auditor independence requirements and identifies potential conflicts of interest for prospective engagements.

Certain information on all prospective engagements, including service descriptions and fees, must be entered into Sentinel as part of the engagement acceptance process. When the engagement is for an audit client, an evaluation of potential threats and safeguards is also required to be included in the Sentinel submission. When the engagement is for an audit client, an evaluation of potential threats and safeguards is also required to be included in the Sentinel submission.

Lead Audit Engagement Partners (LAEPs) are required to maintain group structures for their publicly traded and certain other audit clients, as well as their related entities or affiliates, in Sentinel. They are also responsible for identifying and evaluating any independence threats that may arise from the provision of a proposed non-audit service and the safeguards available to address them. For entities for which group structures are maintained, Sentinel enables LAEPs to review and request revision to approve, or deny, any proposed service for those entities worldwide.

In accordance with the SOCPA Code of Professional Conduct, audit clients of KPMG Al Fozan & Partners are not provided non-audit services, except for those permitted by that Code.



Personal conflicts

Conflicts of interest can arise in situations where KPMG partners or employees have a personal connection with the client that may interfere, or be perceived to interfere, with their ability to remain objective, or where they are personally in possession of confidential information relating to another party to a transaction. Consultation with the Member Firm's Risk Management Partner (RMP) or the HRI is required in these situations.

Policies are also in place to prohibit KPMG partners and employees from accepting gifts and hospitality from audit clients, unless the value is trivial and inconsequential, is not prohibited by relevant law or regulation, and is not deemed to have been offered with the intent to improperly influence the behavior of the audit team member or the Member Firm.





Resolving conflicts of interest

Each KPMG Member firm has one or more allocated risk management individuals who are responsible for reviewing any identified potential conflicts and working with the affected Member Firm to resolve the conflict the outcome of which must be documented.

Escalation and dispute resolution procedures are in place for situations in which agreement cannot be reached on how to manage a conflict. If a potential conflict issue cannot be appropriately mitigated, the engagement is declined or terminated.



Independence breaches

All KPMG partners and employees are required to report an independence breach to their Member Firm's HRI as soon as they become aware of it. Any breaches of auditor independence regulations are required to be reported to those charged with governance at the audit client on the basis agreed with them but at a minimum on an annual basis. Significant breaches of independence rules must be reported to those charged with governance as soon as possible.

Each KPMG firm is required to have a documented and communicated disciplinary policy in relation to independence breaches that incorporates incremental sanctions reflecting the severity of any breach. In the event of non-compliance with KPMG's independence policies, irrespective of how that non-compliance is identified, KPMG professionals will be subject to the disciplinary policy.



Partner rotation

KPMG partner rotation policies are consistent with or exceed the requirements of the IESBA Code of Ethics and require compliance with any stricter local applicable rotation requirements. These requirements generally place limits on the number of consecutive years that partners in certain roles may provide audit services to a client, followed by a 'time-out' period during which these partners may not participate in the audit or in any way influence the outcome of it. They should also not lead or coordinate other professional services delivered to the client or oversee the relationship of the firm with them, nor have any other significant or frequent interaction with senior management or those charged with governance. Member firms are required to monitor the rotation of audit engagement leaders (and any other key roles where there is a rotation requirement) and develop related transition plans.



E&I — Training and confirmations

All KPMG partners and client service professionals, as well as certain other individuals, must complete independence training that is appropriate to their grade and function upon joining their firm and on an annual basis thereafter.

Upon acceptance of employment, all KPMG partners and employees are required to confirm that they are in compliance with, and will abide by, applicable E&I rules and policies.

Thereafter, all KPMG individuals are required to sign an annual confirmation stating that they have remained in compliance with applicable E&I and other key policies throughout the year.

For audit clients, we follow the SOCPA independence requirements set out in the Professional Code of Conduct. Where a specific matter has not been addressed in the SOCPA rules, we are required to comply with the IESBA Independence rules which is the basis for KPMG's independence rules.

Our independence policies comply with the SOCPA Code of Professional Conduct and the IESBA Code. These policies have been effectively implemented.





Audit Quality Framework

To help all audit professionals concentrate on the fundamental skills and behaviours required to deliver an appropriate and independent opinion, we have a global Audit Quality Framework. This framework introduces a common language that is used by all KPMG Member Firms to describe what we believe drives audit quality, and to highlight how every audit professional at KPMG contributes to the delivery of audit quality.

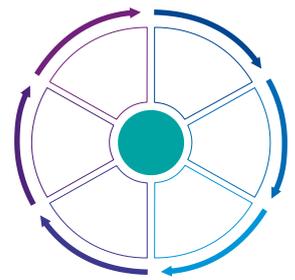
Tone at the Top sits at the core of the Audit Quality Framework and helps ensure that the right behaviours permeate across our Firm. All of the other drivers are presented within a circle, because each driver is intended to reinforce the others. We have a series of performance metrics linked to each of these drivers that are monitored and reviewed regularly. Each of the seven drivers, and how they were applied in the year, is described in more detail below. The policies and practices set out also ensure that persons eligible for appointment as statutory auditors continue to maintain their theoretical knowledge, professional skills and values at a sufficiently high level.



Tone at the Top

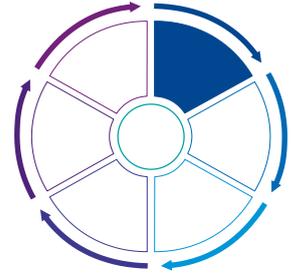
KPMG's Tone at the Top provides a clear focus on quality through:

- Culture, Values, and Code of Conduct – clearly stated and demonstrated in the way we work;
- A strategy with quality at its heart;
- Standards set by leadership; and
- Governance structures and clear lines of responsibility for quality, with skilled and experienced people in the right positions to influence the quality agenda.



Association with the right clients

- Select clients within risk tolerance
- Manage audit responses to risk
- Robust client and engagement acceptance and continuance processes



Acceptance and continuance of clients and engagements

Rigorous client and engagement acceptance and continuance policies and processes are vitally important to our ability to provide quality professional services and to protect KPMG's reputation and support its brand.

Prospective client and engagement evaluation process

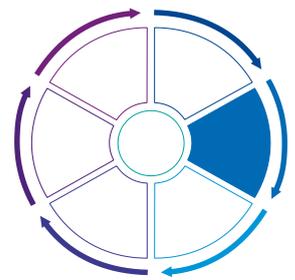
Before accepting a client, we undertake an evaluation of the prospective client. This evaluation is completed through our engagement management system and involves an assessment of its principles, its business and other service-related matters.

This also involves background checks on the prospective client, its key management and beneficial owners. A key focus is on the integrity of management as a prospective client.

A second Partner or equivalent, as well as the Evaluating Partner or equivalent, approves the prospective client evaluation. Where the client is considered to be 'high risk' the Head of Quality & Risk is involved in approving the evaluation. Each prospective engagement is also evaluated. In practice this may be completed at the same time as the client evaluation, particularly in respect of audit appointments. The engagement leader evaluates this in consultation with other senior personnel and decisions are reviewed by Quality & Risk Management leadership as required.

Clear standards and robust audit tools

- KPMG Audit and Risk Management Manuals
- Audit technology tools, templates and guidance
- Independence policies



All of our professionals are expected to adhere to KPMG's policies and procedures (including independence policies) and we provide a range of tools to support them in meeting these expectations. The policies and procedures set for audit engagements incorporate the relevant requirements of accounting, auditing, ethical and quality control standards, and other relevant laws and regulations.

Quality and Compliance Review ('QC') is a process run at KPMG in Saudi Arabia to ensure that our audit files that support audit opinions have adhered to risk and compliance related policies and procedures. QC gives comfort to reviewers (external and within the KPMG network) that we have processes in place to serve as oversight over conformity with risk and compliance related policies and procedures.



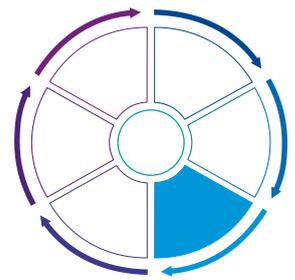
Recruitment, development and assignment of appropriately qualified personnel

- Recruitment, promotion, retention
- Development of core competencies, skills and personal qualities
- Recognition and reward for quality work
- Capacity and resource management
- Assignment of team members and specialists

We are committed to equipping our people with the skills and tools they need to cut through the complexity of today’s world – complexity that sees our people increasingly working across borders, collaborating on a global basis and taking on challenging and innovative projects.

One of the key drivers of quality is ensuring the assignment of professionals with the skills and experience appropriate to the entity we audit and to deliver a high quality audit. This requires a focus on recruitment, development, promotion and retention of our personnel and the development of robust capacity and resource management processes.

To ensure that engagement leaders and managers are able to deliver quality audits, it is imperative that they have sufficient and appropriate time available for each engagement. Accordingly, engagement leaders are assigned a portfolio of engagements based on the available hours, nature and complexity of the engagements and specialization required. The work load is reassessed on an annual basis and changes are made to the allocated portfolios as required. Further portfolio allocation specifically considers specific industry expertise (such as banking, insurance, oil and gas etc.) of the engagement leaders and teams.



Commitment to technical excellence and quality service delivery

- Technical training and support
- Accreditation and licensing
- Access to specialists networks
- Consultation processes
- Business understanding and industry knowledge
- Capacity to deliver valued insights

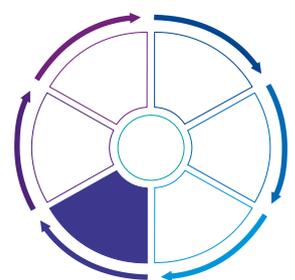
We provide all professionals with the technical training and support they need, including access to networks of specialists and technical experts, in particular Department of Professional Practice (‘DPP’) Accounting & Reporting and DPP Auditing which are made up of senior professionals with extensive experience in audit, reporting and risk management, either to provide resources to the engagement team or for consultation.

DPP is the centre of technical excellence for financial reporting, audit, review, assurance, regulatory and agreed upon procedure engagements. Where applicable, we develop guidance on the interpretation and application of international standards. DPP is committed to supporting Audit and Assurance engagements with the technical guidance, tools and templates needed to deliver high quality and efficient audits.

The skills, knowledge and capabilities of our people are central to our success. That’s why we’re fully committed to developing a continuous learning culture. Learning & Development (‘L&D’) focuses on the technical audit and accounting trainings which are tailored to the specific need of each grade of staff and are necessary to keep them update to date with the recent developments. Our training curriculum is designed to cater for the needs of our audit staff and is supported by KPMG’s Global L&D guidance and requirements. Furthermore, L&D also looks after the soft skills and industry specific training needs of staff.

The Firm’s Quality & Risk Management team works closely with the Firm’s in-house General Counsel and his team to identify changes to laws and regulations that could impact KPMG in Saudi Arabia. The team also regularly monitors compliance with provisions of rules and laws set by regulators including the CMA, SOCPA and the Ministry of Commerce and Investment to the extent they are relevant to our business.

At the same time we use our audit accreditation policies to require professionals to have the appropriate knowledge and experience for their assigned engagements. Our structure enables our engagement teams to apply their business understanding and industry knowledge to deliver valued insights and to maintain audit quality.



Performance of effective and efficient audits

How an audit is conducted is as important as the final result. We expect our people to demonstrate certain key behaviours in the performance of effective quality audits. These behaviours are discussed below.

KPMG audit process

Our audit workflow is technologically enabled in eAudit/Clara. The key behaviours that our auditors apply throughout the audit process to deliver effective quality audits are:

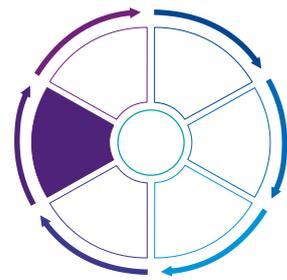
- Sufficient and timely involvement of Partner, Manager and Second Line of Defence (where required);
- Appropriate and timely involvement of specialists;

The engagement teams at KPMG in Saudi Arabia assess if an audit engagement requires specialized skills, knowledge and experience to obtain appropriate audit evidence. In a scenario where an audit engagement requires specialised skills, for example Tax, Zakat, Valuations, Actuarial, Data analytics, IT and IT security specialists. The engagement leader shall determine whether to involve a specialist from the KPMG network and/or use the work of an expert engaged by KPMG in Saudi Arabia.

- Use of Engagement Quality Control Review ('EQCR')

An EQCR comprises of an objective evaluation by an independent reviewer of the significant judgments made by the audit engagement team and the related conclusions it reached in formulating the report. This is an important element of KPMG's system of quality control that is designed to provide, among other things, reasonable assurance that a company's financial statements comply with applicable accounting standards and relevant regulatory requirements and that the report is appropriate. KPMG globally and in Saudi Arabia mandates EQCR for listed entities, unlisted entities with high risk public profile and other engagements as designated by Saudi Arabia's Head of Risk & Independence or Head of audit.

- Critical assessment of audit evidence, exercise of professional judgement and professional scepticism;
- Ongoing mentoring and on-the-job coaching, supervision and review;
- Appropriately supported and documented conclusions;
- Clear reporting of significant findings;
- Insightful, open and honest two-way communication with those charged with governance;
- Focus on effectiveness of group audits;
- Client confidentiality, information security and data privacy; and

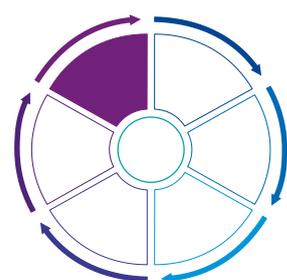


Commitment to continuous improvement

- Comprehensive effective monitoring processes
- Proactive identification of emerging risks and opportunities to improve quality and provide insights
- Obtain feedback from key stakeholders
- Evaluate and appropriately respond to feedback and findings

We focus on ensuring our work continues to meet the needs of participants in the capital markets. To achieve this goal, we employ a broad range of mechanisms to monitor our performance, respond to feedback and understand our opportunities for continuous improvement. These include, local, regional and global quality reviews at set frequencies.

Additionally, we have processes in place to proactively identify emerging risks and opportunities to improve quality and provide insights.



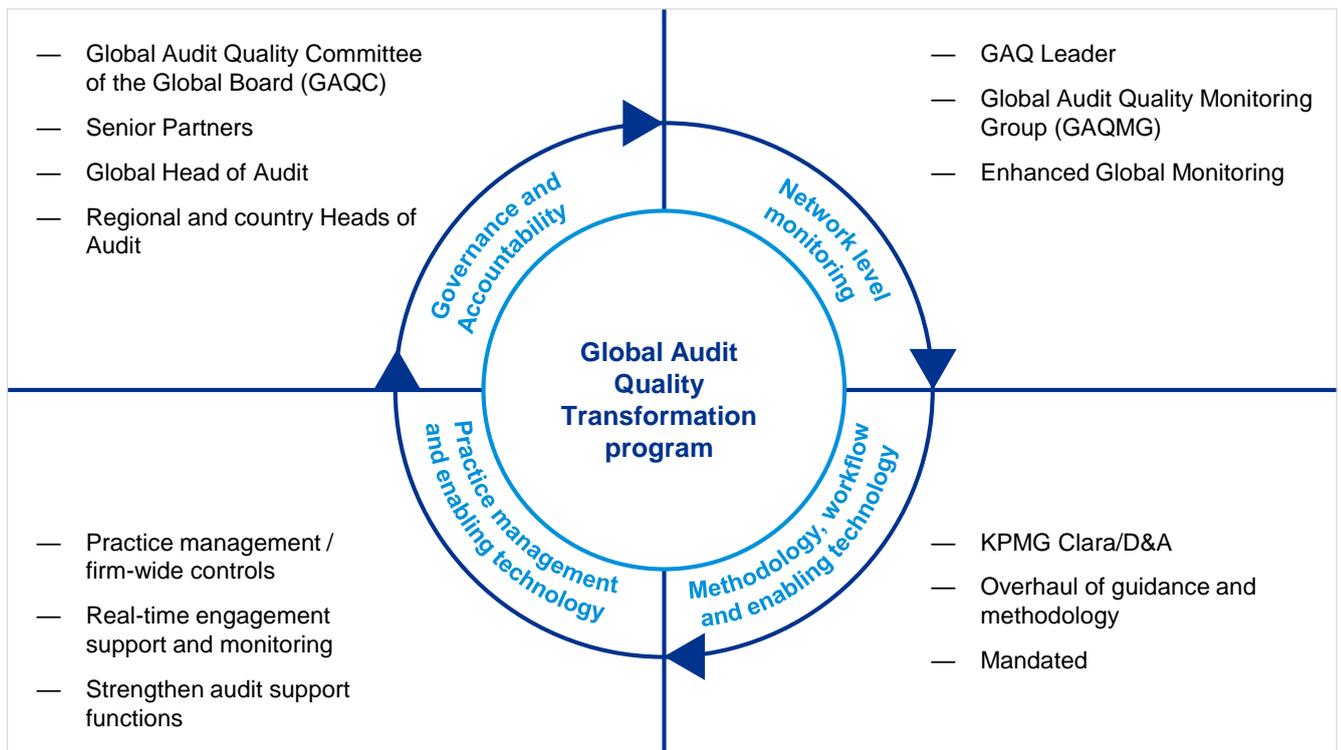


Global Audit Quality ('GAQ') Transformation program

The program focusses on four areas, with a shift towards much stronger governance, accountability and consistency.

Some of the key changes are:

- Accountability of Member Firm Senior Partners and CEOs for audit quality results;
- Accountability of Member Firm Audit leaders to Bill O'Mara, our Global Head of Audit;
- Audit Quality Committee of the Global Board which provides governance and oversight of audit quality globally;
- A dedicated Global Audit Quality Leader, reporting to the Global Heads of Audit and Quality and Risk Management who provides important input into the Global Audit Quality Committee of the Global Board;
- Our system of quality control is being enhanced, which will ensure we can anticipate and adopt the future changes to the International Standard on Quality Control. This will drive greater accountability for quality, risk management and compliance;
- We now have central Global monitoring of audit quality, including the system of quality control at our Member Firms, and our existing monitoring programs are now more risk-based;
- Our Root Cause Analysis of quality incidents, which has been widely recognized as leading the profession, enables us to identify and remediate quickly and effectively; and
- We are providing engagement teams around the globe with enhanced resources and the tools to improve how they deliver audit quality.



Three lines of defense

We have implemented a three lines of defense to our audit approach.

The first line of defense is the quality of our audit team.

The second line of defense involves conducting independent review of areas of focus on audit engagements and providing direct real time support and coaching to engagement teams before the audit opinions are signed, with the goal of helping the team deliver an audit that complies with the relevant professional standards.

The third line of defense means maintaining global standards of quality assurance. The audit function is required, and fully committed, to keeping up-to-date with internal and external changes in standards and processes, including Quality Assurance Reviews.





Job nationalisation percentage in the Audit department, Inclusion and Diversity

Job nationalisation percentage in audit

KPMG in Saudi Arabia is committed to nationalisation and we see it is a strategic business imperative. Our vision is to be recognised as a truly nationalised Firm, trusted by our people, our clients and our society and our intent is to embed the spirit of nationalisation by focusing on creating and fostering an inclusive environment that enables nationalisation. We have set ourselves a minimum target of Saudi Nationals which will be in excess of 50% and we have a comprehensive program focused on the attraction, development and retention of Saudi Nationals.

As at 30th September 2019, 50% of KPMG's audit department in Saudi Arabia comprised of Saudi nationals.

Inclusion and Diversity

KPMG is fully committed to empowering women and developing them professionally. As KPMG seeks to achieve the United Nations sustainable development goals especially goal number five which states: "Achieving gender equality and empowerment to all women and girls".

We are supporting female's advancement and it is one of our priority objectives in KPMG's inclusion and diversity strategy. Also, KPMG is aligned with vision 2030 that states "women should participate in working and increase women participation in workforce from 26 % to 30%". We are committed to driving our progress on gender equality but recognize we have still have some way to go .

KPMG in Saudi Arabia has women working across every function. We are proud that 42% of our Saudi employees are females . We are pioneers in hiring women, the first female employee joined us in 2007 and appointed the first female partner amongst the Big 4 firms. The percentage of female representation at KPMG has steady increased over the last 3 years.

Our Purpose of inspiring confidence and empowering change is core to our L&D agenda. We empower women by adopting different retention initiatives, development programs and workshops. Our inclusion and diversity team are focused this year on the International Women Day theme 2020 implemented by the United Nations. We in KPMG constantly look for ways to empower and support women.





Results of internal quality control inspections

Our quality monitoring and compliance programs are created globally, with Member Firms being expected to implement, test and report them consistently across the network. The programs evaluate both:

- Engagement performance in compliance with the applicable standards, applicable laws and regulations, and KPMG International policies and procedures; and
- Member firm compliance with KPMG International policies and procedures and the relevance, adequacy and effective operation of key quality control policies and procedures.

Audit Quality Performance Reviews (QPR)

The QPR program assesses audit engagement performance and identifies opportunities to improve quality. Each audit engagement leader is reviewed at least once in a 3-year cycle as part of QPR. KPMG International helps ensure that firms' QPRs are fair and objective, and that they are overseen by an independent experienced lead reviewer who is from a different Member Firm.

KPMG International provides training to review teams and others overseeing the process, with a focus on topics of concern identified by audit oversight regulators and the need to be as rigorous as external reviewers.

KPMG International helps ensure that consistent criteria are used to award engagement ratings and audit practice evaluations, which can then be used to measure improvements in the future.

We were subject to the Quality Review in 2019. The inspection was carried out by a team of independent reviewers from other KPMG offices. The review focused on both; implementation of quality controls and execution of engagements. As part of the inspection, the overall rating of the Audit function was concluded as "Satisfactory".

Action plan to address the findings from the review was agreed and communicated to Audit staff. Audit leadership is responsible to implement the action plan and monitor progress.





KPMG values, foreword from the Chairman and the Head of Audit



Legal Structure and the KPMG network



Governance Structure and Operating model



Job nationalisation percentage in audit, inclusion & diversity



Results of Internal Quality Control Inspection



Sanctions against KPMG Al Fozan & Partners



Litigation and claims



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Sanctions against the Firm

No punishment, penalty or restrictions were imposed against KPMG in Saudi Arabia or our registered certified public accountants during the last financial year.





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Results of Internal
Quality Control
Inspection



Sanctions against
KPMG Al Fozan &
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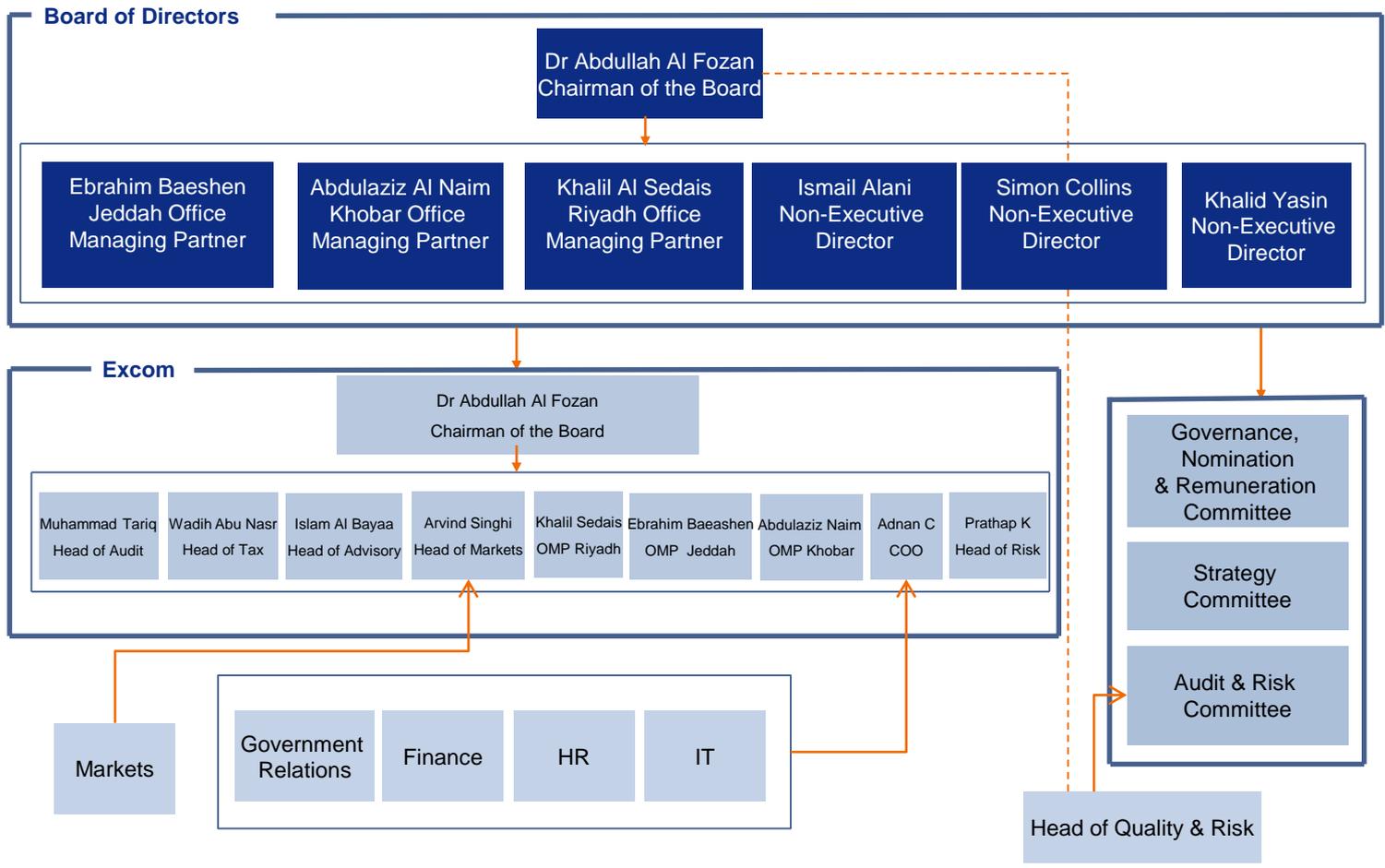
Litigation and claims

There have been no litigation, claims or ongoing investigation against KPMG in Saudi Arabia that may have a material effect on our business during the last financial year.



Appendices

Organisational structure



List of ESAS audit clients and respective registered CPA who carried on the audit for such clients – As at 30 September 2019 (ESAS entities in this appendix include those where KPMG were the auditors FY 31 Dec 2018 and appointed as auditors FY 31 Dec 2019.)

Client Name	Partner
Al Andalus Property Company	Khalil Al Sedais
Al Alamiya for Cooperative Insurance Company	Hani Bedairi
Al Hassan Ghazi Ibrahim Shaker Company	Khalil Al Sedais
Al Jazira Capital	Khalil Al Sedais
Al Jazira Takaful Ta'awuni Company	Ebrahim Baeshen
Al Rajhi Bank	Abdullah Al Fozan
Al Rajhi Capital	Abdullah Al Fozan
Al Yamamah Steel Industries Company	Ebrahim Baeshen
Alawwal Bank (fka: Saudi Hollandi Bank)	Nasser Al Shutairy
Alawwal Invest Company	Nasser Al Shutairy
Arabian Centres Company Limited	Khalil Al Sedais
Arab National Bank	Abdulaziz Alnaim
Arab National Bank Investment Company (ANB Invest)	Abdulaziz Alnaim
Arabian Cement Company	Ebrahim Baeshen
Arbah Capital Company	Abdulaziz Alnaim
Ashmore Investment Saudi Arabia	Khalil Al Sedais
Ataa Education Company	Khalil Al Sedais
Bank Albilad	Nasser Al Shutairy
Bank AlJazira	Ebrahim Baeshen
Banque Saudi Fransi	Ebrahim Baeshen
Bupa Arabia for Cooperative Insurance Company	Ebrahim Baeshen
Citi Group Saudi Arabia	Nasser Al Shutairy
Credit Suisse Saudi Arabia	Abdullah Al Fozan
Deutsche Securities Saudi Arabia LLC	Hani Bedairi
EFG-Hermes Saudi Arabia	Fahad Aldossari
Emaar the Economic City	Ebrahim Baeshen
Etihad Atheeb Telecommunication Company	Khalil Al Sedais
Etihad Etisalat Co	Khalil Al Sedais
Fawaz Abdulaziz Al Hokair Company	Khalil Al Sedais
Gulf Union Cooperative Insurance Company	Abdullah Al Fozan
HSBC Saudi Arabia Limited	Abdullah Al Fozan
Jabal Omar Development Company	Abdullah Al Fozan
Jadwa Investment Company	Khalil Al Sedais
Leejam Sports Company	Abdullah Al Fozan
Middle East Healthcare Co	Ebrahim Baeshen
National Agriculture Development Company – Nadecc	Abdullah Al Fozan
National Commercial Bank	Ebrahim Baeshen
National Company for Learning and Education	Khalil Al Sedais

Client Name	Partner
NCB Capital Company	Ebrahim Baeshen
Rabigh Refining & Petrochemical Co	Ebrahim Baeshen
Sadara Basic Services Company	Abdulaziz Alnaim
Saudi Airlines Catering Company	Ebrahim Baeshen
Saudi British Bank	Abdulaziz Alnaim
Saudi Economic and Development Securities Company (SEDCO Capital)	Nasser Al Shutairy
Saudi Electricity Company	Abdullah Al Fozan
Saudi Ground Services Company	Ebrahim Baeshen
Saudi International Petrochemical Company	Abdulaziz Alnaim
Saudi Investment Bank	Abdullah Al Fozan
Saudi Re for Cooperative Reinsurance Company	Khalil Al Sedais
Saudi Stock Exchange (Tadawul)	Khalil Al Sedais
Savola Group Company	Ebrahim Baeshen
Securities Depository Centre Company	Khalil Al Sedais
Securities Clearing Centre Company	Khalil Al Sedais
Sidra Capital	Nasser Al Shutairy
SMBC Advisory Services Saudi Arabia LLC	Fahad Aldossari
Standard Chartered Capital	Fahad Aldossari
Swicorp Company	Nasser Al Shutairy
Taiba Holding Company	Nasser Al Shutairy
The National Shipping Company of Saudi Arabia	Fahad Aldossari
Walaa Cooperative Insurance Co	Abdulaziz Alnaim
Zahra Al-Waha for Trading Co.	Abdullah Al Fozan
AlKhair KSA Healthcare Fund	Nasser Al Shutairy
Global Saudi Equity Fund	Nasser Al Shutairy
Malaz Real Estate Opportunities Fund I	Nasser Al Shutairy
Malaz Real Estate Opportunities Fund III	Nasser Al Shutairy
Sidra Mutajara Fund	Nasser Al Shutairy
Al Mubarak Real Estate Income Fund	Abdulaziz Alnaim
ANBI Business Gate Fund	Abdulaziz Alnaim
Arbah IPO Fund	Abdulaziz Alnaim
Arbah Saudi Equity Fund	Abdulaziz Alnaim
Arbah GCC Liquidity Fund	Abdulaziz Alnaim



List of ESAS audit clients and respective registered CPA who carried on the audit for such clients – As at 30 September 2019 (ESAS entities in this appendix include those where KPMG were the auditors FY 31 Dec 2018 and appointed as auditors FY 31 Dec 2019.)

Client Name	Partner
Al Ahli GCC Growth and Income Fund	Ebrahim Baeshen
Al Ahli Multi-Asset Income Plus Fund	Ebrahim Baeshen
Al Ahli Diversified US Dollar Trade Fund	Ebrahim Baeshen
Al Ahli Europe Index Fund	Ebrahim Baeshen
Al Ahli GCC Trading Equity Fund	Ebrahim Baeshen
Al Ahli International Trade Fund	Ebrahim Baeshen
Al Ahli Saudi Trading Equity Fund	Ebrahim Baeshen
Al Ahli US Dollar Sukuk Fund	Ebrahim Baeshen
Al Ahli Global Real Estate Fund	Ebrahim Baeshen
Al Ahli North America Index Fund	Ebrahim Baeshen
Al Ahli Freestyle Saudi Equity Fund	Ebrahim Baeshen
Al Ahli Multi Asset High Growth Fund	Ebrahim Baeshen
Al Ahli Multi Asset Medium Growth Fund	Ebrahim Baeshen
Al Ahli Asia Pacific Index Fund	Ebrahim Baeshen
Al Ahli Emerging Markets Index Fund	Ebrahim Baeshen
Al Ahli Global Equity Fund	Ebrahim Baeshen
Al Ahli Health Care Trading Equity Fund	Ebrahim Baeshen
Al Ahli Sadaqqat Fund	Ebrahim Baeshen
Al Ahli IPO Fund	Ebrahim Baeshen
Al Ahli Multi Asset Conservative Growth Fund	Ebrahim Baeshen
Al Ahli Small and Mid-Cap Equity Fund	Ebrahim Baeshen
Al Ahli Makkah Hospitality Fund	Ebrahim Baeshen
NCB Capital Private Fund No. 22	Ebrahim Baeshen
NCB Capital Private Fund No. 21	Ebrahim Baeshen
NCB Capital Private Fund No. 102	Ebrahim Baeshen
NCB Capital Private Fund No.100	Ebrahim Baeshen
NCB Capital Tier One Sukuk Fund II	Ebrahim Baeshen
NCB Capital - Private Fund No. 42	Ebrahim Baeshen
NCB Capital Private Fund No. 19	Ebrahim Baeshen
NCB Capital Tier One Sukuk Fund	Ebrahim Baeshen
NCB Capital Private Fund No. 101	Ebrahim Baeshen
NCB Capital Private Fund No. 20	Ebrahim Baeshen
Al Ahli Multi Strategy Relative Return Fund (Concentrated Strategy Fund)	Ebrahim Baeshen
Al Ahli Saudi Riyal Trade Fund	Ebrahim Baeshen
Al Ahli Diversified Saudi Riyal Trade Fund	Ebrahim Baeshen
Al Ahli Fund of REITs Fund	Ebrahim Baeshen
Al Ahli REIT Fund 1	Ebrahim Baeshen
Ashmore GCC Diversified Trade Fund	Khalil Al Sedais
ASHMORE GCC EDUCATION FUND	Khalil Al Sedais
Ashmore Saudi Food Fund	Khalil Al Sedais
Ashmore Short Duration Fund	Khalil Al Sedais
Ashmore Saudi Equity Fund	Khalil Al Sedais

Client Name	Partner
Jadwa Azizia Real Estate Investment Fund	Khalil Al Sedais
Jadwa Healthcare Opportunities Fund	Khalil Al Sedais
Jadwa GCC Equity Fund	Khalil Al Sedais
Jadwa Investment Fund 16	Khalil Al Sedais
Jadwa Investment Fund 17	Khalil Al Sedais
Jadwa SAR Murabaha Fund	Khalil Al Sedais
Jadwa Al Basateen Real Estate Investment Fund	Khalil Al Sedais
Jadwa Investment Fund 14	Khalil Al Sedais
Jadwa Investment Fund 18	Khalil Al Sedais
Jadwa Investment Fund 31	Khalil Al Sedais
Jadwa Investment Fund 20	Khalil Al Sedais
Jadwa Global Sukuk Fund	Khalil Al Sedais
Jadwa Investment Fund 12	Khalil Al Sedais
Jadwa Investment Fund 25	Khalil Al Sedais
Jadwa Investment Fund 13	Khalil Al Sedais
Jadwa Arab Markets Equity Fund	Khalil Al Sedais
Jadwa Saudi Equity Fund	Khalil Al Sedais
Jadwa Investment Fund 19	Khalil Al Sedais
Jadwa Investment Fund 24	Khalil Al Sedais
Jadwa Building Material Opportunities Fund	Khalil Al Sedais
Jadwa Co Investment Fund	Khalil Al Sedais
Jadwa Healthcare Opportunities Fund 2	Khalil Al Sedais
Jadwa Healthcare Opportunities Fund 3	Khalil Al Sedais
Jadwa Industrial Waste Management Opportunities Fund	Khalil Al Sedais
Jadwa Mechanical Opportunities Fund	Khalil Al Sedais
Jadwa Refining Opportunities Fund	Khalil Al Sedais
Jadwa Technology Special Opportunity Fund	Khalil Al Sedais
SEDCO Capital Partners Group Opportunities Fund	Nasser Al Shutairy
SEDCO Capital Real Estate Income Fund I	Nasser Al Shutairy
SEDCO Capital Real Estate Income Fund II	Nasser Al Shutairy
SEDCO Capital REIT	Nasser Al Shutairy
SEDCO Capital Saudi Equities Fund 1	Nasser Al Shutairy
SEDCO Capital STIC KOREA Opportunities Fund	Nasser Al Shutairy
SEDCO Capital Treasury Money Market Fund	Nasser Al Shutairy
Education and Healthcare Built-to-Suite Fund	Nasser Al Shutairy
Elite Flex Saudi Equity Fund	Nasser Al Shutairy





List of ESAS audit clients and respective registered CPA who carried on the audit for such clients – As at 30 September 2019 (ESAS entities in this appendix include those where KPMG were the auditors FY 31 Dec 2018 and appointed as auditors FY 31 Dec 2019.)

Client Name	Partner
HSBC Sukuk Fund	Abdullah Al Fozan
HSBC Financial Institutions Equity Fund	Abdullah Al Fozan
HSBC Multi-Assets Defensive Fund	Abdullah Al Fozan
HSBC Multi-Assets Growth Fund	Abdullah Al Fozan
HSBC Saudi Equity Fund	Abdullah Al Fozan
HSBC Saudi Industrial Companies Equity Fund	Abdullah Al Fozan
HSBC Multi-Assets Balanced Fund	Abdullah Al Fozan
HSBC Global Equity Index Fund	Abdullah Al Fozan
HSBC GCC Equity Fund	Abdullah Al Fozan
HSBC Saudi Equity Income Fund	Abdullah Al Fozan
HSBC Global Emerging Market Equity Fund	Abdullah Al Fozan
HSBC GCC Equity Income Fund	Abdullah Al Fozan
HSBC Saudi Construction & Cement Companies Equity Fund	Abdullah Al Fozan
HSBC Saudi Equity Freestyle Fund	Abdullah Al Fozan
HSBC China and India Equity Freestyle Fund	Abdullah Al Fozan
HSBC Logistics Income Fund	Abdullah Al Fozan
HSBC Saudi 20 ETF	Abdullah Al Fozan
HSBC Saudi Companies Equity Fund	Abdullah Al Fozan
HSBC Saudi Riyal Murabaha Fund	Abdullah Al Fozan
HSBC US Dollar Murabaha Fund	Abdullah Al Fozan

Client Name	Partner
SAIB GCC Equity Fund	Hani Bedairi
SAIB Saudi Equity Fund	Hani Bedairi
Alistithmar Capital Sukuk Private Fund 42	Hani Bedairi
SAIB Saudi Companies Fund	Hani Bedairi
Ajdan Rise Real Estate Development Fund	Hani Bedairi
SAIB Saraya Tower Real Estate Development Fund	Hani Bedairi
SAIB Trade Finance Fund	Hani Bedairi
Alistithmar Capital Sukuk Private Fund 45	Hani Bedairi
Alistithmar Capital Investment Fund 44	Hani Bedairi
Alistithmar Capital Investment Fund 46	Hani Bedairi
Alistithmar Capital Investment Fund 47	Hani Bedairi





KPMG values, foreword from the Chairman and the Head of Audit



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Training for audit staff working on clients subject to CMA supervision

Continuing Professional Education (CPE) - For the financial year ended - 30 September 2019

S. No.	Names	Designation	Audit methodology, Accounting, Quality & Risk Management and Leadership	No. of hours	Type of training: Internal / external / formal / informal
1	Abdullah Al Fozan	Partner	Yes	133	Internal, external and formal
2	Khalil Al Sedais	Partner	Yes	82	Internal, external and formal
3	Ebrahim Baeshen	Partner	Yes	44	Internal, external and formal
4	Abdulaziz Alnaim	Partner	Yes	63	Internal, external and formal
5	Fahad Aldossari	Partner	Yes	147	Internal, external and formal
6	Nasser Al Shutairy	Partner	Yes	119	Internal, external and formal
7	Hani Bedairi	Partner	Yes	152	Internal, external and formal
8	Kholoud Mousa	Partner	Yes	115	Internal, external and formal
9	Muhammad Tariq	Senior Director	Yes	68	Internal, external and formal
10	Furqanullah Khan	Senior Director	Yes	107	Internal, external and formal
11	Abdullah Akbar	Senior Director	Yes	128	Internal, external and formal
12	Mohammed Alaa Elddin	Senior Director	Yes	96	Internal, external and formal
13	Armon Nakhaie	Senior Director	Yes	239	Internal, external and formal
14	Asraf Hasan	Senior Director	Yes	133	Internal, external and formal
15	Dale Clark	Senior Director	Yes	62	Internal, external and formal
16	Faisal Sana	Senior Director	Yes	106	Internal, external and formal
17	Farouk Karreem	Senior Director	Yes	118	Internal, external and formal
18	Kashif Zafar	Senior Director	Yes	240	Internal, external and formal
19	Nowar Mejanni	Senior Director	Yes	135	Internal, external and formal
20	Ovais Shahab	Senior Director	Yes	166	Internal, external and formal
21	Philip Knowles	Senior Director	Yes	43	Internal, external and formal
22	Tamer El Sawy	Senior Director	Yes	146	Internal, external and formal
23	Abhisek Gupta	Director	Yes	46	Internal, external and formal
24	Hesham Mostafa	Director	Yes	90	Internal, external and formal
25	Mazhar Saleem	Director	Yes	40	Internal, external and formal
26	Mohammed Hasheem	Director	Yes	126	Internal, external and formal
27	Mowafak Omirah	Director	Yes	81	Internal, external and formal
28	Muhammad Memon	Director	Yes	99	Internal, external and formal
29	Raghav Khullar	Director	Yes	281	Internal, external and formal
30	Salman Chaudhry	Director	Yes	75	Internal, external and formal
31	Sameer Khan	Director	Yes	121	Internal, external and formal
32	Tareq Maraqa	Director	Yes	66	Internal, external and formal



**Total audit engagement hours for ESAS audit clients for the period ended 30 September 2019**

During the year covered by this Transparency Report, KPMG in Saudi Arabia spent approximately 160,000 working hours on auditing ESAS clients. The total hours spent by the registered CPAs on these ESAS audit clients represents approximately 1% of the total hours on ESAS audit engagements.

**Financial Information for the financial year ended 30 September 2019**

		Revenue	
No.	Financial Information	SAR in million	
1	Total revenue	733	
2	Total revenue from audit engagements for ESAS	67	
3	Total revenue from other services for ESAS	Total revenue from other services for ESAS that are audited by KPMG	6
		Total revenue from other services for ESAS that are not audited by KPMG	30
4	Total revenue from audit engagements for entities other than ESAS	183	
5	Total revenue from other services for entities other than ESAS	Total revenue from other services for entities other than ESAS that are audited by KPMG	34
		Total revenue from other services for entities other than ESAS that are not audited by KPMG	413

**Partners in the Firm**

The Firm is wholly owned by Saudi Partners listed below:

S.No	Name
1	Abdullah Al Fozan
2	Khalil AlSedais
3	Ebrahim Baeshen
4	Abdulaziz Alnaim
5	Tareq Al Sunaid
6	Kholoud Mousa
7	Fahad Al Dossari
8	Nasser Al Shutairy
9	Hani Hamzah Bedairi





kpmg.com/socialmedia

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavour to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

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