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AUDIT OF YOUR ACCOUNTS FOR THE YEAR ENDED DECEMBER 31,2016

In view of the audit of your accounts for the above mentioned year, kindly take the necessary steps in connection with the following matters: -

I) CASH

I - Cash in hand

Count the cash and the cheques in the custody at the financial position date, and reconcile balances with books, the cash count schedule should be signed from the cashier, chief accountant and general manager. And mention the last number of payment voucher, receipt voucher and invoice on the cash count schedule .

II - Cash at Banks

- a) Reconciliation together with supporting schedules for each bank account at the balance sheet date.
- b) Request all Banks with whom you carry on business, the certificates numerated in the enclosed form relating to various position at December 31,2016.

2) Fixed Assets

I - Furniture and Fixtures

House Furniture should be separated from the office furniture. Schedule of furniture should present : date of acquisition, unit description, unit cost, depreciation rate, accumulated depreciation up to the end of the last year, depreciation of the current year, accumulated depreciation up to the financial position date , net book value and unit status.

II - Machines and Vehicles

Schedule should present : date of acquisition, unit description, location, registration number (for vehicles), motor or chassis number, original cost , depreciation rate , accumulated depreciation up to the end of last year, current year depreciation, accumulated depreciation, net book value and unit status.

III- Land & Buildings

Schedule should presents : lands separated from buildings, and completed buildings from buildings under construction, for lands and buildings should present : date of purchase, location, the user of the building, original cost , depreciation rate , accumulated depreciation up to the end of last year , current year depreciation, accumulated depreciation (buildings only) up to the financial position date , net book value, and show whether any liens on this item, original registration certificates should be presented to us.

3) Inventories & Stores

I - Appoint a committee or committees to count physical stock of the stores at the end of the financial year, it is necessary to supply the committee with clear instructions concerning procedures, pricing method, cut-off date, commencement date of stock taking, stores location and exhibitions, thereof with copy of such instructions to us .

II- Kindly support us with a copy of the stock sheets which should present the following details :

Item code, description unit, actual quantity, quantity as per cards, unit cost, value and notes , all stock sheets should be signed by the stock taking committee and the management.

4) Debtors and Creditors

I - Kindly supply us with lists showing the following accounts separated from each other :

Trade debtors ,other debtors, staff debts and branch accounts.

II- Kindly prepare confirmation letters for all debtors and creditors to confirm to us directly at our address, the balances of their accounts with you at the end of the financial year . We shall supply you with a specimen form (these letters should be posted by us) .

III- Kindly prepare schedule of aged debtors to calculate adequate provision for doubtful debts.

5) Letters Of Credit

Kindly supply us with a schedule showing letter of credit number, value, name of the bank , open date , expiry date , abbreviated description of the required goods and the margin .

6) Letters Of Guarantee

Kindly supply us with a schedule including the guarantee value , paid margin , guarantee year , the beneficiary , the aim of issuing the guarantee.

7) Prepayments And Accruals

Kindly prepare a schedule for the prepayments and accruals showing the full payment , the year , the prepaid and accrued expenses.

8) Investments

I - In Stock Companies

Kindly supply us with schedule including serial number of shares or certificate of shares, in whose name the shares are registered , nominal share value , purchase price , percentage of paid amount , unpaid part of shares , sort of shares, amount and date of last dividends received and whether they are long term or short term investments.

II- In Other Entities

Entity name, its status (partnership, privateetc.), capital total.
Kindly supply us with copy of articles of the association .

9) Provision For Leave And Indemnity

Prepare a schedule to show the following details for each employee :
name , position , employment date , last basic salary, other allowances, accrued leave salary, accrued indemnity amount(according to the labor law).

10) Insurance Expenses

Prepare a schedule including : policy number , description of materials covered by insurance , insurance amount , policy expiry date, premium paid, advanced premium, kindly present the insurance documents.

11) Rent Expenses

Prepare a schedule showing : owner's name ,location , the user, year, paid rent , accrued and unpaid rent, rent for current year, prepaid rent , kindly present the lease contracts to review , office rent should be separated from staff houses and house allowances.

12) Contracts

Kindly prepare a schedule including contract value, performance period, variation orders value, the work done up to the end of last year, percentage of work done up to the end of current year , cost up to the end of last year , cost of current year, advance payments and its balance up to the end of current year and balance of retention. Method to be adopted in taking profit and loss approved by management .

- 13) Request your accountant to prepare and supply us with the financial statements for the year together with all schedules relating thereto at the earliest possible date after December 31,2016.
- 1) Trial balance before closing
 - 2) List of debtors and creditors
 - 3) Outstanding letters of credit
 - 4) General and administrative expenses
 - 5) Contracts' expenses
 - 6) Contracts' Income
 - 7) Prepayments
 - 8) Retentions
 - 9) Accruals
 - 10) Advance payments
 - 11) Subcontractors
 - 12) Subcontractors' retention
 - 13) Related parties
 - 14) Fixed assets
 - 15) Partners' current accounts
 - 16) Sales according departments ,divisions or branches
 - 17) Bank reconciliation together with bank statement for the last month showing the balance at the end of the year.
 - 18) Bad debts and doubtful debts as at December 31,2016.
 - 19) Investments
 - 20) Detailed schedule including amount, accrued, the name and any other details for:
 - a) Any bills receivable in your custody
 - b) Any bills under collection at banks
 - c) Any bills discounted at bank
 - d) Cheques under collection
 - e) List of postdated cheques receivable in your custody as at December 31,2016.
 - 21) List of bills payable as at December 31,2016. Including :
amount in foreign currency, amount in local currency, maturity date, beneficiary or drawer and any other details.
 - 22) List of postdated cheques (payable) showing amount, maturity date, beneficiary, and name of the bank and account number.
 - 23) Schedule of provision for leave and indemnity.
 - 24) Please send to us the representation letter with financial statements which are prepared by your accountant (form will be handed to you)
 - 25) Copy of trade license and chamber of commerce.