

ANNEX NO. 1

To the Instruction on the Application of the NAS “Conducting and Documenting the Audit” Approved by Decision No. 267 of the Board of the Chamber dated 20.10.2015, and to NAS No. 210 “Agreement on the Terms of Audit Engagement”

ENGAGEMENT LETTER – AGREEMENT Regarding the Audit to be Conducted

Baku city, 03.02.2025

Dear Sirs,

We hereby accept the obligations of the Contract No. 003-MHA dated 23.01.2025 “On the Provision of Audit Services” in relation to the audit to be conducted regarding the accounting and reporting documents of the financial and economic activities carried out by “Western Caspian University” (TIN 1700370951) from January 1, 2024, to December 31, 2024. This includes, but is not limited to, the reports on “Financial Position,” “Profit or Loss and Other Comprehensive Income,” “Changes in Equity,” and “Cash Flows,” as well as the accounting policy applied during the same period.

For the timely and quality execution of related matters, we request that you take into account the provisions of this Engagement Letter – Agreement and mobilize your relevant staff to provide the necessary support.

We hereby inform you that the audit will be carried out in accordance with the terms of the Contract No. 003-MHA dated 23.01.2025 concluded with you, and in compliance with the Standards, Programs, and Plans approved by the Board of the Chamber of Auditors of the Republic of Azerbaijan, the Instruction on the Application of the NAS “Conducting and Documenting the Audit,” and other relevant legislative acts.

Additionally, it is emphasized that the auditor shall adhere to the Code of Professional Ethics for Auditors and obtain reasonable assurance that the accounting practices and financial statements are free from material misstatement, regardless of the cause. All relevant documents must be formally submitted and delivered to the audit, and appropriate working conditions must be ensured.

The audit must be properly programmed and planned by the auditor, its strategy must be correctly defined, and sufficient audit evidence must be collected to confirm the accuracy of the financial statements and other related information. Relevant audit procedures must be performed, and the condition of the selected or applied accounting policy must be assessed.

During the audit process or at various stages of its implementation, verbal or written communications will be provided to inform you and your partners of identified issues or deficiencies, as necessary.

The auditor's report (audit opinion) and collected working documents, based on the procedures, tests, and relevant audit evidence obtained, will be presented to you and your partners in an appropriate manner and format.

All operational, accounting, financial reporting documents, and other information required for conducting the audit must be prepared, approved, and submitted upon our request in a timely manner.

Your respective employees are responsible, in accordance with legal requirements, for the accuracy, legality, and validity of the documents submitted for the audit.

Please sign and return a copy of this ENGAGEMENT LETTER – AGREEMENT, including any proposals you may have, along with the following documents related to “Western Caspian University” and covering the audit period, or send them to: **professional_auditor_xidmetleri@mail.ru**

1. Founding and registration documents (Charter, TIN, Extracts).
2. Copies of bank statements as of the beginning and end of the year.
3. Copies of Treasury reports as of the beginning and end of the year.
4. Profit Tax Declarations for 2023 and 2024.
5. Reports of Tax, SSF (State Social Fund) inspections, and general Audit Reports.
6. List of receivables and payables and related documents.
7. Documents on reserves.
8. Documents regarding other liabilities.
9. Documents on fixed assets and intangible assets.
10. Certificate and other relevant documents on the University’s subsidiaries.
11. Information on the University's involvement in claims or court proceedings.
12. Information on significant events occurring after the 2024 reporting period.
13. Consolidated Financial Statements for the 2024 reporting year.
14. Other documents related to the implementation of the Audit Program.

Respectfully,
“Executor” – Auditor: Sh.N. Shirinova

I have read and accepted one copy:
03.02.2025

“Client”: R.H. Bagirov
