

Report of Factual Findings

To:

The Board of Directors

[Name of Client]

Agreed-upon Procedures on the Additional Duties of the Auditor for the period from [date] to [date]

We have performed the procedures in accordance with the Agreed-Upon Procedures as set out in Appendix A on:

- (a) the [Statement/Statements] of Quarterly Returns [(“Statement/Statements”)] submitted by [name of entity] (“the Licensed Moneylender”) to the Registrar of Moneylenders after the end of each quarter of the year starting from the first day of [January, April, July or October]¹ of the year pursuant to section 38(5) of the Moneylenders Act 2008 (“the Act”), as included in Appendix B: Moneylender’s [Statement/Statements] of Quarterly Returns;
- (b) the borrower information provided by the Licensed Moneylender to the designated credit bureau² within the period from [date] to [date] pursuant to section 70(1)(a) of the Act, as included in Appendix C; and
- (c) the policy on security arrangements of the Licensed Moneylender to prevent unauthorised access, collection, use, disclosure, copying, modification, disposal or similar risks that were put in place during the period [date] to [date] pursuant to section 70(1)(b) of the Act.

for the period from [date] to [date]. The procedures were performed in connection with the Additional Duties listed under paragraph 2 of the Registrar’s Notice to the Auditor on its Duties under section 39 of the Act. Our engagement was undertaken in accordance with the Singapore Standard on Related Services SSRS 4400 *Engagements to Perform Agreed-Upon Procedures Regarding Financial Information*.

We report our findings below:

- (a) With respect to item 1 of Appendix A, we found [no exceptions from performing the procedures (a) to (c)/ certain exceptions from performing the procedures (a) to (c)] as listed below:
 - (i) Exception (a) ...
 - (ii) Exception (b) ...
- (b) With respect to item 2 of Appendix A, we found [no exceptions from performing the procedures (a) to (c)/ certain exceptions from performing the procedures (a) to (c)] as listed below:
 - (i) Exception (a) ...
 - (ii) Exception (b) ...
- (c) With respect to item 3 of Appendix A, we found [no exceptions from performing the procedures (a) to (g)/ certain exceptions from performing the procedures (a) to (g)] as listed below:
 - (i) Exception (a) ...
 - (ii) Exception (b)...

Because the above procedures do not constitute either an audit or a review made in accordance with Singapore Standards on Auditing or Singapore Standards on Review Engagements, we do not express any assurance on the [Statement/Statements] which covers the period from [date] to [date].

¹ To make the necessary deletion if certain quarters do not apply

² Such information may be retrieved from the Licensed Moneylender’s own system or directly from the designated credit bureau by the Licensed Moneylender.

Had we performed additional procedures or had we performed an audit or review of the financial statements in accordance with Singapore Standards on Auditing or Singapore Standards on Review Engagements, other matters might have come to our attention that would have been reported to you.

Our report is solely for the propose set forth in the second paragraph of this report and for your information, and is not to be used for any other purpose or to be distributed to any other parties other than the Registrar. This report relates only to the accounts and items specified above and do not extend to any financial statements of the Licensed Moneylender, taken as a whole.

_____ (firm)

Public Accountants and Chartered Accountants
Singapore

_____ (date)

Appendix A: Agreed-upon procedures

Accuracy of Statements Submitted to the Registrar

- 1) Obtain the list of moneylending transactions from the statements submitted to the Registrar for every quarter within the period from [date] to [date] as shown in Appendix B. Select a sample³ of loan transactions for each quarter from the list and perform the following procedures for each selected sample:
 - (a) Obtain the relevant documents⁴ that the Licensed Moneylender used to verify information submitted in the Statements.
 - (b) Check that the borrower particulars (i.e. name of borrower (as stated in identity document), identity document type, identity document number, nationality, residential address, annual income) is consistent with the relevant documents in para 1(a).
 - (c) Check that the loan amount, type of loan and rate of interest reported⁵ is consistent with the information reflected in the loan contract.

Integrity of Borrower Information

- 2) Obtain the list of moneylending transactions, for which the borrower particulars have been submitted to the designated credit bureau within the period from [date] to [date] as shown in Appendix C, from the Licensed Moneylender. Select a sample⁶ of loan transactions from the list and perform the following procedures for each selected sample:
 - (a) Obtain the loan contract and relevant documents⁷ that the Licensed Moneylender used to verify information submitted to the designated credit bureau.
 - (b) Check that the borrower particulars (i.e. name of borrower (as stated in identity document), date of birth, identity document number, nationality, residential address, telephone number, annual income) submitted to the designated credit bureau is consistent with the relevant documents in para 2(a).
 - (c) Check that the loan amount, type of loan, rate of interest, rate of late interest, administration fee, late payment fee, and repayment schedule submitted to the designated credit bureau is consistent with the information reflected on the loan contract in para 2(a).

³ The recommended sample size for each quarter is 25 transactions. If the number of total transactions for certain quarters is *less than 25*, then the sample should encompass all transactions for those quarters.

⁴ These documents include identity documents, documents showing the income of the borrower such as CPF statements and payslips.

⁵ We note that the requirement for how interest rates are reported to Registrar may differ from how interest rates are presented on the loan contract (e.g. per annum rate vs monthly rate). Auditors may therefore need to make the necessary adjustments when performing the procedure on interest rates.

⁶ The same samples used for item 1 may also be used for item 2.

⁷ These documents include identity documents, documents showing the income of the borrower such as CPF statements and payslips.

Security arrangements of Licensed Moneylender

- 3) The Licensed Moneylenders is required to put in place the following policies regarding security arrangements on any device that receives and stores information in any credit report received from the designated credit bureau⁸:
- (a) Each device is required to be installed with a firewall.
 - (b) Each device is required to be installed with an anti-virus software with malware, spyware and virus protection to prevent, detect, and remove malicious codes (such as viruses, worms, Trojan horses and other malicious content) and that the software is kept up-to-date⁹.
 - (c) The operating system of each device is required to be kept up-to-date¹⁰.
 - (d) The IT system used in the processing of loan applications (“the System”) is required to have the functionality to assign access privileges to each user¹¹ and that each user is assigned a user account that is password-protected and has a unique username.
 - (e) In the case where a Licensed Moneylender declines to grant a loan, the Licensed Moneylender does not continue to possess the credit report that was obtained for the purpose of the loan application and that the Licensed Moneylender informs the designated credit bureau of the reason(s) for so declining.
 - (f) In the case where a Licensed Moneylender enters into a contract for a loan with a borrower, they do not continue to keep the credit report of the borrower obtained for the purpose beyond a period of 5 years after the date on which the loan is fully repaid or on which the contract for the loan is otherwise terminated.
 - (g) The Licensed Moneylender maintains a log of users that have accessed the credit report generated by the System for the period mentioned in (f).

In checking that the above policies are in place, perform the following procedures:

- (h) Perform enquiry with management that the policies have been implemented using the checklist in Appendix D.
- (i) Obtain written representation from management that the policies have been implemented from [date] to [date].

⁸ This is in reference to s.70(1)(b) of the Moneylenders Act 2008.

⁹ The software is considered “up-to-date” if it is the latest version software offered by the software’s manufacturer.

¹⁰ The operating system is considered “up-to-date” if it is the latest version of software offered by the software’s manufacturer.

¹¹ User refers to an employee assigned to process loan applications.

Appendix C: Borrower Information Submitted to the Designated Credit Bureau

Appendix D: Security Policy Checklist

S/N	Item	Whether Policy is Present (*delete where appropriate)
(i)	Each device is required to be installed with a firewall.	*Yes/No
(ii)	Each device is required to be installed with an anti-virus software with malware, spyware and virus protection to prevent, detect, and remove malicious codes (such as viruses, worms, Trojan horses and other malicious content) and that the software is kept up-to-date.	*Yes/No
(iii)	The operating system of each device is required to be kept up-to-date.	*Yes/No
(iv)	The IT system used in the processing of loan applications (“the System”) is required to have the functionality to assign access privileges to each user and that each user is assigned a user account that is password-protected and has a unique username.	*Yes/No
(v)	In the case where a Licensed Moneylender declines to grant a loan, the Licensed Moneylender does not continue to possess the credit report that was obtained for the purpose of the loan application and that the Licensed Moneylender informs the designated credit bureau of the reason(s) for so declining.	*Yes/No
(vi)	In the case where a Licensed Moneylender enters into a contract for a loan with a borrower, they do not continue to keep the credit report of the borrower obtained for the purpose beyond a period of 5 years after the date on which the loan is fully repaid or on which the contract for the loan is otherwise terminated.	*Yes/No
(vii)	The Licensed Moneylender maintains a log of users that have accessed the credit report generated by the System for the period mentioned in (vi).	*Yes/No