

Sample Auditor's Reports

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Sample Auditor's Reports

Foreword

The sample independent auditor's reports in this Audit Guidance Statement are for illustrative purposes only. The text in the reports essentially adheres to the principles of the relevant auditing standards. Auditors should consider the applicability of the sample auditor's reports for their engagement purposes.

APPENDIX 1

Sample auditor's reports on SSA 700 *The Independent Auditor's Report on a Complete Set of General Purpose Financial Statements*

Forms of auditor's unqualified reports

The following are forms of an unqualified auditor's report incorporating the principles set forth in SSA 700.

(1A) Non-incorporated entity

Independent Auditor's report to ____ (1) of ____ (entity)

Report on the Financial Statements¹

We have audited the accompanying financial statements of _____ (entity), which comprise the balance sheet as at 31 December 20X1, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

The Entity's management is responsible for the preparation and fair presentation of these financial statements in accordance with _____ (2) and Singapore Financial Reporting Standards. This responsibility includes:

- (a) designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error;
- (b) selecting and applying appropriate accounting policies; and
- (c) making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

¹ The subheading "Report on the Financial Statements" is unnecessary in circumstances when the second subheading "Report on Other Legal and Regulatory Requirements" is not applicable.

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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.² 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 financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements are properly drawn up on accordance with _____ (2) and Singapore Financial Reporting Standards, and so as to present fairly the state of affairs of _____ (entity) at _____ (date) and of the results, changes in equity and cash flows of the _____ (3) for the year then ended on that date.

Report on Other Legal and Regulatory Requirements

[Form and content of this section of the auditor's report will vary depending on the nature of the auditor's other reporting responsibilities.]

_____ (Firm)

Public Accountants and
Certified Public Accountants
Singapore

_____ (Date)

- (1) Insert class of persons, e.g. 'the members', 'the unit holders', etc.
- (2) Insert reference to appropriate rules, regulations, etc.
- (3) Insert type of entity, e.g. 'Association', 'Society', 'Partnership', etc.

² In circumstances when the auditor also has responsibility to express an opinion on the effectiveness of internal control in conjunction with the audit of the financial statements, this sentence would be worded as follows: "In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances."

(1B) Corporation entity

Independent Auditor's report to the members of _____ (entity)

Report on the Financial Statements¹

We have audited the accompanying financial statements of _____ (entity), which comprise the balance sheet as at 31 December 20X1, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Singapore Companies Act, Cap. 50 (the "Act") and Singapore Financial Reporting Standards.* This responsibility includes:

- (a) devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets;**
- (b) selecting and applying appropriate accounting policies; and
- (c) making accounting estimates that are reasonable in the circumstances.

* Or in the case of an entity other than a company, in accordance with the applicable legal and financial reporting standards.

** Paragraph (a) is applicable to public companies and their subsidiaries: see section 199(2A) of the Companies Act Cap. 50.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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.² 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 financial statements.

¹ The subheading "Report on the Financial Statements" is unnecessary in circumstances when the second subheading "Report on Other Legal and Regulatory Requirements" is not applicable.

² In circumstances when the auditor also has responsibility to express an opinion on the effectiveness of internal control in conjunction with the audit of the financial statements, this sentence would be worded as follows: "In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances."

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion,

- (a) the financial statements are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Company as at _____(date) and the results, changes in equity and cash flows of the company for the year ended on that date; and
- (b) the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Report on Other Legal and Regulatory Requirements

[Form and content of this section of the auditor's report will vary depending on the nature of the auditor's other reporting responsibilities.]

_____ (Firm)

Public Accountants and
Certified Public Accountants
Singapore

_____ (Date)

Auditor's report for an audit of financial statements of a private company

Part (a) of the "Management's Responsibility for the Financial Statements" sections in the above illustration for a corporation entity is highlighted by a double asterisk as being applicable to public companies and their subsidiaries.

It is important to understand that internal control is the underlying bedrock for the fair preparation and presentation of financial statements of all entities. The way in which internal control is designed and implemented varies with an entity's size and complexity. Specifically, smaller entities may use less formal means and simpler processes and procedures to achieve their objectives. For example, smaller entities with active management involvement in the financial reporting process may not have extensive descriptions of accounting procedures or detailed written policies.

For some entities, in particular very small entities, the owner-manager may perform functions, which in a larger entity would be regarded as belonging to several of the components of internal control. Therefore, the components of internal control may not be clearly distinguished within smaller entities, but their underlying purposes are equally valid.

Smaller entities often have fewer employees, which may limit the extent to which segregation of duties is practicable. However, for key areas, even in a very small entity, it can be practicable to implement some degree of segregation of duties or other form of unsophisticated but effective controls. The potential for override of controls by the owner-manager depends to a great extent on the control environment and in particular, the owner-manager's attitudes about the importance of internal control.

It is important that practitioners continue to communicate and educate their private company clients about the importance of internal control. As books, records and systems are an integral part of internal control (as defined in SSA 315, *Understanding the Entity and Its Environment and Assessing the Risks of Material Misstatement*), practitioners should, as necessary, discuss with their private company clients the appropriateness of including part (a)

in the auditor's report, which would be viewed positively from the corporate governance angle. Where a private company client of an audit practitioner does not accept the inclusion of part (a) in the auditor's report, the practitioner has to consider whether an unqualified audit opinion would be appropriate in the circumstances.

(1C) Holding company

Independent Auditor's report to the members of ____ (entity)

Report on the Financial Statements¹

We have audited the accompanying financial statements of _____ (entity) (the Company) and its subsidiaries (the Group), which comprise the balance sheets of the Group and the Company as at 31 December 20X1, and the income statement, statement of changes in equity and cash flow statement of the Group for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Singapore Companies Act, Cap. 50 (the "Act") and Singapore Financial Reporting Standards.* This responsibility includes:

- (a) devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets;**
- (b) selecting and applying appropriate accounting policies; and
- (c) making accounting estimates that are reasonable in the circumstances.

* Or in the case of an entity other than a company, in accordance with the applicable legal and financial reporting standards.

** Paragraph (a) is applicable to public companies and their subsidiaries: see section 199(2A) of the Companies Act Cap. 50.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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.² 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 financial statements.

¹ The subheading "Report on the Financial Statements" is unnecessary in circumstances when the second subheading "Report on Other Legal and Regulatory Requirements" is not applicable.

² In circumstances when the auditor also has responsibility to express an opinion on the effectiveness of internal control in conjunction with the audit of the financial statements, this sentence would be worded as follows: "In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances."

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion,*

- (a) the consolidated financial statements of the Group and the balance sheet of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at _____ (date) and the results, changes in equity and cash flows of the Group for the year ended on that date; and
- (b) the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

Report on Other Legal and Regulatory Requirements

[Form and content of this section of the auditor's report will vary depending on the nature of the auditor's other reporting responsibilities.]

Public Accountants and
Certified Public Accountants
Singapore

(Date)

* This opinion paragraph is appropriate where only the company's balance sheet is presented in accordance with the provisions of the Companies Act. This paragraph may be modified for situations where the company's statement of changes in equity or the complete set of financial statements³ is also presented as follows:

Where a statement of changes in equity of the company is also presented, the following opinion paragraphs would be appropriate:

- (a) the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at _____ (date) and the results, changes in equity and cash flows of the Group and the changes in equity of the Company for the year ended on that date; and
- (b) the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

³ The complete set of financial statements includes the balance sheet, income statement, statement of changes in equity, cash flow statement, accounting policies and explanatory notes.

Where the complete set of financial statements of the company is also presented, the following opinion paragraphs would be appropriate:

- (a) the consolidated financial statements of the Group and the financial statements of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at _____ (date) and the results, changes in equity and cash flows of the Group and of the Company for the year ended on that date; and
- (b) the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

Auditor's report for an audit of financial statements of a private company

Part (a) of the "Management's Responsibility for the Financial Statements" sections in the above illustration for a holding company is highlighted by a double asterisk as being applicable to public companies and their subsidiaries.

It is important to understand that internal control is the underlying bedrock for the fair preparation and presentation of financial statements of all entities. The way in which internal control is designed and implemented varies with an entity's size and complexity. Specifically, smaller entities may use less formal means and simpler processes and procedures to achieve their objectives. For example, smaller entities with active management involvement in the financial reporting process may not have extensive descriptions of accounting procedures or detailed written policies.

For some entities, in particular very small entities, the owner-manager may perform functions, which in a larger entity would be regarded as belonging to several of the components of internal control. Therefore, the components of internal control may not be clearly distinguished within smaller entities, but their underlying purposes are equally valid.

Smaller entities often have fewer employees, which may limit the extent to which segregation of duties is practicable. However, for key areas, even in a very small entity, it can be practicable to implement some degree of segregation of duties or other form of unsophisticated but effective controls. The potential for override of controls by the owner-manager depends to a great extent on the control environment and in particular, the owner-manager's attitudes about the importance of internal control.

It is important that practitioners continue to communicate and educate their private company clients about the importance of internal control. As books, records and systems are an integral part of internal control (as defined in SSA 315, *Understanding the Entity and Its Environment and Assessing the Risks of Material Misstatement*), practitioners should, as necessary, discuss with their private company clients the appropriateness of including part (a) in the auditor's report, which would be viewed positively from the corporate governance angle. Where a private company client of an audit practitioner does not accept the inclusion of part (a) in the auditor's report, the practitioner has to consider whether an unqualified audit opinion would be appropriate in the circumstances.

(1D) Branch of a foreign company

Independent Auditor's report to XYZ Company Limited

Report on the Financial Statements¹

We have audited the accompanying financial statements of Singapore Operations of XYZ Company Limited ("the Branch"), pursuant to section 373 of the Singapore Companies Act, Cap. 50 ("the Act"). These financial statements comprise the balance sheet as at 31 December 20X1, and the income statement, statement of head office account^{1a} and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

The Branch is a segment of _____ and is not a separately incorporated legal entity. The accompanying financial statements have been prepared from the records of the Branch and reflect only transactions recorded locally.

Management's Responsibility for the Financial Statements

The Branch's management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Act and Singapore Financial Reporting Standards. This responsibility includes:

- (a) devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets;
- (b) selecting and applying appropriate accounting policies; and
- (c) making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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.² An audit also includes evaluating the appropriateness of accounting

¹ The subheading "Report on the Financial Statements" is unnecessary in circumstances when the second subheading "Report on Other Legal and Regulatory Requirements" is not applicable.

^{1a} The reference to the Statement of Head Office Account is for illustrative purposes and might not be applicable for some engagements. The notes to the financial statements could address special items like Other Reserves.

² In circumstances when the auditor also has responsibility to express an opinion on the effectiveness of internal control in conjunction with the audit of the financial statements, this sentence would be worded as follows: "In making those risk

policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion,

- (a) the financial statements of the Branch are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the assets used in, and liabilities arising out of, the Branch's operations in Singapore as at _____ (date), and of the results of the Branch's operations in Singapore, head office account and the cash flows from such operations for the year ended on that date; and
- (b) the accounting and other records examined by us relating to the Branch's operations in Singapore have been properly kept in accordance with the provisions of the Act.

Report on Other Legal and Regulatory Requirements

[Form and content of this section of the auditor's report will vary depending on the nature of the auditor's other reporting responsibilities.]

Public Accountants and
Certified Public Accountants
Singapore
_____ (Date)

assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances."

(1E) Banks

Independent Auditor's report to the members of A Banking Corporation

Report on the Financial Statements¹

We have audited the accompanying financial statements of _____ (entity), which comprise the balance sheet as at 31 December 20X1, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Singapore Companies Act, Cap. 50 (the "Act") and Singapore Financial Reporting Standards. This responsibility includes:

- (a) devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets;
- (b) selecting and applying appropriate accounting policies; and
- (c) making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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.² 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 financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion,

¹ The subheading "Report on the Financial Statements" is unnecessary in circumstances when the second subheading "Report on Other Legal and Regulatory Requirements" is not applicable.

² In circumstances when the auditor also has responsibility to express an opinion on the effectiveness of internal control in conjunction with the audit of the financial statements, this sentence would be worded as follows: "In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances."

- (a) the financial statements are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of:
 - (i) the state of affairs of the company as at ____ (date) and of the results, changes in equity and cash flows of the company for the year then ended on that date; and
 - (ii) the other matters required by section 201 of the Act to be dealt with in the accounts;
- (b) the accounting and other records, and the registers required by the Act to be kept by the company have been properly kept in accordance with the provisions of the Act.

Report on Other Legal and Regulatory Requirements

[Form and content of this section of the auditor's report will vary depending on the nature of the auditor's other reporting responsibilities.]

____ (Firm)
Public Accountants and
Certified Public Accountants
Singapore
____ (Date)

(1F) Statutory Boards

Independent Auditor's report to the members of _____ (Board)

Report on the Financial Statements¹

We have audited the accompanying financial statements of _____ (entity), which comprise the balance sheet as at 31 December 20X1, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the _____ Act, Cap. _____ (the Act) and Statutory Board Financial Reporting Standards^{1a}. This responsibility includes:

- (a) designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error;
- (b) selecting and applying appropriate accounting policies; and
- (c) making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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.² 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 financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

¹ The subheading "Report on the Financial Statements" is unnecessary in circumstances when the second subheading "Report on Other Legal and Regulatory Requirements" is not applicable.

^{1a} Or other applicable financial reporting framework. Statutory boards listed in the Schedule of the Accounting Standards Act 2007 are required by law to adopt Statutory Board Financial Reporting Standards.

² In circumstances when the auditor also has responsibility to express an opinion on the effectiveness of internal control in conjunction with the audit of the financial statements, this sentence would be worded as follows: "In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances."

In our opinion,

- (a) the financial statements are properly drawn up in accordance with the provisions of the Act and Statutory Board Financial Reporting Standards and so as to give a true and fair view of the state of affairs of the Board as at ____ (date) and of the results, changes in equity and cash flows of the Board for the year then ended on that date; and
- (b) the accounting and other records, and the registers required by the Act to be kept by the Board have been properly kept in accordance with the provisions of the Act.

During the course of our audit, nothing came to our notice that caused us to believe that the receipt, expenditure and investments of monies and the acquisition and disposal of assets by the Board during the year have not been in accordance with the provisions of the Act.

Report on Other Legal and Regulatory Requirements

[Form and content of this section of the auditor's report will vary depending on the nature of the auditor's other reporting responsibilities.]

_____ (Firm)

Public Accountants and
Certified Public Accountants
Singapore

_____ (Date)

Note: The opinion paragraph may have to be amended to report on matters specifically required under the relevant Act.

Where the auditors are reporting to the Auditor-General instead of the Board Members, the report should be addressed accordingly.

(1G) Branch of a foreign bank

Independent Auditor's report to XYZ Banking Corporation

Report on the Financial Statements¹

We have audited the accompanying financial statements of Singapore Operations of XYZ Banking Corporation ("the Branch"), pursuant to section 373 of the Singapore Companies Act, Cap. 50 ("the Act"). These financial statements comprise the balance sheet as at 31 December 20X1, and the income statement, statement of head office account^{1a} and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

The Branch is a segment of _____ and is not a separately incorporated legal entity. The accompanying financial statements have been prepared from the records of the Branch and reflect only transactions recorded locally.

Management's Responsibility for the Financial Statements

The Branch's management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Act and Singapore Financial Reporting Standards. This responsibility includes:

- (a) devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets;
- (b) selecting and applying appropriate accounting policies; and
- (c) making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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.² An audit also includes evaluating the appropriateness of accounting

¹ The subheading "Report on the Financial Statements" is unnecessary in circumstances when the second subheading "Report on Other Legal and Regulatory Requirements" is not applicable.

^{1a} The reference to the Statement of Head Office Account is for illustrative purposes and might not be applicable for some engagements. The notes to the financial statements could address special items like Other Reserves.

² In circumstances when the auditor also has responsibility to express an opinion on the effectiveness of internal control in conjunction with the audit of the financial statements, this sentence would be worded as follows: "In making those risk

policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion,

- (a) the financial statements of the Branch are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the assets used in, and liabilities arising out of, the Branch's operations in Singapore as at _____ (date), and of the results of the Branch's operations in Singapore, head office account and the cash flows from such operations for the year then ended on that date; and
- (b) the accounting and other records examined by us relating to the Branch's operations in Singapore are properly kept in accordance with the provisions of the Act.

Report on Other Legal and Regulatory Requirements

[Form and content of this section of the auditor's report will vary depending on the nature of the auditor's other reporting responsibilities.]

Public Accountants and
Certified Public Accountants
Singapore

(Date)

assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances."

(1H) Foreign Company

Independent Auditor's report to the members of _____ (entity)

Report on the Financial Statements¹

We have audited the accompanying financial statements of _____ (entity), which comprise the balance sheet as at 31 December 20X1, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Singapore Financial Reporting Standards. This responsibility includes:

- (a) designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error;
- (b) selecting and applying appropriate accounting policies; and
- (c) making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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.² 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 financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

¹ The subheading "Report on the Financial Statements" is unnecessary in circumstances when the second subheading "Report on Other Legal and Regulatory Requirements" is not applicable.

² In circumstances when the auditor also has responsibility to express an opinion on the effectiveness of internal control in conjunction with the audit of the financial statements, this sentence would be worded as follows: "In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances."

In our opinion, the financial statements are properly drawn up in accordance with Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Company as at _____(date) and the results, changes in equity and cash flows of the company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

[Form and content of this section of the auditor's report will vary depending on the nature of the auditor's other reporting responsibilities.]

_____ (Firm)

Public Accountants and
Certified Public Accountants
Singapore

_____ (Date)

APPENDIX 2

Sample auditor's reports on SSA 800 *The Independent Auditor's Report on Special Purpose Audit Engagements* - Examples of Reports on Components of Financial Statements

(2A) Independent Auditor's Report on Monthly Gross Revenue

Director (Internal Audit)
Internal Audit Division
Civil Aviation Authority of Singapore
P O Box 1
Singapore Changi Airport
Singapore 918141

STATEMENT OF MONTHLY GROSS REVENUE FOR SHOP CONCESSION AT SINGAPORE CHANGI AIRPORT, PASSENGER TERMINAL 2 FOR THE PERIOD FROM 1 JANUARY ____ (Year) TO 31 DECEMBER ____ (Year)

We have audited the amounts shown as monthly gross revenue on the attached schedule. This schedule is the responsibility of ____ (tenant). Our responsibility is to express an opinion on the amounts shown as monthly gross revenue on the attached schedule based on our audit.

We conducted our audit of the schedule in accordance with Singapore Standards on Auditing applicable to special purpose audit engagements. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the schedule is free of material misstatement. Our audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the schedule, and also checking and agreeing the amounts in the attached schedule to the tenant's accounting records. Our audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the schedule. We believe that our audit provides a reasonable basis for our opinion, taking into consideration the notes on the preparation of the auditor's report (Notes to the Tenant's Auditors), provided by Civil Aviation Authority of Singapore (CAAS).

In our opinion, the monthly gross sales, exchange gains and other income in respect of each of the months covering the period ended ____ (date), as shown in the attached Statement of Monthly Gross Revenue (marked for identification), are in accordance with the books and records of ____ (tenant); and have been computed on the bases specified in the attached Basis of Preparation, as provided for in the tenancy agreement dated ____ between ____ (tenant) and the CAAS.

Our report is solely to assist ____ (tenant) in its reporting of its monthly gross revenue under the terms of its tenancy agreement with CAAS and is not to be used for any purpose or to be distributed to any other parties other than CAAS. This report relates only to the items specified in the schedule and does not extend to any financial statements of ____ (tenant), taken as a whole.

____ (Firm)
Public Accountants and
Certified Public Accountants
Singapore

____ (Date)

TENANT'S LETTERHEAD
STATEMENT OF MONTHLY GROSS REVENUE

[CONCESSION TITLE, e.g. DUTY FREE CONCESSION]

SINGAPORE CHANGI AIRPORT

PASSENGER TERMINAL 2

FOR THE PERIOD FROM 1 JANUARY ____ (Year) TO 31 DECEMBER ____ (Year)

Year	Declared to CAAS		
Month	Gross Sales \$	Exchange Gains * (excluding Exchange Losses) \$	Other Income * \$
January			
February			
March			
April			
May			
June			
July			
August			
September			
October			
November			
December			

* where not applicable, please insert "Nil"

 Signature of Tenant

 Designation

 Date

Auditor's signature and identification

TENANT'S LETTERHEAD

**BASIS OF PREPARATION
(PROVIDED IN TENANCY AGREEMENT DATED XXXXXX)
OF THE STATEMENT OF MONTHLY GROSS REVENUE**

[CONCESSION TITLE, e.g. DUTY FREE CONCESSION]

**SINGAPORE CHANGI AIRPORT
PASSENGER TERMINAL 2
FOR THE PERIOD FROM 1 JANUARY ____ (Year) TO 31 DECEMBER ____ (Year)**

The calculations and amounts have been prepared on the following bases:

1. Monthly gross revenue includes gross sales, exchange gains (excluding exchange losses) and other income (such as voucher payment and service charge).

Monthly Gross Sales

2. Monthly gross sales reflect actual transactions carried out during the month.
3. Monthly gross sales are net of discounts, returns and GST.
4. There is no deduction of expenses from the monthly gross sales.
5. Monthly gross sales are declared on a calendar month basis, i.e. 1st to end of calendar month.
6. Gross sales include (a) sales delivered from the airport outlet but billed from another outlet; (b) sales delivered at the airport outlet but billed from another outlet; and (c) sales initiated at the airport outlet but delivered at a location away from the airport.

Exchange Gains

7. Gross revenue includes exchange gains arising from disposal of foreign currencies obtained from sales transactions. Exchange losses are not offset against exchange gains.
8. Foreign currencies obtained from sales transactions which were not converted into local currency at the end of the month are translated into local currency for reporting, using the foreign currency buying rates published in the Straits Times or Business Times as at the last working day of the month.

Other Income

9. Monthly gross revenue includes those for which payment is made through the use of vouchers under any arrangements or contracts with airlines or travel agents or any other party.
10. Gross revenue includes any part of service charge, which was retained and not distributed to the staff by the following month. Service charge refers to the charge normally collected for personal services provided by the staff.

Signature of Tenant¹

¹ To be signed by the signatory making the declaration on the schedule.

NOTES TO THE TENANT'S AUDITORS

(I) PREPARATION OF STATEMENT OF MONTHLY GROSS REVENUE AND AUDITOR'S REPORT

- (a) Tenants pay additional rent based on actual gross revenue that was earned during the month, i.e. actual transactions carried out during the month. (The auditor should read the lease agreement for the definition of gross revenue).
- (b) Gross revenue varies each month. Depending on the gross revenue for the month, the tenant pays either a percentage of revenue or a minimum guaranteed sum, whichever is higher for each month.
- (c) The audited statement of monthly gross revenue is required by CAAS as an independent check on the accounts, books and records of the tenant to ensure that the gross revenue declared to CAAS is true and correct. The requirement to submit the audited statement of monthly gross revenue is stated in the tenancy agreement signed between CAAS and the tenant.
- (d) The auditor should audit the monthly gross revenue declared to CAAS. The gross revenue is net of discounts, returns and GST. There should be strictly no deduction of any expenses from the gross revenue.
- (e) Monthly gross revenue should be declared on a calendar month basis, i.e. 1st to end of calendar month. (If the tenancy starts during the month, the gross revenue must be declared from the commencement date to the end of calendar month). It should not be the tenant's own internal cut-off period, e.g. 27th of one month to 26th of the following month.

This is very important as the additional rent paid for each month is the higher of the monthly minimum guaranteed sum or a percentage of the gross revenue earned during the month. Incorrect declaration of gross revenue for the month may result in loss of rental revenue to the Authority.

- (f) The auditor should **stamp, sign and date the Statement of Monthly Gross Revenue** for identification purposes and **send it to the CAAS directly with the auditor's report**. This is very important for proper identification and also to avoid unauthorised alterations being made to an audited statement after it has been audited by the auditor.
- (g) The auditor should also submit to CAAS, a copy of the management representations, (if any) made to him by the tenant.
- (h) If the auditor discovers differences between the monthly amounts declared to CAAS and the tenant's accounting records, he should inform CAAS of the nature and reason of such differences, regardless of materiality.

Risk/Exposure

- (i) In the course of your audit, please pay **special** attention to the clause in the TA relating to gross sales/revenue in which orders or contracts of sales arise from locations other than the demised premises but whose deliveries are effected or whose services are rendered by the Tenant at the demised premises.

Example 1

A restaurant may provide food to airport lounges or other airport organisations on either ad-hoc or contract bases. The bill may be sent from the restaurant's town outlet. These sales must be declared to CAAS.

Example 2

A restaurant might provide services such as function rooms at its Changi Airport outlet but bill its customer from the town outlet. Such sales must also be declared to CAAS.

Example 3

A restaurant may deliver food prepared at its airport outlet to organisations outside the airport. Such sales must also be reported to CAAS.

Auditors should carry out appropriate audit tests and not rely solely on written confirmations from the management in such cases.

(j) Exchange Gains

If the tenant accepts foreign currencies as part of its operations at Changi Airport, regardless of materiality, the auditor must check the monthly foreign currency statement submitted to CAAS.

The auditor should check the procedures relating to the disposal of foreign currencies received at the airport. Any exchange gains arising out of the transaction must be declared to CAAS. Exchange losses must not be offset against exchange gains.

For foreign currencies not converted into local currencies at the end of the month, the foreign currencies must be translated into local currency for reporting to CAAS using the foreign currency buying rates published in the Strait's Times or Business Times as at the last working day of the month.

Auditors should carry out appropriate audit tests and not rely solely on written confirmations from the management in such cases.

(k) Vouchers for meals / services

If the tenant has any arrangements or contracts with airlines or travel agents or any other party to provide meals / services to passengers upon producing vouchers endorsed by the airlines or travel agents or the party concerned, regardless of materiality, the auditor should review the adequacy of the procedures relating to the complete accounting of such vouchers to the Authority.

Auditors should carry out appropriate audit tests and not rely solely on written confirmations from the management in such cases.

(l) Service Charge

For F&B outlets, service charge is normally collected by the operator for personal services provided by their staff. Such service charge should normally be distributed to the staff by the following month. If the tenant retains any part of the service charge for whatever reason and does not distribute it to the staff by the following month, then that part of service charge retained must be declared to CAAS and would be subject to additional rental.

Regardless of materiality, the auditor should check the procedures relating to the accounting of service charge to the Authority.

Auditors should carry out appropriate audit tests and not rely solely on written confirmations from the management in such cases.

(m) Manual standby receipts

Auditors should carry out appropriate audit tests to ensure that all manual standby receipts used by tenants to record sales transactions are entered promptly into the POS System. If manual standby receipts sales are accounted for separately, they must be reported to CAAS.

[Guidance: With regard to the system for manual standby receipts, it is provided for in the tenancy agreement (under "Accounts, Books and Records") that the tenants have to print standby receipts. The format of the receipt and the receipts are approved and endorsed by CAAS. The auditor can request the tenants to produce all the standby receipts for inspection. The standby receipts are only used when the Point-of-Sales (POS) is not available (e.g. power disruption, performing end-of-day transaction, etc). The tenants would have to enter the sales from these receipts into the POS system when the system is available.]

(n) Money Changing Concession

For money changing concession, auditors should look out for those transactions, which are conducted at the money changing counters in Changi Airport, but the sales are reported elsewhere except the accounts of the money changing concession. All transactions that take place in the money changing counters in Changi Airport must be accounted for completely and accurately to CAAS.

(II) The following auditor's report and/or audited statement of monthly gross revenue will be rejected:

- (a) The location of the concession is not stated or is incorrect;
- (b) The auditor's report and the statement of monthly gross revenue are addressed to the auditor's client instead of CAAS;
- (c) The auditor's report is not prepared on the auditor's letterhead and is not signed and dated;
- (d) The audited statement of monthly gross revenue is not marked for identification (stamped, signed and dated) by the auditor and referenced to the auditor's report;
- (e) The auditor's report and statement of monthly gross revenue are not sent directly to CAAS;
- (f) A qualified audit opinion, stating inability to confirm compliance with the relevant financial provisions of the TA, which have an impact on the gross sales and the computation of additional rental/minimum guaranteed sum (e.g. absolving responsibility by stating that only the management's representation was obtained and that no further audit tests were available).

The auditor must fully satisfy himself that the audited statements submitted to CAAS are properly drawn up in accordance with the relevant financial provisions of the TA, which have an impact on the gross sales and the computation of additional rental/minimum guaranteed sum;

- (g) The audited statement of monthly gross revenue is not signed by an authorised officer of the tenant and is not dated.

(2B) Project accounts - Housing Developers (Project Account) Rules

The Board of Directors
ABC Company Pte Ltd

We have audited the project account of ABC Company Pte Ltd listed below for the period ended (date) project account is the responsibility of ABC Company's management/directors¹. Our responsibility is to express an opinion on the deposits into and withdrawals from the project account based on our audit.

We conducted our audit of the project account in accordance with Singapore Standards on Auditing applicable to special purpose audit engagements. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the account is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts in the project account. An audit also includes assessing the accounting principles used and significant estimates made by management/directors¹. We believe that our audit provides a reasonable basis for our opinion.

During the course of our audit, nothing has come to our attention to cause us to believe that:

- (a) all instalments of purchase money referred to in rule 3 and all loans for the construction of the building project referred to in rule 4 have not been deposited into the Project Account in accordance with the Housing Developers (Project Account) Rules (1997 Ed); and
- (b) the moneys in the Project Account listed below have not been withdrawn in accordance with the Housing Developers (Project Account) Rules (1997 Ed).

<u>Developer's Licence No</u>	<u>Project</u>	<u>Name of Bank/ Finance Company</u>	<u>Project Account No</u>
-----------------------------------	----------------	--	---------------------------

(To list all on-going licensed development with project account opened.)

This report is prepared solely to assist ABC Company Pte Ltd in the submission of its project account to the Controller of Housing. It is not to be used for any other purpose or to be distributed to any other parties other than the Controller of Housing. This report relates to items specified above and does not extend to any financial statements of ABC Company Pte Ltd taken as a whole.

Public Accountants and
Certified Public Accountants
Singapore

(Firm)
(Date)

¹ Delete as appropriate.

(2C) Report on Monthly Statement of Fruit Machines' Operations

Current version

Report on Monthly Statement of Fruit Machines' Operations

The Management

<NAME OF CLUB>

We have audited the attached statement concerning takings from fruit machines of _____ (the Club), for the period from ____ to ____ totalling S\$ _____. This statement is the responsibility of the Management of the Club. Our responsibility is to express an opinion on the statement based on our audit.

We conducted an audit on the attached statement in accordance with the Singapore Standards on Auditing applicable to special purpose audit engagements. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts in the statement and agreeing the takings to related certificates of taking from fruit machines, signed by representatives from the Management of the Club and ourselves on ____, ____, ____, and ____ 20XX. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the takings of the fruit machines for the period from ____ to ____ as shown on the attached statement (marked for identification) are the actual takings of the fruit machines during the said period.

During the course of our audit, nothing has come to our attention to indicate:

- (a) that any profit has accrued to any individual person from the operation of the fruit machines except by way of payouts to winners;
- (b) that there are inadequate controls over the seals and the keys to the cash boxes and hoppers; and
- (c) that there are gaming machines that dispense coupons or give credit points, exchangeable for money or kind on the premises.

This report is prepared solely to assist <NAME OF CLUB> in the submission of its statements to the Commissioner of Estate Duties. It is not to be used for any other purpose or to be distributed to any other parties other than the Commissioner of Betting Duties. This report relates to items specified above and does not extend to any financial statements of the <NAME OF CLUB> taken as a whole.

Public Accountants and
Certified Public Accountants
Singapore

(Firm)
(Date)

Revised version

Note: The revised sample auditor's report will be effective upon the Ministry of Finance's announcement on the new tax regime on fruit machines. In the meantime, auditors can continue to adopt the format found in the current sample auditor's report for their engagements.

Report on Monthly Statement of Fruit Machines' Operations

The Management

<NAME OF CLUB>

We have audited the attached statements concerning the TURNOVER and TOTAL WINS of fruit machines of <NAME OF CLUB> for the PERIOD FROM <xxx 2006 TO xxx 2006> totaling \$xxx and \$xxx for turnover and total wins respectively. These statements are the responsibility of the club management. Our responsibility is to express an opinion on the statements based on our audit.

We conducted an audit on the attached statements in accordance with the Singapore Standards on Auditing applicable to special purpose audit engagements. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts in the statement and agreeing to the TURNOVER and TOTAL WINS figures from the HARD and SOFT meters of the fruit machines, signed by representatives from the Management of the Club and ourselves on xxx 2006. An audit also includes assessing the accounting principles used and significant estimates made by Management as well as evaluating the club's internal controls relating to the fruit machines and overall statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the TURNOVER and TOTAL WINS of the fruit machines for the period xxx 2006 to xxx 2006 as shown in the attached statements are the actual figures of the fruit machines during the said period.

During the course of our audit, nothing has come to our attention to indicate that:

- (a) there are weaknesses in the club's internal controls relating to the fruit machines that will compromise the accuracy of the reported figures to be used for computing fruit machine duty;
- (b) any profit has accrued to any individual person from the operation of the fruit machines except by ways of payouts to winners; and
- (c) there was tampering of the fruit machine meters.

This report is prepared solely to assist <NAME OF CLUB> in the submission of its statements to the Commissioner of Betting Duties. It is not to be used for any other purpose or to be distributed to any other parties other than the Commissioner of Betting Duties. This report relates to items specified above and does not extend to any financial statements of the <NAME OF CLUB> taken as a whole.

_____ (Firm)

Public Accountants and
Certified Public Accountants
Singapore

_____ (Date)

(2D) Auditor's Report on Private Lottery

The Management

<NAME OF CLUB>

We have audited the attached statement relating to the private lottery on _____ (Date) by _____ the Management of the Club and the attached record of reconciliation between the face value of the tickets printed for sale, the cash receipts banked and the face value of the unsold tickets. This statement and record of reconciliation are the responsibility of the _____ (the Management of the Club). Our responsibility is to express an opinion on the statement based on our audit.

We conducted an audit on the attached statement in accordance with the Singapore Standards on Auditing applicable to special purpose audit engagements. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts in the statement and the record of reconciliation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the face value of the tickets printed for sale, the total proceeds from the sale of the tickets (all to be banked into the Club's bank account and recorded in the Club's books of account), and the face value of the unsold tickets in respect of the private lottery drawn on _____ (Date) as shown on the attached statement (marked for identification) are prepared in accordance with the books and records kept by the Club.

During the course of our audit, nothing has come to our attention to indicate that:

- (a) the receipts of cash and other prizes have been acknowledged by signatures of persons other than those entitled; and
- (b) the expenses incurred in the conduct of the lottery have not been properly recorded in the books and records of the Club, or that any profit has accrued to any individual from the conduct of the lottery other than as a member entitled to the prizes.

This report is prepared solely to assist <NAME OF CLUB> in the submission of its statement to the Commissioner of Betting Duties. It is not to be used for any other purpose or to be distributed to any other parties other than the Commissioner of Betting Duties. This report relates to items specified above and does not extend to any financial statements of the <NAME OF CLUB> taken as a whole.

_____ (Firm)

Public Accountants and
Certified Public Accountants
Singapore

_____ (Date)

(2E) Operations of Fruit Machines

INDEPENDENT AUDITOR'S REPORT

The Management Committee

_____ Club

Address

Dear Sirs,

We have examined the accounts of _____ as at _____ and for the year then ended and have issued our report thereon dated _____.

Our audit was carried out for the purpose of expressing our opinion on the accounts under review. The accounts are drawn up in accordance with the books and records of the Club. Our work was necessarily conducted on a test basis and included such samples as we deemed appropriate. In this connection, we have reviewed the accounting system and system of internal control in operation in the Club and reliance has been placed on internal controls where appropriate.

During the course of our examination, (except for the following matters), nothing came to our notice that caused us to believe that any profit has accrued to any individual person from the operation of the Club's fruit machines, other than by way of pay-outs to winners.

_____ (Firm)

Public Accountants and
Certified Public Accountants
Singapore

_____ (Date)

(2G) Independent Auditor's Report on Depository Agent for the Central Depository (Pte) Ltd

The Board of Directors
ABC Nominees Pte Ltd

Dear Sirs :

We have audited the financial statements of _____, hereby referred to as the "Nominee Company", for the year ended _____ (date). The financial statements are the responsibility of the Nominee Company's directors. Our responsibility is to express an opinion on these financial statements based on our audit. Our audit report on these financial statements was issued on _____ (date).

We conducted our audit in accordance with Singapore Standards on Auditing. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles and evaluating the overall financial statement presentation. In this connection, we have reviewed the accounting system and system of internal control in operation in the Nominee Company and reliance has been placed on internal controls where appropriate. We believe that our audit provides a reasonable basis for our opinion on the financial statements.

We report that during the course of our examination, nothing came to our notice that caused us to believe that:

- (a) the Nominee Company had not complied with the obligation under Clause 5.1 to segregate the deposited securities held in each sub-account and to segregate the deposited securities held for its own account from the deposited securities held for the account of each of its clients;
- (b)
 - (i) the categorisation of the transfer of securities by the Nominee Company, effected through the Electronic Transfer System ("ETS"), does not correspond with the actual transfer of securities carried out; and
 - (ii) the transfer of securities by the Nominee Company, categorised electronically in the ETS as an off market transfer, has not been made in accordance with the off market transfer types approved by the CDP as set out in Circular DA/203/2004; and
- (c) the transfer of securities by the Nominee Company, categorised electronically in the Intra Sub Account Transfer System as "No Change in Beneficial Owner Transfer" in accordance with Circular DA/830/2004, does not correspond with the actual transfer carried out.

Our report is solely to assist the Nominee Company in demonstrating its compliance with Clauses 5.1 and 5.2 of the Depository Agent Agreement and is not to be used for any other purpose or to be distributed to any other party other than The Central Depository (Pte) Limited.

Yours faithfully

(2H) Independent Auditor's Report on the Major Exporter Scheme for New and Renewal Applications

Auditor's report to _____ (description of responsible officer(s), for example the directors, partner-in-charge, etc.) of _____ (MES Applicant)

We have audited the amounts shown as imports, exports and total supplies on the attached application form for the Major Exporter Scheme.

The application form is the responsibility of _____ (MES Applicant). Our responsibility is to express an opinion on the amounts shown as imports, exports and total supplies on the attached application form based on our audit.

We conducted our audit in accordance with Singapore Standards on Auditing applicable to special purpose audit engagements. Our audit included examining, on a test basis, evidence supporting the amounts and disclosures on the application form.

In our opinion, for the purpose of your application for the Major Exporter Scheme, the amounts of S\$_____, S\$_____ and S\$_____ shown on the application form present fairly, in all material respects, the imports, exports and total supplies, respectively, for the qualifying period ended _____ (date).

This report is prepared solely to assist _____ (MES Applicant) in the submission of its application form for the Major Exporter Scheme to the Comptroller of GST. It is not to be used for any other purpose or to be distributed to any other parties other than the Comptroller of GST. This report relates to items specified above and does not extend to any financial statements of the _____ (MES Applicant) taken as a whole.

_____ (Firm)

Public Accountants and
Certified Public Accountants
Singapore

_____ (Date)

(2I) Independent Auditor's Report on Claims Summary (IDA)

The Board of Directors
[Client Company Pte Ltd]
[Address1]
[Address2]
[Address3]
Attention: [Recipient name]

Date

Dear Sirs

**[Client Company Pte Ltd] (the "Company") – Claim for the period from [date] to [date]
under the [Name of Project] of the [Name of Scheme]**

We refer to your request to audit the accompanying claims summary of the Company in connection with the [Name of Project] under the terms and conditions of the [Name of Scheme] of the InfoComm Development Authority of Singapore ("IDA") for the qualifying grant period from [•] to [•].

The attached claims summary (the "Statement") is the responsibility of the Company's directors. Our responsibility is to express an opinion on whether the amounts shown on the attached Statement are in accordance with the documents and records kept by the Company and whether those amounts have been included in accordance with the relevant terms and conditions specified by IDA in their Letter of Offer dated [•] (the "LOF").

We conducted our audit in accordance with Singapore Standards on Auditing applicable to special purpose audit engagements. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Statement is free of material misstatement. Our audit included examining, on a test basis, evidence supporting the amounts and disclosures in the attached schedule, and comparing the amounts in the attached Statement to the Company's accounting records, invoices, payment vouchers and other relevant documents. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the amounts shown on the attached claims summary (marked for identification) totalling [•] are in accordance with the documents and records kept by the Company and have been included in accordance with the relevant terms and conditions specified by the IDA.

Our report is solely for the purpose set forth in the first 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 IDA. This report relates only to the items specified in the Statement and does not extend to any financial statements of the Company, taken as a whole.

Yours faithfully

Enclosure:
Statement of Claim

(2J) Money-Changing and Remittance Businesses Act (Chapter. 187) Auditors' Report

[Licensee name & address]

Attention : []

[date]

MONEY-CHANGING AND REMITTANCE BUSINESSES ACT (CHAPTER 187) INDEPENDENT AUDITORS' REPORT

1 We have examined the attached statements of transactions and profit/loss of _____ ("the Licensee") for the year ended _____ (date) in respect of its money-changing and/or remittance business(es) ("Statements").

2 The Licensee's directors are responsible for establishing and maintaining adequate accounting and internal control systems and for ensuring compliance with the Money-changing and Remittance Businesses Act, Cap 187 and other relevant laws, rules and regulations. The Statements are the responsibility of the Licensee's directors. Our responsibility is to express an opinion on the Statements based on our examination. We believe that our examination provides a reasonable basis for our opinion.

3 We conducted our examination in accordance with Singapore Standards on Auditing applicable to special purpose audit engagements. Those standards require that we plan and perform the examination to obtain limited assurance about whether the Statements have been prepared in accordance with the requirements of the Money-changing and Remittance Businesses Act, Cap 187 and about whether the Licensee has complied with the conditions of the money-changer's licence in relation to the Statements. Our work was necessarily conducted on a test basis and included such samples as we deemed appropriate. In this connection, we have reviewed the accounting system and system of internal control in relation to its money-changing and/or remittance business(es) in operation in the Licensee and reliance has been placed on internal controls where appropriate. Because of the inherent limitations in any accounting and internal control system, errors and irregularities may nevertheless occur and not be detected.

4 Based on our examination and information and explanations provided to us, *[except for those matters referred to below/in our management letter dated _____]*, nothing came to our notice that caused us to believe that the financial data contained in the Statements have not been prepared in accordance with the financial books and records of the Licensee from which the statutory financial statements of the Licensee for the year ended _____ (date) are prepared.

5 During the course of our examination for the purposes of our opinion set out in paragraph 4 above, *[except for those matters referred to below/in our management letter dated _____]*, nothing came to our notice that caused us to believe that:

- (a) accounting and records of transactions, including relevant registers and copies of customer identification documents have not been properly maintained by the Licensee; and
- (b) there has been any contravention by the Licensee of the conditions, restrictions, obligations or other requirements provided under any of the following:
 - (i) Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act (Cap. 65A);
 - (ii) Money-changing and Remittance Businesses Act (Cap. 187);

- (iii) Terrorism (Suppression of Financing) Act (Cap. 325);
- (iv) Money-changing and Remittance Businesses Regulations 2005;
- (v) Monetary Authority of Singapore (Anti-terrorism Measures) Regulations 2002;
- (vi) MAS Notice to Money-changing and Remittance Licensees on Prevention of Money Laundering and Countering the Financing of Terrorism, and other Notices;
- (vii) any other applicable laws; and
- (viii) any conditions, restrictions or requirements, which may be imposed on the Licensee by the Monetary Authority of Singapore.

_____ (Firm)
Public Accountants and
Certified Public Accountants

Singapore, [date]

APPENDIX 3

Sample auditor's reports on SSA 800 *The Independent Auditor's Report on Special Purpose Audit Engagements* - Examples of Reports on Compliance

(3A) Report for Subsidiary Income Tax Certificate

The following is an illustration of an unqualified auditor's report on internal accounting control relating to the issue of subsidiary income tax certificate by a company such as a stock broker or financial institution. It is issued after a separate study and evaluation of internal accounting control. This report is a standard form and should be modified as appropriate to suit the circumstances of individual engagements.

INDEPENDENT AUDITOR'S REPORT TO

We have made a study and evaluation of the system of internal accounting control of the securities department of Blank Company that existed during the period from (date) to (date), which has the responsibility for the issue of subsidiary income tax certificates. Our study and evaluation was conducted in accordance with standards established by the Institute of Certified Public Accountants of Singapore.

Because of inherent limitations in any system of internal accounting control, errors or irregularities may occur and not be detected. Also, projection of any evaluation of the system to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the degree of compliance with the procedures may deteriorate.

In our opinion, the system of internal accounting control over the issue of subsidiary income tax certificates of Blank Company that existed during the period from (date) to (date), taken as a whole, was sufficient to meet the objectives of internal accounting control insofar as those objectives pertain to the prevention or detection of errors or irregularities in amounts that would be material in the subsidiary income tax certificates.

Public Accountants and
Certified Public Accountants
Singapore

_____ (Date)

(3B) Sample Independent Auditor's Report on Proper Procedures and Controls Pertaining to the Administration of MAS Registered Unit Trust Funds

[Date]

[Company Name]

[Address]

Singapore _____

Attention Mr _____

Dear Sirs:

Auditor's Supplementary Report

We have audited the financial statements of _____ (the "Company") as at _____ (date) and for the year then ended and have issued our report thereon dated _____. The financial statements are the responsibility of the Company's directors. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Singapore Standards on Auditing. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the directors, as well as evaluating the overall presentation of the financial statements. In this connection, we have reviewed the accounting system and system of internal controls in operation in the Company and reliance has been placed on internal controls where appropriate. We believe that our audit provides a reasonable basis for our opinion on the financial statements.

During the course of our examination, except for those matters referred to in our management letter dated _____, nothing came to our notice that caused us to believe that there were no written policies and procedures pertaining to the following matters and that these policies and procedures were not complied with by the staff of the Company:

- (a) unit trust subscriptions and redemptions;
- (b) settlement of unit trust subscriptions and redemptions;
- (c) cutoffs for daily unit trust subscriptions and redemptions;
- (d) staff trading in the Company's unit trust; and
- (e) [*where applicable*] the monitoring of third party service providers to whom any of the above services have been outsourced.

Public Accountants and
Certified Public Accountants
Singapore

_____ (Date)

(3C) Sample Auditor's Report on Summary Financial Statements

Independent Auditor's Report to the members of [name of entity]

We have audited the financial statements of [name of entity] ("the Company") and its subsidiaries ("the Group") for the financial year ended [financial year-end] in accordance with Singapore Standards on Auditing and in our report dated [date of audit report on financial statements] we expressed an unqualified opinion* on the financial statements ("the audited financial statements") which is as follows:

"[Reproduction of auditors' report on the audited financial statements]".

The accompanying summarised financial statements set out on pages [x] to [x] have been derived from the audited financial statements and are the responsibility of the Company's management. Our responsibility is to express an opinion on whether these summarised financial statements are consistent, in all material respects, with the audited financial statements and the Directors' Report and whether they comply with the requirements of section 203A of the Companies Act (Chapter 50) and the regulations made thereunder, applicable to summarised financial statements.

In our opinion, the accompanying summarised financial statements are consistent, in all material respects, with the audited financial statements and the Directors' Report and comply with the requirements of section 203A of the Companies Act (Chapter 50) and the regulations made thereunder, applicable to summarised financial statements.

For a better understanding of the financial performance and position of the Group and the Company and of the scope of our audit, these summarised financial statements should be read in conjunction with the audited financial statements and our audit report thereon.

Public Accountants and
Certified Public Accountants
Singapore

_____ (Date)

* Change the term "an unqualified opinion" to "a qualified opinion" if a qualified opinion was issued on the audited financial statements.

APPENDIX 4

Sample auditor's reports on SSA 800 *The Independent Auditor's Report on Special Purpose Audit Engagements* - Examples of Report for Non-incorporated Organisation

(4A) Auditor's Report on Schools

_____ SCHOOL

INDEPENDENT AUDITOR'S REPORT TO

We have audited the accompanying balance sheet as at _____ (date) and the income expenditure and cash flow statement* for the year then ended. These financial statements are the responsibility of management of the school. Our responsibility is to express an opinion on the financial statements based on our audit.

We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion,

- (a) the financial statements are properly drawn up in accordance with Singapore Financial Reporting Standards and so as to give a true and fair view of the state of affairs of the school (1) as at ____ (date) and of the income and expenditure and cash flows of the school for the year ended on that date; and
- (b) the accounting and other records have been properly kept in accordance with the Rules and Regulations issued by the Ministry of Education (2).

During the course of our audit, *except for those matters mentioned in an internal auditor's report written by or on behalf of the Ministry of Education dated _____, which has been received by the school* (3), nothing has come to our attention that caused us to believe that during the year:

- (i) the receipt, expenditure and investment of monies; and
- (ii) the acquisition and disposal of assets by the school;

have not been carried out in accordance with the Rules and Regulations issued by the Ministry of Education; nor that

- (iii) the donations and other receipts of the school were not used for approved projects and the purposes intended.

_____ (Firm)
Public Accountants and
Certified Public Accountants
Singapore

_____ (Date)

Note: (1) 'and of the endowment fund' if applicable.
(2) If applicable, add 'except for (list records not properly kept/not kept)'.
(3) Leave out the part in *italics* if not applicable.

* If applicable under FRS 7.

(4B) Independent Auditor's Report on Fund Raising Appeal by Societies

The President
Client Society
Address 1
Address 2
Singapore 123456

Attention: _____

Date

Dear Sir

We refer to your request to audit the statement of income and expenditure relating to the fund-raising appeal held by _____ [Name of Society] ("the Society") during the period from _____ [date] to _____ [date].

The attached statement of income and expenditure is the responsibility of the Society's management under Regulation 6 of the Societies Regulations issued under the Societies Act Chapter 311, Section 34. Our responsibility is to express an opinion on the amounts shown on the attached statement of income and expenditure based on our audit.

We conducted our audit in accordance with Singapore Standards on Auditing applicable to special purpose audit engagements. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the statement of income and expenditure is free of material misstatement. Our audit included verifying, on a test basis, evidence supporting the amounts in the attached statement and also checking and agreeing the amounts in the attached statement to the Society's records. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the statement of income and expenditure (marked for identification purposes) of the fund-raising appeal held during the period from _____ [date] to _____ [date] is prepared in accordance with the books and records of the Society.

Yours faithfully

Note: The above sample report is general in nature and subject to the ROS's right to request for further information.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

(Registered under the Societies Act, Cap. 311)

We have audited the financial statements of _____ [Name of Society] set out on pages _____ to _____ for the year ended _____. These financial statements are the responsibility of the Management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Singapore Standards on Auditing. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:-

- i) the financial statements are properly drawn up in accordance with Singapore Financial Reporting Standards and so as to present fairly the state of affairs of _____ [Name of Society] as at _____ [Date] and of the results of the Society for the year ended on that date;
- ii) the accounting and other records required by the regulations enacted under the Societies Act to be kept by the Society have been properly kept in accordance with those regulations; and
- iii) the fund-raising appeal held during the period _____ to _____ has been carried out in accordance with regulation 6 of the Societies Regulations issued under the Societies Act Cap. 311 and proper accounts and other records have been kept of the fund-raising appeal.

PUBLIC ACCOUNTANTS AND
CERTIFIED PUBLIC ACCOUNTANTS

Date

ABC Society

Statement of Income and Expenditure for the XYZ Fund-raising appeal held from 1 June 20x1 to 30 June 20x1

(All amounts in Singapore dollars unless otherwise stated)

Income:	\$
Donations – cash	xx
Donation – receivable	xx
Other items	xx
Total Collection Proceeds	<hr/> xx
Expenditure and Application of Proceeds:	
Printing and Stationery	xx
Postage	xx
Advertising	xx
Collecting boxes	xx
Other items	xx
Total Application of Proceeds	<hr/> xx
Surplus from Appeal	<hr/> xx <hr/>

Represented by Balance sheet items transferred
to the society's main accounts as follows:

Cash	xx
Receivables	xx
Payables	(xx)
	<hr/> xx <hr/>

Signature/Date: _____ Signature/Date: _____

Name: _____ Name: _____

Designation: Chairman Designation: Treasurer

Note: The above statement serves to illustrate the application of the Societies Regulations and should be tailored to suit the circumstances as necessary. The sample statement is general in nature and subject to the ROS's right to request for further information. In view of the nature of the audit of such a statement, particular attention should be placed on matters like the sufficiency and appropriateness of audit evidence from tests of control and from substantive procedures performed over the completeness of collection proceeds.

AGS 1 Sample Independent Auditor's Reports

(5A) Report of Factual Findings – EDAS Scheme (EDB)

EDAS Schemes

Terms of Reference for Grant Recipient's External Auditors

1) Check that:

- a) Items and amount claimed are in accordance with Annex _____ (Details on Qualifying Cost) and the terms and conditions of the offer letter (and supplemental offer letters, if any).
- b) Items claimed are used for the project as stated in the offer letter, unless otherwise stated.
- c) Items claimed by the company are accurately recorded in all the claim forms and schedules, and in accordance with the books and records maintained by the company.
- d) Description and authenticity of items claimed are valid by agreeing to appropriate source documents and other records.
- e) Claims agree to the appropriate source documents, e.g. invoices, personnel and payroll records, etc.
- f) Claims are made only upon disbursement of cash by the grant recipient, and do not include those that are purely accounting entries without cash outlays (e.g. accruals, depreciation).
- g) All items claimed are incurred and paid within the qualifying period as per the terms and conditions of the offer letter (and supplement offer letters, if any).

Exception:

For final claims, items claimed may be paid after the qualifying period, but before date of audit report.

- h) Equipment claimed exists through physical sighting at the date of visit and are installed/operating as stipulated in the grant.

The procedures as listed above from (a) to (h) should cover at least 85% of the value claimed in the statement.

- 2) Check that item categories that prohibit related party transactions do not include related party claims.
- 3) Enquire and report on any sale/lease/disposal of the equipment, if applicable, that is funded by EDB during the execution of the project.
- 4) The auditors shall highlight any going concern issues raised in the latest audit report of the company.
- 5) In the event that there are errors and deviations found, the auditors shall report accordingly and provide details.

Report on Factual Findings

To:

The Managing Director
Client Company

We have performed the procedures in accordance with the Terms of Reference on the Statement of Expenditure incurred by _____ (name of company) for the claim period from _____(date) to _____(date). This is in connection with the development of _____ (project name or description and reference number) under the _____ (name of grant/scheme) of the Economic Development Board ("EDB") for the qualifying period from _____ (date) to _____ (date). Our engagement was undertaken in accordance with the Singapore Standard on Related Services SSRS 4400 Engagements to Perform Agreed-upon Procedures Regarding Financial Information.

The procedures were performed solely for the purpose of the Company's submission of the aforementioned Statement of Expenditure to EDB in accordance with the terms and conditions specified by the EDB in its Offer Letter dated _____ (and Supplemental Offer Letters dated _____)*. With reference to item 1 of the Terms of Reference, we have ensured that such procedures cover at least 85% of the value claimed in the statement.

We report our findings below:

- (a) With respect to item 1 of the Terms of Reference, we found no exceptions from performing the procedures (a) to (h).
- (b) With respect to item 2 of the Terms of Reference, based on related parties identified by the (name of the company) and as represented to us, we found that related party claims are excluded from item categories that prohibit related party transactions.
- (c) With respect to item 3 of the Terms of Reference, we have enquired and are *not aware of any* sale/lease/disposal of equipment that is funded by EDB during the execution of the project.
- (d) With respect to item 4 of the Terms of Reference, we confirm that there is no going concern matter included in the latest audit report of the company.

(Detail the exceptions if any)

Our report is solely for the purpose 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 EDB. This report relates only to the accounts and items specified above and do not extend to any financial statements of _____ (name of company), taken as a whole.

_____ (firm)

Public Accountants and
Certified Public Accountants
Singapore

_____ (date)

* if applicable

(5B) Sample Report of Factual Findings in Connection with Exhibition Track Record (Spring Singapore)

Report of Factual Findings in connection with Exhibition Track Record

To:
Managing Director of the Client Company

We have performed the procedures enumerated below and in accordance with the Terms of Reference on the Procedures for Exhibition Records submitted by _____ (name of company). Our engagement was undertaken in accordance with the Singapore Standard on Related Services SSRS 4400 applicable to agreed-upon procedures engagements.

The procedures were performed solely to assist you in evaluating whether the information shown in Annex A, a copy of which is attached for identification purposes, is in accordance with the documents and records kept by the Company and as specified in SS 505:2003.

We have performed the procedures specified in SS 505:2003 and found no exceptions from performing these procedures.

These procedures do not constitute either an audit or a review made in accordance with Singapore Standards on Auditing or Singapore Standards on Review Engagements. 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 purpose 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 Spring Singapore/Singapore Tourism Board. This report relates only to the information and items specified above and does not extend to any other information of _____ (name of company), taken as a whole.

Public Accountants and
Certified Public Accountants
Singapore

_____ (date)

	Year	Year	Year
Gross Exhibition Space (sqm):			
- Indoor			
- Outdoor			
Net Exhibition Space (sqm):			
- Indoor			
- Outdoor			
No. of Exhibiting Companies:			
Foreign			
- Main exhibiting			
- Co-exhibiting			
- Total			
Local			
- Main exhibiting			
- Co-exhibiting			
- Total			
No. of Exhibiting staff:			
- Foreign			
- Local			
- Total			
No. of Trade Visitors:			
- Foreign			
- Local			
- Total			
No. of National Group:			
No. of Speakers:			
- Foreign			
- Local			
- Total			
No. of Conference Delegates:			
- Foreign			
- Local			
- Total			
Total No. of Press Personnel:			

(5C) Report on Security Guard Agencies Grading

To:
Managing Director of the Client Company

We have performed the procedures enumerated below and in accordance with the Terms of Reference on the Grading of Security Guard Agencies submitted by _____ (name of company). Our engagement was undertaken in accordance with the Singapore Standard on Auditing applicable to agreed-upon procedures engagements.

The procedures were performed solely to assist you in evaluating whether:

- a) the information shown in Annex D is in accordance with the certificates submitted by the Company in Annex E to J; and
- b) the computation and grading in Annex L is in accordance with the terms and conditions specified by the Police Licensing Division

The procedures are summarised as follows:

- 1) test checked the information reflected in Annex E, F, G, H, I and J tally with the summary in Annex D;
- 2) checked percentage computation, in Annex L, of:
 - i. combined percentage of exempted and NSRS-certified guards;
 - ii. combined percentage of exempted and trained supervisors; and
 - iii. respective weighted average based on specified weightages for (i) and (ii) above; and
- 3) checked the grading, in Annex L, based on the weighted averages in (b) against grading table.

We report our findings below:

- a) We found no exceptions from performing the procedure (1).
- b) With respect to procedures (2) and (3), we confirm that based on the computation the grading is _____.

The above procedures do not constitute either an audit or a review made in accordance with Singapore Standards of Auditing.

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

Our report is solely for the purpose 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 Police Licensing Division. This report relates only to the information and items specified above and does not extend to any other information of _____ (name of company), taken as a whole.

(firm)
Public Accountants and
Certified Public Accountants
Singapore

(date)

Terms of Reference for Grading of Security Guard Agencies (SGA)

Note:

- Any auditor approved under the Companies Act should be eligible to verify these returns.

- 1) Test check¹ that the number of guards and supervisors reflected in Annex E, F, G, H, I and J tally with summary in Annex D.

Returns	Content
Annex D	Summary of: i) exempted guards, NSRS-certified guards, and untrained guards for that particular month; ii) exempted supervisors, trained supervisors and untrained supervisors for that particular month.
Annex E	Particulars of all exempted guards for that particular month, plus supporting documents for each exempted guard.
Annex F	Particulars of all NSRS-certified guards for that particular month, with NSRS result slips from SPRING Singapore for each guard.
Annex G	Particulars of all untrained guards for that particular month.
Annex H	Particulars of all exempted supervisors for that month, plus supporting documents for each exempted supervisor.
Annex I	Particulars of all trained supervisors for that particular month, plus certificate from SAS or ACSA or result slip from SHRI or RELC for each trained supervisor.
Annex J	Particulars of untrained supervisors for that particular month.

- 6) Upon satisfaction that the submissions are in order,
- a) Check the percentage computation of the following
 - i. Combined % of exempted guards + NSRS-certified guards
 - ii. Combined % of exempted supervisors + trained supervisors
 - iii. Respective weighted average based on specified weightages for (i) and (ii) above
 - b) based on the weighted averages in (b)(iii), check that the lower weighted averaged has been picked and matched against grading table to verify final grade for SGA.

Note: Annex A, B, D to J, K and L, as attached and referred to above, are extracted from “Standard Operating Procedure For Grading of Security Guard Agencies – Version 1 dated 25 Jul 2003”.

¹ The Police Licensing Division (PLD) requires a sampling basis of a minimum of 40 guards or 50% of the population, whichever is higher. The PLD also requires that this sampling basis be kept confidential and should not be made known to the security guard agencies.

Annex “A”**Table 3: Grading Criterion (1 Aug 2003 to 29 Feb 2004)**

Average Percentage	80% or higher	65% or higher but lower than 80%	50% or higher but lower than 65%	Lower than 50%
Grade Assigned	A	B	C	D

Annex “B”**Table 7: Grading Criterion (1 Mar 2004 to 28 Feb 2005)**

Average Percentage	95% or higher	85% or higher but lower than 95%	75% or higher but lower than 85%	Lower than 75 %
Grade Assigned	A	B	C	D

Annex “D”

SUBMISSION BY _____ (Name of SGA)
FOR THE MONTH OF _____

S/N	Type of Guards	Figure
1	No. of exempted guards	
2	No. of NSRS – Certified guards	
3	No. of untrained guards	
4	Total no. of guards (S/N 1 + 2 + 3)	
5	Percentage of trained guards $= (S/N\ 1 + 2) / (S/N\ 4) * 100$	

S/N	Type of Supervisors	Figure
1	No. of exempted supervisors	
2	No. of trained supervisors	
3	No. of untrained supervisors	
4	Total no. of supervisors (S/N 1 + 2 + 3)	
5	Percentage of trained supervisors $= (S/N\ 1 + 2) / (S/N\ 4) * 100$	

Annex “E”

PARTICULARS OF EXEMPTED GUARDS OF
_____ (Name of SGA)
FOR THE MONTH OF _____

S/No	Name ¹	NRIC No. / Malaysian IC No. ²	FIN No.	Approval Date to work in the Agency	Remarks

¹ Please enter the names of guards who are Singapore Citizen/PR first followed by Malaysian

² Please enter the new Malaysia IC No.

Annex “F”

PARTICULARS OF NSRS-CERTIFIED GUARDS OF
_____ (Name of SGA)
FOR THE MONTH OF _____

S/No	Name ¹	NRIC No. / Malaysian IC No. ²	FIN No.	Approval Date to work in the Agency	Remarks

¹ Please enter the names of guards who are Singapore Citizen/PR first followed by Malaysian

² Please enter the new Malaysia IC No.

Annex “G”

PARTICULARS OF UNTRAINED GUARDS OF
_____ (Name of SGA)
FOR THE MONTH OF _____

S/No	Name ¹	NRIC No. / Malaysian IC No. ²	FIN No.	Approval Date to work in the Agency	Remarks

¹ Please enter the names of guards who are Singapore Citizen/PR first followed by Malaysian

² Please enter the new Malaysia IC No.

Annex “H”

PARTICULARS OF EXEMPTED SUPERVISORS OF
_____ (Name of SGA)
FOR THE MONTH OF _____

S/No	Name ¹	NRIC No. / Malaysian IC No. ²	FIN No.	Approval Date to work in the Agency	Remarks

¹ Please enter the names of guards who are Singapore Citizen/PR first followed by Malaysian

² Please enter the new Malaysia IC No.

Annex “I”

PARTICULARS OF TRAINED SUPERVISORS OF
_____ (Name of SGA)
FOR THE MONTH OF _____

S/No	Name ¹	NRIC No. / Malaysian IC No. ²	FIN No.	Approval Date to work in the Agency	Remarks

¹ Please enter the names of guards who are Singapore Citizen/PR first followed by Malaysian

² Please enter the new Malaysia IC No.

Annex “J”

PARTICULARS OF UNTRAINED SUPERVISORS OF
_____ (Name of SGA)
FOR THE MONTH OF _____

S/No	Name ¹	NRIC No. / Malaysian IC No. ²	FIN No.	Approval Date to work in the Agency	Remarks

¹ Please enter the names of guards who are Singapore Citizen/PR first followed by Malaysian

² Please enter the new Malaysia IC No.

DECLARATION

I, _____, NRIC/FIN _____, _____ (designation) of _____ (name of security guard agency), do hereby declare that the submissions I have made to _____ (name of ICPAS member) for the purpose of grading by the Police Licensing Division, are true and correct.

I am making this declaration on the understanding that these submissions will be used by the Police Licensing Division in determining what grade my agency will be assigned. I therefore acknowledge that if any information in my submission is found to be untrue or incorrect in any manner, I am liable to criminal prosecution under current law.

Signature of Owner /
Partner / Director

Name of Owner / Partner / Director

Date

Annex “L”

SUBMISSION BY _____ (Name of SGA)
FOR THE PERIOD FROM _____ TO _____

S/No	Month	% of Exempted Guard and NSRS-Certified Guard	Weightage	% of Trained and Exempted Supervisors	Weightage
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
			Total =		Total =
			Average =		Average =
Lower of the two weighted averages =					
Awarded grade =					

Appendix 6

Independent Auditors' Supplementary Report for Banks

Introduction

- 1 Banks are required to comply with the Banking Act and all guidelines, circulars and Notices to Banks issued by the Monetary Authority of Singapore (MAS). In accordance with the requirements set by the MAS, banks have to submit an auditors' supplementary report in addition to the statutory audit report. A specimen of the supplementary report agreed by the MAS and the Institute of Certified Public Accountants of Singapore is set out in the appendix to this Statement. This Statement provides guidelines concerning the supplementary report to be issued.

MAS guidelines and circulars

- 2 In the specimen report, reference is made to guidelines and circulars issued by the MAS. These guidelines and circulars are issued to banks from time to time, by the MAS. Members should also have regard to any specific terms and conditions issued to their client bank. In addition to the directives and notices, the publication contains the guidelines governing the operations of banks and the terms and conditions governing the operations of Asian Currency Units.

'Relevant laws and regulations'

- 3 Paragraph 3(c) of the specimen report refers to 'relevant laws and regulations'. In case of ambiguity or doubt, reference should be made to such professional standards or guidelines as may be issued by the Institute from time to time, such as Singapore Standard on Auditing 800, The Auditor's Report on Special Purpose Audit Engagements. Without limiting the generality of the foregoing, 'relevant laws and regulations' in this context are defined as those relevant to and within the scope of a normal statutory audit carried out under the Companies Act, Cap. 50 and the Banking Act, Cap. 19. From time to time, the MAS may give guidance through the Institute as to its emphasis on specific laws and regulations included within the scope of a normal statutory audit. Members may also be seeking clarification regarding similar matters. To ensure that enquiries are properly dealt with, members should direct their enquiries to the Institute, which will provide the necessary clarification after consulting with the MAS where appropriate.
- 4 For the purpose of paragraph 3(c) of the specimen report, it is the Institute's understanding that the MAS would require members to report any non-compliance without regard to materiality so long as the non-compliance was observed during the course of the normal statutory audit carried out under the Companies Act and the Banking Act.

Client Representation

- 5 In view of the requirements of the MAS, members should include specific reference to these in the letter of representation obtained from their client bank. In the illustrative letter of representation shown in Singapore Standard on Auditing 580, Management Representations, the following may be added to the third paragraph:

'There has been no non-compliance with or violations of the Companies Act, Banking Act, Notices to Banks, guidelines and circulars issued by the Monetary Authority of Singapore (MAS) or such other laws and regulations as referred to by the MAS in its Notices to Banks.'

Appendix

Date _____

(Chief Executive Officer of the bank in Singapore)

Address _____

Dear Sir,

INDEPENDENT AUDITORS' SUPPLEMENTARY REPORT

We have audited the accompanying financial statements of _____ (entity), which comprise the balance sheet as at 31 December 20X1, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes. Our audit report on these financial statements was issued on _____ [insert date].

Directors' and Chief Executive Officer's Responsibility for the Financial Statements

The Bank's directors and chief executive officer are responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Singapore Companies Act, Cap. 50 (the "Act") and Singapore Financial Reporting Standards and with the requirements of the Banking Act, and MAS Notices to Banks. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, 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 the directors and chief executive officer, as well as evaluating the overall presentation of the financial statements. In this connection, we have reviewed the accounting system and system of internal control in operation in the Company and reliance has been placed on internal controls, where appropriate.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

During the course of our audit, except for those matters referred to in our long form report dated _____ (date), nothing came to our notice that caused us to believe that:

- (a) known bad debts of material amounts had not been written off or fully provided for;
- (b) adequate provision had not been made for known material doubtful debts and for any material impairment of other assets; or
- (c) there was non-compliance with the Banking Act, Companies Act, Notices to Banks, guidelines or circulars issued by the Authority or any other relevant laws or regulations* (except for the following matters which we wish to bring to your attention:).

Yours faithfully,

* Explanatory note: In case of ambiguity or doubt, reference should be made to such professional standards or guidelines as may be issued by the Institute of Certified Public Accountants of Singapore from time to time, such as Singapore Standard on Auditing 800, The Auditor's Report on Special Purpose Audit Engagements. Without limiting the generality of the foregoing, 'relevant laws and regulations' in this context are defined as those relevant to and within the scope of a normal statutory audit carried out under the Companies Act, Cap. 50 and the Banking Act, Cap. 19.

Appendix 7

Independent Auditors' Supplementary Report for Finance Companies

Introduction

- 1 Finance companies are required to comply with all guidelines, circulars and Notices to Finance Companies issued by the Monetary Authority of Singapore (MAS) and the Finance Companies Act. In accordance with the requirements set by the MAS, finance companies are required to submit an auditors' supplementary report in addition to the statutory audit report. The MAS has requested that the Auditors' Supplementary Report take the format of the appendix to the "Auditors' Supplementary Report for Banks" except that the words 'finance company', 'Finance Companies Act' and 'Notices to Finance Companies' are to be used in place of 'bank', 'Banking Act' and 'Notices to Banks' respectively.

This Statement provides guidelines concerning the Auditor's Supplementary Report to be issued with respect to finance companies.

Notices to Finance Companies, guidelines and circulars

- 2 The MAS has issued a set of Notices to Finance Companies, copies of which may be obtained from the MAS. Members should also have regard to any specific terms and conditions issued to finance companies, which are their clients.

Relevant laws and regulations, client representation

- 3 For the rest of the text of this Statement, please see paragraphs 3 to 5 of the "Auditors' Supplementary Report for Banks"; where the "Auditors' Supplementary Report for Banks" refers to banks, the Banking Act and Notices to Banks, for this Statement read finance companies, the Finance Companies Act and Notices to Finance Companies respectively.
- 4 If in the course of the audit, should members come across any violation of or non-compliance with a law or regulation which may not be relevant to the financial statements and they are in doubt as to whether it should be reported, they should direct their inquiries to the Institute, which will provide the necessary clarification after consulting with the MAS where appropriate.

Appendix 8

Independent Auditors' Supplementary Report for Merchant Banks

Introduction

- 1 Merchant banks are required to comply with the relevant legislation as well as Directives and Notices to Merchant Banks and other regulations issued by the Monetary Authority of Singapore (MAS). In accordance with the requirements set by the MAS, merchant banks are required to submit an auditors' supplementary report in addition to the statutory audit report. The Auditors' Supplementary Report should take the format of the appendix to this Statement. This Statement provides guidelines concerning the supplementary report to be issued with respect to merchant banks.

MAS directives, notices, etc.

- 2 In the specimen Auditors' Supplementary Report shown in the appendix, reference is made to Directives and Notices to Merchant Banks, guidelines, terms and conditions and circulars issued by the Authority. A copy of 'Directives and Notices to Merchant Banks' may be obtained from the MAS. In addition to the directives and notices, the publication contains the guidelines governing the operations of merchant banks and the terms and conditions governing the operations of Asian Currency Units.

'Relevant laws and regulations'

- 3 Paragraph 3(c) of the specimen report refers to 'relevant laws and regulations'. In case of ambiguity or doubt, reference should be made to such professional standards or guidelines as may be issued by the Institute from time to time, such as Singapore Standard on Auditing 800, The Auditor's Report on Special Purpose Audit Engagements. Without limiting the generality of the foregoing, relevant laws and regulations in this context are defined as those relevant to and within the scope of a normal statutory audit carried out under the Companies Act, Cap. 50 and pursuant to Directives and Notices to Merchant Banks. From time to time, the MAS may give guidance as to its emphasis on specific laws and regulations included within the scope of a normal statutory audit. Members may also be seeking clarification regarding similar matters. To ensure that enquiries are properly dealt with, members should direct their enquiries to the Institute, which will provide the necessary clarification after consulting with the MAS where appropriate.
- 4 For the purpose of paragraph 3(c) of the specimen report, it is the Institute's understanding that the MAS would require members to report any non-compliance without regard to materiality so long as the non-compliance was observed during the course of the normal statutory audit carried out under the Companies Act, Cap. 50 and pursuant to Directives and Notices to Merchant Banks.

Management representation

- 5 In view of the requirements of the MAS, members should include specific reference to these in the letter of representation obtained from their client. In the illustrative letter of representation shown in Singapore Standard on Auditing 580, Management Representations, the following may be added to the third paragraph:

'There has been no non-compliance with or violation of the Monetary Authority of Singapore Act, Banking Act, Companies Act, Directives and Notices to Merchant Banks, guidelines, terms and conditions, and circulars issued by the Monetary Authority of Singapore (MAS) or such other laws and regulations as referred to by the MAS in its Directives and Notices to Merchant Banks.'

Appendix

Date _____

(Chief Executive of the merchant bank in Singapore)

Address _____

Dear Sir,

INDEPENDENT AUDITORS' SUPPLEMENTARY REPORT

We have audited the accompanying financial statements of _____ (entity), which comprise the balance sheet as at 31 December 20X1, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes. Our audit report on these financial statements was issued on _____ [insert date].

Directors' and Chief Executive Officer's Responsibility for the Financial Statements

The Merchant Bank's directors and chief executive officer are responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Singapore Companies Act, Cap. 50 (the "Act") and Singapore Financial Reporting Standards and with the requirements of the MAS Directives and Notices to Merchant Banks. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, 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 the directors and chief executive officer, as well as evaluating the overall presentation of the financial statements. In this connection, we have reviewed the accounting system and system of internal control in operation in the Company and reliance has been placed on internal controls, where appropriate.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

During the course of our audit, except for those matters referred to in our long form report dated _____ (date), nothing came to our notice that caused us to believe that:

- a) known bad debts of material amounts had not been written off or fully provided for;
- b) adequate provision had not been made for known material doubtful debts and for any material impairment of other assets; or
- c) there was non-compliance with the Monetary Authority of Singapore Act, Banking Act, Companies Act, Directives and Notices to Merchant Banks, guidelines, terms and conditions or circulars issued by the

Authority or any other relevant laws or regulations* (except for the following matters which we wish to bring to your attention:).

Yours faithfully,

* Explanatory note: In case of ambiguity or doubt, reference should be made to such professional standards or guidelines as may be issued by the Institute of Certified Public Accountants of Singapore from time to time, such as Singapore Standard on Auditing 800, The Auditor's Report on Special Purpose Audit Engagements. Without limiting the generality of the foregoing, 'relevant laws and regulations' in this context are defined as those relevant to and within the scope of a normal statutory audit carried out under the Companies Act, Cap. 50 and pursuant to Directives and Notices to Merchant Banks.

Appendix 9

Independent Auditors' Supplementary Report for Members of CDP, SGX-DC, SGX-ST and SGX-DT

INTRODUCTION

- 1 This Statement provides guidelines concerning the Auditor's Supplementary Report to be issued with respect to members of Central Depository (Pte) Ltd ("CDP"), Singapore Exchange Derivatives Clearing Limited ("SGX-DC"), Singapore Exchange Securities Trading Ltd ("SGX-ST") and/or Singapore Exchange Derivatives Trading Ltd ("SGX-DT") (whichever is applicable).
- 2 Members of CDP, SGX-DC, SGX-ST and/or SGX-DT (whichever is applicable) are required to comply with legislations like the Securities and Futures Act (Cap. 289) or any subsidiary legislation promulgated under it, Notices, Guidelines and Circulars issued by the Monetary Authority of Singapore (MAS) and the rules of CDP, SGX-DC, SGX-ST or SGX-DT (whichever is applicable).
- 3 In accordance with the requirements under the rules of CDP, SGX-DC, SGX-ST or SGX-DT (whichever is applicable), members are required to submit an auditors' supplementary report in addition to the statutory audit report. A specimen of the auditors' supplementary report is shown in the appendix.

Relevant laws and regulations, client representation

- 4 If in the course of the audit, should members of the Institute of Certified Public Accountants of Singapore ("the Institute") come across any violation of or non-compliance with a law or regulation which may not be relevant to the financial statements and they are in doubt as to whether it should be reported, they should direct their inquiries to the Institute, which will provide the necessary clarification after consulting with the relevant authorities where appropriate.

APPENDIX

Independent Auditors' Supplementary Report

Date _____

(Chief Executive of the member)

Address _____

Dear Sir,

INDEPENDENT AUDITORS' SUPPLEMENTARY REPORT

We have audited the accompanying financial statements of _____ (entity), which comprise the balance sheet as at 31 December 20X1, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes. Our audit report on these financial statements was issued on _____ [insert date].

Directors' and Chief Executive Officer's Responsibility for the Financial Statements

The Company's directors and chief executive officer are responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Singapore Companies Act, Cap. 50 (the "Act") and Singapore Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, 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 the directors and chief executive officer, as well as evaluating the overall presentation of the financial statements. In this connection, we have reviewed the accounting system and system of internal control in operation in the Company and reliance has been placed on internal controls, where appropriate.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

During the course of our audit, except for those matters referred to in the attached long form report dated _____ [insert date], nothing came to our notice that caused us to believe that:

- a) the Company has not complied with the capital and financial requirements as set out in the Rules of *Central Depository (Pte) Limited ("CDP"), *Singapore Exchange Derivatives Clearing Limited ("SGX-DC"), *Singapore Exchange Securities Trading Limited ("SGX-ST") or *Singapore Exchange Derivatives Trading Limited ("SGX-DT") and the Securities and Futures (Financial and Margin Requirements for Holders of Capital Markets Services Licences) Regulations (Rg 13);

- b) the Company's books of account and records are those not usual in a business of that nature and does not appear to have been kept in a proper manner in accordance with the provisions of the Rules of *CDP, *SGX-DC, *SGX-ST or *SGX-DT and the Securities and Futures Act (Cap. 289) or any subsidiary legislation promulgated under it; or
- c) the financial position of the Company is such that it is unable to conduct its business on sound lines, having regard to the nature and volume of the business transacted during the year as shown by its books of account and records (the expression "sound lines" on which the Company is to conduct its business means that the Company is able to meet its financial obligations in the ordinary course of business as they fall due).

This report is issued for your submission to the *CDP, *SGX-DC, *SGX-ST and/or *SGX-DT and should not be used for any other purpose or distributed to any other parties. This report relates only to the information specified above and does not extend to any other information of _____ [insert name of the member] taken as a whole.

Yours faithfully,

Explanatory note: In case of ambiguity or doubt, reference should be made to such professional standards or guidelines as may be issued by the Institute of Certified Public Accountants of Singapore from time to time, such as SSA 800, *The Auditor's Report on Special Purpose Audit Engagements*.

* to be deleted (where applicable)

Appendix 10

Sample Auditors' Report for Banks on Exemption for Non-compliance with FRS 39 *Financial Instruments: Recognition and Measurement* pursuant to Section 373(7) of the Singapore Companies Act

Independent Auditors' Report to XYZ Banking Corporation

Report on the Financial Statements¹

We have audited the accompanying financial statements of Singapore Operations of XYZ Banking Corporation ("the Branch"), pursuant to section 373 of the Singapore Companies Act, Cap. 50 ("the Act"). These financial statements comprise the balance sheet as at December 31, 20X1, and the income statement, statement of head office account^{1a} and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

The Branch is a segment of _____ and is not a separately incorporated legal entity. The accompanying financial statements have been prepared from the records of the Branch and reflect only transactions recorded locally.

Management's Responsibility for the Financial Statements

The Branch's management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Act and Singapore Financial Reporting Standards. This responsibility includes:

- (a) devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets;
- (b) selecting and applying appropriate accounting policies; and
- (c) making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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

¹ The subheading "Report on the Financial Statements" is unnecessary in circumstances when the second subheading "Report on Other Legal and Regulatory Requirements" is not applicable.

^{1a} The reference to the Statement of Head Office Account is for illustrative purposes and might not be applicable for some engagements. The notes to the financial statements could address special items like Other Reserves.

control.² 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 financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion,

- (a) the financial statements of the Branch are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards, with the exception of FRS 39 as allowed by the Accounting and Corporate Regulatory Authority pursuant to Section 373(7) of the Companies Act, to give a true and fair view of the assets used in, and liabilities arising out of, the Branch's operations in Singapore as at _____ (date), and of the results of the Branch's operations in Singapore, head office account and the cash flows from such operations for the year then ended on that date; and
- (b) the accounting and other records examined by us relating to the Branch's operations in Singapore are properly kept in accordance with the provisions of the Act.

Report on Other Legal and Regulatory Requirements

[Form and content of this section of the auditor's report will vary depending on the nature of the auditor's other reporting responsibilities.]

Public Accountants and
Certified Public Accountants
Singapore

(Date)

(Firm)

Note X: Basis of Preparation

Financial Reporting Standard 39 *Financial Instruments: Recognition and Measurement* ("FRS 39") is effective for financial periods beginning 1 January 2005. The company has been granted an exemption by the Accounting and Corporate Regulatory Authority pursuant to Section 373(7) of the Companies Act, Chapter 50 (the "Act") from complying with FRS 39.

The financial statements are prepared in accordance with Singapore Financial Reporting Standards ("FRS") including related Interpretations promulgated by the Accounting Standards Council, taking into account the above modification and exception allowed pursuant to Section 373(7) of the Companies Act.

² In circumstances when the auditor also has responsibility to express an opinion on the effectiveness of internal control in conjunction with the audit of the financial statements, this sentence would be worded as follows: "In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances."

Appendix 11

EXAMPLES OF SELECTED REPORTS RELATING TO INDIVIDUAL FUNDS ESTABLISHED IN RESPECT OF INVESTMENT-LINKED INSURANCE POLICIES (“ILP SUB-FUNDS”)

ILLUSTRATIVE “REPORT BY THE DIRECTORS OF XYZ PTE LTD”

To the Investment-Linked Insurance Policyholders and Shareholders of XYZ Pte Ltd.

We are responsible, as the directors of XYZ Pte Ltd (the “Company”), for:

- (a) the investment management operations of the Company’s individual funds established in respect of the investment-linked insurance policies (“ILP sub-funds”);
- (b) the protection of the assets held by the Company in the ILP sub-funds and to ensure that all transactions are properly recorded; and
- (c) the design, implementation and maintenance of control procedures to ensure with *reasonable assurance on an ongoing basis* that the control objectives are achieved.

In carrying out these responsibilities, we have regard not only to the interest of policyholders but also to those of the shareholders and the general effectiveness and efficiency of the relevant operations.

[Where the minimum control objectives to be independently tested by the reporting accountants have been established, whether by regulation, relevant authorities, an industry body or the directors, these control objectives should be stated in this report or a reference made to the actual “Report on Internal Controls of XYZ Pte Ltd” where they might be found. Users of this report should be able to ascertain easily the specific control objectives selected for independent review, the nature, extent and timing of the procedures carried out by the reporting accountants and the results of those procedures.]

We set out below /(have set out in the attached “Report on internal controls of XYZ Pte Ltd” on pages [] to []) the control objectives selected by us for independent review by the reporting accountants:

- xxx
- xxx

The nature, extent and timing of the procedures carried out by the reporting accountants in their review of the control objectives selected by us for independent review and the results of those procedures are set out in the attached “Report on Internal Controls of XYZ Pte Ltd” on pages [] to [] and the “Summary of Control Objectives, Procedures and Tests”. These should be read in conjunction with their report, “Report by the Reporting Accountants on the Internal Control Procedures of XYZ Pte Ltd” on pages [] to [].

We have reviewed the control objectives and procedures in operation.

[It would generally be helpful for the directors to provide a general description of the business and general control environment to policyholders and shareholders so that the specific control objectives selected for independent review can be read in context. The directors may choose to include this description as introductory information or as other general information on the business processes and controls or as a part of the actual “Report on internal controls of XYZ Pte Ltd”. Where it is not included in the actual report, it should be made clear that the reporting accountants have not reviewed the descriptions of the introductory or

general information. Where it is included in the actual “Report on internal controls of XYZ Pte Ltd”, the role of the reporting accountants in relation to that information should be made clear in the report.]

We set out in the attached “Report on Internal Controls of XYZ Pte Ltd” on pages [] to [], the relevant control objectives, together with the specific control procedures, which were operating as described to meet each of these objectives during the reporting period ____ to ____.

[Where applicable]

Since the end of the last reporting period, there were significant changes made to the control procedures pertaining to [the area or function under review]. These changes are set out in this report under the following headings:

- XXXX
- XXXX

Signed on behalf of Board of Directors of XYZ Pte Ltd

Name
Position
Date

Part 1

GENERAL DESCRIPTION OF BUSINESS PROCESSES

This part of the report by the directors can be used to provide an introduction or a general description of the business and general control environment.

The information can also be provided outside the report of the directors. It should be made clear what the role of the reporting accountants is in respect of the information provided in this part of the report.

Part 2

REPORT ON THE INTERNAL CONTROLS OF XYZ PTE LTD *

This part of the report by the directors can be used to provide information on the minimum control objectives selected for testing, the control procedures in place, and results of the tests independently carried out by the reporting accountants.

In addition to the above, it is envisaged that the following areas could be covered individually or in a combined way. The following are examples only and the Directors have discretion as to the precise form and content of the report.

Where control objectives are selected for testing, it is envisaged that a detailed description of the control objectives and the control procedures will be documented by the directors, together with the results of the tests carried out independently by the reporting accountants. The results of the work may be documented in a separate section of this report under "Summary of Control Objectives, Procedures and Tests".

** If the "REPORT ON THE INTERNAL CONTROLS OF XYZ PTE LTD" covers all the reports, including the "Report by the Reporting Accountants on the Internal Control Procedures of XYZ Pte Ltd", then appropriate changes to wordings of the illustrative reports should be made.*

Examples of areas:

Investment Decision-Making (investment strategies, determining approved instruments and limits, new products, new instruments, new geographies and exchanges, any significant changes to existing products, investment restrictions)

Investment Process (use of approved brokers, fund managers, funds, general transaction administration)

Computer System Controls

People Controls (including the training of the people responsible for specific control functions)

Risk Management, Compliance and Internal Audit (including ethics, AML, front-running, insurance coverage, employee personal account trading restrictions)

Other Key Controls:

Operating controls

- Investment holdings
- Cash accounts
 - Capital receipts (subscriptions, switching)
 - Income and investment receipts (including sales of investments)
 - Payments for investments
 - Payment of expenses and charges
- Derivatives
- Receivables and payables

- Corporate actions
- Custodial arrangements – protection of assets, existence
- Position reconciliations – cash, securities, derivatives, currencies
- Financial accounting
 - Accounting policies
 - Valuation policies
 - Valuation of assets and liabilities
 - Unit pricing

Policyholder relationship controls

- Sales of approved policies
- Approval of fees and charges
- Policyholder contracting (including AML, KYC)
- Applications for units (including switching)
- Allocation of units to policyholders
- Allocation of cash received to individual funds
- Sales of units (including partial sales and switching)
- Cancellations of policies within free look period
- Cancellation of units (including cancellations for the payment of mortality and other charges)
- Policyholders units registers
- Policyholder reporting and policyholder static data control
- Use of checklists and quality controls

**ILLUSTRATIVE REPORT BY THE REPORTING ACCOUNTANTS TO THE DIRECTORS OF
XYZ PTE LTD (TYPE II(B))**

The Board of Directors
XYZ Pte Ltd
[Address]
[Address]

[Date]

Dear Sirs

Report by the Reporting Accountants on the Internal Control Procedures of XYZ Pte Ltd

Introduction

This report has been commissioned by the directors of XYZ Pte Ltd (the “Company”). It reports our findings with respect to the internal control procedures over selected aspects of the investment management operations of the Company, other than investment decision-making. It covers only the individual funds established in respect of the investment-linked insurance policies (“ILP sub-funds”) issued by the Company.

A description of the key business processes and internal accounting controls can be found in the “Report on Internal Controls of XYZ Pte Ltd” on pages [] to [], prepared by the directors of the Company.

The nature, extent and timing of the work carried out by us on the internal controls are described under “Basis of opinion” and our findings are described in our “Opinion”.

Use of this report

This report is intended solely for use of the directors of the Company.

The report may be made available to policyholders of the Company’s ILP sub-funds, the shareholders and [the Monetary Authority of Singapore (the “MAS”)/various regulatory authorities] for their information. We consent to the provision of the report to them without any liability to them on our part.

It is to be clearly understood that we do not accept any responsibility for any loss occasioned to any party to whom the directors may provide this report or to any other party into whose hands this report may come. The attention of such persons is drawn to the engagement letter dated ____, which includes the limitation of liability of the reporting accountants.

Respective responsibilities of directors and reporting accountants

Your responsibilities as directors are set out in the accompanying “Report by the Directors of XYZ Pte Ltd” and the “Report on Internal Controls of XYZ Pte Ltd”. It is our responsibility to form an independent opinion, based on the work that we carried out, and to report our opinion to you as directors of the Company.

Basis of opinion

We have reviewed the accompanying “Report on Internal Controls of XYZ Pte Ltd” on pages [] to []” describing the control procedures relating to the investment management operations, other than investment decision-making, of the Company in respect of its ILP sub-funds.

Our review included procedures to obtain reasonable assurance about whether the accompanying “Report on Internal Controls of XYZ Pte Ltd” as prepared by the directors describes fairly, in all material respects, the aspects of the control procedures in relation to the investment management operations, other than investment decision-making, of the Company in respect of its ILP sub-funds, the controls as described were suitably designed to achieve the control objectives specified, if those controls were complied with satisfactorily, and such controls had been placed in operation as of ____.

Our review was performed in accordance with Audit Guidance Statement 8 “Reports on the Internal Control Procedures of Service Organisations” issued by the Institute of Certified Public Accountants of Singapore and included those procedures we considered necessary in the circumstances to obtain a reasonable basis for rendering our opinion.

In addition to the procedures we considered necessary to render our opinion as expressed in the previous paragraph, we applied tests to specific controls, listed in the accompanying report on Summary of Control Objectives, Procedures and Tests, to obtain evidence about their effectiveness in meeting the stated control objectives.

Our tests did not include tests of transactions in respect of any particular policyholder. They were restricted to the procedures of the Company’s activities carried out and their relevance to any individual policyholder is dependent on their interaction with the particular procedures and other circumstances of that policyholder.

The description of controls at the Company is as of____, and information about the tests of the operating effectiveness of specific controls covers the period from ____ to____. The potential effectiveness of specific controls at the Company is subject to inherent limitations and, accordingly, errors or irregularities may occur and not be detected. Such procedures cannot guarantee protection against fraudulent collusion especially on the part of those holding positions of authority or trust. Furthermore, this opinion is based on historical information and the projection of any information or conclusions in the attached report to any future periods would be inappropriate.

Opinion

Based on the above, in our opinion:

- (a) the accompanying "Report on Internal Controls of XYZ Pte Ltd" describes fairly, in all material respects, the control procedures that had been placed in operation as of ____;
 - (b) the controls, as described, are suitably designed to provide reasonable assurance that the specified control objectives would be achieved if the described controls were complied with satisfactorily; and
 - (c) the control procedures that were tested as set out in the accompanying "Report on Internal Controls of XYZ Pte Ltd" were operating with sufficient effectiveness to provide reasonable, but not absolute, assurance that the control objectives as specified were achieved during the period from _____ to _____.
- [State qualifications, as appropriate – *consider including significant changes made to the control procedures pertaining to [the area or function under review], or comments relating to controls which were established during the year and did not cover the full year.*
 - *Provide comments relating to outsourced functions, reliance on internal auditors or other parties such as service organizations and reports by their reporting accountants.*

Signature
Public Accountants and
Certified Public Accountants
Singapore
Date

ILLUSTRATIVE SUMMARY OF CONTROLS OBJECTIVES, PROCEDURES AND TESTS

Example description of the subject matter and internal control objectives and procedures (detail level) and a report by the management of the service organisation on its internal controls:

XYZ PTE LTD

Introduction

[background of the Company and brief descriptions of processes]

Prepared by XYZ Pte Ltd	Performed by Reporting Accountants		
Control Objective: Subscriptions (including top-ups), surrenders (including partial surrenders) and switching of units of the ILP sub-funds are properly recorded and allocated into the correct ILP sub-funds	Control Procedures • •	Tests Carried Out • •	Results • •
Control Objective: Units of the ILP sub-funds are properly priced	Control Procedures • •	Tests Carried Out • •	Results • •

Appendix 12

The Board of Directors
ABC Insurance Company (Singapore) Pte Ltd

Sample Independent Auditor's Report on Agreed-Upon Procedures – Total Expense Ratio of Investment-linked Fund/Sub Funds

We have performed the procedures agreed with you and enumerated below with respect to the Total Expense Ratio of the Investment-Linked Funds/Sub-funds ("Funds/Sub-funds") of ABC Company for the year ended 31 December 20XY, set forth in the accompanying schedule. The management is responsible for the computation of the Total Expense Ratio of the Funds/Sub-Funds in accordance with the formula stipulated in the Investment Management Association of Singapore's ("IMAS") *Guidelines on Calculation of Expense Ratio* and the directives issued by the Central Provident Fund Board ("CPF Board").

Our engagement was undertaken in accordance with the Singapore Standard on Related Services applicable to agreed-upon procedures engagements. The procedures were performed solely to assist you in evaluating whether the Total Expense Ratio of the Funds/Sub-funds as set forth in the accompanying schedule was calculated in accordance with the formula stipulated in IMAS' *Guidelines on Calculation of Expense Ratio* and the directives issued by the CPF Board, and are summarised as follows:

1. We obtained the Company's computation of the total expenses; comprising direct and common expenses incurred by the Funds/Sub-Funds for the year ended 31 December 20XY and we agreed the total expenses to the audited Financial Statements of the Funds/Sub funds for the year then ended.
2. We obtained a sample of 25 daily average Net Asset Value calculations (NAVs) of the Funds/Sub-funds as used by the Company to compute the Total Expense Ratio, and agreed these NAVs to the valuation report of the custodian/fund manager.
3. We checked that the formula used for the computation of the total expense ratio of the Funds/Sub-funds is in accordance with the formula stipulated in IMAS' *Guidelines on Calculation of Expense Ratio* and directives issued by CPF Board.
4. For Funds/Sub-funds that feed into other underlying fund(s), we ascertained that the expense ratio of the underlying was included in the computation of the total expense ratio of the Funds/Sub-funds. This/These expense ratios of the underlying fund(s) was/were not subject to our procedures above.

We report our findings below:

- (a) With respect to item 1 we found.....
- (b) With respect to item 2 we found.....
- (c) With respect to item 3 we found.....
- (d) With respect to item 4 we found.....

(Detail the exceptions, if any)

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 total expense ratio for the year ended 31 December 20XY.

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 submission to Central Provident Fund Board and for your information and is not to be used for any other purpose or to be distributed to any other parties. This report relates only to the accounts and items specified above and does not extend to any financial statements of ABC Company, taken as a whole.

____ (Firm)
Public Accountants and
Certified Public Accountants
Singapore
____ (Date)

Schedule of Total Expenses Ratio

Investment Linked Fund	Total Expenses S\$ (A)	Daily Average Net Assets Value S\$ (B)	Expense Ratio % (C) = (A)/(B) x 100	*Expense Ratio of underlying fund % (D)	Total Expense Ratio % (E) = (C) + (D)
XYZ Fund	xxxxx	xxxxx	xx	xx	xx
ABC Fund					
DEF Fund					

* to be weighted if more than one underlying fund

Appendix 13

The Board of Directors
[Company's name and address]

Attention: Principal Officer

Dear Sirs,

INDEPENDENT AUDITOR'S REPORT RELATING TO "TERMINATED" INVESTMENT-LINKED INSURANCE POLICY SUB-FUND ("ILP SUB-FUND") PURSUANT TO MAS NOTICE 307

Name of terminated/matured ILP sub-fund: _____

Date of termination (final distribution to policyholders): _____

We have audited ABC Company's compliance with the Monetary Authority of Singapore's (MAS) Notice 307 in relation to xxxx Fund (ILP sub-fund) as at [date] and for the period then ended.

We conducted our audit in accordance with Singapore Standards on Auditing. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether ABC Company has complied with the relevant requirements of the MAS Notice 307. Our audit included examining appropriate evidence on a test basis. We believe that our audit provides a reasonable basis for our opinion.

For the purpose of rendering our findings below, we have carried out such audit procedures on the transactions relating to the terminated/matured ILP sub-fund as we would normally expect to perform on the ILP sub-funds in connection with our audit of the financial statements of ABC Company.

During the course of our audit, nothing came to our notice that caused us to believe that:

1. all assets of the ILP sub-fund have not been realised as at the date of termination/maturity;
2. all resultant proceeds (net of outstanding liabilities) have not been distributed to the policyholders in the same proportion as their holdings in the ILP sub-fund; and
3. the insurer has not complied with the requirements as set out in Notice 307 in relation to the ILP sub-fund from the date immediately after the period of the latest completed audit to the date of termination/maturity (final distribution to policyholders).

A list and description of liabilities that have not been settled but have been accrued to the ILP sub-fund and excluded from the final distribution is attached in Appendix X.

This report is issued for your submission to the Monetary Authority of Singapore and should not be used for any other purpose other than to be made available, upon request, to policyholders within 5 years from the date of termination/maturity of the ILP sub-fund.

Yours faithfully,

(Firm)
Public Accountants and
Certified Public Accountants
Singapore

(Date)