



# **CBB Reporting Appendix BR-3 Agreed Upon Procedures**



**Agreed Upon Procedures  
History**

<b>Change Date</b>	<b>Description of Changes</b>
01/2014	Initial Launch



## **Appendix BR –3: Agreed Upon Procedures**

PIR

### **AGREED UPON PROCEDURES REPORT**

**[Microfinance Institution]**

**Financial year ended 31 December 20XX**

We have performed the procedures agreed with you and enumerated below with respect to the Quarterly Prudential Information Report for Financing Companies (“PIR”) submitted to the Central Bank of Bahrain (CBB) relating to the quarter ended 31/30 March/June/September/December 20XX, a copy of which is attached with this report. Our engagement was undertaken in accordance with the International Standard on Related Services applicable to Agreed-Upon Procedures Engagements 4400. The procedures were performed solely to assist you in confirming that the Form PIR is completed in accordance with the directives issued by CBB from time to time in this regard and are summarised as follows:

1. We have compared the information reported in the Form PIR to the microfinance institution’s accounting records or with the microfinance institution’s own internal systems;
2. We have read the information reported in the Form PIR to confirm that it is disclosed in accordance with the capital adequacy Module applicable to microfinance institutions and the directives issued by the CBB from time to time. On a sample basis we have checked the composition of various balances and classifications to the underlying records;
3. We have read the information reported in the Form PIR to confirm that it is consistent with the information reported elsewhere in the Form PIR;
4. We have checked that the calculation of the leverage ratio is in line with Module CA;
5. We have compared the opening balances reported in the Form PIR to the closing balances for the previous period as reported to the CBB;
6. We have checked the arithmetical accuracy of the Form PIR on a test basis;
7. We have read the Form PIR to identify any material omitted items;
8. We have enquired from the staff responsible for completion of the Form PIR of the nature of errors or inconsistencies in the Form PIR previously reported to the CBB and the steps taken by the licensee to overcome those errors and inconsistencies; and
9. We have checked that an adequate internal control system is implemented for the preparation of the PIR and that the PIR is reviewed by appropriate independent personnel.



We report our findings below:

- (a) With respect to item 1, we found that the information reported in the Form PIR agrees to the microfinance institution's accounting records, or with the microfinance institution's own internal systems;
- (b) With respect to item 2, we found that based on underlying records, the Form PIR has been disclosed in accordance with the capital adequacy Module applicable to microfinance institution and the directives issued by the CBB from time to time. On a sample basis we have checked the composition of various balances and classifications to the underlying records and found the classifications to be fairly stated;
- (c) With respect to item 3, we found that the information reported in the Form PIR was consistent with the information reported elsewhere in the Form PIR;
- (d) With respect to item 4, we found that the calculation of the leverage ratio is in line with Module CA;
- (e) With respect to item 5, we found that the opening balances reported in the Form PIR agree with the closing balances for the previous period as reported to the CBB;
- (f) With respect to item 6, we found that the arithmetical calculations in the Form PIR were accurate;
- (g) With respect to item 7, we did not identify any sections of the Form PIR that were incomplete;
- (h) With respect to item 8, our enquiries from the staff responsible for the completion of the Form PIR about the nature of errors or inconsistencies in the Form PIR previously reported to the CBB revealed that the microfinance institutions has taken adequate steps to overcome these issues; and
- (i) With respect to item 9, we have checked that an adequate internal control system is implemented for the preparation of the PIR and that the PIR is reviewed by appropriate independent personnel.

Because the above procedures do not constitute either an audit or a review made in accordance with International Standards on Auditing or International Standard on Review Engagements, we do not express any audit or review assurance on the information reported in the Form PIR. Had we performed additional procedures or had we performed an audit or review of the report in accordance with International Standards on Auditing or International Standard 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 first paragraph of this report and is only for the information of the microfinance institution and the Central Bank of Bahrain. This report should not be used for any other purpose or be distributed to any other parties. This report relates only to the information reported in the Form PIR for the quarter ended 31/30 March/June/September/December 20XX.

Name of Auditor:

Date:

Copy to: Director of Banking Supervision Directorate  
Central Bank of Bahrain