

January 15, 2013  
Circular No. SBP-DR-0009-2013

General Manager

Subject: Audit Discrepancy Report

Dear General Manager:

Circular 41-2011 dated June 6, 2011 established that banks must submit a copy of the audit discrepancy report that was submitted to them by their external auditors to the Superintendency, having a deadline of one hundred and twenty (120) calendar days after the closing of their fiscal year.

To standardize the submittal of this information by banks, we wish to provide you the minimum requirements for preparing this report:

1. The Audit Discrepancy Report must include both corrected and uncorrected discrepancies, each being submitted separately in these two groups, indicating whether the error was caused by mistake or fraud.
2. Details of the account and a description of the adjusted or reclassified items.
3. Impact on the balance sheet and income statement.
4. For uncorrected discrepancies, please state if it was an objective, a normative or a projected discrepancy and the reasons why top management decided not to correct them.
5. Signatures of the appropriate member of the bank's top management and the auditing firm's representative, showing that the bank had full knowledge of the audit discrepancies.

We would greatly appreciate your coordinating the issuance of the above information with your external auditors and providing your staff with the necessary instructions for compliance with the provisions of this Circular.

Best regards,

Alberto Diamond R.  
Superintendent