

Executive Summary

1. SADeaf had conducted an internal checks and it was discovered that there could be possible fund misappropriation.
2. On 5 July 2011, the management of SADeaf retrieved from the home of a long standing volunteer and senior office bearer of the Association who passed away in April 2011 ("Member"), a purported "original" DBS Bank letter for the renewal of a Structured Deposit along with several other purported audit verifications for the Call Deposit and Structured Deposit addressed to our auditor, C N Tiew & Co. The staff had visited the home of the late Member when they could not find the original SD receipt and it was long established practice that the SD matter was personally handled by the late Member.
3. These documents were faxed and emailed to DBS Bank. The bank could not recognise the documents.
4. On 11 July 2011, SADeaf made a police report. The Commissioner of Charities and the National Council of Social Service were also informed on the same day.
5. On 20 July 2011, public accounting firm Ernst and Young was engaged to look into the loss of funds, and governance and internal control processes.
6. On 29 July 2011 and 11 August 2011, DBS Bank confirmed that SADeaf had never held any Call Deposit and/or Structured Deposit with them. Findings also confirmed that the records maintained by SADeaf are erroneous and the existence of the principal sum with DBS Bank since 1991 is non-existent. DBS Bank also could not recognise the audit verification letter dated May 2008 purportedly sent from them to C N Tiew.
7. In light of above, there are reasons to believe that the funds that were purportedly placed in Call Deposit / Structured Deposit with DBS Bank were non-existent with the possibility that the same was misappropriated from SADeaf between the period November/December 1980 (during the placement of on-call deposits in which findings were not able to assess which bank and/or financial institution the placements were made) to 1991 (the year in which Call Deposit first appeared in SADeaf's records).
8. On 22 August 2011, on the advice of the auditors, the Executive Council decided to write off the loss of cash against designated fund (General Fund) in the SADeaf's reserves. SADeaf is trying to recover what we have lost.

9. On 2 September 2011, a summary of Ernst and Young's findings were presented to the Commissioner of Charities.
10. Investigation by the Commercial Affairs Department is still ongoing. This is information gathered so far.
11. Moving forward, SADeaf has taken immediate steps to rectify and strengthen the internal controls and will be reviewing the constitution. Cost controls and fund raising will be intensified. An audit committee has been set up to enhance corporate governance of the Exco and SADeaf. SADeaf also hopes to garner greater support from our supporters and ambassadors during this difficult time.
12. SADeaf assures all its members that the IPC remains valid and funding will continue. What has happened to SADeaf is a one-off incident. At the moment, there is no evidence of misconduct on any of the staff. The day-to-day operations are not affected. SADeaf's services to the clients are also not affected.
13. For further enquiries, please contact:
 - a. Ms Judy Lim (Executive Director) at HP: 97256285 or email: ed@sadeaf.org.sg.
 - b. Mr Martin Marini (Executive Council member) at (office) – 63751606 or email care of: ed@sadeaf.org.sg.
14. Thank you.

Issued by the Executive Council of the Singapore Association for the Deaf
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