

TENDERING AUDIT/ASSURANCE ENGAGEMENTS VIA GeBIZ – OWNERSHIP OF WORKING PAPERS

Government Electronic Business, or more commonly known as GeBIZ, is the Singapore government’s e-procurement portal where all invitations from the public sector for quotations and tenders are posted, including tenders from public agencies for audit or assurance engagements and the related tender documents. It is common for a typical GeBIZ tender document to contain clauses which state that the work arising from the contract as well as the materials generated shall belong to the public agency. Examples of such clauses include:

- The Public Agency shall own all the documentation generated for the purpose of this Contract; and/or
- The Audit Firm shall within seven days upon the termination of this Contract or upon the completion of this Contract, return to the Public Agency all property, documents, papers and copies of thereof produced in the

course of this Contract; received from the Public Agency for the purpose of this Contract; or produced in the course of this Contract, which may be in the Audit Firm’s possession or under the Audit Firm’s control; and securely destroy and erase all soft copies of documentation that exist in hard disks, removable storage media and other storage media or facility whatsoever.

It should be noted that these clauses run contrary to the requirements of Singapore Standards on Auditing (SSA). SSA 230 *Audit Documentation* paragraphs 3 and 5 state that audit documentation provides a sufficient and appropriate record of the basis for the auditor’s report and provides evidence that the audit was planned and performed in accordance with SSAs and applicable legal and regulatory requirements. Audit documentation also serves a number

of other important purposes, including retaining a record of matters of continuing significance to future audits and enabling the conduct of quality control reviews and inspections in accordance with Singapore Standard on Quality Control (SSQC) 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*. Audit documentation is kept in the final audit file which belongs to the auditor.

Audit firms accepting these engagements via GeBIZ tenders should be aware of such clauses in the tender documents, which form the terms and conditions of the engagement. It would be important and necessary for audit firms to reiterate to the public agencies that the audit working papers belong to the audit firms. This could be done via the audit firm's proposals to the public agencies during the tender submission as well as in the engagement letters after tenders have been accepted. Some suggested wordings to be used could be as follows:

- “Notwithstanding the terms and conditions of the tender

documents, for the avoidance of doubt, all working papers produced by the Audit Firm in the course of performing the Services governed by this Contract, are the property of the Audit Firm.”

When submitting their tender bids, audit firms should stipulate the above in GeBIZ as one of the conditions to be fulfilled before they will accept the engagement.

- “In all circumstances, we retain ownership of the working papers compiled in connection with our Services rendered.”

Audit firms should consider including the above in their engagement letters with the public agencies.

All public accountants are strongly advised to follow the guidance provided above. It is important that audit firms keep in mind such clauses that exist in the tender documents and address them accordingly to protect their own interests and meet the requirements of the SSAs.



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