

SINGAPORE STANDARD ON AUDITING 700 (REVISED) FORMING AN OPINION AND REPORTING ON FINANCIAL STATEMENTS

(Effective for audits of financial statements for periods beginning on or after 15 December ~~2023~~2024)

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Basis for Opinion

28. The auditor’s report shall include a section, directly following the Opinion section, with the heading “Basis for Opinion”, that: (Ref: Para. A32)

(a) States that the audit was conducted in accordance with Singapore Standards on Auditing; (Ref: Para. A33)

(b) Refers to the section of the auditor’s report that describes the auditor’s responsibilities under the SSAs;

(c) Includes a statement that the auditor is independent of the entity in accordance with the relevant ethical requirements relating to the audit, and has fulfilled the auditor’s other ethical responsibilities in accordance with these requirements.

(i) The statement shall refer to the Accounting and Corporate Regulatory Authority (ACRA) *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (ACRA Code)¹ and the ethical requirements that are relevant to the audit of the financial statements in Singapore.² Where applicable, the statement may also refer to the International Ethics Standards Board for Accountants’ *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code) or identify the jurisdiction of origin of the relevant ethical requirements; ~~and~~ (Ref: Para. A34–~~A39~~A37)

(i)(ii) If the relevant ethical requirements require the auditors to publicly disclose when the auditor applied independence requirements specific to audits of financial statements of certain entities, the statement shall indicate that the auditor is independent of the entity in accordance with independence requirements applicable to the audits of those entities; and (Ref: Para A35A)

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Auditor’s Report Prescribed by Law or Regulation

50. If the auditor is required by law or regulation of a specific jurisdiction to use a specific layout, or wording of the auditor’s report, the auditor’s report shall refer to Singapore Standards on Auditing only if the auditor’s report includes, at a minimum, each of the following elements: (Ref: Para. A70–A71)

¹ A public accountant is required under the Accountants Act 2004, to comply with the ACRA Code.

² The “ethical requirements that are relevant to the audit of the financial statements in Singapore” includes:

- (a) The ACRA’s Public Accountants Oversight Committee (PAOC)’s pronouncements on all professional matters and professional ethics issued from time to time; and
- (b) The pronouncements on professional matters and professional ethics of any professional accountancy body adopted by the PAOC, for example, Ethics Pronouncement (EP) 200, *Anti-Money Laundering and Countering the Financing of Terrorism – Requirements and Guidelines for Professional Accountants in Singapore*.

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(e) A statement that the auditor is independent of the entity in accordance with the relevant ethical requirements relating to the audit, and has fulfilled the auditor's other ethical responsibilities in accordance with these requirements.

- (i) The statement shall refer to the ACRA Code and the ethical requirements that are relevant to the audit of the financial statements in Singapore. Where applicable, the statement may also refer to the IESBA Code or identify the jurisdiction of origin of the relevant ethical requirements.
- (ii) If the relevant ethical requirements require the auditor to publicly disclose when the auditor applied independence requirements specific to audits of financial statements of certain entities, the statement shall indicate that the auditor is independent of the entity in accordance with the independence requirements applicable to the audits of those entities.

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Application and Other Explanatory Material

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Relevant ethical requirements

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A35A. Relevant ethical requirements may:

- Establish independence requirements that are specific to audits of financial statements of certain entities specified in the relevant ethical requirements, such as the independence requirements for audits of financial statements of public interest entities in the ACRA Code. Relevant ethical requirements may also require or encourage the auditor to determine whether it is appropriate to apply such independence requirements to audits of financial statements of entities other than those entities specified in the relevant ethical requirements.
- Require the auditor to publicly disclose when the auditor applied independence requirements specific to audits of financial statements of certain entities. For example, the ACRA Code requires that when a firm has applied the independence requirements for public interest entities in performing an audit of the financial statements of an entity, the firm publicly disclose that fact, unless making such disclosure would result in disclosing confidential future plans of the entity.³

SSA 260 (Revised) sets out requirements and guidance about the auditor's communication with those charged with governance, which includes communications for these cases.⁴

A36. Law or regulation, national auditing standards or the terms of an audit engagement may also require the auditor to provide in the auditor's report more specific information about the sources of the relevant ethical requirements, including those related to independence, that applied to the audit of the financial statements.

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³ ACRA Code, paragraphs R400.25–R400.26

⁴ SSA 260 (Revised), paragraphs 16A and A29

Illustration 1 – Auditor’s Report on Financial Statements of a Singapore Incorporated Listed Company Prepared in Accordance with a Fair Presentation Framework. The Audit is not a Group Audit.

For purposes of this illustrative auditor’s report, the following circumstances are assumed:

- Audit of a complete set of financial statements of a Singapore incorporated listed company using a fair presentation framework. The audit is not a group audit (i.e., SSA 600 (Revised) does not apply).
- The financial statements are prepared by management of the company in accordance with SFRS(I)s (a general purpose framework)⁵.
- The terms of the audit engagement reflect the description of management’s responsibility for the financial statements in SSA 210.
- The auditor has concluded an unmodified (i.e., “clean”) opinion is appropriate based on the audit evidence obtained.
- The relevant ethical requirements that apply to the audit comprise the Accounting and Corporate Regulatory Authority (ACRA) *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (ACRA Code) together with the ethical requirements relating to the audit in Singapore, and the auditor refers to both. [The ACRA Code and the ethical requirements relating to the audit in Singapore include independence requirements that are applicable to audits of financial statements of public interest entities. They also require the auditor to publicly disclose that the independence requirements applicable to audits of financial statements of public interest entities were applied.](#)
- Based on the audit evidence obtained, the auditor has concluded that a material uncertainty does not exist related to events or conditions that may cast significant doubt on the company’s ability to continue as a going concern in accordance with SSA 570 (Revised).
- Key audit matters have been communicated in accordance with SSA 701.
- The auditor has obtained all of the other information prior to the date of the auditor’s report and has not identified a material misstatement of the other information.
- Those responsible for oversight of the financial statements differ from those responsible for the preparation of the financial statements.
- In addition to the audit of the financial statements, the auditor has other reporting responsibilities required under local law.

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Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Accounting and Corporate Regulatory Authority (ACRA) *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (ACRA Code), [as applicable to audits of financial statements of public interest entities](#), together with the ethical requirements that are relevant to ~~our~~ audits of the financial

⁵ For first year adoption of SFRS(I)s, the auditor should refer to *Auditor’s Report on Financial Statements Prepared in Accordance with Singapore Financial Reporting Standards (International) – Frequently Asked Questions* issued by the Institute of Singapore Chartered Accountants in April 2018 for guidance on reporting considerations.

statements of public interest entities in Singapore, ~~and~~ We have also fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Illustration 2 – Auditor’s Report on Financial Statements of a Singapore Incorporated Listed Company Prepared in Accordance with a Fair Presentation Framework. The Audit is a Group Audit.

For purposes of this illustrative auditor’s report, the following circumstances are assumed:

- Audit of a complete set of consolidated financial statements and statement of financial position of a Singapore incorporated listed company using a fair presentation framework. The audit is a group audit of a company with subsidiaries (i.e., SSA 600 (Revised) applies).
- The financial statements are prepared by management of the company in accordance with SFRS(I)s (a general purpose framework)⁶.
- The terms of the audit engagement reflect the description of management’s responsibility for the financial statements in SSA 210.
- The auditor has concluded an unmodified (i.e., “clean”) opinion is appropriate based on the audit evidence obtained.
- The relevant ethical requirements that apply to the audit comprise the Accounting and Corporate Regulatory Authority (ACRA) *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (ACRA Code) together with the ethical requirements relating to the audit in Singapore, and the auditor refers to both. The ACRA Code and the ethical requirements relating to the audit in Singapore include independence requirements that are applicable to audits of financial statements of public interest entities. They also require the auditor to publicly disclose that the independence requirements applicable to audits of financial statements of public interest entities were applied.
- Based on the audit evidence obtained, the auditor has concluded that a material uncertainty does not exist related to events or conditions that may cast significant doubt on the company’s ability to continue as a going concern in accordance with SSA 570 (Revised).
- Key audit matters have been communicated in accordance with SSA 701.
- The auditor has obtained all of the other information prior to the date of the auditor’s report and has not identified a material misstatement of the other information.
- Those responsible for oversight of the financial statements differ from those responsible for the preparation of the financial statements.
- In addition to the audit of the financial statements, the auditor has other reporting responsibilities required under local law.

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Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (ACRA) *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (ACRA Code), as applicable to audits of financial statements of public interest entities, together with the ethical requirements that are relevant to ~~our~~ audits of the financial statements of public interest entities in Singapore, ~~and we~~ have also fulfilled our other ethical

⁶ For first year adoption of SFRS(I)s, the auditor should refer to *Auditor’s Report on Financial Statements Prepared in Accordance with Singapore Financial Reporting Standards (International) – Frequently Asked Questions* issued by the Institute of Singapore Chartered Accountants in April 2018 for guidance on reporting considerations.

AMENDMENTS TO SSA 700 (REVISED) AND SSA 260 (REVISED)

responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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SINGAPORE STANDARD ON AUDITING 260 (REVISED) COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

(Effective for audits of financial statements for periods beginning on or after 15 December [2023/2024](#))

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Auditor Independence

[16A. The auditor shall communicate with those charged with governance the relevant ethical requirements, including those related to independence, that the auditor applies for the audit engagement, including if applicable in the circumstances, any independence requirements specific to audits of financial statements of certain entities. \(Ref: Para. A29\)](#)

17. In the case of listed entities, the auditor shall communicate with those charged with governance:

- (a) A statement that the engagement team and others in the firm as appropriate, the firm and, when applicable, network firms have complied with relevant ethical requirements regarding independence; and
 - (i) All relationships and other matters between the firm, network firms, and the entity that, in the auditor's professional judgement, may reasonably be thought to bear on independence. This shall include total fees charged during the period covered by the financial statements for audit and non-audit services provided by the firm and network firms to the entity and components controlled by the entity. These fees shall be allocated to categories that are appropriate to assist those charged with governance in assessing the effect of services on the independence of the auditor; and
 - (ii) In respect of threats to independence that are not at an acceptable level, the actions taken to address the threats, including actions that were taken to eliminate the circumstances that create the threats, or applying safeguards to reduce the threats to an acceptable level. (Ref: Para. [A29A30](#)–A32)

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Application and Other Explanatory Material

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Auditor Independence (Ref: Para. [16A](#)–17)

A29. The auditor is required to comply with relevant ethical requirements, including those related to independence, relating to financial statement audit engagements,⁷ [and to communicate with those charged with governance about the requirements the auditor applies. Relevant ethical requirements may:](#)

- [Establish independence requirements that are specific to audits of financial statements of certain entities specified in the relevant ethical requirements, such as the independence](#)

⁷ SSA 200, *Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with Singapore Standards on Auditing*, paragraph 14

requirements for audits of financial statements of public interest entities in the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code). If applicable in the circumstances of the audit engagement, this SSA requires that the auditor also communicates with those charged with governance that the auditor applies such independence requirements.

- Require the auditor to publicly disclose when the auditor applied independence requirements specific to audits of financial statements of certain entities specified in the relevant ethical requirements.⁸ SSA 700 (Revised) addresses the requirements for the auditor's report relating to the auditor's independence and the relevant ethical requirements the auditor applied.⁹
- Require or encourage the auditor to determine whether it is appropriate to apply independence requirements that are specific to audits of financial statements of certain entities to audits of financial statements of other entities not specified in the relevant ethical requirements.¹⁰ If this is the case and the auditor is required to publicly disclose when the auditor applied such independence requirements, the auditor may discuss with management of those charged with governance whether there is a risk of misunderstanding the nature of the entity and any need for additional disclosure.

A30. The communication about relationships and other matters, and how threats to independence that are not at an acceptable level have been addressed varies with the circumstances of the engagement and generally addresses the threats to independence, safeguards to reduce the threats, and measures to eliminate circumstances that created threats.

A31. Relevant ethical requirements or law or regulation may also specify particular communications to those charged with governance in circumstances where breaches of independence requirements have been identified. For example, the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) ACRA Code requires the auditor to communicate with those charged with governance in writing about any breach and the action the firm has taken or proposes to take.¹¹

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⁸ See, for example, the public disclosure requirements in the ACRA Code, paragraphs R400.25-R400.26.

⁹ SSA 700 (Revised), paragraph 28(c)

¹⁰ See, for example, encouragement in the application material in the ACRA Code, paragraph 400.24A1.

¹¹ See for example, paragraphs R400.80–R400.82 and R400.84 of the ACRA Code.