

## **Highlights of Auditing and Assurance Standards Committee Meeting on 18 October 2021**

The Institute of Singapore Chartered Accountants (ISCA) Auditing and Assurance Standards Committee (AASC or Committee) held a committee meeting via Microsoft Teams on 18 October 2021. The following are highlights of the meeting:

### 1. Implementation of Quality Management Standards

The quality management standards had been approved for issuance by the Accounting and Corporate Regulatory Authority (ACRA)'s Public Accountants Oversight Committee and were issued on 19 October 2021. The new standards would be effective from 15 December 2022.

The quality management standards were namely:

- (a) Singapore Standard on Quality Management (SSQM) 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*;
- (b) SSQM 2 *Engagement Quality Reviews*; and
- (c) Singapore Standard on Auditing 220 (Revised) *Quality Management for an Audit of Financial Statements*

### 2. Conforming Amendments to Singapore Auditing and Assurance Standards due to revised Ethics Codes

The conforming amendments to the auditing and assurance pronouncements had been issued on 1 September 2021. They would be effective on 1 December 2021 (90 days from the issuance date).

### 3. Localisation of ISRS 4400 (Revised)

Singapore Standard on Related Services 4400 (Revised) *Agreed Upon Procedures Engagements*, had been issued on 1 September 2021. The standard would be effective for agreed-upon procedures engagements for which the terms of engagement are agreed on or after 1 January 2022

### 4. IAASB Exposure Draft: Proposed International Standard on Auditing for Audits of Financial Statements of Less Complex Entities

The Committee provided their inputs to the Exposure Draft, which was due for comments by 31 January 2022.

A focus group would be held in November 2021 to seek further feedback from small-and-medium-sized practices.

### 5. Auditing Bulletin In Relation to Reliance on External Confirmations

The Committee concurred to develop an auditing bulletin that would cover audit considerations in the following areas:

- Bank confirmations from People's Republic of China
- Procedures over escrow accounts
- Valuation of investments in unquoted funds obtained from banks (which act as brokers)

### 6. Proposed Amendments to the Accountants Act

The Committee discussed the proposed amendments. ISCA will collate comments from the relevant committees and stakeholders, and submit a comment letter to ACRA.

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