

Highlights of Auditing and Assurance Standards Committee Meeting on 6 July 2012

The Institute of Certified Public Accountants of Singapore (ICPAS) Auditing and Assurance Standards Committee (AASC) met on 6 July 2012. The following are highlights of the meeting:

1. Clarity Bulletin 2 – A Practical Approach to the Clarified SSAs

The Committee noted that the publication titled “*Clarity Bulletin 2 – A Practical Approach to the Clarified SSAs*” was uploaded on the Centre for Auditing and Assurance on 5 June 2012 and members were informed via CPA Singapore Weekly on this new guidance.

2. Audit Guidance Statement (AGS) 9 *Opinion on Receipts, Expenditure, Investment of Moneys and the Acquisition and Disposal of Assets by Statutory Boards*

The Committee agreed that there was a need to provide greater clarity to the scope of AGS 9. The revised clarification statement would be issued via the Centre for Auditing and Assurance after approval by the Committee.

3. Singapore Auditing Practice Note (SAPN) 1000 *Special Considerations in Auditing Financial Instruments*, Singapore Standard on Related Services (SSRS) 4410 (Revised) *Compilation Engagements*, Singapore Standard on Auditing (SSA) 610 *Using the Work of Internal Auditors* and SSA 315 (Revised), *Identifying and Assessing the Risks of Material Misstatement through Understanding the Entity and Its Environment*

The Committee noted the issuance of Exposure Drafts on SAPN 1000, SSRS 4410 (Revised), SSA 610 (Revised) and SSA 315 (Revised) for public consultation. The Committee would finalise the standards for approval before issuing the standards.

4. Standard Form for Related Party Transactions

The Committee approved the standard form for related party transactions for issuance to members. A copy of the form would be uploaded to the Centre of Auditing and Assurance and Centre for Financial Reporting.

5. Joint Audits

The Committee noted the amended Singapore Exchange (SGX) Listing Rule 712 which required auditing firms appointed by the issuer to be registered with and/or regulated by the Accounting and Corporate Regulatory Authority (ACRA) or an independent audit oversight body acceptable to the Exchange. Existing listed companies which were unable to comply with the above rule were given one year from the effective date of 29 September 2011 to fulfil this requirement, i.e. by 29 September 2012. An anticipated consequence of such rule change was that issuers might appoint joint auditors to perform audits of their financial statements. The Committee noted that a sub-committee had been formed to work on a new audit guidance statement to provide guidance to auditors on how joint audits should be performed and documented, and the applicable audit quality standards required of such audits.

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