

Highlights of Auditing and Assurance Standards Committee Meeting on 3 August 2018

The Institute of Singapore Chartered Accountants (ISCA) Auditing and Assurance Standards Committee (AASC or Committee) met on 3 August 2018. The following are highlights of the meeting:

1. Auditor Reporting

Post Implementation Review of the New and Revised Auditor Reporting Standards

Arising from suggestions raised during the focus group held on 5 December 2017 as part of the Post Implementation Review (Phase 1) to enhance the role of ACs, the Committee would work with Singapore Institute of Directors (SID) and ACRA to promote AC commentary.

FAQs

On 1 June 2018, ISCA issued the 2nd version of the FAQ publication providing guidance on implementation of the new and revised auditor reporting standards, which included 2 additional FAQs.

2. Review of ISCA's Locally Developed Pronouncements

The Committee is in the process of engaging the respective government agencies and working with them to update their reporting templates.

SAP 2 (Revised), Auditors and Public Offering Documents

The Committee approved for public consultation, the amended SAP 2 presented by the ISCA Corporate Finance Committee which included guidance to reporting auditors on reports on profit forecasts that were not included in a prospectus, i.e. private reports on profit forecasts.

3. Subsidiary Legislation on Sections 202A & 202B Revision of Defective Financial Statements

The Committee approved for public consultation, the illustrative auditor's report on revised financial statements.

4. Guidance on Cybersecurity Risks Considerations in a Financial Statements Audit

On 1 June 2018, ISCA launched the publication "*Cybersecurity Risk Considerations in a Financial Statements Audit*" at the ISCA Practitioners Conference. ISCA would be conducting a Breakfast Talk on this topic on 12 September 2018, focusing on practical application through case study.

5. Monitoring Group (MG) Consultation: Strengthening the Governance and Oversight of the International Audit-Related Standard-Setting Boards in the Public Interest

ISCA hosted a MG roundtable in Singapore on 19 June 2018 which was attended by 17 participants and the final proposals of the MG were expected to be published at the end of the year.

6. FAQ – Auditor’s Report on Financial Statements Prepared in Accordance with Singapore Financial Reporting Standards (International) (SFRS(I)s)

On 19 April 2018, ISCA issued the FAQ publication which provides guidance on the impact to the auditor’s report on the first set of financial statements prepared in accordance with SFRS(I)s.

7. AASC Report 2017/2018

The AASC Report, which details the activities and initiatives of the Committee for the term and the projects completed, had been submitted to ACRA’s Public Accountants Oversight Committee for information.

8. Singapore Financial Reporting Standards (International) – Consequential Amendments to Auditing and Assurance Pronouncements

The Committee discussed the key amendments to the related pronouncements arising from SFRS(I)s, which were mainly conforming in nature.

9. IAASB’s Exposure Draft on International Standard on Auditing (ISA) 315 (Revised)

Public consultation had been carried out to solicit comments from the stakeholders in Singapore and collective views on IAASB’s Exposure Draft on ISA 315 (Revised), *Identifying and Assessing the Risks of Material Misstatement* would be put forth to the IAASB.

10. AASC Strategy and Work Plan 2018 – 2021

The Committee approved the 3-year work plan from May 2018 to April 2021, which focused on initiatives planned for related IAASB projects, projects to address matters of relevance in Singapore, including revisiting the SAPs and AGSs, as well as educating stakeholders and promoting audit quality in the areas of auditor reporting and data analytics.

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