

Highlights of Auditing and Assurance Standards Committee Meeting on 29 January 2015

The Institute of Singapore Chartered Accountants (ISCA) Auditing and Assurance Standards Committee (AASC) met on 29 January 2015. The following are highlights of the meeting:

1. Statements of Auditing Practice (SAP) 2, Auditors and Public Offering Documents (formerly SAP 24)

SAP 2 was developed to provide the general principles governing engagements relating to public offering documents. As there were revisions to the Securities and Futures Regulations, the ISCA Corporate Finance Committee (CFC) was tasked to look into the revision of SAP 2 for it to remain updated and relevant.

Following the Public Accountants Oversight Committee (PAOC)'s approval, the revised SAP 2, effective for reports dated on or after 1 January 2015, had been issued and uploaded on the ISCA Knowledge Centre on 23 October 2014. Members were informed via ISCA Weekly on 30 October 2014.

2. Auditor Reporting

The International Auditing and Assurance Standards Board (IAASB) had issued the new and revised auditor reporting standards, effective for audits of financial statements for periods ending on or after 15 December 2016.

The AASC would continue reaching out to the non-auditor stakeholder groups to raise awareness on enhanced auditor reporting via collaborations with the Singapore Institute of Directors and the Singapore CFO Institute.

The AASC Auditor Reporting Sub-Committee would look into the adoption of the new and revised auditor reporting standards in Singapore. The Sub-Committee would also be working with ISCA Staff Member on the comment letter in response to the IAASB's proposals to enhance auditor reporting on special purpose financial statements.

3. Signing Convention for Assurance, Review and Related Services Engagements

Reports issued under the assurance (SSAEs) and review (SSREs) frameworks shall only be signed by a public accountant. Reports issued under the related services framework (SSRSs) shall only be signed by a professional accountant who is in public practice; and holds the Chartered Accountant of Singapore [CA (Singapore)] professional designation conferred by ISCA. In addition, engagements within the scope of public accountancy services as defined in the Accountants Act (Cap. 2) performed under the SSRSs shall be signed by a public accountant. The appropriate signatory shall be followed for reports dated on or after 1 January 2015.

The amended pronouncements, arising from the clarification, were issued and uploaded on the ISCA Knowledge Centre on 24 November 2014. Members were informed via ISCA Weekly on 27 November 2014.

4. International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information

The proposed SSAE 3000 (Revised) and confirming amendments to the Singapore Framework for Assurance Engagements had been issued for public consultation on 3 February 2015, for comments due by 2 March 2015.

5. Statement of Auditing Practice (SAP) 1, Guidance to Auditors on Money Laundering and Terrorism Financing

SAP 1 provided information on the anti-money laundering (AML) and countering the financing of terrorism (CFT) legislations and guidance to auditors in Singapore on compliance with these legislations.

With the issuance of the new ISCA Ethics Pronouncement (EP) 200, *Anti-Money Laundering and Countering the Financing of Terrorism – Requirements and Guidelines for Professional Accountants in Singapore*, SAP 1 would no longer be relevant, as all AML and CFT requirements and guidelines relevant to auditors would be covered in EP 200. EP 200 was also adopted by the Public Accountants Oversight Committee (PAOC) under the Accountants (Public Accountants) Rules, and would be enforced through the complaints and disciplinary process.

As the sections in EP 200 that covered AML/CFT systems, controls and measures would only be effective from 1 May 2015, AASC recommended the withdrawal of SAP 1 in May 2015 for Council's approval.

6. Withdrawal of AGS 8, Reports on the Internal Control Procedures of Service Organisations

AGS 8 was developed to provide guidance to reporting accountants engaged to report on internal control procedures relating to specific areas or functions performed by service organisations.

AGS 8 was superseded by SSAE 3402 *Assurance Reports on Controls at a Service Organisation* when issuing reports covering periods ending on or after 15 June 2012. As a reasonable timeframe of approximately 2.5 years had lapsed for any engagements covering periods ending prior to 15 June 2012 to be completed, the ISCA Council had approved the Committee's recommendation to withdraw AGS 8.

7. International Integrated Reporting Council (IIRC) Assurance on Integrated Reporting <IR> Papers

The approved comment letter was submitted to IIRC on 8 December 2014.

Copyright 2015 Institute of Singapore Chartered Accountants. All rights reserved.

Permission is granted to make copies of this Meeting Summary provided that such copies are for use in academic classrooms or for personal use and are not sold or disseminated, and provided further that each copy bears the following credit line: "Copyright by the Institute of Singapore Chartered Accountants. All rights reserved. Used by permission".

Otherwise, written permission from the Institute of Singapore Chartered Accountants is required to reproduce, store or transmit this document, except as permitted by law. Meeting Summaries are provided for the information and convenience of those who wish to follow the Committee's deliberations. Decisions reported are tentative and may be changed or modified by the Committee at a later date. Decisions become final only after completion of the formal due process required to finalise and release documents. No responsibility is taken for the results of actions or omissions to act on the basis of any information contained in this Meeting Summary, or for any errors or omissions in it.