

Highlights of Auditing and Assurance Standards Committee Meeting on 12 January 2017

The Institute of Singapore Chartered Accountants (ISCA) Auditing and Assurance Standards Committee (AASC or Committee) met on 12 January 2017. The following are highlights of the meeting:

1. Auditor Reporting

Outreach Efforts

The Committee had completed a number of initiatives in 2015 and 2016 to create awareness of, encourage early adoption of and provide implementation guidance on the new and revised auditor reporting standards.

ISCA is currently working with ACRA and Securities Investors Association (Singapore) to develop a guide for retail investors to explain the changes to the auditor's report. The guide will also help retail investors understand how they can use the enhanced disclosures such as key audit matters, to obtain greater insights into the company's financial statements.

Post-Implementation

The Committee was updated of the issuance of the Registrar's Interpretation by ACRA, which sought to address the concerns raised on the wordings of the directors' responsibilities paragraph in the enhanced auditor's report. The Registrar's Interpretation clarified that the wordings in the enhanced auditor's report do not impose any additional responsibilities on directors in respect of the company's financial statements, beyond those required under the Companies Act.

The AASC Auditor Reporting Sub-Committee would be carrying out a post implementation review of the new and revised auditor reporting standards.

As more implementation issues were expected to emerge from the new and revised auditor reporting standards, the Committee agreed that decisions reached by the Committee on such issues could be communicated to the profession as FAQs.

2. Review of ISCA's Locally Developed Pronouncements

The amended Appendices 1 and 4 of Audit Guidance Statement (AGS) 1, *Sample Independent Auditor's Reports* were issued on 25 November 2016 and members were informed via ISCA Weekly on 1 December 2016.

As were no comments on the exposure draft for AGS 1 Appendix 2, the amended Appendix would be issued after ISCA Council's approval.

Regarding the sharing session for statutory boards on 29 November 2016, the Committee was updated that the session was well attended by 160 participants and the feedback received was very positive. Participants agreed that the contents covered were relevant and useful.

3. SSA 720 (Revised), The Auditor's Responsibilities Relating to Other Information and Related Conforming Amendments

The Committee discussed the following implementation issues identified, arising from the application of SSA 720 (Revised):

- Other Information received after date of auditor's report
- Scope of SSA 720 (Revised): Preliminary announcements
- Scope of SSA 720 (Revised): Annual reports of statutory boards

4. IAASB's Request for Input: Exploring the Growing Use of Technology in the Audit, with a Focus on Data Analytics

The Committee was updated on the Sub-Committee's efforts to solicit comments from key stakeholders on the International Auditing and Assurance Standards Board (IAASB)'s Request for Input via various platforms, including targeted consultations and focus group.

The draft comment letter would be circulated for the Committee's review and for ISCA CEO's concurrence prior to submission to the IAASB.

5. IAASB's Discussion Paper: Exploring the Demand for Agreed-Upon Procedures Engagements and Other Services, and the Implications for the IAASB's International Standards

The Committee agreed to organise focus groups to solicit comments from key stakeholders on the IAASB's Discussion Paper.

6. ISA 250 (Revised), Consideration of Laws and Regulations in an Audit of Financial Statements and Related Conforming Amendments

As the amendments to International Standard on Auditing (ISA) 250 (Revised) were made in response to the new requirements addressing non-compliance with laws and regulations (NOCLAR) in the International Ethics Standards Board for Accountants (IESBA) *Code of Ethics for Professional Accountants*, adoption of ISA 250 (Revised) in Singapore would only be done after ACRA and ISCA have adopted the NOCLAR amendments in the ACRA *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* and Ethics Pronouncement (EP) 100 *Code of Professional Conduct and Ethics* respectively.

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