

## **Highlights of Auditing and Assurance Standards Committee Meeting on 19 January 2022**

The Institute of Singapore Chartered Accountants (ISCA) Auditing and Assurance Standards Committee (AASC or Committee) held a committee meeting through Microsoft Teams on 19 January 2022. The following are highlights of the meeting:

### 1. ISCA's Locally Developed Pronouncements

#### *Updates to Audit Guidance Statement (AGS) 1 Sample Independent Auditor's Reports*

The illustrative agreed-upon procedures (AUP) report under Appendix 5A of AGS 1 in connection with Economic Development Board's Economic Development Assistant Scheme is currently being updated as a result of Singapore Standard on Related Services (SSRS) 4400 (Revised) *Agreed-Upon Procedures Engagements*.

In addition, with the supersedence of the Monetary Authority of Singapore Act, merchant banks are now regulated under the Banking Act. Arising from this, Appendix 4C in relation to the supplementary report for merchant bank would be streamlined under Appendix 4A

The updated AGS 1 incorporating the above changes is expected to be issued in mid-February.

#### *Approach in dealing with Agency Reports*

ISCA will work with the Grants Governance Office to streamline the process of handling agency reports, including potentially developing a process flow to guide agencies when developing or updating report templates.

### 2. Audit Bulletins

Audit Bulletin 1 *Revised SSRS 4400, Agreed-Upon Procedures Engagements* on key changes in SSRS 4400 (Revised) is expected to be issued in late January 2022.

Audit Bulletin 2 *Bank Confirmations Through Digital Platforms* is being developed to raise awareness over bank confirmation requests which are initiated through digital platforms directly by an entity's management. This is not in compliance with Singapore Standard on Auditing 505 *External Confirmations*. The bulletin is expected to be issued in early February 2022.

### 3. International Auditing and Assurance Standards Board's Exposure Draft: Proposed International Standard on Auditing for Audits of Financial Statements of Less Complex Entities

ISCA organised a focus group on 19 November 2021 to engage practitioners from small and medium-sized practices to obtain their views on the feasibility of the proposed standard. The comment letter incorporating their feedback has been submitted to the IAASB on 27 January 2022.

### 4. Proposed Amendments to Accountants Act

ISCA organised two focus groups to seek views from accounting entities of various sizes on the proposed amendments. The comment letter which incorporated all pertinent inputs from the focus groups and other communication channels, was submitted to the Accounting and Corporate Regulatory Authority on 30 November 2021.

### 5. Issuance of Statement of Auditing Practice (SAP) 2 (Revised 2022) Auditors and Public Offering Documents

Appendix 1 – Example 6 of SAP 2 (Revised 2022), which pertains to an illustrative AUP report relating to a private report on profit forecasts, has been updated arising from SSRS 4400 (Revised) and issued on 20 January 2022.

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