

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

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

1. Auditor Reporting

Outreach Efforts

The Investors' Guide on enhanced auditor's report (Guide), jointly developed by ISCA, ACRA and Securities Investors Association (Singapore) (SIAS), was launched on 28 March 2017 at the SIAS Investors' Forum. ISCA, ACRA and SIAS also issued a joint press statement on 29 March 2017 on the release of the Guide.

Post-Implementation

The Committee deliberated the need to communicate key audit matters for a company that changed its listing status after year end under different scenarios. The Committee would seek advice from the International Auditing and Assurance Standards Board (IAASB) and check the practices of other jurisdictions such as Hong Kong.

The discussions and decisions reached by the Committee on implementation issues arising from the new and revised auditor reporting standards would be collated and subsequently published as a consolidated FAQ to provide guidance to the profession.

2. Review of ISCA's Locally Developed Pronouncements

The amended Appendix 2 of Audit Guidance Statement (AGS) 1, *Sample Independent Auditor's Reports* was issued on 16 January 2017 and members were informed via *ISCA Insights* on 19 January 2017.

The Committee is in the process of updating Appendix 5 of AGS 1.

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):

- Scope: Annual reports of statutory boards
- Scope: Auditor's Report on 3 Years Financial Statements Included in Shareholders' Circular on Substantial Acquisition

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

The comment letter was submitted to the IAASB on 13 February 2017, subsequent to AASC's approval and ISCA CEO's concurrence.

As part of the outreach efforts to raise awareness of data analytics among the small and medium practices (SMPs), Mr Sanjay Panjabi, Chair of AASC Data Analytics Sub-Committee, would be sharing more on the topic at the ISCA Quality Assurance Seminar on 22 May 2017. The segment would introduce data analytics in audits and how the profession,

including SMPs, could leverage on data analytics in their course of work to generate valuable insights about their clients' businesses. He would share the key implementation challenges, the knowledge and skills required, and how SMPs could benefit from the adoption of data analytics to progress in tandem with today's dynamic business environment.

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*

In addition to the one-month public consultation, a focus group was conducted on 27 February 2017 to solicit comments from the public accounting firms and statutory boards. The comment letter, which incorporated the stakeholders' comments, was submitted to the IAASB on 29 March 2017, subsequent to AASC's approval and ISCA CEO's concurrence.

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