AUDIT GUIDANCE STATEMENT | **AGS 10 (Revised July 2026)**

Joint Audits

AGS 10 was issued by the Institute of Singapore Chartered Accountants (formerly known as Institute of Certified Public Accountants of Singapore) in December 2012.

The principles and guidance contained in this AGS are consistent with Singapore Standards on Auditing (SSAs) and should be read in conjunction with SSAs.

The Companies (Amendment) Act 2014 gave rise to conforming amendments in this AGS in June 2015. These amendments (terminology changes) are effective for reports dated on or after 1 July 2015.

The new and revised auditor reporting standards gave rise to conforming amendments in this AGS in July 2015. SSA 720 (Revised), *The Auditor's Responsibilities Relating to Other Information* gave rise to conforming amendments in this AGS in November 2015. These amendments are effective for audits of financial statements for periods ending on or after 15 December 2016.

The conforming amendments shaded in red arose from Exposure Draft (ED) *Addressing Disclosures in the Audit of Financial Statements*.

The references to the Singapore Acts of Parliament have been updated to their revised short titles in July 2022 to be aligned to the 2020 Revised Edition of Acts. The revised short titles should be reflected in reports dated on or after 4 August 2022.

The new and revised quality management standards give rise to conforming amendments to this AGS in December 2022. These amendments are effective for audits of financial statements for periods beginning on or after 15 December 2022.

Updates to SFRS(I) 1-1 and FRS 1 give rise to conforming amendments in AGS 10 in July 2023. These amendments are effective for audits of financial statements for periods beginning on or after 1 January 2023.

SSA 600 (Revised), *Special Considerations – Audits of Group Financial Statements (Including the Work of Component Auditors)* gives rise to conforming amendments in AGS 10 in December 2023. These amendments are effective for audits of financial statements for periods beginning on or after 15 December 2023.

The revised ACRA *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (ACRA Code) and ISCA *Code of Professional Conduct and Ethics* (ISCA Code), that require a firm to publicly disclose when it has applied the independence requirements for public interest entities, gave rise to conforming amendments to this AGS in December. These amendments are effective for audits of financial statements for periods beginning on or after 15 December 2024.

SSA 570 (Revised 2024), *Going Concern*, SSA 240 (Revised), *The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements* and the revised definition of listed entity in the ACRA and ISCA Code give rise to conforming amendments in this AGS in July 2026. These amendments are effective for audits of financial statements for periods beginning on or after 15 December 2026.

JOINT AUDITS

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AUDIT GUIDANCE STATEMENT | AGS 10

Introduction

Scope

1. This Audit Guidance Statement (AGS) deals with the key principles of joint audits, including the roles and responsibilities of joint auditors, the principal audit procedures and quality management considerations under joint audit arrangements, communication and audit documentation requirements of joint audits.

2. Whilst the context of this Statement caters primarily to joint audits performed for statutory purposes, the principles of this Statement will also apply to joint audits performed by reporting accountants in connection with an offering of securities in Singapore.

3. Joint audit arrangements are at the entity level. With a group of companies, if the joint audit is at the parent level, the joint audit would be focused on the group and parent financial statements but the audit of the subsidiaries may not necessarily fall under the joint audit arrangements. In this situation, the joint auditors should require the component auditor of the significant subsidiary, to conduct the audit of the financial statements of the subsidiary in accordance with the auditing framework used by the joint auditors.

4. As joint auditors are jointly and severally responsible for the audit and for the audit opinion expressed on the financial statements, joint auditors would have to apply the same auditing principles and guidance. Hence, where a joint audit arrangement involves an overseas joint auditor, the Singapore joint auditor would have to work with the overseas joint auditor to ensure that the joint audit is performed in accordance with this Statement.

Objective

5. In conducting an audit of financial statements, the overall objectives of the joint auditors are:

   (a) To obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, thereby enabling the joint auditors to express an opinion on whether the financial statements are prepared, in all material respects, in accordance with an applicable financial reporting framework; and

   (b) To report on the financial statements, and communicate as required by the applicable auditing framework[1], in accordance with the joint auditors' findings.

Definitions

6. For purposes of this Statement, the following terms have the meanings attributed below:

   (a) Applicable auditing framework – The auditing framework under which the joint audit is being carried out.

   (b) Component auditor – An auditor who performs audit work related to a component for

[1] Applicable auditing framework refers to Singapore Standards on Auditing (SSA), International Standards on Auditing or United States Generally Accepted Auditing Standards.

purposes of the group audit. A component auditor is a part of the engagement team[2] for a group audit.

(c) Joint audit – An audit engagement where two or more audit firms are engaged to audit an entity's financial statements and to jointly issue an auditors' report on those financial statements, thereby sharing responsibility for the audit.

(d) Joint auditor – An auditor who is engaged under a joint audit arrangement.

(e) Overseas joint auditor – An auditor who is engaged under a joint audit arrangement and is not registered as a public accountant under the Accountants Act 2004 administered by the Accounting and Corporate Regulatory Authority (ACRA).

(f) Singapore joint auditor – An auditor who is engaged under a joint audit arrangement and is registered as a public accountant under the Accountants Act 2004 administered by ACRA.

(g) Single auditor – An audit engagement where only one audit firm is engaged to audit and entity's financial statements and issues an auditors' report on those financial statements.

Principles of Joint Audits

Roles and Responsibilities

7. The joint auditor is jointly and severally responsible for the audit with the other joint auditor(s). They are also jointly responsible for the audit opinion expressed on the financial statements.

8. The joint auditor is responsible for the work of the other joint auditor(s) and cannot claim ignorance of the work performed by the other joint auditor(s). The joint auditor is to ensure that the audit has been conducted in accordance with the applicable auditing framework and that sufficient appropriate audit evidence (including the work performed by the other joint auditor(s)) has been obtained on which to form an opinion on the financial statements based on an evaluation of the conclusions drawn from the audit evidence obtained.

9. The joint auditor is to issue a single joint audit opinion on the financial statements with the other joint auditor(s) and sign jointly on a single auditors' report. Examples of joint auditors' reports are set out in Appendix 1.

Principal Audit Procedures

10. The nature, timing and extent of work to be performed in an audit of financial statements under a joint audit arrangement is the same as that under a single auditor arrangement. The joint auditor is required to follow the principles and requirements in accordance with the applicable auditing framework to jointly assess, with the other joint auditor(s), the risks and determine the appropriate audit procedures to be carried out.

11. The joint auditor establishes and agrees the overall audit strategy for the engagement and develops the audit plan jointly with the other joint auditor(s).

12. If the joint audit is an initial audit engagement for the joint auditor(s), the joint auditor(s) will be required to perform work on opening balances.

13. The joint auditor is to agree in writing with the other joint auditor(s) on the distribution of work to be performed. The joint auditor should ensure that the respective work allocation covers all

[2] SSA 220 (Revised), paragraph 12(d)

the audited entity's significant components[3] of the financial statements. The joint auditors may divide the work in terms of business units, subsidiaries, geographical locations, or items of assets and liabilities or income and expenditure.

Quality Management Considerations for Joint Audits

Independence and ethical requirements

14. The joint auditor complies with relevant ethical requirements, including those pertaining to independence, relating to financial statement audit engagements. Relevant ethical requirements ordinarily comprise the provisions of the Institute of Singapore Chartered Accountants (ISCA) and the ACRA Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (the Codes). The Codes establish the fundamental principles of ethics. The fundamental principles of ethics establish the standard of behavior expected of a professional accountant. The Code provides a conceptual framework that establishes the approach which a professional accountant is required to apply when identifying, evaluating and addressing threats to compliance with the fundamental principles. In the case of audits, reviews and other assurance engagements,

15. In the case of an audit engagement, the Code sets out *Independence Standards*, established by the application of the conceptual framework to threats to independence in relation to those engagements.

16. Where a joint audit arrangement involves an overseas auditor, the overseas auditor and its network firms also has to comply with relevant ethical requirements as described in the above two paragraphs.

Acceptance and Continuance of Client Relationships and Engagements

17. The joint auditor should follow the guidance in the applicable auditing framework in determining the acceptance and continuance of client relationships and audit engagements.

18. Under joint audit arrangements, a joint auditor should gain a general understanding of the other joint auditor(s) prior to the acceptance or continuance of an audit engagement. A joint auditor may find the principles in the applicable auditing framework on understanding the component auditor, adapted as necessary in the circumstances, useful when understanding the other joint auditor(s). This includes understanding whether the other joint auditor(s) understand and will comply with the ethical requirements that are relevant to the audit and, in particular, is independent; the professional competence of the other joint auditor(s); whether the joint auditor is able to be involved in the work of the other joint auditor(s) and review the work of the other joint auditor(s) to the extent necessary to obtain sufficient appropriate audit evidence; and whether the other joint auditor(s) operate in a regulatory environment that actively oversees auditors.

19. Prior to the acceptance or continuance of an audit engagement, the joint auditor should obtain the necessary documentation or information from the other joint auditor(s) to satisfy that there is adequate quality management system in place in the firm(s) of the other joint auditor(s) which meets the requirements of the applicable auditing framework.

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[3] A significant component is defined as a component that is of individual financial significance to the entity, or that, due to its specific nature or circumstances, is likely to include significant risks of material misstatement of the financial statements. A percentage may be applied to a chosen benchmark as an aid to identify components that are of individual financial significance. Identifying a benchmark and determining a percentage to be applied to it involve the exercise of professional judgment. Depending on the nature and circumstances, appropriate benchmarks might include group assets, liabilities, cash flows, profit or turnover. For example, components exceeding 15% of the chosen benchmark may be considered significant components. A higher or lower percentage may, however, be deemed appropriate in the circumstances. A component may also be identified as likely to include significant risks of material misstatement of the financial statements due to its specific nature or circumstances (that is, risks that require special audit consideration). For example, a component could be responsible for foreign exchange trading and thus expose the entity to a significant risk of material misstatement, even though the component is not otherwise of individual financial significance to the entity.

20. The joint auditor agrees the terms of the audit engagement with the other joint auditor(s) and with management or those charged with governance, as appropriate. The agreed terms of the audit engagement are recorded in an audit engagement letter or other suitable form of written agreement and the letter is to be signed by the joint auditors. An example of a joint audit engagement letter is set out in Appendix 2.

Consultations on Technical, Independence/Ethical or Other Matters

21. As the joint auditor is jointly and severally responsible for the audit with the other joint auditor(s), significant matters, including but not limited to technical, ethical and independence issues arising from the audit should be discussed amongst the joint auditors, together with management and/or those charged with governance, as appropriate.

Differences of Opinion between Joint Auditors

22. The joint auditor should establish policies and procedures for dealing with and resolving differences of opinion with the other joint auditor(s). Effective procedures encourage identification of differences of opinion at an early stage, provide clear guidelines as to the successive steps to be taken thereafter, and require documentation regarding the resolution of the differences and the implementation of the conclusions reached.

23. Where the differences of opinion between the joint auditors cannot be resolved, the joint auditor is to inform management and/or those charged with governance as soon as possible.

24. With reference to paragraph 9, the joint auditor should, as far as possible, resolve the differences before finalization of the auditors' report with the other joint auditor(s). In rare circumstances where this is not possible, the joint auditor would have to consider whether it is appropriate to withdraw from the engagement, where withdrawal is possible under applicable law or regulation.

Cross Review of Work of Joint Auditors

25. The joint auditor analyses the significant risk areas of the financial statements and determines the scope and extent of the cross review to be performed on the audit work of the other joint auditor(s). The review includes evaluating:

    (a) Whether audit procedures, as determined and agreed during the planning stage, to be performed by the other joint auditor(s), have been done;

    (b) Whether sufficient appropriate audit evidence has been obtained from the audit procedures performed, on which to base the audit opinion; and

    (c) Whether the conclusions of the other joint auditor(s) are generally appropriate and consistent.

26. If a joint auditor evaluates and concludes that the work of the other joint auditor(s) is insufficient, the joint auditor should highlight to the other joint auditor(s) and make arrangements to perform additional work as appropriate. If the other joint auditor(s) disagree that these additional procedures are necessary, the joint auditor should perform these additional procedures to obtain sufficient appropriate audit evidence to form an opinion on the financial statements since the joint auditor is jointly and severally responsible for the audit.

27. Cross reviews are to be completed on or before the date of the joint auditors' report.

Engagement Quality Review

28. The joint auditor establishes policies and procedures on engagement quality reviews in the joint auditor's firm as required by the applicable auditing framework. The review of joint audit engagements by the engagement quality reviewer also includes consideration of the following:

    (a) The engagement team's evaluation of the firm's independence and the independence of the firm(s) of the other joint auditor(s) in relation to the joint audit engagement;

    (b) Whether timely discussion and appropriate consultation has taken place on matters involving differences of opinion between the joint auditors or other difficult or contentious matters, and the conclusions arising from those consultations;

    (c) Whether documentation selected for review, which includes the work performed by the other joint auditor(s), reflects the work performed in relation to the significant judgments made and supports the conclusions reached; and

    (d) The quality of the cross reviews performed by the joint auditor.

    (e) Timing of the review, i.e. engagement quality review is to be performed and completed before the date of the joint auditors' report.

Assembly of Final Audit File

29. The joint auditor follows the guidance in the applicable auditing framework in the assembly of the final audit file.

30. Audit working papers supporting the joint audit engagement should be retained and this should include documentation of the work performed for cross review on the work of the other joint auditor(s).

31. The documentation in the audit file should be sufficient to satisfy any independent reviewer that an audit has been carried out in accordance with the applicable auditing framework and applicable independence and ethical requirements.

Communication

32. The joint auditor should communicate with the other joint auditor(s) on a timely basis. This communication should include, but not limited to, the following:

    (a) The ethical requirements that are relevant to the audit and, in particular, the independence requirements;

    (b) Quality management system of the joint auditor's firm which meets the requirements of the applicable auditing framework on quality management;

    (c) Identified significant risks of material misstatement of the financial statements, due to fraud or error, that may be relevant to the work of the other joint auditor(s);

    (d) Information on instances of non-compliance with laws and regulations that could give rise to a material misstatement of the financial statements;

    (e) Indicators of possible management bias;

    (f) Description of any identified significant deficiencies in internal control;

    (g) Other significant matters that the joint auditor expects to communicate to those charged with governance, including fraud or suspected fraud;

(h) Any other matters that may be relevant to the audit that the other joint auditor(s) should be aware of and/or relevant to the work of the other joint auditor(s); and

(i) The joint auditor's findings and conclusions which may lead to a modified opinion.

33. The joint auditor is to follow the requirements in the applicable auditing framework that refer to communications with management and those charged with governance. The joint auditor should ensure that an effective communication plan with the other joint auditor(s) is in place such that all joint auditors are aware of the issues being discussed and communicated with management and those charged with governance.

34. Under joint audit arrangements, written communication to management and/or those charged with governance should be jointly made by the joint auditors. Examples of such communications include management letter and report made to the audit committee.

35. All important or critical meetings including planning meetings or meetings to discuss key risks and significant issues between the joint auditors and meetings with management and/or those charged with governance should be attended by representatives from the joint auditors.

Audit Documentation

36. The joint auditor follows the audit documentation requirements in the applicable auditing framework.

37. The joint auditor should also include in the audit documentation, but not limited to, the following:

(a) Professional competency and independence matters;

(b) Agreed work allocation between joint auditors;

(c) Analysis of the significant risk areas or components of the financial statements and the scope and extent of the cross review performed on the work of the other joint auditor(s);

(d) Who performed the cross review and the date of completion of such cross reviews;

(e) Audit planning and materiality;

(f) Fraud risk assessment;

(g) Meetings and/or discussions with management and/or those charged with governance on significant risk areas and components;

(h) Assessment of the adequacy of the audit work performed by the other joint auditor(s), including the review of work on component auditors performed by the other joint auditor(s); and the reliance placed on the work performed by the other joint auditor(s);

(i) Additional audit procedures performed, if any;

(j) Joint consultations including technical matters;

(k) Resolution of disagreements on significant audit areas or judgmental areas between joint auditors;

(l) Overall evaluation of uncorrected misstatements;

(m) Involvement of the engagement quality reviewer in assessing the quality of the cross reviews performed and satisfactory resolution of all issues identified by the joint auditors;

(n) Conclusion memorandum for the joint audit; and

(o) Representation letter from management (an example of a representation letter is set out in Appendix 3).

APPENDIX 1

Illustrative Independent Joint Auditors' Report on Financial Statements

- A joint auditors' report on consolidated financial statements of a publicly traded company not incorporated in Singapore prepared in accordance with a fair presentation framework

Joint Auditors' Report on Consolidated Financial Statements of a Publicly Traded Company not Incorporated in Singapore Prepared in Accordance with a Fair Presentation Framework

For purposes of this illustrative joint auditors' report, the following circumstances are assumed:

- Joint audit of a complete set of consolidated financial statements of a publicly traded company not incorporated in Singapore using a fair presentation framework. The audit is a group audit of a company with subsidiaries.
- The consolidated financial statements are prepared by management of the company in accordance with an [applicable financial reporting framework] (a general purpose framework).
- The terms of the audit engagement reflect the description of management's responsibility for the consolidated financial statements in an [applicable auditing framework].
- The joint auditors have concluded an unmodified (i.e., "clean") opinion is appropriate based on the audit evidence obtained.
- The relevant ethical requirements that apply to the audit comprise the Accounting and Corporate Regulatory Authority (ACRA) *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (ACRA Code) together with the ethical requirements relating to the audit in Singapore, and the ethical requirements relating to the audit in the jurisdiction of the overseas auditor, and the joint auditors refer to all of the above. The ACRA Code and the ethical requirements relating to the audit in Singapore include independence requirements that are applicable to audits of financial statements of public interest entities. They also require the auditor to publicly disclose that the independence requirements applicable to audits of financial statements of public interest entities were applied.
- Based on the audit evidence obtained, the joint auditors have concluded that a material uncertainty does not exist in accordance with an [applicable auditing framework].
- Key audit matters have been communicated in accordance with an [applicable auditing framework].
- The auditor has obtained all of the other information prior to the date of the auditor's report and has not identified a material misstatement of the other information.
- Those responsible for oversight of the consolidated financial statements differ from those responsible for the preparation of the consolidated financial statements.
- In addition to the audit of the consolidated financial statements, the joint auditors have other reporting responsibilities required under local law.

INDEPENDENT JOINT AUDITORS' REPORT

To the Shareholders of ABC Company [or Other Appropriate Addressee]

Report on the Audit of the Consolidated Financial Statements[1]

Opinion

We have audited the consolidated financial statements of ABC Company and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 20X1, and

[1] The sub-title "Report on the Audit of the Consolidated Financial Statements" is unnecessary in circumstances when the second sub-title "Report on Other Legal and Regulatory Requirements" is not applicable.

the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 20X1, and its consolidated financial performance, consolidated changes in equity and its consolidated cash flows for the year then ended in accordance with [applicable financial reporting framework].

Basis for Opinion

We conducted our audit in accordance with [applicable auditing framework]. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (ACRA) *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (ACRA Code), as applicable to audits of financial statements of public interest entities, together with the ethical requirements that are relevant to audits of the consolidated financial statements of public interest entities in Singapore [and the _________ (name of source of relevant ethical requirements that apply to the audit of the consolidated financial statements in the jurisdiction of the overseas auditor)]. We have also fulfilled our other ethical responsibilities in accordance with these requirements, the ACRA Code and the [name of source of relevant ethical requirements that apply to the audit of the consolidated financial statements in the jurisdiction of the overseas auditor]. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Going Concern

No Material Uncertainty Related to Going Concern[2]

In the context of our audit of the financial statements as a whole, and in forming our opinion thereon, we have concluded that management's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Based on the audit evidence obtained, we have not identified a material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

Our conclusions are based on the audit evidence obtained up to the date of our auditor's report and are not a guarantee as to the Company's ability to continue as a going concern.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

[*Description of each key audit matter*]

Other Information [or another title if appropriate, such as "Information Other than the Financial Statements and Auditor's Report Thereon"]

Management[3] is responsible for the other information. The other information comprises the [information included in the X report,[4] but does not include the consolidated financial statements and our auditor's report thereon.]

[2] This additional sub-title may be useful to enhance intended users' understanding about the nature of the matters addressed in the Going Concern section of the auditor's report.
[3] Or other terms that are appropriate in the context of the legal framework of the particular jurisdiction
[4] A more specific description of the other information, such as "the management report and chairman's statement," may be used to identify the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements[5]

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with [applicable financial reporting framework], and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a joint auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with [applicable auditing framework] will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with [applicable auditing framework], we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.[6]
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw

[5] Or other terms that are appropriate in the context of the legal framework of the particular jurisdiction

[6] This sentence would be modified, as appropriate, in circumstances when the joint auditors also have a responsibility to issue an opinion on the effectiveness of internal control in conjunction with the audit of the consolidated financial statements.

attention in our joint auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our joint auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings that we identify during our audit, including any:

- Significant deficiencies in internal control;
- Identified fraud or suspected fraud; and
- Other matters related to fraud that are, in our judgment, relevant to the responsibilities of those charged with governance.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our joint auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

[*The form and content of this section of the joint auditors' report would vary depending on the nature of the joint auditors' other reporting responsibilities prescribed by local law or regulation. The matters addressed by other law or regulation (referred to as "other reporting responsibilities") shall be addressed within this section unless the other reporting responsibilities address the same topics* as those *presented under the reporting responsibilities required by the [applicable auditing framework] as part of the Report on the Audit of the Consolidated Financial Statements section. The reporting of other reporting responsibilities that address the same topics as those required by the [applicable auditing framework] may be combined (i.e., included in the Report on the Audit of the Consolidated Financial Statements section under the appropriate subheadings) provided that the wording in the joint auditors' report clearly differentiates the other reporting responsibilities from the reporting that is required by the [applicable auditing framework] where such a difference exists.*]

The engagement partners on the audit resulting in this independent joint auditors' report are [*names*].

______________________ (Firm)	______________________ (Firm)
Public Accountants and Chartered Accountants Singapore	[Overseas Auditor Professional Designation] [Country of Overseas Auditor]
______________________ (Date)	______________________ (Date)

APPENDIX 2

Illustrative Joint Engagement Letter

The following is an example of a joint audit engagement letter for an audit of general purpose financial statements prepared in accordance with [applicable financial reporting framework]. This letter is not authoritative but is intended only to be a guide. It will need to be varied according to individual requirements and circumstances. It is drafted to refer to the audit of financial statements for a single reporting period and would require adaptation if intended or expected to apply to recurring audits. It may be appropriate to seek legal advice that any proposed letter is suitable.

***

To the appropriate representative of management or those charged with governance of ABC Company: [1]

[*The objective and scope of the audit*]

You[2] have requested that XYZ & Co and UVW & Co (collectively referred to in this letter as "we") audit the financial statements of ABC Company, which comprise the statement of financial position as at 31 December 20X1, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information. We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter.

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with [applicable auditing framework] will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

[*The responsibilities of the auditors*]

[We will follow the guidance in Audit Guidance Statement (AGS) 10 "Joint Audits".] Our work will be performed under a joint audit arrangement where the auditors are jointly and severally responsible for the audit. We are also jointly responsible for the opinion expressed on the financial statements.

We will conduct our audit in accordance with [applicable auditing framework]. Those standards require that we comply with ethical requirements. As part of an audit in accordance with [applicable auditing framework], we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

[1] The addressees and references in the letter would be those that are appropriate in the circumstances of the engagement, including the relevant jurisdiction. It is important to refer to the appropriate persons – the roles of management and those charged with governance in agreeing the terms of the audit engagement for the entity depend on the governance structure of the entity and relevant law or regulation.

[2] Throughout this letter, references to "you," "we," "us," "management," "those charged with governance" and "auditor" would be used or amended as appropriate in the circumstances.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.[3] However, we will communicate to you in writing concerning any significant deficiencies in internal control relevant to the audit of the financial statements that we have identified during the audit.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, there is an unavoidable risk that some material misstatements may not be detected, even though the audit is properly planned and performed in accordance with [applicable auditing framework].

[*The responsibilities of management and identification of the applicable financial reporting framework*]

Our audit will be conducted on the basis that [management and, where appropriate, those charged with governance][4] acknowledge and understand that they have responsibility:

(a) For the preparation and fair presentation of financial statements in accordance with the [applicable financial reporting framework];

(b) For such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;

(c) To provide us with:[5]

    (i) Access to all information of which [management] is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;

    (ii) Additional information that we may request from [management] for the purpose of the audit; and

    (iii) Unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence.

As part of our audit process, we will request from [management and, where appropriate, those charged with governance], written confirmation concerning representations made to us in connection with the audit.

We look forward to full cooperation from your staff during our audit.

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[3] This sentence would be modified, as appropriate, in circumstances when the auditor also has responsibility to issue an opinion on the effectiveness of internal control in conjunction with the audit of the financial statements.

[4] Use terminology as appropriate in the circumstances.

[5] See paragraph A24 of SSA 210, *Agreeing the Terms of Audit Engagements* for examples of other matters relating to management's responsibilities that may be included.

[*Applicable law and jurisdiction*]

This engagement letter shall be governed by, and construed in accordance with, [Singapore/relevant jurisdiction] law. The Courts of [Singapore/relevant jurisdiction] shall have exclusive jurisdiction in relation to any claim, dispute or difference concerning the engagement letter and any matter arising from it. Each party irrevocably waives any right it may have to object to an action being brought in any of those Courts, to claim that the action has been brought in an inconvenient forum or to claim that those Courts do not have jurisdiction.

Each of the joint auditors is an independent party and this joint audit arrangement shall not constitute a partnership or joint venture for this and any other purposes.

[*Other relevant information*]

[*Insert other information, such as fee arrangements, billings and other specific terms, as appropriate*.]

[*Reporting*]

[*Insert appropriate reference to the expected form and content of the auditors' report including, if applicable, the reporting on other information in accordance with SSA 720 (Revised)*[6].]

The form and content of our report may need to be amended in the light of our audit findings.

Please sign and return the attached copy of this letter to indicate your acknowledgement of, and agreement with, the arrangements for our audit of the financial statements including our respective responsibilities.

XYZ & Co
Public Accountants and
Chartered Accountants
Singapore
______________________ (Date)

UVW & Co
[Overseas Auditor Professional
Designation]
[Country of Overseas Auditor]
______________________ (Date)

Acknowledged and agreed on behalf of ABC Company by
(signed)
....
Name and Title
Date

[6] SSA 720 (Revised), *The Auditor's Responsibilities Relating to Other Information.*

APPENDIX 3

Illustrative Representation Letter

The following illustrative letter to joint auditors includes written representations that are required by [applicable auditing framework] for audits of financial statements. If there were exceptions, the representations would need to be modified to reflect the exceptions.

(Entity Letterhead)

(To Joint Auditors) (Date)

This representation letter is provided in connection with XYZ & Co and UVW & Co (the "joint auditors") audit of the financial statements of ABC Company for the year ended 31 December 20XX[1] for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, (or *give a true and fair view*) in accordance with [applicable financial reporting framework].

We are aware that the audit is performed under a joint audit arrangement where the joint auditors are jointly and severally responsible for the audit and are jointly responsible for the opinion expressed on the financial statements.

We confirm to the joint auditors that (, *to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves*):

Financial Statements

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement dated [insert date], for the preparation of the financial statements in accordance with [applicable financial reporting framework]; in particular the financial statements are fairly presented (or *give a true and fair view*) in accordance therewith.
- Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
- Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of [applicable financial reporting framework].
- All events subsequent to the date of the financial statements and for which [applicable financial reporting framework] require adjustment or disclosure have been adjusted or disclosed.
- The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole. A list of the uncorrected misstatements is attached to the representation letter.
- [Any other matters that the joint auditors may consider appropriate.]

Information Provided

- We have provided the joint auditors with:[2]
    - Access to all information of which we are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;

[1] Where the auditor reports on more than one period, the auditor adjusts the date so that the letter pertains to all periods covered by the auditor's report.

[2] If the auditor has included other matters relating to management's responsibilities in the audit engagement letter in accordance with SSA 210, consideration may be given to including these matters in the written representations from management or those charged with governance.

- Additional information that the joint auditors have requested from us for the purpose of the audit; and
- Unrestricted access to persons within the entity from whom the joint auditors determined it necessary to obtain audit evidence.

- All transactions have been recorded in the accounting records and are reflected in the financial statements.

- We have disclosed to the joint auditors the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

- We have disclosed to the joint auditors all information in relation to fraud or suspected fraud that we are aware of and that affects the entity and involves:
  - Management;
  - Employees who have significant roles in internal control; or
  - Others where the fraud could have a material effect on the financial statements.

- We have disclosed to the joint auditors all information in relation to allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, analysts, regulators or others.

- We have disclosed to the joint auditors all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements.

- We have disclosed to the joint auditors the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.

- We acknowledge our responsibility for the design and implementation of internal control to prevent and detect error.

- We believe the effects of those uncorrected financial statement misstatements aggregated by the joint auditors during the audit are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. A summary of such items are included in (or attached to) the written representations.

- [Any other matters that the joint auditors may consider necessary.]