

# Preface to the Singapore Quality Management, Auditing, Review, Other Assurance, and Related Services Pronouncements

This Preface to Singapore Standards on Auditing and Statements of Auditing Practice was approved by the Council of the Institute of Singapore Chartered Accountants (formerly known as Institute of Certified Public Accountants of Singapore) in September 1996.

This Preface was revised in May 1998.

This Preface was revised and issued as Preface to Singapore Standards on Quality Control, Auditing, Assurance and Related Services in June 2005.

This Preface was revised and issued as Preface to the Singapore Standards on Quality Control, Auditing, Review, Other Assurance and Related Services in May 2007.

Conforming amendments to this Preface arising from the clarity SSA 200 “Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with Singapore Standards on Auditing” has been updated in September 2009.

This Amended Preface was revised and issued as Preface to the Singapore Quality Control, Auditing, Review, Other Assurance, and Related Services Pronouncements in February 2013.

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

*Amended Preface to the Singapore Quality Control, Auditing, Review, Other Assurance, and Related Services Pronouncements* is based on *Amended Preface to the International Quality Control, Auditing, Review, Other Assurance, and Related Services Pronouncements* of the International Auditing and Assurance Standards Board, published by the International Federation of Accountants (IFAC) in December 2011 and is used with permission of IFAC.

*Amended Preface to the International Quality Control, Auditing, Review, Other Assurance, and Related Services Pronouncements*  
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# PREFACE

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## Introduction

1. This preface to the Singapore Quality Management, Auditing, Review, Other Assurance, and Related Services Pronouncements (Singapore Standards) is issued to facilitate understanding of the scope and authority of the pronouncements the Institute of Singapore Chartered Accountants (ISCA) issues. The Singapore Standards are based on those set by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC).
2. The ISCA is committed to the goal of developing a set of Singapore Standards and other pronouncements harmonised with those set by the IAASB. IAASB members act in the common interest of the public at large and the worldwide accountancy profession. This could result in their taking a position on a matter that is not in accordance with current practice in their country or firm or not in accordance with the position taken by those who put them forward for membership of the IAASB.

## The ISCA's Pronouncements

### ISCA Authoritative Pronouncements

3. The ISCA's pronouncements govern audit, review, other assurance, and related services engagements that are conducted in accordance with Singapore Standards. They do not override the local laws or regulations that govern the audit of historical financial statements or assurance engagements on other information required to be followed in accordance with other standards. A professional accountant should not represent compliance with the ISCA's Standards unless the professional accountant has complied fully with all standards relevant to the engagement.
4. The authoritative pronouncements of the ISCA are the Singapore Standards and the Statements of Auditing Practice, which are issued following the ISCA's stated due process.

## The Authority Attaching to Singapore Standards Issued by the Institute of Singapore Chartered Accountants

5. Singapore Standards on Auditing (SSAs) are to be applied in the audit of historical financial information.
6. Singapore Standards on Review Engagements (SSREs) are to be applied in the review of historical financial information.
7. Singapore Standards on Assurance Engagements (SSAEs) are to be applied in assurance engagements other than audits or reviews of historical financial information.
8. Singapore Standards on Related Services (SSRSs) are to be applied to compilation engagements, engagements to apply agreed upon procedures to information and other related services engagements as specified by the ISCA.
9. SSAs, SSREs, SSAEs and SSRSs are collectively referred to as the ISCA's Engagement Standards.
10. Singapore Standards on Quality Management (SSQMs) are to be applied for all services falling under the ISCA's Engagement Standards.

## **Singapore Standards on Auditing**

11. SSAs are written in the context of an audit of financial statements<sup>1</sup> by an independent auditor. They are to be adapted as necessary in the circumstances when applied to audits of other historical financial information. The authority of SSAs is set out in SSA 200.<sup>2</sup>

## **Singapore Standards on Quality Management**

12. SSQMs are written to apply to firms in respect of all their services falling under the ISCA's Engagement Standards. The authority of SSQMs is set out in the introduction to each SSQM.<sup>3</sup>

## **Other Singapore Standards**

13. Some Singapore Standards identified in paragraphs 6–8 contain: objectives, requirements, application and other explanatory material, introductory material and definitions. These terms are to be interpreted in a directly analogous way to how they are explained in the context of SSAs and financial statement audits in SSA 200.
14. Other Singapore Standards identified in paragraphs 6–8 contain basic principles and essential procedures (identified in bold type lettering and by the word "should") together with related guidance in the form of explanatory and other material, including appendices. The basic principles and essential procedures are to be understood and applied in the context of the explanatory and other material that provides guidance for their application. It is therefore necessary to consider the entire text of a Standard to understand and apply the basic principles and essential procedures.
15. The basic principles and essential procedures of a Standard are to be applied in all cases where they are relevant in the circumstances of the engagement. In exceptional circumstances, however, a professional accountant may judge it necessary to depart from a relevant essential procedure in order to achieve the purpose of that procedure. When such a situation arises, the professional accountant is required to document how alternative procedures performed achieve the purpose of the procedure and, unless otherwise clear, the reasons for the departure. The need for the professional accountant to depart from a relevant essential procedure is expected to arise only where, in the specific circumstances of the engagement, that procedure would be ineffective.
16. Appendices, which form part of the application material, are an integral part of a Standard. The purpose and intended use of an appendix are explained in the body of the related Standard or within the title and introduction of the appendix itself.

## *Professional Judgment*

17. The nature of the Singapore Standards requires the professional accountant to exercise professional judgment in applying them.

## *Applicability of the Singapore Standards*

18. The scope, effective date and any specific limitation of the applicability of a specific Singapore Standard is made clear in the Standard. Unless otherwise stated in the Singapore Standard, the professional accountant is permitted to apply a Singapore Standard before the effective date specified therein.

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<sup>1</sup> Unless otherwise stated, "financial statements" mean financial statements comprising historical financial information.

<sup>2</sup> SSA 200, *Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with Singapore Standards on Auditing*

<sup>3</sup> SSQM 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, paragraph 12 and SSQM 2, *Engagement Quality Reviews*, paragraph 10

19. Singapore Standards are relevant to engagements in the public sector. When appropriate, additional considerations specific to public sector entities are included:
  - (a) Within the body of a Singapore Standard in the case of SSAs and SSQMs; or
  - (b) In a Public Sector Perspective (PSP) appearing at the end of other Singapore Standards.

## **The Authority Attaching to Statements of Auditing Practice Issued by the Institute of Singapore Chartered Accountants**

20. Statements of Auditing Practice (SAPs) are issued to provide interpretive guidance and practical assistance to professional accountants in implementing SSAs and to promote good practice.
21. Professional accountants should be aware of and consider SAPs applicable to the engagement. A professional accountant who does not consider and apply the guidance included in a relevant SAP should be prepared to explain how:
  - (a) The requirements in the SSAs; or
  - (b) The basic principles and essential procedures in the other Engagement Standard(s), addressed by the SAP, have been compiled with.

## **Non-Authoritative Material**

22. Non-authoritative material includes Practice Notes issued by the ISCA and other papers. Non-authoritative material is not part of the ISCA's Singapore Standards.

## **Singapore Auditing Practice Notes**

23. Singapore Auditing Practice Notes (SAPNs) do not impose additional requirements on auditors beyond those included in the SSAs, nor do they change the auditor's responsibility to comply with all SSAs relevant to the audit. SAPNs provide practical assistance to auditors. They provide material that firms can use in developing their training programs and internal guidance.
24. Depending on the nature of the topic(s) covered, a SAPN may assist the auditor in:
  - Obtaining an understanding of the circumstances of the entity, and in making judgments about the identification and assessment of risks of material misstatement;
  - Making judgments about how to respond to assessed risks, including judgments about procedures that may be appropriate in the circumstances; or
  - Addressing reporting considerations, including forming an opinion on the financial statements and communicating with those charged with governance.

## **Practice Notes Relating to Other Singapore Standards**

25. The ISCA may also issue Singapore Review Engagement Practice Notes (SREPNs), Singapore Assurance Engagement Practice Notes (SAEPNs), and Singapore Related Services Practice Notes (SRSPNs) to serve the same purpose for SSREs, SSAEs, and SSRSSs respectively.

## **Other Papers Published by the ISCA**

26. Other papers, for example Discussion Papers, are published to promote discussion or debate on auditing, review, other assurance and related services and quality control issues affecting the accounting profession, present findings, or describe matters of interest relating to auditing, review, other assurance, related services and quality control issues affecting the accounting profession. They do not establish any basic principles or essential procedures to be followed in audit, review, other assurance or related services engagements.

## **Language**

27. The sole official text of an ISCA Singapore Standard, Statement of Auditing Practice, Practice Note, exposure draft or other publication is that published by the ISCA in the English language.

## **Application of Standards**

28. Where the Council deems it necessary, best practice statements may be developed on matters of relevance in Singapore not covered by existing Standards. These additional pronouncements are referred to as Audit Guidance Statements (AGSs).
29. Members of the ISCA are expected to comply with all standards issued by the ISCA. Apparent failure to do so may result in an investigation into the members' conduct by the Investigation Committee of the ISCA.
30. It is impractical to establish standards which universally apply to all situations and circumstances an auditor may encounter. Therefore public accountants should consider the adopted standards as the basic principles which they should follow in performing their work. The precise procedures required to apply these standards are left to the professional judgment of the individual auditor and will depend on the circumstances of each case.
31. The date from which members are expected to observe a Standard is set out in the explanatory foreword.