

SUMMARY OF CONFORMING AND CONSEQUENTIAL AMENDMENTS ARISING FROM SSA 240 (REVISED)

Note: The following are conforming amendments to other ISCA Standards as a result of the approval of SSA 240 (Revised). These amendments will become effective at the same time as SSA 240 (Revised) and are shown with marked changes from the latest approved versions of the ISCA Standards that are amended. The footnote numbers within these amendments do not align with the ISCA Standards that are amended, and reference should be made to those ISCA Standards.

Conforming and consequential amendments are made to the following standards and guidance¹:

- 1) SSA 200, *Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with Singapore Standards on Auditing*
- 2) SSA 220 (Revised), *Quality Management for an Audit of Financial Statements*
- 3) SSA 230, *Audit Documentation*
- 4) SSA 250 (Revised), *Consideration of Laws and Regulations in an Audit of Financial Statements*
- 5) SSA 260 (Revised), *Communication with Those Charged with Governance*
- 6) SSA 265 (Revised), *Communicating Deficiencies in Internal Control to those Charged with Governance and Management*
- 7) SSA 300, *Planning an Audit of Financial Statements*
- 8) SSA 315 (Revised 2021), *Identifying and Assessing Risks of Material Misstatement*
- 9) SSA 330, *The Auditor's Responses To Assessed Risks*
- 10) SSA 450, *Evaluation of Misstatements Identified during the Audit*
- 11) SSA 500, *Audit Evidence*
- 12) SSA 505, *External Confirmations*
- 13) SSA 530 (Revised), *Audit Sampling*
- 14) SSA 540 (Revised), *Auditing Accounting Estimates and Related Disclosures*
- 15) SSA 550, *Related Parties*
- 16) SSA 580, *Written Representations*
- 17) SSA 600 (Revised), *Special Considerations – Audits of Group Financial Statements (Including the Work of Component Auditors)*
- 18) SSA 610 (Revised 2013), *Using the Work of Internal Auditors*
- 19) SSA 700 (Revised), *Forming an Opinion and Reporting on Financial Statements*
- 20) SSA 701, *Communicating Key Audit Matters in the Independent Auditor's Report*
- 21) SSA 705, *Modifications to the Opinion in the Independent Auditor's Report*
- 22) SSA 800 (Revised), *Special Considerations – Audits of Financial Statements Prepared in Accordance with Special Purpose Frameworks*
- 23) SSA 805 (Revised), *Special Considerations—Audits of Single Financial Statements And Specific Elements, Accounts or Items of a Financial Statement*
- 24) SSRE 2400 (Revised), *Engagements to Review Historical Financial Statements*
- 25) AGS 1, *Sample Independent Auditor's Reports*
- 26) AGS 5, *Audits of Entities in Specific Industries, Professions or Vocations*
- 27) AGS 9, *Opinion on Receipts, Expenditure, Investment of Moneys and the Acquisition and Disposal of Assets by Statutory Boards*
- 28) AGS 10, *Joint Audits*

¹ Audit Guidance Statements (AGSs) are non-authoritative and do not require PAOC approval for issuance. They have been included for information.

SSA 200, OVERALL OBJECTIVES OF THE INDEPENDENT AUDITOR AND THE CONDUCT OF AN AUDIT IN ACCORDANCE WITH INTERNATIONAL STANDARDS ON AUDITING

Introduction

An Audit of Financial Statements

...

9. The auditor may also have certain other communication and reporting responsibilities to users, management, those charged with governance, or parties outside the entity, in relation to matters arising from the audit. These may be established by the SSAs or by applicable laws or regulation².

...

Application and Other Explanatory Material

...

Professional Scepticism (Ref: Para. 15)

...

- A23. The auditor may accept records and documents as genuine unless the auditor has reason to believe the contrary. Nevertheless, the auditor is required to consider the reliability of information to be used as audit evidence³. In cases of doubt about the reliability of information or indications of possible fraud (for example, if conditions identified during the audit cause the auditor to believe that a document may not be authentic or that terms in a document may have been falsified), the SSAs require that the auditor investigate further and determine what modifications or additions to audit procedures are necessary to resolve the matter⁴.

² See, for example, SSA 260 (Revised), *Communication with Those Charged with Governance*; and paragraph ~~43-64-67~~ of SSA 240 (Revised), *The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements*.

³ SSA 500, *Audit Evidence*, paragraphs 7-9.

⁴ SSA 240 (Revised), paragraph ~~4322~~; SSA 500, paragraph 11; SSA 505, *External Confirmations*, paragraphs 10-11 and 16.

Sufficient Appropriate Audit Evidence and Audit Risk (Ref: Para. 5 and 17)

...

Inherent Limitations of an Audit

...

Other Matters that Affect the Inherent Limitations of an Audit

A53. In the case of certain assertions or subject matters, the potential effects of the inherent limitations on the auditor's ability to detect material misstatements are particularly significant. Such assertions or subject matters include:

- Fraud, particularly fraud involving senior management or collusion. See SSA 240 (Revised) for further discussion.

...

SSA 220 (REVISED), QUALITY MANAGEMENT FOR AN AUDIT OF FINANCIAL STATEMENTS

...

Application and Other Explanatory Material

...

Leadership Responsibilities for Managing and Achieving Quality on Audits (Ref: Para. 13–15)

...

Professional Skepticism (Ref: Para. 7)

...

A36. Possible actions that the engagement team may take to mitigate impediments to the exercise of professional skepticism at the engagement level may include:

...

- Modifying the nature, timing and extent of direction, supervision or review by involving more experienced engagement team members, more in-person oversight on a more frequent basis or more in-depth reviews of certain working papers for:
 - Complex or subjective areas of the audit;
 - Areas that pose risks to achieving quality on the audit engagement;
 - Areas where there may be a higher risk of material misstatement, including a risk of material misstatement due to fraud~~with a fraud risk~~; and
 - Identified or suspected non-compliance with laws or regulations.

...

Acceptance and Continuance of Client Relationships and Audit Engagements (Ref: Para. 22–24)

...

A54. Information obtained during acceptance and continuance may also be relevant in complying with the requirements of other SSAs, as well as this SSA, for example with respect to:

- Establishing an understanding of the terms of the audit engagement, as required by SSA 210;⁵
- Identifying and assessing risks of material misstatement, whether due to error or fraud, in accordance with SSA 315 (Revised 2019) and SSA 240 (Revised);⁶

...

SSA 230, AUDIT DOCUMENTATION

...

Application and Other Explanatory Material

...

Appendix

(Ref: Para. 1)

Specific Audit Documentation Requirements in Other SSAs

This appendix identifies paragraphs in other SSAs that contain specific documentation requirements. The list is not a substitute for considering the requirements and related application and other explanatory material in SSAs.

...

- SSA 240 (Revised), *The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements* – paragraphs 44-4768

...

SSA 250 (REVISED), CONSIDERATION OF LAWS AND REGULATIONS IN AN AUDIT OF FINANCIAL STATEMENTS

...

Application and Other Explanatory Material

...

Audit Procedures When Non-Compliance Is Identified or Suspected

Indications of Non-Compliance with Laws and Regulations (Ref: Para. 19)

- A17. The auditor may become aware of information concerning an instance of non-compliance with laws and regulations other than as a result of performing the procedures in paragraphs 13–17

⁵ SSA 210, *Agreeing the Terms of Audit Engagements*, paragraph 9

⁶ SSA 240 (Revised), *The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements*

(e.g., when the auditor is alerted to non-compliance by a ~~whistle-blower~~whistleblower).

...

SSA 260 (REVISED), COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

...

Appendix 1
(Ref: Para. 3)

Specific Requirements in SSQM 1 and Other SSAs that Refer to Communications with Those Charged With Governance

This appendix identifies paragraphs in SSQM 1⁷ and other SSAs that require communication of specific matters with those charged with governance. The list is not a substitute for considering the requirements and related application and other explanatory material in SSAs.

...

- SSA 240 (Revised), *The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements* – paragraphs 25, 32(c), 55(a), 59(c)(i)~~21, 38(e)(i)~~ and 64–66~~40–42~~

...

SSA 265, COMMUNICATING DEFICIENCIES IN INTERNAL CONTROL TO THOSE CHARGED WITH GOVERNANCE AND MANAGEMENT

...

Application and Other Explanatory Material

...

Significant Deficiencies in Internal Control (Ref: Para. 6(b), 8)

...

- A6. Examples of matters that the auditor may consider in determining whether a deficiency or combination of deficiencies in internal control constitutes a significant deficiency include:

...

- The importance of the controls to the financial reporting process; for example:

...

- Controls over the prevention ~~and-or~~ detection of fraud.

...

Communication of Deficiencies in Internal Control

...

⁷ SSQM 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*

Communication of Deficiencies in Internal Control to Management (Ref: Para. 10)

...

Communication of Significant Deficiencies in Internal Control to Management (Ref: Para. 10(a))

...

- A21. SSA 250 establishes requirements and provides guidance on the reporting of identified or suspected non-compliance with laws and regulations, including when those charged with governance are themselves involved in such non-compliance⁸. SSA 240 [\(Revised\)](#) establishes requirements and provides guidance regarding communication to those charged with governance when the auditor has identified fraud or suspected fraud involving management⁹.

...

SSA 300, PLANNING AN AUDIT OF FINANCIAL STATEMENTS

...

Application and Other Explanatory Material

...

Involvement of Key Engagement Team Members (Ref: Para. 5)

- A4. The involvement of the engagement partner and other key members of the engagement team in planning the audit draws on their experience and insight, thereby enhancing the effectiveness and efficiency of the planning process¹⁰.

...

SSA 315 (REVISED 2021), IDENTIFYING AND ASSESSING THE RISKS OF MATERIAL MISSTATEMENT

Introduction

...

Key Concepts in this SSA

...

6. Risks of material misstatement identified and assessed by the auditor include both those due to error and those due to fraud. Although both are addressed by this SSA, the significance of fraud is such that further requirements and guidance are included in SSA 240 [\(Revised\)](#)¹¹ in relation to

⁸ SSA 250, "Consideration of Laws and Regulations in an Audit of Financial Statements," paragraphs 22-28.

⁹ SSA 240 [\(Revised\)](#), "The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements," paragraph [4465](#).

¹⁰ SSA 315 (Revised 2021), paragraph 17 [and 18](#), establishes requirements and provides guidance on the engagement team's discussion of the susceptibility of the entity to material misstatements of the financial statements. SSA 240 [\(Revised\)](#), *The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements*, paragraph [4529](#), provides guidance on the emphasis given during this discussion to the susceptibility of the entity's financial statements to material misstatement due to fraud.

¹¹ SSA 240 [\(Revised\)](#), *The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements*

risk assessment procedures and related activities to obtain information that is used to identify, assess and respond to the risks of material misstatement due to fraud.

...

Definitions

12. For purposes of the SSAs, the following terms have the meanings attributed below:

...

- (f) *Inherent risk factors* – Characteristics of events or conditions that affect susceptibility to misstatement, whether due to fraud or error, of an assertion about a class of transactions, account balance or disclosure, before consideration of controls. Such factors may be qualitative or quantitative, and include complexity, subjectivity, change, uncertainty or susceptibility to misstatement due to management bias or other fraud risk factors¹² insofar as they affect inherent risk. (Ref: Para. A7–A8)

...

- (l) *Significant risk* – An identified risk of material misstatement: (Ref: Para. A10)
 - (i) ...
 - (ii) That is to be treated as a significant risk in accordance with the requirements of other SSAs.¹³

...

Requirements

...

Identifying and Assessing the Risks of Material Misstatement (Ref: Para. A184–A185)

...

Evaluating the Audit Evidence Obtained from the Risk Assessment Procedures

- 35. The auditor shall evaluate whether the audit evidence obtained from the risk assessment procedures provides an appropriate basis for the identification and assessment of the risks of material misstatement, whether due to fraud or error. If not, the auditor shall perform additional risk assessment procedures until audit evidence has been obtained to provide such a basis. In identifying and assessing the risks of material misstatement, the auditor shall take into account all audit evidence obtained from the risk assessment procedures, whether corroborative or contradictory to assertions made by management. (Ref: Para. A230–A232)

...

Application and Other Explanatory Material

...

¹² SSA 240 (Revised), paragraphs A24–A26

¹³ SSA 240 (Revised), paragraph 27-39(b) and SSA 550, *Related Parties*, paragraph 18

Risk Assessment Procedures and Related Activities (Ref: Para. 13–18)

A11. The risks of material misstatement to be identified and assessed include both those due to fraud and those due to error, and both are covered by this SSA. However, the significance of fraud is such that further requirements and guidance are included in SSA 240 [\(Revised\)](#) in relation to risk assessment procedures and related activities to obtain information that is used to identify and assess the risks of material misstatement due to fraud.¹⁴ In addition, the following SSAs provide further requirements and guidance on identifying and assessing risks of material misstatement regarding specific matters or circumstances:

...

***Engagement Team Discussion* (Ref: Para. 17–18)**

Why the Engagement Team Is Required to Discuss the Application of the Applicable Financial Reporting Framework and the Susceptibility of the Entity's Financial Statements to Material Misstatement

A42. The discussion among the engagement team about the application of the applicable financial reporting framework and the susceptibility of the entity's financial statements to material misstatement:

...

SSA 240 [\(Revised\)](#) requires the engagement team discussion to place particular emphasis on how and where the entity's financial statements may be susceptible to material misstatement due to fraud, including how fraud may occur.¹⁵

...

Obtaining an Understanding of the Entity and Its Environment, the Applicable Financial Reporting Framework and the Entity's System of Internal Control (Ref: Para. 19–27)

...

Why an Understanding of the Entity and Its Environment, and the Applicable Financial Reporting Framework Is Required (Ref: Para. 19–20)

A50. The auditor's understanding of the entity and its environment, and the applicable financial reporting framework, assists the auditor in understanding the events and conditions that are relevant to the entity, and in identifying how inherent risk factors affect the susceptibility of assertions to misstatement in the preparation of the financial statements, in accordance with the applicable financial reporting framework, and the degree to which they do so. Such information establishes a frame of reference within which the auditor identifies and assesses risks of material misstatement. This frame of reference also assists the auditor in planning the audit and exercising professional judgment and professional skepticism throughout the audit, for example, when:

- Identifying and assessing risks of material misstatement of the financial statements in accordance with SSA 315 (Revised 2021) or other relevant standards (e.g., relating to risks of [material misstatement due to](#) fraud in accordance with SSA 240 [\(Revised\)](#) or when identifying or assessing risks related to accounting estimates in accordance with SSA 540 (Revised));

¹⁴ SSA 240 [\(Revised\)](#), paragraphs [4226–2741](#)

¹⁵ SSA 240 [\(Revised\)](#), paragraph [4629](#)

...

The Entity and Its Environment (Ref: Para. 19(a))

...

Measures Used by Management to Assess the Entity's Financial Performance (Ref: Para. 19(a)(iii))

Why the auditor understands measures used by management

A74. An understanding of the entity's measures assists the auditor in considering whether such measures, whether used externally or internally, create pressures on the entity to achieve performance targets. These pressures may motivate management to take actions that increase the susceptibility to misstatement due to management bias or fraud (e.g., to improve the business performance or to intentionally misstate the financial statements) (see SSA 240 [\(Revised\)](#) for requirements and guidance in relation to the risks of [material misstatement due to](#) fraud).

...

The Applicable Financial Reporting Framework (Ref: Para. 19(b))

...

How Inherent Risk Factors Affect Susceptibility of Assertions to Misstatement (Ref: Para. 19(c))

...

A89. Events or conditions that may affect susceptibility to misstatement due to management bias may also affect susceptibility to misstatement due to other fraud risk factors. Accordingly, this may be relevant information for use in accordance with paragraph [24-38](#) of SSA 240 [\(Revised\)](#), which requires the auditor to evaluate whether the information obtained from the other risk assessment procedures and related activities indicates that one or more fraud risk factors are present.

...

Obtaining an understanding of the entity's risk assessment process (Ref: Para. 22–23)

Understanding the entity's risk assessment process (Ref: Para. 22(a))

A109. As explained in paragraph A62, not all business risks give rise to risks of material misstatement. In understanding how management and those charged with governance have identified business risks relevant to the preparation of the financial statements, and decided about actions to address those risks, matters the auditor may consider include how management or, as appropriate, those charged with governance, has:

...

- Considered the potential for fraud when considering the risks to achieving the entity's objectives.¹⁶

...

Control Activities (Ref: Para. 26)

...

¹⁶ SSA 240 [\(Revised\)](#), paragraph [4833\(b\)\(i\)](#)

Scalability (Ref: Para. 26)

...

A157. It may be less practicable to establish segregation of duties in less complex entities that have fewer employees. However, in an owner-managed entity, the owner-manager may be able to exercise more effective oversight through direct involvement than in a larger entity, which may compensate for the generally more limited opportunities for segregation of duties. Although, as also explained in SSA 240 [\(Revised\)](#), domination of management by a single individual can be a potential control deficiency since there is an opportunity for management override of controls.¹⁷

...

Controls that address risks of material misstatement at the assertion level (Ref: Para. 26(a))

Controls that address risks that are determined to be a significant risk (Ref: Para. 26(a)(i))

...

A159. SSA 240 [\(Revised\)](#)¹⁸ requires the auditor to understand controls related to assessed risks of material misstatement due to fraud (which are treated as significant risks), and further explains that it is important for the auditor to obtain an understanding of the controls that management has designed, implemented and maintained to prevent and detect fraud.

...

Identifying and Assessing the Risks of Material Misstatement (Ref: Para. 28–37)

...

Risks of Material Misstatement at the Financial Statement Level (Ref: Para. 28(a) and 30)

...

Identifying and Assessing Risks of Material Misstatement at the Financial Statement Level

A195. Risks of material misstatement at the financial statement level refer to risks that relate pervasively to the financial statements as a whole, and potentially affect many assertions. Risks of this nature are not necessarily risks identifiable with specific assertions at the class of transactions, account balance or disclosure level ~~(e.g., risk of management override of controls)~~. Rather, they represent circumstances that may pervasively increase the risks of material misstatement at the assertion level. The auditor's evaluation of whether risks identified relate pervasively to the financial statements supports the auditor's assessment of the risks of material misstatement at the financial statement level. In other cases, a number of assertions may also be identified as susceptible to the risk, and may therefore affect the auditor's risk identification and assessment of risks of material misstatement at the assertion level.

...

Assessing Risks of Material Misstatement at the Assertion Level

...

¹⁷ SSA 240 [\(Revised\)](#), paragraph [A27A112](#)

¹⁸ SSA 240 [\(Revised\)](#), paragraphs [27-36](#), [39\(b\)](#) and [A32A102](#)

Significant Risks (Ref: Para. 32)

...

Determining significant risks

...

A220. The determination of which of the assessed risks of material misstatement are close to the upper end of the spectrum of inherent risk, and are therefore significant risks, is a matter of professional judgment, unless the risk is of a type specified to be treated as a significant risk in accordance with the requirements of another SSA. SSA 240 [\(Revised\)](#) provides further requirements and guidance in relation to the identification and assessment of the risks of material misstatement due to fraud.¹⁹

...

Appendix 2

(Ref: Para. 12(f), 19(c), A7–A8, A85–A89)

Understanding Inherent Risk Factors

This appendix provides further explanation about the inherent risk factors, as well as matters that the auditor may consider in understanding and applying the inherent risk factors in identifying and assessing the risks of material misstatement at the assertion level.

The Inherent Risk Factors

1. Inherent risk factors are characteristics of events or conditions that affect susceptibility of an assertion about a class of transactions, account balance or disclosure, to misstatement, whether due to fraud or error, and before consideration of controls. Such factors may be qualitative or quantitative, and include complexity, subjectivity, change, uncertainty or susceptibility to misstatement due to management bias or other fraud risk factors²⁰ insofar as they affect inherent risk. In obtaining the understanding of the entity and its environment, and the applicable financial reporting framework and the entity's accounting policies, in accordance with paragraphs 19(a)–(b), the auditor also understands how inherent risk factors affect susceptibility of assertions to misstatement in the preparation of the financial statements.
2. Inherent risk factors relating to the preparation of information required by the applicable financial reporting framework (referred to in this paragraph as “required information”) include:

...

- *Susceptibility to misstatement due to management bias or other fraud risk factors insofar as they affect inherent risk*—susceptibility to management bias results from conditions that create susceptibility to intentional or unintentional failure by management to maintain neutrality in preparing the information. Management bias is often associated with certain conditions that have the potential to give rise to management not maintaining neutrality in exercising judgment (indicators of potential management bias), which could lead to a material misstatement of the information that would be fraudulent if intentional. Such indicators include incentives or pressures insofar as they affect inherent risk (for example, as a result of motivation to achieve a desired result, such as a desired profit target or capital

¹⁹ SSA 240 [\(Revised\)](#), paragraphs [2539–4127](#)

²⁰ SSA 240 [\(Revised\)](#), paragraphs [A23A24](#)–A26

ratio), and opportunity, not to maintain neutrality. Factors relevant to the susceptibility to misstatement due to fraud in the form of fraudulent financial reporting or misappropriation of assets are described in paragraphs ~~A1-A2~~ to ~~A5-A6~~ of SSA 240 (Revised).

...

Appendix 3

(Ref: Para. 12(m), 21–26, A90–A181)

Understanding the Entity's System of Internal Control

...

Components of the Entity's System of Internal Control

Control Environment

...

6. The control environment encompasses the following elements:

...

- (b) *When those charged with governance are separate from management, how those charged with governance demonstrate independence from management and exercise oversight of the entity's system of internal control.* An entity's control consciousness is influenced by those charged with governance. Considerations may include whether there are sufficient individuals who are independent from management and objective in their evaluations and decision-making; how those charged with governance identify and accept oversight responsibilities and whether those charged with governance retain oversight responsibility for management's design, implementation and conduct of the entity's system of internal control. The importance of the responsibilities of those charged with governance is recognized in codes of practice and other laws and regulations or guidance produced for the benefit of those charged with governance. Other responsibilities of those charged with governance include oversight of the design and effective operation of ~~whistle-blower procedures~~the entity's whistleblower program (or other program to report fraud).

...

Appendix 4

(Ref: Para 14(a), 24(a)(ii), A25–A28, A118)

Considerations for Understanding an Entity's Internal Audit Function

This appendix provides further considerations relating to understanding the entity's internal audit function when such a function exists.

...

Inquiries of the Internal Audit Function

...

5. In addition, in accordance with SSA 240 (Revised),²¹ if the internal audit function provides information to the auditor regarding any ~~actual, suspected fraud~~ or ~~alleged suspected~~ fraud,

²¹ SSA 240 (Revised), paragraph ~~49~~34(b)

including allegations of fraud, the auditor takes this into account in the auditor's identification of risk of material misstatement due to fraud.

...

SSA 330, THE AUDITOR'S RESPONSES TO ASSESSED RISKS

...

Application and Other Explanatory Material

...

Audit Procedures Responsive to the Assessed Risks of Material Misstatement at the Assertion Level

The Nature, Timing and Extent of Further Audit Procedures (Ref: Para. 6)

...

Timing

- A11. The auditor may perform tests of controls or substantive procedures at an interim date or at the period end. The higher the risk of material misstatement, the more likely it is that the auditor may decide it is more effective to perform substantive procedures nearer to, or at, the period end rather than at an earlier date, or to perform audit procedures unannounced or at unpredictable times (for example, performing audit procedures at selected locations on an unannounced basis). This is particularly relevant when considering the response to the risks of material misstatement due to fraud. For example, the auditor may conclude that, when the risks of intentional misstatement or manipulation have been identified, audit procedures to extend audit conclusions from interim date to the period end would not be effective.

...

Evaluating the Sufficiency and Appropriateness of Audit Evidence (Ref: Para. 25–27)

- A60. An audit of financial statements is a cumulative and iterative process. As the auditor performs planned audit procedures, the audit evidence obtained may cause the auditor to modify the nature, timing or extent of other planned audit procedures. Information may come to the auditor's attention that differs significantly from the information on which the risk assessment was based. For example:

...

In such circumstances, the auditor may need to re-evaluate the planned audit procedures, based on the revised consideration of assessed risks of material misstatement, whether due to fraud or error, and the effect on the significant classes of transactions, account balances, or disclosures and their relevant assertions. SSA 315 (Revised 2021) contains further guidance on revising the auditor's risk assessment.²²

...

SSA 450, EVALUATION OF MISSTATEMENTS IDENTIFIED DURING THE AUDIT

...

²² SSA 315 (Revised 2021), paragraph 53.

Requirements

...

Consideration of Identified Misstatements as the Audit Progresses

5A. If the auditor identifies a misstatement, the auditor shall evaluate whether such a misstatement is indicative of fraud. (Ref: Para. A6A)

...

Application and Other Explanatory Material

Definition of Misstatement (Ref: Para. 4(a))

A1. Misstatements may result from:

...

Examples of misstatements arising from fraud are provided in SSA 240 (Revised).²³

...

Consideration of Identified Misstatements as the Audit Progresses (Ref: Para. 65A-7)

A6A. The nature of identified misstatements and the circumstances of their occurrence may indicate that the misstatements may be a result of fraud. In such cases, the auditor also performs the procedures required by SSA 240 (Revised),²⁴ recognizing that an instance of fraud is unlikely to be an isolated occurrence.

...

Evaluating the Effect of Uncorrected Misstatements (Ref: Para. 10–11)

...

A22. SSA 240 (Revised)²⁵ explains how the implications of a misstatement that is, or may be, the result of fraud ought to be considered in relation to other aspects of the audit, even if the size of the misstatement is not material in relation to the financial statements. Depending on the circumstances, misstatements in disclosures could also be indicative of fraud, and, for example, may arise from:

...

SSA 500, AUDIT EVIDENCE

...

Application and Other Explanatory Material

...

²³ SSA 240 (Revised), *The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements*, paragraphs A4A2-A6.

²⁴ SSA 240 (Revised), paragraphs 55–58

²⁵ SSA 240 (Revised), paragraph 3557.

Information to Be Used as Audit Evidence

Relevance and Reliability (Ref: Para. 7)

...

Reliability

...

A37. SSA 240 (Revised) deals with circumstances where the auditor has reason to believe that a document may not be authentic, or may have been modified without that modification having been disclosed to the auditor²⁶.

...

SSA 505, EXTERNAL CONFIRMATIONS

Introduction

...

External Confirmation Procedures to Obtain Audit Evidence

...

3 Other SSAs recognize the importance of external confirmations as audit evidence, for example:

...

- SSA 240 (Revised) indicates that the auditor may design external confirmation requests-procedures to obtain additional corroborative information audit evidence as a response to address the assessed risks of material misstatement due to fraud at the assertion level.²⁷

...

Managements Refusal to Allow the Auditor to Send a Confirmation Request

8. If management refuses to allow the auditor to send a confirmation request, the auditor shall:

- (a) Inquire as to management's reasons for the refusal, and seek audit evidence as to their validity and reasonableness; (Ref: Para. A8)
- (b) Evaluate the implications of management's refusal on the auditor's assessment of the relevant risks of material misstatement, including the risks of material misstatement due to fraud, and on the nature, timing and extent of other audit procedures; and (Ref: Para. A9)
- (c) Perform alternative audit procedures designed to obtain relevant and reliable audit evidence. (Ref: Para. A10)

²⁶ SSA 240 (Revised), *The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements*, paragraph 4322.

²⁷ SSA 240 (Revised), "The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements," paragraph A37A129-A135.

...

Results of the External Confirmation Procedures

Reliability of Responses to Confirmation Requests

...

11. If the auditor determines that a response to a confirmation request is not reliable, the auditor shall evaluate the implications on the assessment of the relevant risks of material misstatement, including the risks of material misstatement due to fraud, and on the related nature, timing and extent of other audit procedures. (Ref: Para. A17)

...

Application and Other Explanatory Material

External Confirmation Procedures

...

Designing Confirmation Requests (Ref: Para. 7(c))

...

- A4. Factors to consider when designing confirmation requests include:
- The assertions being addressed.
 - Specific identified risks of material misstatement, including risks of material misstatement due to fraud ~~risks~~.

...

Management's Refusal to Allow the Auditor to Send a Confirmation Request

...

Implications for the Assessment of Risks of Material Misstatement (Ref: Para. 8(b))

- A9. The auditor may conclude from the evaluation in paragraph 8(b) that it would be appropriate to revise the assessment of the risks of material misstatement at the assertion level and modify planned audit procedures in accordance with SSA 315 (Revised 2021).²⁸ For example, if management's request to not confirm is unreasonable, this may indicate a fraud risk factor that requires evaluation in accordance with SSA 240 (Revised).²⁹

...

Results of the External Confirmation Procedures

...

Unreliable Responses (Ref: Para. 11)

- A17. When the auditor concludes that a response is unreliable, the auditor may need to revise the

²⁸ SSA 315 (Revised 2021), "Identifying and Assessing the Risks of Material Misstatement," paragraph 37.

²⁹ SSA 240 (Revised), paragraph 2438.

assessment of the risks of material misstatement at the assertion level and modify planned audit procedures accordingly, in accordance with SSA 315 (Revised 2021).³⁰ For example, an unreliable response may indicate a fraud risk factor that requires evaluation in accordance with SSA 240 [\(Revised\)](#).³¹

...

Non-Responses (Ref: Para. 12)

...

- A19. The nature and extent of alternative audit procedures are affected by the account and assertion in question. A non-response to a confirmation request may indicate a previously unidentified risk of material misstatement. In such situations, the auditor may need to revise the assessed risk of material misstatement at the assertion level, and modify planned audit procedures, in accordance with SSA 315 (Revised 2021).³² For example, fewer responses to confirmation requests than anticipated, or a greater number of responses than anticipated, may indicate a previously unidentified fraud risk factor that requires evaluation in accordance with SSA 240 [\(Revised\)](#).³³

...

Exceptions (Ref: Para. 14)

- A21. Exceptions noted in responses to confirmation requests may indicate misstatements or potential misstatements in the financial statements. When a misstatement is identified, the auditor is required by SSA [240-450](#)³⁴ to evaluate whether such misstatement is indicative of fraud. Exceptions may provide a guide to the quality of responses from similar confirming parties or for similar accounts. Exceptions also may indicate a deficiency, or deficiencies, in the entity's internal control over financial reporting.

...

SSA 530 (REVISED), AUDIT SAMPLING

...

Application and Other Explanatory Material

...

Sample Design, Size, and Selection of Items for Testing

Sample Design (Ref: Para. 6)

...

- A6. The auditor's consideration of the purpose of the audit procedure, as required by paragraph 6, includes a clear understanding of what constitutes a deviation or misstatement so that all, and only those, conditions that are relevant to the purpose of the audit procedure are included in the evaluation of deviations or projection of misstatements. For example, in a test of details relating to the existence of accounts receivable, such as confirmation, payments made by the

³⁰ SSA 315 (Revised 2021), paragraph 37.

³¹ SSA 240 [\(Revised\)](#), paragraph [2438](#).

³² SSA 315 (Revised 2021), paragraph 37.

³³ SSA 240 [\(Revised\)](#), paragraph [2438](#).

³⁴ [SSA 450, Evaluation of Misstatements Identified during the Audit, paragraph 5A](#)

customer before the confirmation date but received shortly after that date by the client, are not considered a misstatement. Also, a misposting between customer accounts does not affect the total accounts receivable balance. Therefore, it may not be appropriate to consider this a misstatement in evaluating the sample results of this particular audit procedure, even though it may have an important effect on other areas of the audit, such as the assessment of the risks of material misstatement due to fraud or the adequacy of the allowance for doubtful accounts.

...

SSA 540 (REVISED), AUDITING ACCOUNTING ESTIMATES AND RELATED DISCLOSURES

...

Application and Other Explanatory Material

...

Risk Assessment Procedures and Related Activities

...

Reviewing the Outcome or Re-Estimation of Previous Accounting Estimates (Ref: Para. 14)

...

A57. A retrospective review of management judgments and assumptions related to significant accounting estimates is required by SSA 240 (Revised).³⁵ As a practical matter, the auditor's review of previous accounting estimates as a risk assessment procedure in accordance with this SSA may be carried out in conjunction with the review required by SSA 240 (Revised).

...

Indicators of Possible Management Bias (Ref: Para. 32)

...

A136. In addition, in applying SSA 240 (Revised), the auditor is required to evaluate whether management's judgments and decisions in making the accounting estimates included in the financial statements, even if they are individually reasonable, are indicate-indicators a-of possible management bias that may represent a material misstatement due to fraud.³⁶ Fraudulent financial reporting is often accomplished through intentional misstatement of accounting estimates, which may include intentionally understating or overstating accounting estimates. Indicators of possible management bias that may also be a fraud risk factor, may cause the auditor to reassess whether the auditor's risk assessments, in particular the assessment of risks of material misstatement due to fraud risks, and related responses remain appropriate.

...

³⁵ SSA 240 (Revised), *The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements*, paragraph 32(b)(iii)28

³⁶ SSA 240 (Revised), paragraph 32(b)50-51

SSA 550, RELATED PARTIES

Introduction

Scope of this SSA

1. This Singapore Standard on Auditing (SSA) deals with the auditor's responsibilities relating to related party relationships and transactions in an audit of financial statements. Specifically, it expands on how SSA 315 (Revised 2021)³⁷, SSA 330³⁸, and SSA 240 (Revised)³⁹ are to be applied in relation to risks of material misstatement associated with related party relationships and transactions.

Responsibilities of the Auditor

5. In addition, an understanding of the entity's related party relationships and transactions is relevant to the auditor's evaluation of whether one or more fraud risk factors are present as required by SSA 240 (Revised)⁴⁰, because fraud may be more easily committed through related parties.

...

Requirements

Risk Assessment Procedures and Related Activities

11. As part of the risk assessment procedures and related activities that SSA 315 (Revised 2021) and SSA 240 (Revised) require the auditor to perform during the audit⁴¹, the auditor shall perform the audit procedures and related activities set out in paragraphs 12-17 to obtain information relevant to identifying the risks of material misstatement associated with related party relationships and transactions. (Ref: Para. A8)

Understanding the Entity's Related Party Relationships and Transactions

12. The engagement team discussion that SSA 315 (Revised 2021) and SSA 240 (Revised) require⁴² shall include specific consideration of the susceptibility of the financial statements to material misstatement due to fraud or error that could result from the entity's related party relationships and transactions. (Ref: Para. A9-A10)

Identification and Assessment of the Risks of Material Misstatement Associated with Related Party Relationships and Transactions

...

19. If the auditor identifies fraud risk factors (including circumstances relating to the existence of a related party with dominant influence) when performing the risk assessment procedures and related activities in connection with related parties, the auditor shall consider such information when identifying and assessing the risks of material misstatement due to fraud in accordance with SSA 240 (Revised). (Ref: Para. A6 and A29-A30)

...

³⁷ SSA 315 (Revised 2021), "Identifying and Assessing the Risks of Material Misstatement".

³⁸ SSA 330, "The Auditor's Responses to Assessed Risks".

³⁹ SSA 240 (Revised), "The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements".

⁴⁰ SSA 240 (Revised), paragraph 2438.

⁴¹ SSA 315 (Revised 2021), paragraph 13; SSA 240 (Revised), paragraph 4626.

⁴² SSA 315 (Revised 2021), paragraph 17; SSA 240 (Revised), paragraph 4529.

Responses to the Risks of Material Misstatement Associated with Related Party Relationships and Transactions

...

Identified Significant Related Party Transactions outside the Entity's Normal Course of Business

23. For identified significant related party transactions outside the entity's normal course of business, the auditor shall:
- (a) Inspect the underlying contracts or agreements, if any, and evaluate whether:
 - (i) The business rationale (or lack thereof) of the transactions suggests that they may have been entered into to engage in fraudulent financial reporting or to conceal misappropriation of assets⁴³; (Ref: Para. A38-A39)

...

Application and Other Explanatory Material

...

Risk Assessment Procedures and Related Activities

...

Understanding the Entity's Related Party Relationships and Transactions

...

The Entity's Controls over Related Party Relationships and Transactions (Ref: Para. 14)

...

- A17. In meeting the SSA 315 (Revised 2021) requirement to obtain an understanding of the control environment⁴⁴, the auditor may consider features of the control environment relevant to mitigating the risks of material misstatement associated with related party relationships and transactions, such as:

...

- The existence of a whistleblower program (or other program to report fraud)~~whistle-blowing policies and procedures~~, where applicable.

...

- A19. Fraudulent financial reporting often involves management override of controls that otherwise may appear to be operating effectively⁴⁵. The risk of management override of controls is higher if management has relationships that involve control or significant influence with parties with which the entity does business because these relationships may present management with greater incentives and opportunities to perpetrate fraud. For example, management's financial interests in certain related parties may provide incentives for management to override controls by (a) directing the entity, against its interests, to conclude transactions for the benefit of these parties, or (b) colluding with such parties or controlling their actions. Examples of possible fraud include:

⁴³ SSA 240 (Revised), paragraph ~~32(c)~~52.

⁴⁴ SSA 315 (Revised 2021), paragraph 21.

⁴⁵ SSA 240 (Revised), paragraphs ~~34-40~~ and ~~A4~~A5.

...

Identification and Assessment of the Risks of Material Misstatement Associated with Related Party Relationships and Transactions

Fraud Risk Factors Associated with a Related Party with Dominant Influence (Ref: Para. 19)

- A29. Domination of management by a single person or small group of persons without compensating controls is a fraud risk factor⁴⁶. Indicators of dominant influence exerted by a related party include:

...

Responses to the Risks of Material Misstatement Associated with Related Party Relationships and Transactions (Ref: Para. 20)

- A31. The nature, timing and extent of the further audit procedures that the auditor may select to respond to the assessed risks of material misstatement associated with related party relationships and transactions depend upon the nature of those risks and the circumstances of the entity⁴⁷.

...

- A33. If the auditor has assessed a significant risk of material misstatement due to fraud as a result of the presence of a related party with dominant influence, the auditor may, in addition to the general requirements of SSA 240 (Revised), perform audit procedures such as the following to obtain an understanding of the business relationships that such a related party may have established directly or indirectly with the entity and to determine the need for further appropriate substantive audit procedures:

- Review of employee ~~whistle-blowing~~whistleblower reports where these are retained.

...

Identification of Previously Unidentified or Undisclosed Related Parties or Significant Related Party Transactions

...

Intentional Non-Disclosure by Management (Ref: Para. 22(e))

- A37. The requirements and guidance in SSA 240 (Revised) regarding the auditor's responsibilities relating to fraud in an audit of financial statements are relevant where management appears to have intentionally failed to disclose related parties or significant related party transactions to the auditor. The auditor may also consider whether it is necessary to re-evaluate the reliability of management's responses to the auditor's inquiries and management's representations to the auditor.

...

⁴⁶ SSA 240 (Revised), Appendix 1.

⁴⁷ SSA 330 provides further guidance on considering the nature, timing and extent of further audit procedures. SSA 240 (Revised) establishes requirements and provides guidance on appropriate responses to assessed risks of material misstatement due to fraud.

SSA 580, WRITTEN REPRESENTATIONS

...

Application and Other Explanatory Material

...

Appendix 1

(Ref: Para. 2)

List of SSAs Containing Requirements for Written Representations

This appendix identifies paragraphs in other SSAs that require subject-matter specific written representations. The list is not a substitute for considering the requirements and related application and other explanatory material in SSAs.

- SSA 240 (Revised), “The Auditor’s Responsibilities Relating to Fraud in an Audit of Financial Statements” – paragraph 3963

...

Appendix 2

(Ref: Para. A21)

Illustrative Representation Letter

The following illustrative letter includes written representations that are required by this and other SSAs. It is assumed in this illustration that the applicable financial reporting framework is Singapore Financial Reporting Standards (International) or Financial Reporting Standards in Singapore; the requirement of SSA 570 (Revised 2024)⁴⁸ to obtain a written representation is not relevant; and that there are no exceptions to the requested written representations. If there were exceptions, the representations would need to be modified to reflect the exceptions.

...

Information Provided

- We have provided you with:⁴⁹
 - o 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;

⁴⁸ SSA 570 (Revised 2024), *Going Concern*.

⁴⁹ If the auditor has included other matters relating to management’s responsibilities in the audit engagement letter in accordance with SSA 210, “*Agreeing the Terms of Audit Engagements*”, consideration may be given to including these matters in the written representations from management or those charged with governance.

- o Additional information that you have requested from us for the purpose of the audit; and
- o Unrestricted access to persons within the entity from whom you 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 you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud. (SSA 240 (Revised))
- We have disclosed to you all information in relation to any fraud or suspected fraud that we are aware of and that affects the entity and involves:
 - o Management;
 - o Employees who have significant roles in internal control; or
 - o Others where the fraud could have a material effect on the financial statements. (SSA 240 (Revised))
- We have disclosed to you all information in relation to ~~allegations of fraud, or~~ suspected fraud, including allegations of fraud, affecting the entity's financial statements communicated by employees, former employees, analysts, regulators or others. (SSA 240 (Revised))
- We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements. (SSA 250)
- We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware. (SSA 550)
- 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 you 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 auditor may consider necessary (see paragraph A11 of this SSA).]

...

SSA 600 (REVISED), SPECIAL CONSIDERATIONS—AUDITS OF GROUP FINANCIAL STATEMENTS (INCLUDING THE WORK OF COMPONENT AUDITORS)

...

Requirements

...

Fraud or Suspected Fraud

44A. In applying SSA 240 (Revised),⁵⁰ the group auditor shall take responsibility for obtaining an understanding of identified fraud or suspected fraud.

Evaluating the Component Auditor's Communications and the Adequacy of Their Work

45. The group auditor shall request the component auditor to communicate matters relevant to the group auditor's conclusion with regard to the group audit. Such communication shall include: (Ref: Para. A144)

...

(h) Fraud or suspected fraud involving:

(i) ~~component~~ Component management;¹

(ii) ~~employees~~ Employees who have significant roles in the group's system of internal control at the component;¹ or

(iii) ~~others~~ Others, ~~where the fraud resulted in a material misstatement of~~ except for matters that are clearly inconsequential to the component financial information;

...

Communication with Group Management and Those Charged with Governance of the Group

Communication with Group Management

...

55. If fraud or suspected fraud has been identified by the group auditor or brought to its attention by a component auditor (see paragraph 45(h)), or information indicates that a fraud or suspected fraud may exist, the group auditor shall communicate this on a timely basis to the appropriate level of group management in order to inform those with primary responsibility for the prevention and detection of fraud of matters relevant to their responsibilities. (Ref: Para. A160)

...

Communication with Those Charged with Governance of the Group

57. The group auditor shall communicate the following matters with those charged with governance of the group, in addition to those required by SSA 260 (Revised) and other SSAs: (Ref: Para. A163)

(a) An overview of the work to be performed at the components of the group and the nature of the group auditor's planned involvement in the work to be performed by component auditors. (Ref: Para. A164)

(b) Instances when the group auditor's review of the work of a component auditor gave rise to a concern about the quality of that component auditor's work, and how the group auditor addressed the concern.

(c) Any limitations on the scope of the group audit, for example, significant matters related to restrictions on access to people or information.

⁵⁰ SSA 240 (Revised), The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements, paragraph 55

- (d) Fraud or suspected fraud involving:
- (i) ~~group-Group~~ management, ~~or~~ component management;⁵¹
 - (ii) ~~employees-Employees~~ who have significant roles in the group's system of internal control;⁵² or
 - (iii) ~~others-Others, when the fraud resulted in a material misstatement of the group financial statements~~ except for matters that are clearly inconsequential.

...

Documentation

59. In accordance with SSA 230,⁵¹ the audit documentation for a group audit engagement needs to be sufficient to enable an experienced auditor, having no previous connection with the audit, to understand the nature, timing and extent of audit procedures performed, the evidence obtained, and the conclusions reached with respect to significant matters arising during the group audit. In applying SSA 230,⁵² the group auditor shall include in the audit documentation: (Ref: Para. A166–A169, A179–A182)

...

- (g) Matters related to communications with component auditors, including:
- (i) Matters, if any, related to fraud or suspected fraud, related parties or going concern communicated in accordance with paragraph 32.
 - (ii) Matters relevant to the group auditor's conclusion with regard to the group audit, in accordance with paragraph 45, including how the group auditor has addressed significant matters discussed with component auditors, component management or group management.

...

Application and Other Explanatory Material

Scope of this SSA (Ref: Para. 1–2)

...

Professional Skepticism (Ref: Para. 9)

...

A17. The exercise of professional skepticism in a group audit may be affected by matters such as the following:

...

- The complex structure of some groups may introduce factors that give rise to increased susceptibility to risks of material misstatement. In addition, an overly complex organizational structure may be a fraud risk factor in accordance with SSA 240 (Revised)⁵³ and therefore may require additional time or expertise to understand the business purpose and activities of certain entities or business units.

⁵¹ SSA 230, paragraph 8

⁵² SSA 230, paragraphs 1–3, 9–11, A6–A7 and Appendix

⁵³ SSA 240 (Revised), *The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements*, Appendix 1

...

Understanding the Group and Its Environment, the Applicable Financial Reporting Framework and the Group's System of Internal Control (Ref: Para. 30)

...

Engagement Team Discussion (Ref: Para. 30)

...

A92. The discussion provides an opportunity to:

...

- Exchange ideas about how and where the group financial statements may be susceptible to material misstatement due to fraud or error. SSA 240 (Revised)⁵⁴ requires the engagement team discussion to place particular emphasis on how and where the entity's financial statements may be susceptible to material misstatement due to fraud, including how fraud may occur.

...

- Discuss fraud or suspected fraud that has been identified, or information that indicates existence of a fraud.

...

Identifying and Assessing the Risks of Material Misstatement (Ref: Para. 33)

...

Fraud

A113. In applying SSA 240 (Revised),⁵⁵ the auditor is required to identify and assess the risks of material misstatement of the financial statements due to fraud, and to design and perform further audit procedures whose nature, timing and extent are responsive to the assessed risks of material misstatement due to fraud at the assertion level. Information used to identify the risks of material misstatement of the group financial statements due to fraud may include the following:

- Group management's assessment of the risk that the group financial statements may be materially misstated due to fraud.
- Group management's process for identifying and responding to the fraud risks ~~of fraud~~ in the group financial statements, including any specific fraud risks identified by group management, or classes of transactions, account balances, or disclosures for which a fraud risk ~~of fraud~~ is higher.
- Whether there are particular components that are more susceptible to risks of material misstatement due to fraud.
- Whether any fraud risk factors or indicators of management bias exist in the consolidation process.
- How those charged with governance of the group monitor group management's processes

⁵⁴ SSA 240 (Revised), paragraph ~~46~~29

⁵⁵ SSA 240, paragraphs ~~26~~39, ~~34~~46

for identifying and responding to the fraud risks ~~of fraud~~ in the group, and the controls group management has established to mitigate these risks.

- Responses of those charged with governance of the group, group management, appropriate individuals within the internal audit function (and when appropriate, component management, the component auditors, and others) to the group auditor's inquiry about whether they have knowledge of any ~~actual fraud or~~ suspected fraud, including allegations of, or alleged fraud, affecting a component or the group.

...

Responding to the Assessed Risks of Material Misstatement (Ref: Para. 37)

...

Element of Unpredictability

A136. Incorporating an element of unpredictability in the type of work to be performed, the entities or business units at which procedures are performed and the extent to which the group auditor is involved in the work, may increase the likelihood of identifying a material misstatement of the components' financial information that may give rise to a material misstatement of the group financial statements due to fraud.⁵⁶

...

Evaluating the Component Auditor's Communication and the Adequacy of Their Work

Communication about Matters Relevant to the Group Auditor's Conclusion with Regard to the Group Audit (Ref: Para. 45)

A144. Although the matters required to be communicated in accordance with paragraph 45 are relevant to the group auditor's conclusion with regard to the group audit, certain matters may be communicated during the course of the component auditor's procedures. In addition to the matters in paragraphs 32 and 50, such matters may include, for example:

...

- Newly arising significant risks of material misstatement, including risks of material misstatement due to fraud;
- ~~Identified-Fraud~~ or suspected fraud or illegal acts involving component management or employees that could have a material effect on the group financial statements; or

...

Communication with Group Management and Those Charged with Governance of the Group

Communication with Group Management (Ref: Para. 54–56)

...

A160. SSA 240 (Revised)⁵⁷ contains requirements and guidance on the communication of fraud or suspected fraud to management and ~~when management may be involved in the fraud~~, to those charged with governance.

...

⁵⁶ SSA 240 (Revised), paragraph ~~29(e)~~43

⁵⁷ SSA 240 (Revised), paragraphs ~~4064–4426~~6

Understanding the Group's System of Internal Control

...

The Group's Risk Assessment Process

3. The group auditor's understanding of the group's risk assessment process may include matters such as group management's risk assessment process, that is, the process for identifying, analyzing and managing business risks, including the fraud risk ~~of fraud~~, that may result in material misstatement of the group financial statements. It may also include an understanding of how sophisticated the group's risk assessment process is and the involvement of entities and business units in this process.

...

SSA 610, USING THE WORK OF INTERNAL AUDITORS

...

Application and Other Explanatory Material

...

Using the Work of the Internal Audit Function

Discussion and Coordination with the Internal Audit Function (Ref: Para. 21)

...

- A26. SSA 200⁵⁸ discusses the importance of the auditor planning and performing the audit with professional skepticism, including being alert to information that brings into question the reliability of documents and responses to inquiries to be used as audit evidence. Accordingly, communication with the internal audit function throughout the engagement may provide opportunities for internal auditors to bring matters that may affect the work of the external auditor to the external auditor's attention⁵⁹. The external auditor is then able to take such information into account in the external auditor's identification and assessment of risks of material misstatement. In addition, if such information may be indicative of a heightened risk of a material misstatement of the financial statements or may be regarding any ~~actual, fraud or suspected or alleged~~ fraud, including allegations of fraud, the external auditor can take this into account in the external auditor's identification of risk of material misstatement due to fraud in accordance with SSA 240 (Revised)⁶⁰.

...

⁵⁸ SSA 200, paragraphs 15 and A18.

⁵⁹ SSA 315 (Revised 2021), paragraph A118.

⁶⁰ SSA 315 (Revised 2021), Appendix 4 paragraph 5 in relation to SSA 240 (Revised), "The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements".

Determining Whether, in Which Areas and to What Extent Internal Auditors Can Be Used to Provide Direct Assistance

...

Determining the Nature and Extent of Work that Can Be Assigned to Internal Auditors Providing Direct Assistance (Ref: Para. 29–31)

...

A36. In determining the nature of work that may be assigned to internal auditors, the external auditor is careful to limit such work to those areas that would be appropriate to be assigned. Examples of activities and tasks that would not be appropriate to use internal auditors to provide direct assistance include the following:

- Discussion of fraud risks. However, the external auditors may make inquiries of internal auditors about fraud risks in the organization in accordance with SSA 315 (Revised 2021)⁶¹.
- Determination of unannounced audit procedures as addressed in SSA 240 (Revised).

...

SSA 700 (REVISED), FORMING AN OPINION AND REPORTING ON FINANCIAL STATEMENTS

...

Requirements

...

Auditor's Report

...

Auditor's Report for Audits Conducted in Accordance with International Standards on Auditing

...

Auditor's Responsibilities for the Audit of the Financial Statements

...

⁶¹ SSA 315 (Revised 2021), paragraph 14(a).

40. The Auditor's Responsibilities for the Audit of the Financial Statements section of the auditor's report also shall: (Ref: Para. A50)

(a) State that the auditor communicates with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings that the auditor identifies during the audit, including any:

(i) significant ~~Significant~~ deficiencies in internal control ~~that the auditor identifies during the audit~~;

(ii) Identified fraud or suspected fraud,⁶² and

(iii) Other matters related to fraud that are, in the auditor's judgment, relevant to the responsibilities of those charged with governance;⁶³

...

Appendix

...

Illustration 1 – Auditor's Report on Financial Statements of a Singapore Incorporated Listed Company Prepared in Accordance with a Fair Presentation Framework. The Audit is not a Group Audit.

...

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements⁶⁴

...

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives 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 auditor's 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 SSAs 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.

As part of an audit in accordance with SSAs, 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

⁶² SSA 240 (Revised), paragraph 65

⁶³ SSA 240 (Revised), paragraph 66

⁶⁴ The sub-title "Report on the Audit of the Financial Statements" is unnecessary in circumstances when the second sub-title "Report on Other Legal and Regulatory Requirements" is not applicable.

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.

...

We communicate with the directors 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 ~~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 that we identify during our audit.

We also provide the directors 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, actions taken to eliminate threats or safeguards applied.

...

Illustration 2 – Auditor's Report on Financial Statements of a Singapore Incorporated Listed Company Prepared in Accordance with a Fair Presentation Framework. The Audit is a Group Audit.

...

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements⁶⁵

...

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives 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 auditor's 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 SSAs 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.

As part of an audit in accordance with SSAs, 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

⁶⁵ The sub-title "Report on the Audit of the Financial Statements" is unnecessary in circumstances when the second sub-title "Report on Other Legal and Regulatory Requirements" is not applicable.

error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

...

We communicate with the directors 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 ~~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 ~~that we identify during our audit.~~

We also provide the directors 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, actions taken to eliminate threats or safeguards applied.

...

Illustration 3 – Auditor’s Report on Financial Statements of a Singapore Incorporated Company Other than a Listed Entity Prepared in Accordance with a Fair Presentation Framework

...

INDEPENDENT AUDITOR’S REPORT

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

Report on the Audit of the Financial Statements⁶⁶

...

Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives 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 auditor’s 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 SSAs 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.

As part of an audit in accordance with SSAs, 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.

...

⁶⁶ The sub-title “Report on the Audit of the Financial Statements” is unnecessary in circumstances when the second sub-title “Report on Other Legal and Regulatory Requirements” is not applicable.

We communicate with the directors 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~~ 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 that we identify during our audit.

...

Illustration 4 – Auditor’s Report on Financial Statements of an Entity Other than a Listed Entity Prepared in Accordance with a General Purpose Compliance Framework

...

INDEPENDENT AUDITOR’S REPORT

[Appropriate Addressee]

...

Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives 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 auditor’s 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 SSAs 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.

As part of an audit in accordance with SSAs, 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.

...

We communicate with the 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~~ 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 that we identify during our audit.

...

SSA 701, COMMUNICATING KEY AUDIT MATTERS IN THE INDEPENDENT AUDITOR'S REPORT

...

Application and Other Explanatory Material

Scope of this SSA (Ref: Para. 2)

...

Relationship between Key Audit Matters, the Auditor's Opinion and Other Elements of the Auditor's Report (Ref: Para. 4, 12, 15)

...

A8A. SSA 240 (Revised)⁶⁷ includes requirements for determining and communicating key audit matters related to fraud. The requirements and guidance in SSA 240 (Revised) refer to, or expand on, the application of this SSA.

Determining Key Audit Matters (Ref: Para. 9–10)

...

Considerations in Determining Those Matters that Required Significant Auditor Attention (Ref: Para. 9)

...

A18A.SSA 240 (Revised)⁶⁸ notes that matters related to fraud are often matters that require significant auditor attention and that, given the interest of users of the financial statements, one or more of the matters related to fraud that required significant auditor attention in performing the audit, determined in accordance with paragraph 60 of SSA 240 (Revised), would ordinarily be of most significance in the audit of the financial statements of the current period and therefore are key audit matters.

...

Areas of Higher Assessed Risk of Material Misstatement, or Significant Risks Identified in Accordance with SSA 315 (Revised 2021) (Ref: Para. 9(a))

...

A21. ~~However, this may not be the case for all significant risks. For example, SSA 240 (Revised) presumes that there are risks of fraud in revenue recognition and requires the auditor to treat those assessed risks of material misstatement due to fraud as significant risks.⁶⁹ In addition, SSA 240 (Revised) indicates that, due to the unpredictable way in which management override of controls could occur, it is a risk of material misstatement due to fraud and thus a significant risk.⁷⁰ The auditor may determine these matters to be key audit matters related to fraud because risks of material misstatement due to fraud are often matters that both require significant auditor attention and are of most significance in the audit. However, this may not be the case for all these matters. The auditor may determine certain risks of material misstatement due to fraud did not require significant auditor attention. Depending on their nature, these risks may not require~~

⁶⁷ SSA 240 (Revised), *The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements*, paragraphs 60–62

⁶⁸ SSA 240 (Revised), paragraphs A179 and A185

⁶⁹ SSA 240 (Revised), *The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements*, paragraphs 26–27, 39(b) and 41

⁷⁰ SSA 240 (Revised), paragraph 34, 39(b) and 40

~~significant auditor attention~~, and therefore, ~~these risks~~ would not be considered in the auditor's determination of key audit matters ~~in accordance with paragraph 10~~.

...

Communicating Key Audit Matters

...

Circumstances in Which a Matter Determined to Be a Key Audit Matter Is Not Communicated in the Auditor's Report (Ref: Para. 14)

...

A55. It may also be necessary for the auditor to consider the implications of communicating about a matter determined to be a key audit matter in light of relevant ethical requirements⁷¹. In addition, the auditor may be required by law or regulation to communicate with applicable regulatory, enforcement or supervisory authorities in relation to the matter, regardless of whether the matter is communicated in the auditor's report. Such communication may also be useful to inform the auditor's consideration of the adverse consequences that may arise from communicating about the matter.

...

SSA 705 (REVISED), MODIFICATIONS TO THE OPINION IN THE INDEPENDENT AUDITOR'S REPORT

...

Application and Other Explanatory Material

...

Circumstances When a Modification to the Auditor's Opinion Is Required

...

Nature of an Inability to Obtain Sufficient Appropriate Audit Evidence (Ref: Para. 6(b))

...

A9. An inability to perform a specific procedure does not constitute a limitation on the scope of the audit if the auditor is able to obtain sufficient appropriate audit evidence by performing alternative procedures. If this is not possible, the requirements of paragraphs 7(b) and 9–10 apply as appropriate. Limitations imposed by management may have other implications for the audit, such as for the auditor's assessment of risks of material misstatement due to fraud ~~risks~~ and consideration of engagement continuance.

...

⁷¹ For example, except for certain specified circumstances, paragraph R114.2 of the ACRA Code does not permit the use or disclosure of information in respect of which the duty of confidentiality applies. As one of the exceptions, paragraph R114.3 of the ACRA Code permits the professional accountant to disclose or use confidential information where there is a legal or professional duty or right to do so. Paragraph 114.3 A1(b)(iv) of the ACRA Code explains that there is a professional duty or right to disclose such information to comply with technical and professional standards.

SSA 800 (REVISED), SPECIAL CONSIDERATIONS—AUDITS OF FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH SPECIAL PURPOSE FRAMEWORKS

...

Appendix

(Ref: Para. A14)

...

Illustration 1: An auditor's report on a complete set of financial statements of an entity other than a listed entity prepared in accordance with the financial reporting provisions of a contract (for purposes of this illustration, a compliance framework).

...

INDEPENDENT AUDITOR'S REPORT

[Appropriate Addressee]

...

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives 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 auditor's 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 SSAs 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.

As part of an audit in accordance with SSAs, 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.

...

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 ~~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 ~~that we identify during our audit.~~

...

Illustration 2: An auditor's report on a complete set of financial statements of an entity other than a listed entity prepared in accordance with the tax basis of accounting in Jurisdiction X (for purposes of this illustration, a compliance framework).

...

INDEPENDENT AUDITOR'S REPORT

[Appropriate Addressee]

...

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives 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 auditor's 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 SSAs 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.

As part of an audit in accordance with SSAs, 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.

...

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 ~~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 ~~that we identify during our audit.~~

...

Illustration 3: An auditor's report on a complete set of financial statements of a Singapore incorporated listed entity prepared in accordance with the financial reporting provisions established by a regulator (for purposes of this illustration, a fair presentation framework).

...

INDEPENDENT AUDITOR'S REPORT

[To the Shareholders of ABC Company or Appropriate Addressee]

...

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives 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 auditor's 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 SSAs 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.

As part of an audit in accordance with SSAs, 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.

...

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 ~~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 that we identify during our audit.

...

SSA 805 (REVISED), SPECIAL CONSIDERATIONS—AUDITS OF SINGLE FINANCIAL STATEMENTS AND SPECIFIC ELEMENTS, ACCOUNTS OR ITEMS OF A FINANCIAL STATEMENT

...

Application and Other Explanatory Material

...

Considerations When Planning and Performing the Audit (Ref: Para. 10)

- A10. The relevance of each of the SSAs requires careful consideration. Even when only a specific element of a financial statement is the subject of the audit, SSAs such as SSA 240 [\(Revised\)](#),⁷² SSA 550⁷³ and SSA 570 (Revised [2024](#)) are, in principle, relevant. This is because the element could be misstated as a result of fraud, the effect of related party transactions, or the incorrect application of the going concern basis of accounting under the applicable financial reporting framework.

...

⁷² SSA 240 [\(Revised\)](#), *The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements*

⁷³ SSA 550, *Related Parties*

Appendix 2

(Ref: Para. A17)

Illustrations of Independent Auditor's Reports on a Single Financial Statement and on a Specific Element of a Financial Statement

...

Illustration 1: An auditor's report on a single financial statement of an entity other than a listed entity prepared in accordance with a general purpose framework (for purposes of this illustration, a fair presentation framework).

...

INDEPENDENT AUDITOR'S REPORT

...

Auditor's Responsibilities for the Audit of the Financial Statement

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 SSAs 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 this financial statement.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statement, 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.

...

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 that we identify during our audit.

...

Illustration 2: An auditor's report on a single financial statement of an entity other than a listed entity prepared in accordance with a special purpose framework.

...

INDEPENDENT AUDITOR'S REPORT

...

Auditor's Responsibilities for the Audit of the Financial Statement

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 SSAs 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 this financial statement.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statement, 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.

...

We communicate with the management 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 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 that we identify during our audit.

...

Illustration 3: An auditor's report on a specific element of a financial statement of a Singapore incorporated listed entity prepared in accordance with a special purpose framework.

...

INDEPENDENT AUDITOR'S REPORT

...

Auditor's Responsibilities for the Audit of the Schedule

Our objectives are to obtain reasonable assurance about whether the schedule is free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 SSAs 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 this schedule.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the schedule, 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.

...

We communicate with the 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 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 that we identify during our audit.

...

SINGAPORE STANDARD ON REVIEW ENGAGEMENTS (SSRE) 2400 (REVISED), ENGAGEMENTS TO REVIEW HISTORICAL FINANCIAL STATEMENTS

...

Requirements

...

Performing the Engagement

...

Designing and Performing Procedures

...

48. The practitioner's inquiries of management and others within the entity, as appropriate, shall include the following: (Ref: Para A84–A87a)

...

- (d) The existence of any fraud or suspected fraud, including allegations of fraud;

Fraud or illegal acts affecting the entity; and identified or suspected Non-compliance with provisions of laws and regulations that are generally recognized to have a direct effect on the determination of material amounts and disclosures in the financial

statements, such as tax and pension laws and regulations;

...

Written Representations

...

62. The practitioner shall also request management's written representations that management has disclosed to the practitioner: (Ref: Para. A101)

...

- (b) ~~Significant facts relating to~~Its knowledge of any frauds or suspected frauds known to management that may have affected the entity;

...

AGS 1, SAMPLE INDEPENDENT AUDITOR'S REPORTS

...

APPENDIX 1

Sample Independent Auditor's Reports on SSA 700 (Revised) *Forming an Opinion and Reporting on Financial Statements*

The following are forms of an auditor's report incorporating the principles set forth in SSA 700 (Revised).

(1A) Private company

Illustration 1A – Auditor's Report on Financial Statements of a Singapore Incorporated Private Company Prepared in Accordance with a Fair Presentation Framework

For purposes of this illustrative auditor's report, the following circumstances are assumed:

- Audit of a complete set of financial statements of a Singapore incorporated private company using a fair presentation framework. The audit is not a group audit (i.e., Singapore Standard on Auditing (SSA) 600 (Revised)⁷⁴ does not apply).

...

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of _____ (entity) [or Other Appropriate Addressee]

Report on the Audit of the Financial Statements⁷⁵

Opinion

...

Auditor's Responsibilities for the Audit of the Financial Statements

...

We communicate with the directors 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 ~~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 that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence.

...

⁷⁴ SSA 600 (Revised), *Special Considerations – Audits of Group Financial Statements (Including the Work of Component Auditors)*

⁷⁵ The sub-title "Report on the Audit of the Financial Statements" is unnecessary in circumstances when the second sub-title "Report on Other Legal and Regulatory Requirements" is not applicable.

(1B) Non-incorporated entity

**Illustration 1B – Auditor’s Report on Financial Statements of a Non-incorporated, Non-~~listed~~
~~publicly traded~~ Entity Prepared in Accordance with a Fair Presentation Framework**

For purposes of this illustrative auditor’s report, the following circumstances are assumed:

- Audit of a complete set of financial statements of a non-incorporated, non-~~listed~~-~~publicly~~
~~traded~~ entity using a fair presentation framework. The audit is not a group audit (i.e., Singapore Standard on Auditing (SSA) 600 (Revised) does not apply).

...

INDEPENDENT AUDITOR’S REPORT

To _____ (1) of _____ (entity)

Report on the Audit of the Financial Statements⁷⁶

Opinion

...

Auditor’s Responsibilities for the Audit of the Financial Statements

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-~~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-~~that we identify during our audit.~~

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence.

...

⁷⁶ The sub-title “Report on the Audit of the Financial Statements” is unnecessary in circumstances when the second sub-title “Report on Other Legal and Regulatory Requirements” is not applicable.

(1C) Branch of a foreign company

Illustration 1C – Auditor’s Report on Financial Statements of a Branch of a Foreign Company Prepared in Accordance with a Fair Presentation Framework

For purposes of this illustrative auditor’s report, the following circumstances are assumed:

- Audit of a complete set of financial statements of a branch of a foreign company using a fair presentation framework.

...

INDEPENDENT AUDITOR’S REPORT

To XYZ Company Limited

Report on the Audit of the Financial Statements⁷⁷

Opinion

...

Auditor’s Responsibilities for the Audit of the Financial Statements

...

We communicate with the Branch’s management 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 ~~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 that we identify during our audit.

We also provide the Branch’s management with a statement that we have complied with relevant ethical requirements regarding independence.

...

⁷⁷ The sub-title “Report on the Audit of the Financial Statements” is unnecessary in circumstances when the second sub-title “Report on Other Legal and Regulatory Requirements” is not applicable.

(1D) Bank

Illustration 1D – Auditor’s Report on Financial Statements of a Singapore Incorporated Listed Publicly Traded Bank Prepared in Accordance with a Fair Presentation Framework

For purposes of this illustrative auditor’s report, the following circumstances are assumed:

- Audit of a complete set of consolidated financial statements and statement of financial position of a Singapore incorporated listed publicly traded bank using a fair presentation framework. The audit is a group audit of a bank with subsidiaries (i.e., SSA 600 (Revised) applies).

...

INDEPENDENT AUDITOR’S REPORT

To the Shareholders of _____ (entity) [or Other Appropriate Addressee]

Report on the Audit of the Financial Statements⁷⁸

Opinion

...

Auditor’s Responsibilities for the Audit of the Financial Statements

...

We communicate with the directors 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 ~~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 ~~that we identify during our audit.~~

We also provide the directors 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, actions taken to eliminate threats or safeguards applied.

...

⁷⁸ The sub-title “Report on the Audit of the Financial Statements” is unnecessary in circumstances when the second sub-title “Report on Other Legal and Regulatory Requirements” is not applicable.

(1E) Branch of a foreign bank

Illustration 1E – Auditor's Report on Financial Statements of a Branch of a Foreign Bank Prepared in Accordance with a Fair Presentation Framework

For purposes of this illustrative auditor's report, the following circumstances are assumed:

- Audit of a complete set of financial statements of a branch of a foreign bank using a fair presentation framework.

...

INDEPENDENT AUDITOR'S REPORT

To XYZ Banking Corporation

Report on the Audit of the Financial Statements⁷⁹

Opinion

...

Auditor's Responsibilities for the Audit of the Financial Statements

...

We communicate with the Branch's management 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 ~~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 that we identify during our audit.

We also provide the Branch's management with a statement that we have complied with relevant ethical requirements regarding independence.

...

⁷⁹ The sub-title "Report on the Audit of the Financial Statements" is unnecessary in circumstances when the second sub-title "Report on Other Legal and Regulatory Requirements" is not applicable.

(1F) Foreign company

Illustration 1F – Auditor's Report on Consolidated Financial Statements of a Foreign Incorporated ~~Listed~~ Publicly Traded Company Prepared in Accordance with a Fair Presentation Framework

For purposes of this illustrative auditor's report, the following circumstances are assumed:

- Audit of a complete set of consolidated financial statements of a foreign incorporated ~~listed~~ publicly traded company using a fair presentation framework. The audit is a group audit of a company with subsidiaries (i.e., SSA 600 (Revised) applies).

...

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of _____ (entity) [or Other Appropriate Addressee]

Opinion

...

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

...

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~~ 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 that we identify during our audit.

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, actions taken to eliminate threats or safeguards applied.

...

(1G) Society

Illustration 1G – Auditor’s Report on Financial Statements of a Society Prepared in Accordance with a Fair Presentation Framework

For purposes of this illustrative auditor’s report, the following circumstances are assumed:

- Audit of a complete set of financial statements of a society using a fair presentation framework. The audit is not a group audit (i.e., SSA 600 (Revised) does not apply).

...

INDEPENDENT AUDITOR’S REPORT

To the Members of _____ (Society)

(Registered under the Societies Act 1966)

Report on the Audit of the Financial Statements⁸⁰

Opinion

...

Auditor’s Responsibilities for the Audit of the Financial Statements

...

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 ~~significant~~ deficiencies in internal control; ~~significant~~ 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 that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence.

...

⁸⁰ The sub-title “Report on the Audit of the Financial Statements” is unnecessary in circumstances when the second sub-title “Report on Other Legal and Regulatory Requirements” is not applicable.

(1H) Charity (Society)

Illustration 1H – Auditor’s Report on Financial Statements of a Charity Registered as a Society Prepared in Accordance with a Fair Presentation Framework

For purposes of this illustrative auditor’s report, the following circumstances are assumed:

- Audit of a complete set of financial statements of a charity using a fair presentation framework. The audit is not a group audit (i.e., SSA 600 (Revised) does not apply).

...

INDEPENDENT AUDITOR’S REPORT

To the Members of _____ (Charity)

This illustrative report is for the situation where the Charity is registered as a Society under the Societies Act 1966, as well as the Charities Act 1994.

Report on the Audit of the Financial Statements⁸¹

Opinion

...

Auditor’s Responsibilities for the Audit of the Financial Statements

...

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 ~~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 ~~that we identify during our audit.~~

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence.

...

⁸¹ The sub-title “Report on the Audit of the Financial Statements” is unnecessary in circumstances when the second sub-title “Report on Other Legal and Regulatory Requirements” is not applicable.

(1I) Charity (Company Limited by Guarantee)

Illustration 1I – Auditor’s Report on Financial Statements of a Charity Prepared in Accordance with a Fair Presentation Framework

For purposes of this illustrative auditor’s report, the following circumstances are assumed:

- Audit of a complete set of financial statements of a charity using a fair presentation framework. The audit is not a group audit (i.e., SSA 600 (Revised) does not apply).

...

INDEPENDENT AUDITOR’S REPORT

To the Members of _____ (Charity)

This illustrative report is for the situation where the Charity is incorporated as a Company limited by guarantee. The Charity is also registered under the Charities Act 1994. Where the Charity is not incorporated as a Company under the Companies Act, refer to Appendix 1B Non-incorporated entity for a sample of the auditor’s report to be issued.

Report on the Audit of the Financial Statements⁸²

Opinion

...

Auditor’s Responsibilities for the Audit of the Financial Statements

...

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 ~~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 that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence.

...

⁸² The sub-title “Report on the Audit of the Financial Statements” is unnecessary in circumstances when the second sub-title “Report on Other Legal and Regulatory Requirements” is not applicable.

(1J) Revised financial statements⁸³

Illustration 1J – Auditor’s Report on Revised Financial Statements of a Singapore Incorporated ~~Listed~~–Publicly Traded Company Prepared in Accordance with a Fair Presentation Framework. The Audit is a Group Audit.

For purposes of this illustrative auditor’s report, the following circumstances are assumed:

- Audit of a complete set of revised consolidated financial statements and statement of financial position of a Singapore incorporated ~~listed~~–publicly traded company using a fair presentation framework. The audit is a group audit of a company with subsidiaries (i.e., SSA 600 (Revised) applies).

...

INDEPENDENT AUDITOR’S REPORT

To the Shareholders of _____ (entity) [or Other Appropriate Addressee]

Report on the Audit of the Revised Financial Statements⁸⁴

Opinion

...

Auditor’s Responsibilities for the Audit of the Revised Financial Statements

...

We communicate with the directors 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~~ 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 that we identify during our audit.

We also provide the directors 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, actions taken to eliminate threats or safeguards applied.

...

⁸³ Please refer to ACRA’s Audit Practice Bulletin No.1 of 2018, *Audit of Revised Financial Statements Under Sections 202A and 202B of the Companies Act*, which highlights some of the legislative requirements and provides guidance to auditors on the audit procedures on revised financial statements prepared in accordance with the Regulations.

⁸⁴ The sub-title “Report on the Audit of the Revised Financial Statements” is unnecessary in circumstances when the second sub-title “Report on Other Legal and Regulatory Requirements” is not applicable.

APPENDIX 2

Sample Independent Auditor's Reports on Special Purpose Audits

Introduction

The sample independent auditor's reports contained in Appendix 2 are drafted for the purpose of submission to the respective authorities. Any adaptation of the independent auditor's reports in this Appendix for submission to other organisations is not appropriate.

(2A) Maritime Sector Incentive - Approved International Shipping Enterprise Scheme

Illustration 2A – Auditor's Report on the Expenditure Incurred Under the Maritime Sector Incentive – Approved International Shipping Enterprise Award of a Singapore Incorporated ~~Listed Publicly Traded~~ Company⁸⁵ Prepared in Accordance with a Special Purpose Framework

For purposes of this illustrative auditor's report, the following circumstances are assumed:

- Audit of the amounts stated in the column titled "Local Actual Business Spending" in the Statement of Actual Business Spending (Statement).

...

INDEPENDENT AUDITOR'S REPORT ON THE EXPENDITURE INCURRED UNDER THE MARITIME SECTOR INCENTIVE – APPROVED INTERNATIONAL SHIPPING ENTERPRISE ("MSI-AIS") AWARD DURING THE PERIOD FROM [DATE] TO [DATE]

[To the Board of Directors of _____ (Company) or Other Appropriate Addressee]

Opinion

...

Auditor's Responsibilities for the Audit of the Amounts Stated in the Column Titled "Local Actual Business Spending" in the Statement

...

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~~ 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 that we identify during our audit.

⁸⁵ While the sample report is worded on the basis that the company is ~~listed publicly traded~~, there are many companies under the MSI- AIS award that are non-~~listed publicly traded~~ companies (which are other than ~~listed publicly traded~~ entities). To allow auditors to customise the sample report, there will be footnotes prompting the auditor to delete those paragraphs which are not applicable to them.

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, actions taken to eliminate threats or safeguards applied.⁸⁶

The engagement partner on the audit resulting in this independent auditor's report is [name].⁸⁷

...

2B) Fund Raising Appeal by Societies

Illustration 2B - Auditor's Report on the Statement of Accounts Relating to the Fund-Raising Appeal of a Society Prepared in Accordance with a Special Purpose Framework

For purposes of this illustrative auditor's report, the following circumstances are assumed:

- Audit of a statement of accounts (the Statement) of a society relating to the fund-raising appeal held by the society.

...

INDEPENDENT AUDITOR'S REPORT ON THE STATEMENT OF ACCOUNTS RELATING TO THE FUND-RAISING APPEAL HELD BY THE SOCIETY

[To the President⁸⁸ of _____ (Society) or Other Appropriate Addressee]

Opinion

...

Auditor's Responsibilities for the Audit of the Statement

...

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 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 that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence.

...

⁸⁶ This paragraph is to be included only if the Company is ~~listed publicly traded~~. If the company is not publicly traded, the paragraph to be included would be amended to "We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence."

⁸⁷ The engagement partner's name is only disclosed in cases whereby the Company is ~~listed publicly traded~~.

⁸⁸ Or other officer of the Society holding analogous positions (refer to Regulation 6(1) of the Societies Regulations).

2C) Licensee's Annual Gross Turnover

Illustration 2C – Auditor's Report on the Annual Gross Turnover Under a Licence Granted to a Singapore Incorporated ~~Listed-Publicly Traded~~ Company⁸⁹ by the Info-communications Media Development Authority Prepared in Accordance with a Special Purpose Framework

For purposes of this illustrative auditor's report⁹⁰, the following circumstances are assumed:

- Audit of the Schedule of the Annual Gross Turnover (AGTO) in relation to all licensable activities under a licence granted to a company (Licensee) by the Info-communications Media Development Authority (IMDA).

...

INDEPENDENT AUDITOR'S REPORT ON LICENSEE'S ANNUAL GROSS TURNOVER

[To the Board of Directors of _____ (Company) or Other Appropriate Addressee]

Opinion

...

Auditor's Responsibilities for the Audit of the Schedule

...

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~~ 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 that we identify during our audit.

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, actions taken to eliminate threats or safeguards applied⁹¹.

⁸⁹ While the sample report is worded on the basis that the Licensee is ~~listed~~publicly traded, there may be Licensees submitting the auditor's report on AGTO which are non-~~listed-publicly traded~~ entities (other than ~~listed-publicly traded~~ entities). To allow the auditors to customise the sample report, there will be footnotes prompting the auditor to delete those paragraphs which are not applicable to them.

⁹⁰ This sample report will also apply to foreign companies registered under the Companies Act 1967.

⁹¹ ~~_____ This paragraph is to be included only if~~ If the company is ~~not listed~~publicly traded, the paragraph to be included would be amended to "We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence."

The engagement partner on the audit resulting in this independent auditor's report is [name].⁹²

...

Appendix 4

SAMPLE INDEPENDENT AUDITOR'S SUPPLEMENTARY REPORTS TO RELEVANT AUTHORITIES

The sample supplementary reports contained in Appendix 4 are drafted for the purpose of submission to the respective authorities. Any adaptation of the supplementary reports in this Appendix for submission to other organisations is not appropriate.

(4A) Supplementary Reports for Banks (including Merchant Banks)⁹³

...

INDEPENDENT AUDITOR'S SUPPLEMENTARY REPORT

[Chief Executive Officer] of the Bank
[Name of Bank]

Opinion

...

Auditor's Responsibilities for the Audit of the Financial Statements

...

We communicate with the directors 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 ~~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 that we identify during our audit.

[We also provide the directors 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, actions taken to eliminate threats or safeguards applied.]⁹⁴

Restriction on Distribution and Use

This report is prepared to assist the Bank to meet the requirements of the MAS. As a result, the report may not be suitable for another purpose. Our report is intended solely for the Bank and the MAS and should not be distributed to or used by parties other than the Bank or the MAS.

⁹² The engagement partner's name is only disclosed in cases whereby the company is ~~listed~~ publicly traded.

⁹³ Where the illustrative report is used for merchant banks, the references to "bank" would be amended to "merchant bank" accordingly.

⁹⁴ This paragraph is included if the bank is a ~~listed~~ publicly traded entity. If the bank is not publicly traded, the paragraph to be included would be amended to "We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence."

[The engagement partner on the audit resulting in this independent auditor's supplementary report is [name]].⁹⁵

...

(4B) Supplementary Reports for Finance Companies

...

INDEPENDENT AUDITOR'S SUPPLEMENTARY REPORT

[Chief Executive Officer] of the Finance Company
[Name of Finance Company]

Opinion

...

Auditor's Responsibilities for the Audit of the Financial Statements

...

We communicate with the directors 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 ~~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 that we identify during our audit.

[We also provide the directors 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, actions taken to eliminate threats or safeguards applied.]⁹⁶

Restriction on Distribution and Use

This report is prepared to assist the Finance Company to meet the requirements of the MAS. As a result, the report may not be suitable for another purpose. Our report is intended solely for the Finance Company and the MAS and should not be distributed to or used by parties other than the Finance Company or the MAS.

[The engagement partner on the audit resulting in this independent auditor's supplementary report is [name]].⁹⁷

...

⁹⁵ The name of the engagement partner is included if the bank is a listed-publicly traded entity.

⁹⁶ This paragraph is included if the finance company is a listed-publicly traded entity. If the company is not publicly traded, the paragraph to be included would be amended to "We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence."

⁹⁷ The name of the engagement partner is included if the finance company is a listed-publicly traded entity.

(4C) Private Lotteries Permits (Fruit Machine/ Tombola/ Lucky Draw)

...

INDEPENDENT AUDITOR'S SUPPLEMENTARY REPORT

[Management Committee] of the _____¹
[Name]

Opinion

...

Auditor's Responsibilities for the Audit of the Financial Statements

...

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~~ 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 that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence.

...

(4D) Report on Depository Agent for The Central Depository (Pte) Limited

...

INDEPENDENT AUDITOR'S SUPPLEMENTARY REPORT

The Board of Directors
[Name of entity]

Opinion

...

Auditor's Responsibilities for the Audit of the Financial Statements

...

We communicate with the directors 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~~ 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 that we identify during our audit.

[We also provide the directors 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, actions taken to eliminate threats

or safeguards applied.]⁹⁸

Restriction on Distribution and Use

This report is prepared to assist the _____² to meet the requirements of the CDP. As a result, the report may not be suitable for another purpose. Our report is intended solely for the _____² and CDP and should not be distributed to or used by parties other than the _____² or the CDP.

[The engagement partner on the audit resulting in this independent auditor's supplementary report is [name]].⁹⁹

...

AGS 5, AUDITS OF ENTITIES IN SPECIFIC INDUSTRIES, PROFESSIONS OR VOCATIONS

...

APPENDIX

Auditor's Report on Financial Statements of a Trade Union Prepared in Accordance with a Fair Presentation Framework

For purposes of this illustrative auditor's report, the following circumstances are assumed:

- Audit of a complete set of financial statements of a Trade Union (Union) using a fair presentation framework. The audit is not a group audit (i.e., SSA 600 (Revised)¹⁰⁰ does not apply).

...

INDEPENDENT AUDITOR'S REPORT

[Appropriate Addressee]

Report on the Audit of the Financial Statements

Opinion

...

Auditor's Responsibilities for the Audit of the Financial Statements

...

⁹⁸ This paragraph is included if the entity is a ~~listed-publicly traded~~ entity. If the entity is not publicly traded, the paragraph to be included would be amended to "We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence."

⁹⁹ The name of the engagement partner is included if the entity is a ~~listed-publicly traded~~ entity.

¹⁰⁰ SSA 600 (Revised), *Special Considerations – Audits of Group Financial Statements (Including the Work of Component Auditors)*.

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~~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 that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence.

...

AGS 9, OPINION ON RECEIPTS, EXPENDITURE, INVESTMENT OF MONEYS AND THE ACQUISITION AND DISPOSAL OF ASSETS BY STATUTORY BOARDS

...

Illustration 1 - An Auditor's Report Containing an Unqualified Opinion on the Compliance of Transactions and an Unqualified Opinion on the Fair Presentation of the Financial Statements.

For purposes of this illustrative auditor's report, the following circumstances are assumed:

- Audit of a complete set of financial statements of a statutory board (Board) using a fair presentation framework. The audit is not a group audit (i.e., SSA 600 (Revised)¹⁰¹ does not apply).

...

INDEPENDENT AUDITOR'S REPORT

To the Members of _____ (Board)

Report on the Audit of the Financial Statements

Opinion

...

Auditor's Responsibilities for the Audit of the Financial Statements

...

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~~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

¹⁰¹ SSA 600 (Revised), "Special Considerations – Audits of Group Financial Statements (Including the Work of Component Auditors)."

charged with governance~~that we identify during our audit.~~

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence.

...

Illustration 2 - An Auditor's Report Containing an Unqualified Opinion on the Compliance of Transactions of the Statutory Board and an Unqualified Opinion on the Fair Presentation of the Financial Statements of the Group.

For purposes of this illustrative auditor's report, the following circumstances are assumed:

- Audit of a complete set of consolidated financial statements, the statement of financial position, statement of comprehensive income and statement of changes in equity of a statutory board (Board) using a fair presentation framework. The audit is a group audit of a Board with subsidiaries (i.e., SSA 600 (Revised) applies).

...

INDEPENDENT AUDITOR'S REPORT

To the members of _____ (Board)

Report on the Audit of the Financial Statements

Opinion

...

Auditor's Responsibilities for the Audit of the Financial Statements

...

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~~ 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.

...

Illustration 3 - An Auditor's Report Containing a Qualified Opinion on the Compliance of Transactions Due to the Auditor's Inability to Obtain Sufficient Appropriate Audit Evidence on a Class of Transaction and a Qualified Opinion on the Fair Presentation of the Financial Statements.

For purposes of this illustrative auditor's report, the following circumstances are assumed:

- Audit of a complete set of financial statements of a statutory board (Board) using a fair presentation framework. The audit is not a group audit (i.e., SSA 600 (Revised) does not apply).

...

INDEPENDENT AUDITOR'S REPORT

To the Members of _____ (Board)

Report on the Audit of the Financial Statements

Qualified Opinion

...

Auditor's Responsibilities for the Audit of the Financial Statements

...

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 ~~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. that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence.

...

AGS 10, JOINT AUDITS

...

APPENDIX 1

Illustrative Independent Joint Auditors' Report on Financial Statements

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

Joint Auditors' Report on Consolidated Financial Statements of a Listed-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 listed-publicly traded company not incorporated in Singapore using a fair presentation framework. The audit is a group audit of a company with subsidiaries.

...

INDEPENDENT JOINT AUDITORS' REPORT

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

Report on the Audit of the Consolidated Financial Statements¹⁰²

Opinion

...

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

...

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 ~~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.
~~that we identify during our audit.~~

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.

...

¹⁰² 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.