

**Preface to the Singapore
Standards on Quality Control, Auditing,
Review, Other Assurance and
Related Services**

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

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

PREFACE TO THE SINGAPORE STANDARDS ON QUALITY CONTROL, AUDITING, REVIEW, OTHER ASSURANCE AND RELATED SERVICES

(Effective as of 15 December 2009)

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Introduction

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

The ICPAS' Pronouncements

3. The ICPAS' pronouncements govern audit, review, other assurance and related services engagements that are conducted in accordance with Singapore Standards. They do not override the local laws or regulations that govern the audit of historical financial statements or assurance engagements on other information required to be followed in accordance with other standards. A professional accountant should not represent compliance with the ICPAS' Standards unless the professional accountant has complied fully with all of those relevant to the engagement.

The Authority Attaching to Singapore Standards

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

Singapore Standards on Auditing

10. SSAs are written in the context of an audit of financial statements¹ by an independent auditor. They are to be adapted as necessary in the circumstances when applied to audits of other historical financial information. The authority of SSAs is set out in SSA 200.²

Singapore Standards on Quality Control

11. SSQCs are written to apply to firms in respect of all their services falling under the Singapore Engagement Standards. The authority of SSQCs is set out in the introduction to the SSQCs.

Other Singapore Standards

12. The Singapore Standards identified in paragraphs 5-7 contain basic principles and essential procedures (identified in bold type lettering and by the word “should”) together with related guidance in the form of explanatory and other material, including appendices. The basic principles and essential procedures are to be understood and applied in the context of the explanatory and other material that provides guidance for their application. It is therefore necessary to consider the entire text of a Standard to understand and apply the basic principles and essential procedures.
13. The basic principles and essential procedures of a Standard are to be applied in all cases where they are relevant in the circumstances of the engagement. In exceptional circumstances, however, a professional accountant may judge it necessary to depart from a relevant essential procedure in order to achieve the purpose of that procedure. When such a situation arises, the professional accountant is required to document how alternative procedures performed achieve the purpose of the procedure and, unless otherwise clear, the reasons for the departure. The need for the professional accountant to depart from a relevant essential procedure is expected to arise only where, in the specific circumstances of the engagement, that procedure would be ineffective.
14. Appendices, which form part of the application material, are an integral part of a Standard. The purpose and intended use of an appendix are explained in the body of the related Standard or within the title and introduction of the appendix itself.

Professional Judgment

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

Applicability of the Singapore Standards

16. The scope, effective date and any specific limitation of the applicability of a specific Singapore Standard is made clear in the Standard. Unless otherwise stated in the Singapore Standard, the professional accountant is permitted to apply an Singapore Standard before the effective date specified therein.
17. Singapore Standards are relevant to engagements in the public sector. When appropriate, additional considerations specific to public sector entities are included:
- (a) Within the body of a Singapore Standard in the case of SSAs and SSQCs; or
 - (b) In a Public Sector Perspective (PSP) appearing at the end of other Singapore Standards.

¹ Unless otherwise stated, “financial statements” mean financial statements comprising historical financial information.

² SSA 200, “Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with Singapore Standards on Auditing.”

The Authority Attaching to Statements of Auditing Practice

18. Statements of Auditing Practice (SAPs) are issued to provide interpretive guidance and practical assistance to professional accountants in implementing SSAs and to promote good practice. Singapore Review Engagement Practice Statements (SREPSs), Singapore Assurance Engagement Practice Statements (SAEPSs) and Singapore Related Services Practice Statements (SRSPSs) are issued to serve the same purpose for implementation of SSREs, SSAEs and SSRs respectively.
19. Professional accountants should be aware of and consider Practice Statements applicable to the engagement. A professional accountant who does not consider and apply the guidance included in a relevant Practice Statement should be prepared to explain how:
 - (a) The requirements in the SSAs; or
 - (b) The basic principles and essential procedures in the other Engagement Standard(s), addressed by the Practice Statement, have been complied with.

Other Papers Published by the ICPAS

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

Language

21. The sole authoritative text of an exposure draft, Singapore Standard, Practice Statement or other paper is that published by the ICPAS in the English language.

Application of Standards

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