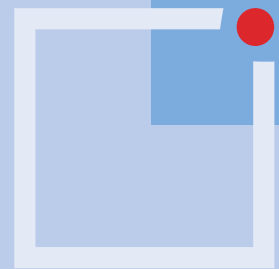


# ASSURANCE

**FOUNDATION PROGRAMME**  
STUDY GUIDE:  
2023-2024 EDITION



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## **About the Institute of Singapore Chartered Accountants**

The Institute of Singapore Chartered Accountants (ISCA) is the national accountancy body of Singapore. ISCA's vision is to be a world-class accountancy body of trusted professionals, contributing towards an innovative and sustainable economy. There are over 35,000 ISCA members making their stride in businesses across industries in Singapore and around the world.

Established in 1963, ISCA is an advocate of the interests of the profession. Complementing its global mindset with Asian insights, ISCA leverages its regional expertise, knowledge, and networks with diverse stakeholders to contribute towards the advancement of the accountancy profession.

ISCA is the Administrator of the Singapore CA Qualification and the Designated Entity to confer the Chartered Accountant of Singapore - CA (Singapore) - designation.

ISCA is a member of Chartered Accountants Worldwide, a global family that brings together the members of leading institutes to create a community of over 1.8 million Chartered Accountants and Candidates in more than 190 countries.

For more information, visit [www.isca.org.sg](http://www.isca.org.sg)

## **The Accounting and Corporate Regulatory Authority**

The Accounting and Corporate Regulatory Authority (ACRA) is the regulator of business registration, financial reporting, public accountants, and corporate service providers. We are also responsible for developing the accountancy sector and setting the accounting standards for companies, charities, cooperative societies, and societies in Singapore. ACRA fosters a vibrant and trusted business environment that enables innovation and growth and contribute towards making Singapore the best place for business.

ACRA was formed as a statutory board on 1 April 2004, following the merger of the Registry of Companies and Businesses (RCB) and the Public Accountants' Board (PAB). This merger sought to achieve synergies between the monitoring of corporate compliance with disclosure requirements and the regulation of public accountants performing statutory audits.

On 1 April 2023, ACRA, the Singapore Accountancy Commission (SAC) and the Accounting Standards Council (ASC) merged as one entity, taking on the name, ACRA. The merger aimed to strengthen the effectiveness of regulation, standards-setting, and sector development by harnessing synergies across complementary accountancy-related functions.

For more information, visit: [www.acra.gov.sg](http://www.acra.gov.sg)

## **The Singapore CA Qualification**

The Singapore Chartered Accountant Qualification (SCAQ) is Singapore's national professional accountancy qualification, designed to develop business leaders. It is internationally recognised through Reciprocal Membership Agreements with world-renowned Chartered Accountant (CA) Professional Bodies in Australia, New Zealand, Ireland, Scotland, and the United Kingdom; and provides an Asian perspective.

Completion of SCAQ opens the way to full membership with the Institute of Singapore Chartered Accountants (ISCA) which is required in order to be conferred the Chartered Accountant of Singapore – CA (Singapore) designation.

SCAQ was developed by the Singapore Accountancy Commission (SAC) in 2013. On 1 April 2023, SAC, the Accounting & Corporate Regulatory Authority (ACRA) and the Accounting Standards Council (ASC) merged as one entity, taking on the name, ACRA. The merged ACRA is responsible for the growth and development of the accountancy sector and its related fields in Singapore, including SCAQ.

## Introduction

This Study Guide helps Candidates to be better prepared for the Singapore CA Qualification examinations. The Study Guide provides guidance to Candidates on how to use the recommended textbooks.

### Module Assessment

The Foundation Programme is assessed by way of centralised examinations. These standard national examinations are applicable to all Candidates. Each module will be assessed by way of a 3-hour and 15 minutes restricted open-book written examination. There will be four questions, and each question may have multiple parts requiring structured responses. For instance, written short answer questions, essay style questions, computations, or standard format questions (e.g., extracts from income tax returns and GST returns, journal entries, etc.).

### Module Objective

Upon completion of the Assurance module, Candidates will understand the nature, purpose, and scope of assurance engagements for a standalone entity. Candidates will also be able to demonstrate how an auditor obtains an understanding of the entity, plans and performs audit procedures, and collects and documents evidence, as well as assess internal controls. Finally, Candidates will be able to describe how an auditor presents reports for assurance engagements in accordance with the Singapore Standards on Auditing and the Code of Professional Conduct and Ethics.

### Assumed knowledge and Pre-requisites

Candidates are strongly encouraged to complete the Principles of Financial Reporting module prior to enrolling in the Assurance module.

### Recommended Textbook

There is no prescribed learning materials for each of the Foundation Programme modules. Candidates should make use of the Recommended Textbooks to deepen their knowledge and understanding of the topics and learning outcomes. This study guide maps out the module Learning Outcomes to the various chapters and sections found within the recommended Textbooks that you would find useful and relevant in your studies and work. The Recommended Textbook are as follows:

No	Textbook	Authors	Publisher	Edition
1.	Audit and Assurance - Principles and Practices in Singapore	Dr Ernest Kan	Wolters Kluwer	5th

As the textbooks are not customised for the Singapore CA Qualification, there are learning outcomes not covered by the textbooks. The Study Guide had aligned such learning outcomes to publicly available references. Candidates may refer to other sources to supplement your learning.

In addition to the above references, Candidates should make use of other resources like the Examiners' Guide published on the SCAQ website and Essential Reading listed in this Study Guide.

**Essential Reading**

- (a) Singapore Standards of Auditing
- (b) Ethics Pronouncement 100 (EP 100) the *ISCA Code of Professional Conduct and Ethics*
- (c) Ethics Pronouncement 200 (EP 200) *Anti-Money Laundering and Countering the Financing of Terrorism - Requirements and Guidelines for Professional Accountants in Singapore*
- (d) The financial press in relation to emerging trends and current issues

## Studying for the Singapore CA Qualification (Foundation)

Candidates may choose the following mode of study for the Singapore CA Qualification (Foundation):

- (a) Attend tuition courses with a Registered Learning Organisation – Foundation Programme (RLO-FP); or
- (b) Self-study.

Attending the preparatory or revision classes conducted by the RLO-FPs may help you to better prepare for the Singapore CA Qualification (Foundation) examinations. The list of RLO-FPs is available on the SCAQ website. For more details regarding course fees, schedules, and duration, please visit the respective RLO-FP websites.

### Using the Study Guide and the Recommended Textbooks

Utilising the Study Guide and the Recommended Textbooks together for studying the Singapore CA Qualification will:

- help you navigate and achieve the module learning outcomes to obtain insightful commentary and explanatory details of the module topic
- increase your comprehension and organise your understanding through the module topic and practice with application based examples, and
- prepare you for a successful exam, while providing the knowledge you can put into action at work right away.

### Planning Your Study Programme

Each semester is approximately 13 weeks long. You should establish your own detailed study plan that fits in with your work and other commitments. There are two distinct periods during the semester that you should take note of: i) gaining knowledge and developing your application skills and ii) revising for the examination, which includes honing your application skills.

A sample study plan might be to divide the semester into two with:

- The first ten weeks spent gaining knowledge and developing your application skills; and
- The final three weeks spent revising for the examination and doing practice exam questions.

Using this sample study plan, you would then divide the number of topics by ten and plan to work through each topic accordingly. As you complete each topic, you should also attempt the corresponding practice questions from the Textbooks. This approach will help you establish whether you have understood the concepts thoroughly and reinforces the knowledge and skills gained.

Once you have read all the relevant sections from the Recommended Textbooks, as well as the other suggested reading materials and worked through the topic-specific questions from the Textbooks, you should then switch to intense revision mode and start preparing yourself for the examination.



The past year examination questions also help you get prepared for your examination. You should attempt each question as if it were the real examination, limiting the time allowed to complete, and being honest with yourself when you compare your answer to the answer suggested. As part of your revision, you should refer to the Recommended Textbooks and other essential reading materials to ensure that you have fully understood the concepts and noted any exceptions.

In terms of time invested, it is recommended that you spend 100 hours on gaining knowledge and developing your application skills (approximately 10 hours a week for the first 10 weeks of the semester). The last three weeks should be devoted to intensive revision and exam practice. At a minimum, you should plan to invest at least 12 hours each week in the three weeks leading up to the examination.

## Module Syllabus

### ASSURANCE

Legal and Professional Framework	6 Hrs	10%
Practice Management	12 Hrs	20%
Planning the Audit	12 Hrs	20%
Performing the Audit	24 Hrs	40%
Reporting	6 Hrs	10%

\* Estimated study hours only serve as a guide for the Candidates.

### THE MODULE AT A GLANCE

- A** Explain the nature, purpose, and scope of assurance engagements and the regulatory environment for statutory audits.
- B** Assess the relevance and importance of ethics and professionalism in complying with Singapore Standards on Auditing and position the body of knowledge within the wider legal framework in Singapore.
- C** Demonstrate how the auditor obtains an understanding of the entity and its environment, internal controls, assesses the risk of material misstatement and explain the concept of materiality.
- D** Identify and describe audit procedures and evidence required on specific tests to meet the objectives of assurance engagements and application of the Singapore Standards on Auditing.
- E** Explain how conclusions from audit work are reflected in different types of audit reports, and outline other types of assurance reports.

### ESSENTIAL READING

Singapore Standards on Auditing

Ethics Pronouncement 100 (EP 100) the ISCA *Code of Professional Conduct and Ethics*

Ethics Pronouncement 200 (EP 200) *Anti-Money Laundering and Countering the Financing of Terrorism - Requirements and Guidelines for Professional Accountants in Singapore*

The financial press in relation to emerging trends and current issues

### SPECIFIC EXCLUSIONS

The following Singapore Financial Reporting Standards are excluded from this module.

- SSA 600** Special Considerations – Audits of Group Financial Statements (Including the work of Component Auditors)
- SSA 710** Comparative information – Corresponding figures and comparative financial statements
- SSA 800** Special considerations – Audits of financial statements prepared in accordance with special purpose frameworks
- SSA 805** Special considerations – Audits of single financial statements and specific elements, accounts or items of a financial statement
- SSA 810** Engagements to report on summary financial statements

## Module Syllabus

### Cognitive Levels

The cognitive levels (CL) give an indication of the intellectual depth which Candidates are expected to achieve. Each learning outcome is identified with a cognitive level ranging from 1 to 3. The cognitive levels are described below.

#### Cognitive Level 1

An ability to communicate knowledge and insight in relation to emerging trends, current issues, and regulatory changes, with some practical application.

#### Cognitive Level 2

An ability to assess and apply knowledge to common scenarios that a Candidate would be likely to encounter in the workplace to derive an appropriate outcome.

#### Cognitive Level 3

An ability to demonstrate an elevated level of application of knowledge and assess information in more complex scenarios in order to arrive at an appropriate outcome.

### Core and non-core learning outcomes

In addition to the CL, each learning outcome is defined as core or non-core to distinguish between fundamental or supplemental knowledge and skills prescribed in this module.

#### Core learning outcomes

These are essential learning outcomes which Candidates are expected to achieve in order to gain competency in the described module objective.

#### Non-core learning outcomes

These are learning outcomes which supplement the core learning outcomes and will equip Candidates with a holistic understanding of the module.

## Using the Study Guide

No	ASSURANCE MODULE	CL	Core	Audit and Assurance - Principles and Practices in Singapore (5th Edition)	Other references
<b>A</b>	<b>LEGAL AND PROFESSIONAL FRAMEWORK</b>				
<b>A1</b>	<b>Regulatory Frameworks for Audit and Assurance Services</b>				
1	Outline the need for laws, regulations, standards, and other guidance relating to audit, assurance, and related services in Singapore and how they align with international regulatory frameworks, such as those issued by the International Auditing and Assurance Standards Board (IAASB).	<b>1</b>	<b>NC</b>	1 - 100 to 1 - 120, 3 - 120	—
2	Outline and explain the need for the legal and professional framework, including: <ul style="list-style-type: none"> <li>• Singapore Standards on Auditing (SSAs)</li> <li>• Public oversight of an audit and assurance practice; and</li> <li>• The role of audit committees and the impact on audit and assurance practice.</li> </ul>	<b>1</b>	<b>NC</b>	2 - 200 to 2 - 230, 3 - 310 to 3 - 330	—
<b>A2</b>	<b>Laws and Regulations</b>				
3	Compare and contrast the respective responsibilities of directors, management, professional accountants, and auditors concerning compliance with laws and regulations in an audit of financial statements.	<b>2</b>	<b>C</b>	1 - 320, 2 - 110 to 2 - 120 2 - 170 to 2 - 180	—
4	Describe the auditor's considerations of compliance with laws and regulations and plan audit procedures when possible non-compliance is discovered.	<b>2</b>	<b>C</b>	2 - 170, 2 - 180 32-330	—

	ASSURANCE MODULE			Audit and Assurance - Principles and Practices in Singapore (5th Edition)	Other references
		No	Learning Outcomes	CL	Core
5	Explain how, why, when, and to whom non-compliance should be reported and the circumstances in which an auditor should withdraw from an engagement.	2	C	32 - 340 to 32 - 360	—
<b>B</b>	<b>PRACTICE MANAGEMENT</b>				
<b>B1</b>	<b>Code of Professional Conduct and Ethics</b>				
6	Explain the fundamental principles of Ethics Pronouncement (EP) 100 the ISCA Code of Professional Conduct and Ethics.	2	C	4 - 100 4 - 200 to 4 - 210	—
7	Explain the scope of 'money laundering and terrorism financing' and the related obligations of a Chartered Accountant of Singapore in accordance with Ethics Pronouncement (EP) 200 Anti-Money Laundering and Countering the Financing of Terrorism – Requirements and Guidelines for Professional Accountants in Singapore.	2	C	4 - 350	—
8	Identify and assess relevant emerging ethical issues and describe the safeguards available.	2	C	4 - 220 to 4 - 290	—
9	Recognise conflicts in the application of the fundamental ethical principles.	2	C	4 - 210 to 4 - 290, 44 - 300	—
10	Outline the importance of the auditor's independence and professional scepticism in planning and performing an audit.	2	C	4 - 310, 9 - 300	—
11	Recommend a suitable course of action for a professional accountant to take upon discovering a breach of	2	C	6 - 310 to 6 - 330	—

	ASSURANCE MODULE			Audit and Assurance - Principles and Practices in Singapore	Other references
				(5th Edition)	
No	Learning Outcomes	CL	Core		
	professional ethics by themselves or by others.				
<b>B2</b>	<b>Professional Responsibility</b>				
12	Recognise the circumstances in which a professional accountant or an auditor may have legal liability to clients and third parties.	<b>2</b>	<b>C</b>	32 - 100	—
13	Define the respective responsibilities of management and auditors relating to fraud and error.	<b>2</b>	<b>C</b>	32 - 190, 32 - 300	—
14	Explain the concept of due care in the performance of work and describe the factors to determine whether or not an auditor or a professional accountant is negligent in given situations.	<b>2</b>	<b>C</b>	4 - 210	—
15	Describe the practicability and effectiveness of ways in which liability may be restricted.	<b>1</b>	<b>NC</b>	32 - 400	—
16	Describe the auditor's responsibility to communicate with those charged with governance and understand the importance of effective two-way communication of specific matters that are required to be communicated to those charged with governance under Singapore Standards on Auditing.	<b>2</b>	<b>C</b>	3 - 410 to 3 - 450	—
<b>B3</b>	<b>Quality Management</b>				
17	Explain the principles and purpose of quality management of audit and other assurance engagements under the regulatory framework.	<b>1</b>	<b>NC</b>	6 - 100, 6 - 110	—
18	Explain what is Engagement Quality Review and assess whether an engagement has been planned and performed in	<b>1</b>	<b>NC</b>	6 - 600 to 6 - 650	<b>Weblink:</b> <a href="https://isca.org.sg/docs/default-source/audit-">https://isca.org.sg/docs/default-source/audit-</a>

ASSURANCE MODULE				Audit and Assurance - Principles and Practices in Singapore (5th Edition)	Other references
No	Learning Outcomes	CL	Core		
	accordance with Singapore Standards on Auditing and public oversight requirements.				assurance/aa-standards/ssqm-2-(oct-2021).pdf?sfvrsn=9cf90c25_2
19	Describe how the provision of non-audit services to audit clients (including auditor-initiated audit adjustments arising from audit work) may compromise the independence of the audit process.	1	NC	4 - 410	—
<b>B4</b>	<b>Appointment and Re-appointment of Auditors</b>				
20	Outline the reasons why entities change their statutory auditors/professional accountants.	2	C	6 - 400 to 6 - 440	—
21	<p>Explain the matters to be considered and the procedures that an auditor/professional accountant should carry out before accepting and/or continuing with a specified client/engagement, including:</p> <ul style="list-style-type: none"> <li>• Client acceptance and continuance;</li> <li>• Engagement acceptance and continuance;</li> <li>• Establishing whether the preconditions for an audit are present;</li> <li>• Communicating with the predecessor auditor; and</li> <li>• Agreeing the terms of engagement.</li> </ul>	2	C	4 - 230, 5 - 220 to 5 - 240	—
<b>C</b>	<b>PLANNING THE AUDIT</b>				
<b>C1</b>	<b>Planning the Audit</b>				

ASSURANCE MODULE				Audit and Assurance - Principles and Practices in Singapore (5th Edition)	Other references
No	Learning Outcomes	CL	Core		
22	Identify and explain the importance of understanding the entity and its environment, and the applicable financial reporting framework.	3	C	9 - 200, 9 – 320	—
23	Apply the use of analytical procedures in the planning of an assignment.	3	C	10 - 210, 10 - 220	—
24	Explain what are assertions for classes of transactions and events, account balances and related disclosure and how the result of planning procedures determines the relevant audit strategy.	3	C	9 - 100, 9 - 600, 10 - 310 to 10 – 340 18 - 100 to 18 - 130	—
25	Describe the potential impact of an internal audit function on the planning and performance of the statutory audit.	1	NC	8 - 100	—
<b>C2</b>	<b>Evaluation of Internal Controls</b>				
26	Identify and explain the importance of understanding the internal controls of a Company.	2	C	3 - 510 to 3 - 520 Chapter 12	
27	Evaluate the controls of key business processes, namely revenue, purchases, expenditure, property, plant and equipment, inventory management, payroll and cash in bank.	2	C	13 - 110 to 13 - 150 14 - 100 to 14 - 200 15 - 110 to 15 - 210 16 - 100 to 16 - 200 17 - 110 to 17 - 220	
28	Outline relevant tests of controls to assess the risks of misstatements.	2	C	13 - 310 to 13 - 360 14 - 310 to 14 - 350 15 - 300 16 - 300 17 - 310 to 17 - 320	
<b>C3</b>	<b>Materiality, and Assessing the Risk of Misstatement</b>				



ASSURANCE MODULE				Audit and Assurance - Principles and Practices in Singapore (5th Edition)	Other references
No	Learning Outcomes	CL	Core		
29	Define materiality and performance materiality and demonstrate how each should be applied in accordance with Singapore Standards on Auditing.	3	C	10 - 110 to 10 - 140	—
30	Explain audit risks and its components (broken into risk of material misstatement (inherent risk and control risk) and detection risk).	3	C	9 - 320, 9 - 400 to 9 - 450	—
31	Identify the risk of material misstatement at the financial statement and assertion level, due to fraud or errors.	3	C	33 - 300 to 33-340 33 - 500	
32	Assess the risk of material misstatement at the financial statement and assertion level (separate assessment of inherent and control risk), due to fraud or errors.	3	C	9 - 500 to 9 - 530	
<b>C4</b>	<b>Information Technology (IT)</b>				
33	Describe recent trends in IT and their current and potential impact on the work of professional accountants and auditors (e.g. the implications of 'cyber incidents' and other risks).	2	C	35 - 300, 35 - 400 to 35 - 760	—
34	Explain how IT may be used to assist professional accountants and auditors.	2	C	7 - 100 to 7 - 120, 7 - 200	—
35	Outline the issues that may be encountered in automating accounting and audit processes.	2	C	7 - 300 to 7 - 320	<b>Weblink:</b> <a href="https://isca.org.sg/resource-library/business-insights/technology">https://isca.org.sg/resource-library/business-insights/technology</a>

ASSURANCE MODULE				Audit and Assurance - Principles and Practices in Singapore (5th Edition)	Other references
No	Learning Outcomes	CL	Core		
36	Explain what are IT Controls and how it ensure data integrity and and facilitate the audit process.	2	C	12 – 120, 12 - 140 12 - 300 to 12 - 320 12 - 410 to 12 - 420	
37	Explain the circumstances in which enhancements to data capture and information processing systems may add value to a client's activities.	2	C	7 - 210	—
<b>D</b>	<b>PERFORMING THE AUDIT</b>				
<b>D1</b>	<b>Audit Evidence</b>				
38	Determine what constitutes sufficient and appropriate evidence.	3	C	18 - 210 to 18 - 220	—
39	Explain the concepts on documentation of audit evidence, using appropriate media and the reasons for those rules.	3	C	10 - 410 to 10 - 430	—
40	Identify and explain the audit evidence expected to be available to support the assertions about classes of transactions, account balances, and presentation and disclosure.	3	C	18 - 230 to 18 – 240 18 - 300 to 18 - 330	—
<b>D2</b>	<b>Audit Procedures</b>				
41	Apply audit procedures for all transactions in the extant syllabus for the Principles of Financial Reporting module.	3	C	Chapter 19 to 24	—
42	Apply substantive audit procedures to obtain sufficient audit evidence from identified sources, e.g. inquiries, inspection, observation, external confirmations and re-performance.	3	C	18 - 240	—

ASSURANCE MODULE				Audit and Assurance - Principles and Practices in Singapore (5th Edition)	Other references
No	Learning Outcomes	CL	Core		
43	Apply analytical procedures as substantive audit procedures using financial and non-financial data.	3	C	18 - 300 to 18 - 330	—
44	Explain the specific audit risks and procedures concerning related parties and related party transactions, including significant transactions outside normal business.	2	C	9 - 220	—
45	Identify accounting estimates, recommend audit procedures, and describe evidence supporting the assumptions and reasonableness of the estimates, including the related disclosures.	2	C	18 - 400 to 18 - 460	—
46	Explain the use of written management representations to support other audit evidence and the limitations of representations as evidence.	2	C	28 - 110 to 28 - 140	—
<b>D3</b>	<b>Using the Work of an Auditor's Expert</b>				
47	Identify and explain the circumstances in which an auditor is likely to need an expert opinion to obtain sufficient, appropriate evidence on a matter.	2	C	11 - 100	—
48	Explain the differences for evidence evaluation between an expert appointed by an auditor and an expert appointed by a client.	2	C	11 - 420	—
49	Explain the work required to be done when there is the use of an expert including: <ul style="list-style-type: none"> <li>Describing the relevance, completeness, and accuracy of that source data significant to that expert's work provided by management;</li> </ul>	2	C	11 - 420, 11 - 500	—

ASSURANCE MODULE				Audit and Assurance - Principles and Practices in Singapore (5th Edition)	Other references
No	Learning Outcomes	CL	Core		
	<ul style="list-style-type: none"> <li>Describe the expert's competence, capabilities, and objectivity for the statutory auditor's purposes;</li> <li>Adequacy of the expert's work; and</li> <li>The auditor's duty to form a concurring opinion with the expert.</li> </ul> <p><i>Note: in this paragraph, 'expert' is used as defined in the Singapore Standards on Auditing.</i></p>				
<b>D4</b>	<b>Evaluation and Review</b>				
50	Explain the use of analytical procedures in evaluation and review.	<b>3</b>	<b>C</b>	29 - 100 to 29 - 120	—
51	Specify audit procedures designed to identify subsequent events that may require adjustment to, or disclosure in, the financial statements of a given entity or steps to be taken for subsequent discovery of facts.	<b>2</b>	<b>C</b>	28 - 210 to 28 - 295	—
52	Identify and explain indicators that the going concern basis may be in doubt and describe mitigating factors.	<b>2</b>	<b>C</b>	27 - 110, 27 - 120	—
53	Recommend audit procedures to describe the evidence that might be expected to be available and assess the appropriateness of the going concern basis in given situations.	<b>2</b>	<b>C</b>	27 - 200 to 27 - 560	—
54	Identify the limitations of the Singapore Standards on Auditing and the possible modifications that they may require in the audits of smaller entities.	<b>2</b>	<b>C</b>	18 - 500	—

ASSURANCE MODULE				Audit and Assurance - Principles and Practices in Singapore (5th Edition)	Other references
No	Learning Outcomes	CL	Core		
55	Describe how an auditor determines key audit matters.	2	C	30 - 200, 30 - 210	
<b>E</b>	<b>REPORTING</b>				
<b>E1</b>	<b>Auditor's Reports</b>				
56	Describe the form and content of a statutory audit report in a given situation.	2	C	30 - 100	—
57	Describe the factors to be taken into account when determining the key audit matters and justify opinions that are consistent with the results of audit or assurance procedures.	2	C	30 - 120	—
58	Evaluate whether a proposed audit opinion is appropriate.	2	C	30 - 130	—
59	Advise on the actions that may be taken by the auditor when a modified audit report is issued, including actions that must be taken under the existing regulatory framework.	2	C	30 - 160 to 30 - 180	—
60	Explain when the use of an 'emphasis of matter' paragraph and 'other matter' paragraph would be appropriate.	2	C	30 - 150, 30 - 300	—
61	Advise on the content of reports to those charged with governance and management in a given situation.	2	C	3 - 430, 30 - 210	—
<b>E2</b>	<b>Assurance Services other than Statutory Audit</b>				
62	Describe the main categories of services (e.g. agreed upon procedures, review of interim financial information, review of historical financial information, cash count and inventory count)	1	NC	1 - 600, 30 - 400, 31 - 100 to 31 - 160	—

ASSURANCE MODULE				Audit and Assurance - Principles and Practices in Singapore (5th Edition)	Other references
No	Learning Outcomes	CL	Core		
	that public accounting entities can provide and assess the benefits of providing these services to management and external users.				
63	Specify a level of assurance for an engagement depending on the subject matter, the criteria used, the procedures applied, and the quality and quantity of evidence obtained.	1	NC	1 - 600	—
<b>E3</b>	<b>Other Reports</b>				
64	Describe the form and content of the professional accountant's report for an assurance engagement as compared with an auditor's statutory audit report.	1	NC	30 - 400 to 30 - 410	—
65	Outline the effectiveness of the 'negative assurance' form of reporting and describe situations in which it may be appropriate to express a reservation or deny a conclusion.	1	NC	30 - 500	—

## Appendix A - Common verbs used by the Examiners

Verb	Description
<b>Account (for) / Bring to account</b>	<b>Account</b> requires you to show how to record an element in the financial statements appropriately. This might be by means of a journal entry, T-account, or an extract from the financial statements. Remember, a journal or a T-account is only complete if it shows the date of the entry, the correct accounts, the correct amounts, and has a description (narration) – easy marks are often thrown away through carelessness. <b>Bring to account</b> requires you to include all components, say itemise all revenue that should be <b>recognised</b> for income tax purposes.
<b>Advise / Give advice</b>	As a Professional Accountant, your work will invariably require you to form an opinion about the most appropriate course of action, or offer alternative courses of action depending upon the situation. This type of question requires you to give specific guidance to an individual or a group (e.g. a taxpayer, audit client, management, etc.), so your answer must provide specific information or make a <b>recommendation</b> tailored to the individual or group and <b>justify</b> you position.
<b>Analyse</b>	<b>Identify</b> the key components, look for similarities and differences, look for patterns or outliers, and weight up the issues. If there is numerical data, you might need to provide a range of answers depending on how you substitute the data into your model. Make sure you <b>state</b> any implications of your answer and any assumptions that you make.
<b>Apply</b>	This instruction requires you to relate your answer back to a specific document/s or set of facts. Alternatively, you may be required to use a specific formula, model, or process. For instance, “ <b>Apply</b> the relevant Singapore Financial Accounting Standard to ...”. Another example would be “ <b>Apply</b> the 3-year and 2-year concessional rules for determining tax residence”. <b>Apply</b> and <b>With reference to</b> are similar.
<b>Appraise</b>	Make a judgment about the value, quality, outcomes, results, or size. Often there will be a qualifier in the instruction, which will tell you exactly what to <b>appraise</b> . For instance, “ <b>Appraise</b> Company X’s <u>credit worthiness</u> ...”. Professional judgment and scepticism (a questioning mind) are called for when making an <b>appraisal</b> . <b>Appraise</b> and <b>Assess</b> are interchangeable.
<b>Arrange</b>	Put into the correct order or sequence. Sometimes <b>arrange</b> will require you to make a judgment about which items or factors should be given priority or the order of importance ( <b>Rank</b> or <b>Prioritise</b> ). For instance, when considering the severity and/or frequency of risks, it is possible to prioritise (or rank) the risks according to whether they have a low, medium, or high probability of occurring and appropriate resources can be deployed efficiently.
<b>Assess</b>	Make a judgment about the value, quality, outcomes, results, or size. Often there will be a qualifier in the instruction, which will tell you exactly what to <b>assess</b> . For instance, “ <b>Assess</b> the <u>adequacy</u> of the disclosures in the financial statements relating to ...”. Professional judgment and scepticism (a questioning mind) are called for when making an <b>assessment</b> . <b>Appraise</b> and <b>Assess</b> are interchangeable.

Verb	Description
<b>Bullet points</b>	Unless specifically asked for, <u>only</u> use <b>bullet points</b> in your answer as an <u>absolute last resort</u> if you are running out of time. A quarter of a mark is better than zero.
<b>Calculate</b> <b>Compute</b>	/ Do the number crunching and derive the correct answer? Make sure that you write down your workings and crosscheck your numbers. Candidates often underperform because of careless mistakes.
<b>Comment</b>	<b>Comment</b> is similar to <b>evaluate</b> in that you are required to make a judgment or provide your opinion based on the facts at hand. Professional judgment and scepticism (a questioning mind) are called for when <b>commenting</b> .
<b>Compare and Contrast</b>	<b>Compare</b> requires you to show how things are similar and/or different while <b>contrast</b> requires you to show how things are different or opposite. Even if you are asked just to <b>compare</b> , you must indicate both the similarities and differences.
<b>Conclude</b> <b>Draw conclusions</b>	/ Form a judgment, or determine the outcome, or resolve an issue, by using the facts presented. An example might be "Conclude whether to outsource the human resource function".
<b>Critically (analyse evaluate)</b>	/ <b>Critically</b> requires that your answer be more extensive than if you were asked to <b>analyse</b> or <b>evaluate</b> the data. Your answer must add a greater degree or level of accuracy, depth, knowledge, understanding, logic, questioning, reflection, and quality to your <b>analysis</b> or <b>evaluation</b> .  Remember, <b>critically</b> requires you to consider both the positive and negative points and <b>apply</b> professional scepticism (a questioning mind) in conjunction with professional judgment. Often when an examiner asks you to <b>critically evaluate</b> or <b>analyse</b> something it is because there can be more than one right answer, so you have to convincingly <b>defend</b> your opinion as part of your answer.
<b>Defend</b>	Whenever you see the word <b>defend</b> you <u>must</u> provide reasons for your answer, in other words, provide support for your argument or conclusion. If you fail to <b>justify</b> your answer, you will lose valuable marks. For example, " <b>Defend</b> your <b>advice</b> ."
<b>Define</b>	Like <b>list</b> , you are unlikely to be asked just to <b>define</b> a term, particularly in a professional accounting-related examination unless it is a term that requires you to communicate your understanding rather than copying down someone else's definition or rote learning. For instance, " <b>Define</b> in your own words ...".
<b>Demonstrate</b>	<b>Demonstrate</b> requires you to <b>prove</b> or <b>disprove</b> something beyond any doubt, or show that it applies in the situation described by giving evidence (for instance, provide an example). The evidence can be from the facts given or from your general knowledge and experience. <b>Demonstrate</b> and <b>Illustrate</b> are similar.



Verb	Description
<b>Describe</b>	<b>Describe</b> requires you to provide the characteristics and features of an item or situation. For instance, “ <b>Describe</b> the audit procedures to verify ...” requires you to <b>state</b> the specific audit procedure/s that you would use without going into step-by-step <b>detail</b> of how to perform that procedure.
<b>Detail</b>	<b>Detail</b> requires you to give very specific instructions or <b>advice</b> . For instance, “ <b>Detail</b> the audit procedures to verify ...” requires you to provide step-by-step instructions. Another example is “ <b>Detail</b> how the findings from the site visit will affect the planning of the statutory audit”. This instruction requires you to <b>state</b> the positive and negative consequences in relation to the site visit and the planning of the audit. Don’t forget to think about the future and the past, not just the present when stating the consequences.
<b>Determine</b>	Ascertain or <b>conclude</b> after <b>analysis</b> and <b>evaluation</b> the most appropriate course of action or most correct answer from a range of viable alternatives.
<b>Discuss</b>	<p><b>Discuss</b> requires you to provide the 'for' and 'against' arguments, you cannot have a discussion without opposing views otherwise it would be just a conversation. If <b>discuss</b> is placed near the front of the instruction, then it requires you to provide an answer that is similar to <b>explain</b>, but addresses both the for and against arguments. For instance, “<b>Discuss</b> why numerical valuation is essential when buying or selling a small business”.</p> <p>However, if there is a statement and <b>discuss</b> is placed at the end, your answer <u>must be</u> in the form of <u>an essay</u> with the following elements:</p> <ul style="list-style-type: none"> <li>• An introduction, which declares whether you agree, disagree, partly agree, or partly disagree with the statement;</li> <li>• The body of your answer, stating: I) Why it is possible to agree <u>and</u> ii) why it is possible to disagree with the statement. You should provide examples to support both points of view; and</li> <li>• A conclusion that proves your original position.</li> </ul> <p>An example of a <b>discuss</b> question that requires an essay style answer would be “Numerical valuation is not essential when buying or selling a small business because the actual selling price is the outcome of negotiation. <b>Discuss</b>”.</p>
<b>Distinguish</b>	To note differences between. For instance, “ <b>Describe</b> what is meant by the term tax planning and <b>distinguish</b> it from tax evasion”. Apart from describing what tax planning involves (say 1-2 marks), you need to <b>explain</b> how the two terms are different and how they are similar. However, providing a list of differences and similarities is insufficient – complete sentences are essential to achieve full marks. In addition, it is important that you also mention any other relevant factors (e.g. the ethical and legal issues).

Verb	Description
<b>Evaluate</b>	Pass judgment on or provide your opinion based on the facts at hand. When making an <b>evaluation</b> , there are often predetermined criteria that you will use to base your opinion on. The key here is to give your opinion or make a judgment of the facts, but providing just a <b>description</b> of the facts is insufficient. Professional judgment and scepticism (a questioning mind) are called for when making an <b>evaluation</b> . <b>Examine</b> and <b>Evaluate</b> are interchangeable.
<b>Examine</b>	Pass judgment on or provide your opinion based on the facts at hand. When <b>examining</b> the facts given, there are often predetermined criteria that you will use to base your opinion on. The key here is to give your opinion or make a judgment of the facts, but providing just a <b>description</b> of the facts is insufficient. Professional judgment and scepticism (a questioning mind) are called for when making an <b>evaluation</b> . <b>Examine</b> and <b>Evaluate</b> are interchangeable.
<b>Explain</b>	As a Professional Accountant, you will be frequently called upon in your work to <b>explain</b> difficult concepts and technical issues to people who are not accounting trained. This is where your ability to share your knowledge using simple everyday terms will be most needed.  <b>Explain</b> requires you to write at least several sentences conveying how you have <b>analysed</b> the information in a way that a layperson can easily understand the concept or grasp the technical issue at hand. For instance, “ <b>Explain</b> whether an ‘emphasis of matter’ paragraph or an ‘other matter’ paragraph would be most appropriate in this situation”, or “ <b>Explain</b> how a partnership is assessed for tax”. <b>Evaluate</b> and <b>Examine</b> are interchangeable.
<b>Identify</b>	<b>Identify</b> is similar to <b>list</b> , but requires you to also provide an <b>explanation</b> as to why the item/s that you have <b>identified</b> is/are relevant to the facts given in the question.  Often <b>identify</b> will require you to select a specific issue or issues, but not all issues, so you need to look out for any qualifying words. For instance, “ <b>Identify</b> the <u>Board Matters</u> ...” is asking you to focus solely on issues that relate to <u>Board Matters</u> from the <i>Singapore Code of Corporate Governance</i> so if you digress and identify remuneration issues, you will not score well. Another example is “ <b>Identify</b> the companies that qualify as members of a group for the purposes of group tax relief”. In order to score well in this second example, you need to <b>identify</b> the companies and <b>state</b> why they are included in the group. You also need to <b>state</b> if a company is not included and why.
<b>Illustrate / Give examples</b>	<b>Illustrate</b> requires you to provide an example, either from the facts given, a real-life example, or a made-up example to <b>illustrate</b> the point you are trying to make. <b>Illustrate</b> and <b>Demonstrate</b> have similarities.
<b>In accordance with</b>	This instruction requires you to relate your answer back to a specific document. Failure to make specific mention of the document in your answer will result in a loss of marks.

Verb	Description
<b>Interpret</b>	Look at the whole as well as the individual parts and decide what the data (or diagram) is telling you. Remember, although <b>interpret</b> may involve some subjective assessment, some answers will be <u>more right</u> (or appropriate) than others.
<b>Justify</b>	Whenever you see the word <b>justify</b> you <u>must</u> provide reasons for your answer, in other words, provide support for your argument or conclusion. If you fail to <b>justify</b> your answer, you will lose valuable marks. <b>Justify</b> is similar to <b>defend</b> .
<b>List</b>	<b>Prepare</b> an itemised <b>list</b> . Although you are unlikely to be asked just for a <b>list</b> of items, it is important to remember that many of the common verbs used by examiners require you to begin with a mental list of issues to consider.
<b>Outline</b>	<b>Outline</b> requires you to provide a general overview of the situation and indicate the main features. <b>Outline</b> is used when the question is worth only a couple of marks, but a single sentence is usually never enough to achieve full marks.
<b>Plan</b>	<b>Prepare a detailed proposal</b> . For instance, in an assurance engagement, you may be asked to ' <b>Plan</b> a review of historical information'.
<b>Predict</b>	Suggest what may happen based on the available information. Remember, although <b>predicting</b> involves uncertainty, some answers will be <u>more right</u> (or appropriate) than others.
<b>Prepare</b>	<b>Prepare</b> requires you to produce your answer using a specific format. For instance, " <b>Prepare</b> the Statement of Cash Flows for ..." or " <b>Prepare</b> all the relevant journal entries for ...". Remember, a journal entry is only complete if it shows the date of the entry, the correct accounts, the correct amounts, and has a description (narration) – easy marks are often thrown away through carelessness. <b>Record</b> and <b>Prepare</b> have similarities.
<b>Prioritise</b>	Make a judgment about which items or factors should be given <b>priority</b> based on importance. For instance, when considering the severity and/or frequency of a risk, it is possible to categorise risks according to whether they have a low, medium, or high risk of occurring and appropriate resources can be deployed efficiently. <b>Rank</b> and <b>Prioritise</b> are interchangeable, and both terms have similarities with <b>Arrange</b> .
<b>Produce</b>	<b>Produce</b> requires you to present your answer in a specific format from scratch. For instance, you may be required to " <b>Produce</b> a Profit or Loss Statement".
<b>Propose/ Provide</b>	Put forward (for example, a point of view, idea, argument, alternatives, etc.) for consideration or action. For instance, "Based on the facts of the case, <b>propose</b> the most tax-effective entity type ...", or " <b>Propose</b> audit adjusting entries to correct ...".
<b>Prove</b>	<b>Prove</b> requires you to establish that something is true by citing evidence or giving clear logical reasons. When you reconcile the Bank Account in the General Ledger you are <b>proving</b> that the account balance is correct.

Verb	Description
<b>Quantify</b>	Provide a <u>numerical value</u> (an exact calculation) or a <u>range of values</u> (upper/lower limits, average, likely values, etc.). For instance, “ <b>Quantify</b> the misstatement in the ‘investment in subsidiary’ in the Statement of Financial Position” or “ <b>Quantify</b> the adverse direct materials variance cost”. As with <b>calculate</b> and <b>compute</b> , you should always show your workings and crosscheck your numbers.
<b>Rank</b>	Make a judgment about which items or factors should be given priority based on importance. For instance, when considering the severity and/or frequency of a risk, it is possible to categorise risks according to whether they have a low, medium, or high risk of occurring and appropriate resources can be deployed efficiently. <b>Rank</b> and <b>Prioritise</b> are interchangeable, and both terms have similarities with <b>Arrange</b> .
<b>Record</b>	<b>Record</b> is similar to <b>prepare</b> in that you may need to perform a calculation and show the specific components in an appropriate format. For instance, “ <b>Record</b> the closing entries to transfer profit (or loss) to retained earnings”. <b>Record</b> and <b>Prepare</b> have similarities.
<b>Recognise</b>	<b>Recognise</b> requires you to <b>distinguish</b> between various components and to be able to <b>state</b> how each component should be treated. For instance, “... and indicate if the gain/loss is <b>recognised</b> as profit or loss or other comprehensive income”. <b>Identify</b> and <b>Recognise</b> have similarities.
<b>Recommend</b>	Make a statement about the most appropriate course of action. If there is more than one possible course of action, <b>state</b> which action you would choose and why ( <b>justify</b> your choice). Your professional judgment and your ability to <b>interpret</b> the wider situation are critical to scoring well in these types of questions. Don't forget to think about the future and the past, not just the present when making a <b>recommendation</b> .
<b>Reconcile / Reconciliation</b>	<b>Prove</b> that the balance of an account is correct. For instance, “ <b>Using</b> the data given, prepare a bank <b>reconciliation</b> ” requires you to <b>prove</b> that the bank balance in the General Ledger corresponds with the balance shown on the bank statement, listing down the timing differences (e.g. unrepresented cheques) and errors (if any). Note here the term <u>Bank Reconciliation</u> , as this acts as a <u>qualifier</u> to indicate the format that you should use to present your answer.
<b>Respond Reply</b>	This is your right of <b>reply</b> . When you are asked to <b>respond</b> , it is usually in <b>reply</b> to a comment made by someone else (although you can also be asked how you would <b>respond</b> in a particular situation). For instance, “ <b>Respond</b> to the Chairperson regarding her comment on impairment”. Whenever you are asked to <b>respond</b> , you must always <b>justify</b> your opinion or the actions you would take.
<b>State</b>	<b>State</b> is similar to <b>list</b> , but the items require your professional judgement. For instance, “ <b>State</b> any restrictions that apply”. One of the easiest ways to make sure that you <b>state</b> comprehensively is to think, “ <b>list and justify</b> ”. You will note that <b>state</b> appears in many of the verb descriptions given.
<b>Summarise</b>	Provide a concise description. <b>Summarise</b> is similar to <b>describe</b> , but in a condensed format.

Verb	Description
<b>To what extent</b>	This instruction requires you to advance arguments in favour of a position or point of view and <b>respond</b> to or take into consideration the opposing arguments or points of view. You must always <b>justify</b> your answer.
<b>Translate</b>	For the purposes of Singapore CA Qualification examinations, <b>translate</b> refers to the conversion of monetary values from one currency into another currency (although translate can refer to spoken and written language as well).
<b>Use / Using</b>	This instruction tells you the type of model that you must <b>use</b> when formulating your answer. For instance, " <b>Using</b> the <u>Discounted Cash Flow approach</u> , ..." tells you what valuation approach to use. Another common phrase is " <b>Using</b> the facts of the case, ...", which tells you that you must relate your answer to the specific facts given in the question scenario. Generic answers will not pass.
<b>With reference to</b>	This instruction requires you to relate your answer back to a specific document/s or set of facts. For instance, " <b>With reference to</b> relevant Singapore Financial Reporting Standards, <b>explain</b> the risk of material misstatements relating to ...". In this example, relevant <u>Singapore Financial Reporting Standards</u> acts as a qualifier ( <b>with reference to</b> 'what'). Failure to make specific mention of the document/s or facts in your answer will result in a substantial loss of marks.

**END OF STUDY GUIDE**