

Public Accountants Conference 2010

Structured Audit Core Training (SACT)

Outline

- ❖ Audit Quality and Staff Training
- ❖ How did Structured Audit Core Training (SACT)

Programme come about?

- ❖ Features of Structured Audit Core Training (SACT) Programme

- ❖ Objectives of SACT
- ❖ SACT Programme Outline

Audit Quality and Staff Training

- ❖ Vision to transform Singapore into a Leading Global Accountancy Hub
- ❖ Recommendation to level up expertise and upgrade capabilities in public accountancy of the SMPs segment
- ❖ Strategy to attract and retain talent
- ❖ ICPAS role to develop and maintain accountancy excellence by providing thought and practice leadership.
- ❖ Structured Audit Core Training (SACT) Programme

How did Structured Audit Core Training (SACT) Programme come about?

- ❖ Benchmark against training programs of other Professional Bodies
- ❖ Needs of the SMPs considered
- ❖ Constraints within which SMPs operate
- ❖ Target audience of SACT

Structured Audit Core Training (SACT) Programme

Key Features of SACT:

- ❖ Practical application of auditing theory and SSA-centric, based on Audit Manual for Small Companies
- ❖ Flexible timing
- ❖ Value-for-money pricing
- ❖ Certification

Objectives of SACT

The objectives of SACT include:

1. Improving quality of audit staff;
2. Providing practical guidance, application and more insights in performing audit fieldwork up to completion and review of audit files at different levels;
3. Harmonising the approach and methodology used based on the audit manual for small companies;
4. Increasing portability of staff in terms of career advancement; and
5. Retaining staff within public accountancy industry

Core 1

Module 1: Audit Manual Overview
Test of Controls; Test of Details; Audit Sampling /Means of Testing; Audit Materiality; Audit Administration.

Module 2: Overview of Substantive Audit Procedures
Audit Evidence; Analytical Procedures; Audit Documentation.

Module 3: Objectives of substantive audit procedures; Reviewer's expectations.

Module 4: Investments; Legal and Statutory Records.

Module 5: Property, Plant and Equipment; Investment Properties; Cash and Bank.

Module 6: Inventories.

Module 7: Related Parties; Trade and Other Receivables.

Module 8: Trade and Other Payables; Other Accruals; Contingent Liabilities/Financial Commitments; Post Balance Sheet Events.

Module 9: Current Taxation.

Module 10: Deferred Taxation; Bank and other Borrowings; Deferred Income.

Module 11: Income Statement; Financial Instruments.

Module 12: Case Study

Core 2

Module 1: SSA overview and critical SSAs and implications on audit; SSA checklists.

Module 2: Planning: Understanding entity and environment; Understanding internal controls entity level and compliance testing.

Module 3: Planning: Fraud Considerations ; Risks Assessment; Risk Response.

Module 4: Analytical Review Procedures.

Module 5-10: Completion. Follow-up subsequent to audit fieldwork; Alternative audit procedures for non reply of audit circularisation; Going Concern Assessment; Corroboration of Audit Evidence; Going Concern Assessment.

Module 11: Permanent Audit File.

Module 12: Case Study

Core 3

Module 1: Independent Auditor's Report

Module 2: Extent of sufficiency and adequacy of audit documentation

Module 3-8: FRS Disclosure
Investments; Property, Plant and Equipment; Trade and Other Receivables; Bank and other Borrowings and Borrowing Cost; Financial Instruments; Subsequent Events Review; Business Combination

Module 9-11: Overview and Highlight of ACRA Quality Review Findings; Highlight of common mistakes in audit working papers/files.

Module 12: Case Study

Key Differences between the Existing Audit Core Training and the Newly Introduced SACT

Subject Matters	Existing	Improved
1) Structure	Compressed Core 1 & Core 2	Structured Core 1, 2 and 3 at different level with 12 modules each
2) Targeted participants	<u>Core 1:</u> Entry – staff with experience up to 2 years <u>Core 2:</u> > staff with > 2 years experience	Core 1: Entry level (up to 6 mths) Core 2: 6mths and above - upcoming seniors Core 3: 12 months and above - upcoming supervisors
3) Duration	<u>Core 1:</u> 2-day (7 hrs/day) <u>Core 2:</u> 3-day (7 hrs/day) (Total: 35 hours or 14 and 21 hours each core)	<u>Core 1-3</u> (a) 2-3 hrs/module; (b) 12 modules / core; and (c) 1-2 modules / week (Total: 90 hours or 30 hrs each core; based on average of 2.5 hrs each module)
4) Course frequency	Once a year	At least twice a year
5) Test / Exam	None	Yes, for each core 1, 2 and 3
6) Certificate	None	Cert. of Attendance (with minimum attendance) for proficiency Cert. of Training for competency upon passing the exam

Conclusion

“If I had eight hours to chop down a tree, I'd spend six hours sharpening my axe.”

Abraham Lincoln

Thank You



Institute of
Certified Public Accountants
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