

Clarifications to questions on peer or “cold” review

- **Public Accountant (PA) under peer review**

1. Is peer review a mandatory requirement?

Yes, peer review is a mandatory requirement for PAs who do not pass the practice review.

2. When is the effective date of implementation of the peer review?

The effective date of implementation of the peer review is 1 April 2009. The peer review will take place prospectively and the order will be included in the notification letter informing the PA of the order imposed by the Oversight Committee.

3. What are the legal provisions governing the peer review?

The legal provisions governing this initiative are sections 13(3) and 38(1)(a) of the Accountants Act, Cap 2.

4. What is the objective of the peer review?

The objective of the peer review is to help the public accountants to improve the quality of their work through reviews carried out by an independent fellow professional after the order issued by the Oversight Committee.

5. Who is subject to peer review?

PA who has been issued with an order for a “revisit” review, will be subject to peer review.

Note: Peer review will not apply to PA who has been issued with an order for a “hot” review because he would have appointed a hot reviewer to monitor the quality of his professional work during the hot review period.

- **Timing of peer review**

6. When must the peer review take place?

The peer review must be completed within 12 months after the issuance of the notification letter informing the PA of the order imposed by the Oversight Committee. The PAs are however encouraged to space out the 3 peer reviews over the 12 months period.

7. Is peer review required concurrently as the audit progresses?

No, the peer review is different from a “hot” review. A peer review can be conducted after the completion of the audit engagement.

8. Who determine the timing of the peer review?

The PA who is subject to “revisit” review has the flexibility to determine when the peer review will be carried out.

9. Does PA need to seek approval from ACRA on the timing of the peer review?

No, PA does not need to seek approval from ACRA on the timing of the peer review.

- **Selection of audit engagements**

10. How many audit engagements will be subject to review?

Three audit engagements where the audit reports are signed off by the PA.

11. Who determine the audit engagements to be selected?

The PA who is subject to “revisit” review has the flexibility to determine the selection of the audit engagements.

12. Are there any criteria for the selection of the audit engagements?

Generally, the audit engagements selected should be among the top 15 audit clients (in terms of audit fees) of the PA.

- **Peer reviewer**

13. Who can be engaged as a peer reviewer?

PA who is subject to “revisit” review can engage any suitably qualified PA to be the peer reviewer so long as there are no conflict of interest and independence issues.

14. Who is considered suitably qualified public accountant?

A registered PA who passed the practice review is considered a suitably qualified PA.

ACRA has worked with ICPAS to make available a list of peer reviewers that PAs involved can seek assistance from. In the event that PAs are unable to source for a peer reviewer on their own, they may refer to Annex B for a list of peer reviewers.

Alternatively, a former PA who passed the practice review is also considered a suitably qualified PA.

15. Does PA need to seek approval from ACRA for the peer reviewer selected?

No, PA does not need to seek approval from ACRA for the peer reviewer selected.

16. Is peer reviewer to be compensated?

Compensation made to a peer reviewer will depend on the arrangement between the PA who is subject to “revisit” review and the peer reviewer.

17. Does the compensation arrangement need to be reported to ACRA?

No, the compensation arrangement need not be reported to ACRA. For clarity, the appointment of a peer review partner should be confirmed in an engagement letter that should cover matters such as those pertaining to the scope of engagement, remuneration, confidentiality, responsibility and professional conduct.

- ***Responsibility under the peer review***

18. What is the responsibility of the PA under peer review?

The responsibility of the PA under peer review including integrity, independence, diligence, objectivity and exercise of professional judgment in respect of signing-off on the auditors’ report does not change and remains as before. Peer review does not diminish the role and responsibility of the PA as the auditor-in-charge in signing-off the audit opinion.

19. What is the responsibility of the peer reviewer?

The responsibility of the peer reviewer includes the review of:

- three selected audit engagements to ensure that the audit opinions issued are based on audit conducted in accordance with the Singapore Standard on Auditing (SSA); and
- the audited financial statements to ensure that the financial statements are properly drawn up in accordance with the provisions of the Singapore Companies Act, Cap 50 and Singapore Financial Reporting Standards (SFRS).

Note: ACRA will not hold the peer reviewer responsible if the PA concerned fails after the “revisit” review.

20. Are there any checklists or manual that (a) the peer reviewer need to refer to; or (b) will guide the peer reviewer during the peer review process?

There are no checklists or manual that the peer reviewer needs to refer to or that will guide the peer reviewer during the peer review process. It is at the discretion of the peer reviewer to conduct the peer review as they deem fit so long as the audit is conducted in accordance with the SSA and the audited financial statements are properly drawn up in accordance with the provisions of the Singapore Companies Act, Cap 50 and SFRS.

21. Does a report arising from the peer review need to be prepared?

Yes. Although the format of the peer review report is at the discretion of the peer reviewer, the peer review report should contain at least minimal basic information as listed in Annex A.

22. Who should the peer review report be submitted to?

The peer review report should be submitted to the reviewer performing the revisit.

23. Will any disciplinary action be taken against the PA or the peer reviewer arising from the outcome of the peer review conducted?

No disciplinary action will be taken arising from the outcome of the peer review. The objective of the peer review is as explained under #4. There is no intention to penalize any party concerned.

Basic information to be included in the peer review report

- Name of public accountant under review;
- Name of public accountant acting as peer reviewer and registration number;
- For the engagements selected for review:
 - Name of entity;
 - Financial year-end;
 - Number of years on audit engagement for partner/manager
 - Type of auditors’ report issued;
 - Sign-off date of auditors’ report;
 - Date of subsequent events performed;
 - Principal activities;
 - Materiality, tolerable error and unadjusted audit difference thresholds;
 - Audit approach;
 - Risk areas identified
 - Summary of key issues
 - Date of audit engagement letter
 - Audit recovery (%)
- List of findings raised in relation to each of the engagements reviewed;
- Signature of peer reviewer; and
- Date of peer review report.

Suggested Peer Review Report template

Name of public accountant under review: _____

Period under peer review: _____

Engagements selected:

		Engagement 1	Engagement 2	Engagement 3
1	Name of entity			
2	Financial year-end			
3	Number of years on audit engagement for partner/manager			
4	Type of auditors’ report issued			
5	Sign-off date of auditors’ report			
6	Date of subsequent events performed			
7	Principal activities			
8	Audit materiality (overall) (\$)			
9	Tolerable error threshold (\$)			
10	Unadjusted audit difference threshold (\$)			
11	Audit approach			
12	Risk areas identified			
13	Summary of key issues			
14	Date of audit engagement letter			
15	Audit recovery (%)			

List of findings raised in relation to each of the engagements reviewed:

Engagement 1

- 1)
- 2)
- 3)

Engagement 2

- 1)
- 2)
- 3)

Engagement 3

- 1)
- 2)
- 3)

Signature of peer reviewer: _____

Name of peer reviewer: _____

Public accountant registration number: _____

Date of peer review report: _____

List of peer reviewers

1. **Mr Cheam Heng Teng**
Cheam HT & Co
114 Lavender Street
#03-01 Hock Seng Building
Singapore 338729
Tel: 6292 2093
Fax: 6295 6177
Email: cheamhtco@icpas.com.sg

2. **Ms Chee Fung Mei**
Chee FM & Associates
70 Palmer Road
#02-03 Palmer House
Singapore 079427
Tel: 6227 3818 / 96917968
Fax: 6227 3608
Email: cfmsc@starhub.net.sg

3. **Ms Chiew Shang Hui**
Audit Alliance
20 Maxwell Road
#11-09/10 Maxwell House
Singapore 069113
Tel: 6223 6796
Fax: 6220 7808
Email: auditalliance@gmail.com

4. **Dr Choong Chow Siong**
C S Choong & Co
10 Anson Road
#12-15 Int'l Plaza
Singapore 079903
Tel: 6223 9166
Fax: 6225 7308
Email: cschoongcpa@pacific.net.sg

5. **Mr Chua Soo Chiew**
Chua Soo Chiew & Co
101 Upper Cross Street
#06-11 People's Park Centre
Singapore 058357
Tel: 63385255
Fax: 63381855
Email: scchua@cscoco-cpa.com.sg

6. **Mr Chan Weng Sern Vincent**
CWS and Associates
6001 Beach Road
#18-02 Golden Mile Tower
Singapore 199589
Tel: 62930350
Fax: 62960181
Email: vincent@csk.com.sg

7. **Mr Chik Kwai Yau**
KY Chik & Associates
150 South Bridge Road
#06-04 Fook Hai Building
Singapore 058727
Tel: 6536 9692
Fax: 6536 0525
Email: kychik@singnet.com.sg

8. **Ms Chiang Kok Ying Vivienne**
KY Chiang & Co
180 Cecil Street
#10-02 Bangkok Bank Building
Singapore 069546
Tel: 6536 9692
Fax: 6323 5802
Email: viviennechiang@ca.com.sg

9. **Ms Guan Annie**
A. Guan & Co
4 Leng Kee Road
#04-03 SIS Building
Singapore 159088
Tel: 6323 5707
Fax: 6473 5145
Email: guanco@pacific.net.sg

10. **Mr Lau Chin Huat**
Lau Chin Huat & Co
Blk 50 Havelock Road
#02-767
Singapore 160050
Tel: 6222 3800
Fax: 6222 1855/56
Email: lchnco@pacific.net.sg

11. **Mr Lee Tai Wai**
Audit Alliance
20 Maxwell Road
#11-09/10 Maxwell House
Singapore 069113
Tel: 6227 5428 / 6223 6796
Fax: 6227 9418
Email: bernard.lee@allianceaudit.com

12. **Mr Low Kok Kim**
Low Kok Kim & Co
315 Outram Road
#15-08 Tan Boon Liat Building
Singapore 169074
Tel: 6222 2068
Fax: 6224 8727
Email: bcs81inc@pacific.net.sg

13. **Mr Loke Chiew Mum**
HLB Loke Lum
110 Middle Road
#05-00 Chiat Hong Building
Singapore 188968
Tel: 6332 0043
Fax: 6333 9690
Email: dloke@llcg.com.sg

14. **Ms Lum Inn Han Elizabeth**
HLB Loke Lum
110 Middle Road
#05-00 Chiat Hong Building
Singapore 188968
Tel: 6332 0043
Fax: 6333 9690
Email: elumih@llcg.com.sg

15. **Mr Ong Boon Lee**
Singapore Assurance PAC
45 Cantonment Road
Singapore 089748
Tel: 6224 1088
Fax: 6225 6530
Email: benedict@bensyl.com.sg

16. **Mr Soo Hon Weng**
H W Soo & Co
1 Goldhill Plaza
#03-35 Podium Block
Singapore 308899
Tel: 6846 8376/96929107
Fax: 6234 6306
Email: hw.soo@pacific.net.sg

17. **Mr Tan Ban Seng Robert**
HB Tan & Co
61 Club Street
Singapore 069436
Tel: 6586 9399
Fax: 6222 2137
Email: robert_tan@rtanco.com.sg

18. **Mr Theertham Ravichandran**
T Ravi & Co
101 Cecil Street
#24-10 Tong Eng Bldg
Singapore 069533
Tel: 6220 5541
Fax: 6226 2004
Email: travichandran@yahoo.com / audittaxaccounts@gmail.com

19. **Mr Wong King Kheng**
K K Wong & Co
190 Middle Road
#11-02 Fortune Centre
Singapore 188979
Tel: 6538 1171
Fax: 6534 4965
Email: jameswon@singnet.com.sg

20. **Mr Wong Phui Lun Joseph**
JPL Wong and Co
20 Maxwell Road
#07-14 Maxwell House
Singapore 069113
Tel: 6227 7175
Fax: 6227 3275
Email: jplwong@singnet.com.sg