

# Sample Presentation Format on ACRA's AQI Disclosure Framework

## Granularity of AQI

 - Engagement-level

 - Firm-level

| AQI  | Sample Format                                    |                       |                  |                    |                  |                       |                  |                    |                  |
|--|--|-----------------------|------------------|--------------------|------------------|-----------------------|------------------|--------------------|------------------|
| <b>1. Audit Hours</b><br>   | <b>Audit Hours of Audit Team Members</b>         | <b>FY 20X2</b>        |                  |                    |                  | <b>FY 20X1</b>        |                  |                    |                  |
|  | Group Engagement Partner Hours                   | [96]                  |                  |                    |                  | [80]                  |                  |                    |                  |
|  | Engagement quality control reviewer (EQCR) Hours | [22]                  |                  |                    |                  | [16]                  |                  |                    |                  |
|  |  | <b>Singapore firm</b> |                  | <b>Member firm</b> |                  | <b>Singapore firm</b> |                  | <b>Member firm</b> |                  |
|  | Other Partner Hours                              |                       |                  |                    |                  |                       |                  |                    |                  |
|  | - Specialist Partners                            | [0]                   |                  | [35]               |                  | [0]                   |                  | [30]               |                  |
|  | - Component Partners                             | [0]                   |                  | [120]              |                  | [0]                   |                  | [130]              |                  |
|  | Audit Manager Hours                              | [250]                 |                  | [348]              |                  | [232]                 |                  | [332]              |                  |
|  | Other Manager Hours                              | [0]                   |                  | [16]               |                  | [0]                   |                  | [16]               |                  |
|  | Audit Professional Staff Hours                   | [1,034]               |                  | [2,453]            |                  | [873]                 |                  | [2,219]            |                  |
|  | Other Staff Hours                                | [0]                   |                  | [80]               |                  | [0]                   |                  | [77]               |                  |
|  | Total Audit Hours                                | [1,402]               |                  | [3,052]            |                  | [1,201]               |                  | [2,804]            |                  |
|  | <b>Involvement by audit phase</b>                | <b>FY20X2</b>         |                  |                    |                  | <b>FY20X1</b>         |                  |                    |                  |
|  |  | <b>Partner</b>        | <b>Manager</b>   | <b>Staff</b>       | <b>Total</b>     | <b>Partner</b>        | <b>Manager</b>   | <b>Staff</b>       | <b>Total</b>     |
|  | Planning   | [82]<br>[2%]          | [184]<br>[4%]    | [1,070]<br>[24%]   | [1,336]<br>[30%] | [77]<br>[2%]          | [174]<br>[4%]    | [951]<br>[24%]     | [1,202]<br>[30%] |
| Fieldwork  | [137]<br>[3%]                                    | [307]<br>[7%]         | [1,784]<br>[40%] | [2,227]<br>[50%]   | [128]<br>[3%]    | [290]<br>[7%]         | [1,585]<br>[40%] | [2,003]<br>[50%]   |                  |
| Completion <sup>1</sup>  | [55]<br>[1%]                                     | [123]<br>[3%]         | [713]<br>[16%]   | [891]<br>[20%]     | [51]<br>[1%]     | [116]<br>[3%]         | [634]<br>[16%]   | [801]<br>[20%]     |                  |
| Overall  | [273]<br>[6%]                                    | [614]<br>[14%]        | [3,567]<br>[80%] | [4,454]<br>100%    | [256]<br>[6%]    | [58]<br>[14%]         | [3,169]<br>[80%] | [4,005]<br>100%    |                  |
| <b>[Firms can include relevant narratives/commentaries (e.g. analysis of significant variances, the period in which the audit procedures in each phase were performed, etc.).]</b> |  |                       |                  |                    |                  |                       |                  |                    |                  |
| Note:  |  |                       |                  |                    |                  |                       |                  |                    |                  |
| i) For audit tenders, budgeted hours of the proposed audit team for the first year audit will be provided.   |  |                       |                  |                    |                  |                       |                  |                    |                  |
| ii) At the end of the first year audit, a comparison of actual hours against budgeted hours will be provided.  |  |                       |                  |                    |                  |                       |                  |                    |                  |
| iii) At the end of the second and subsequent year audit, actual hours for the past two years will be provided.   |  |                       |                  |                    |                  |                       |                  |                    |                  |

<sup>1</sup> Separate disclosure of estimated hours to complete unresolved matters between the date when the AQIs are presented to the ACs and the date of file assembly

| AQI  | Sample Format  |  |  |  |   |
|--|--|--|--|--|---|
| <b>2. Experience</b><br>  | 12 months ended<br>30 Sep 20X2 or 6 months ended<br>31 Mar 20X2 <sup>2</sup>   |  | 12 months ended<br>30 Sep 20X1 or 6 months ended<br>31 Mar 20X1 <sup>2</sup> |  |   |
|  | Years of Audit Experience  | [X Firm]   | Industry<br>average /<br>range <sup>3</sup>                                  | [X Firm]   | Industry<br>average /<br>range <sup>3</sup> |
|  | Group Engagement Partner   | [20]   | [X] /  | [19]   | [X] /                                       |
|  | EQCR   | [25]   | [X] – [X]  | [24]   | [X] – [X]                                   |
|  | Audit Manager(s)   | [10]   | [X] / [X] – [X]  | [8]  | [X] / [X] – [X]                             |
|  | Audit Professional Staff   | [3.4]  | [X] / [X] – [X]  | [3.0]  | [X] / [X] – [X]                             |
| <p><b>[Firms can include relevant narratives/commentaries (e.g. analysis of significant variances).]</b></p> <p>Note:</p> <p>i) For audit tenders, estimated years of experience of the proposed audit team for the first year audit will be provided.</p> <p>ii) At the end of the first year audit, a comparison of actual years of experience against budgeted figures will be provided.</p> <p>iii) At the end of the second and subsequent year audit, actual years of experience for the past recent two years will be provided.</p> <p><b>Industry Specific Experience of Senior Audit Team Members</b><br/> [E.g. Mr X has been an audit partner in Firm ABC since 1990. He has approximately 30 years of experience in the audits of financial institutions. He specialises in the audits of retail and commercial banks, and sits on the audit firm’s technical consultation panel on financial institution audits. Mr X is also the Chairman of the Institute of Singapore Chartered Accountants’ Banking and Finance Committee. He was previously the audit partner for (name of past clients in similar industry).]</p> |  |  |  |  |   |
| <b>3. Training</b><br> &   | <b>Firm-Level (Average Training Hours)</b>   |  |  |  |   |
|  | Training Hours   | 12 months ended<br>30 Sep 20X2 or 6 months<br>ended 31 Mar 20X2 <sup>2</sup> |  | 12 months ended<br>30 Sep 20X1 or 6 months<br>ended 31 Mar 20X1 <sup>2</sup> |   |
|  | Audit Partners   | [50]   |  | [40]   |   |
|  | Audit Managers   | [60]   |  | [56]   |   |
|  | Audit Professional Staff   | [80]   |  | [84]   |   |
|  | <p><b>[Firms can include relevant narratives/commentaries (e.g. training hours committed by the firm for each staff grade if they are significantly different to actual training hours).]</b></p> <p><b>Engagement-Level (Industry Specific Training of Senior Audit Team Members)</b></p> |  |  |  |   |
| Industry Specific Training Hours   | 12 months ended<br>30 Sep 20X2 or 6 months<br>ended 31 Mar 20X2 <sup>2</sup>   |  | 12 months ended<br>30 Sep 20X1 or 6 months<br>ended 31 Mar 20X1 <sup>2</sup> |  |   |
| Group Engagement Partner   | [15]   |  | [14]   |  |   |
| EQCR   | [25]   |  | [25]   |  |   |
| Audit Manager(s)   | [8]  |  | [8]  |  |   |
| <p><b>[Firms can include relevant narratives/commentaries (e.g. description of courses or topics covered).]</b></p>  |  |  |  |  |   |

<sup>2</sup> Whichever is most recent and available at the time the AQI is presented to the AC.

<sup>3</sup> Information on industry average and range of years of audit experience is publicly available at <https://www.acra.gov.sg/accountancy/public-accountants/audit-quality-indicators-and-industry-average>.

| AQI  | Sample Format   |                          |                             |                |
|--|---|--------------------------|-----------------------------|----------------|
| <b>4. Inspections</b><br> &  | <b>Firm Inspection Results</b>  |                          |                             |                |
|  | <b>Type of Inspection: External Inspections by ACRA</b>   |                          |                             |                |
|  | Inspection Year   | [20X2]                   | [20X1]                      |                |
|  | No. of Audit Partners Inspected   | [10]                     | [10]                        |                |
|  | Inspection Results  | [9 Pass, 1 Fail]         | [10 Pass]                   |                |
|  | [Firms can include relevant narratives/commentaries (e.g. nature of findings, whether systemic or one-off issue and remedial actions).]   |                          |                             |                |
|  | <b>Type of Inspection: Internal Inspections</b>   |                          |                             |                |
|  | Inspection Year   | [20X2]                   | [20X1]                      |                |
|  | No. of Audit Partners Inspected   | [13]                     | [14]                        |                |
|  | Inspection Results by Audit Partner*  | [11 Satisfactory]        | [11 Satisfactory]           |                |
| * Inspection results should be presented by audit engagement in instances where more than one audit engagement is inspected per partner.   | [2 Improvement Required]  | [2 Improvement Required] | [1 Not Satisfactory]        |                |
| [Firms can include relevant narratives/commentaries (e.g. scope and rating of inspection programme, as well as the remedial actions).]   |   |                          |                             |                |
| <b>Engagement-Level (Inspection Results of Group Engagement Partner and EQCR)</b>  |   |                          |                             |                |
|  | <b>External Inspections</b>   |                          | <b>Internal Inspections</b> |                |
|  | <b>Year last inspected</b>  | <b>Results</b>           | <b>Year last inspected</b>  | <b>Results</b> |
| Group Engagement Partner   | [202X]  | [Fail]                   | [20XX]                      | [Satisfactory] |
| EQCR   | [Not Inspected]   | [Not Inspected]          | [20XX]                      | [Satisfactory] |
| <b>Inspection findings for: [Group Engagement Partner]/[EQCR]</b>  |   |                          |                             |                |
| <b>Type of Inspection: [External/Internal] Inspections</b>   |   |                          |                             |                |
| [Details of findings]  | [Details of remediation actions taken by the audit team / firm]   |                          |                             |                |
| [E.g. Inadequate work was performed to ascertain whether the client's revenue recognition policy was appropriate]  | [E.g. Remediation actions taken include:<br>- Mandatory refresher training on revenue by the audit team;<br>- Subsequent consultation and collaboration with the firm's technical department to address the finding;<br>- Assignment of a more experienced EQCR on the audit; and<br>- Communication of the finding as a case study during firm's training] |                          |                             |                |
| [Firms can include relevant narratives/commentaries (e.g. root causes of finding and applicability to the audit engagement).]  |   |                          |                             |                |

| AQI   | Sample Format  |  |  |  |  |                                       |                    |
|---|--|--|--|--|--|---------------------------------------|--------------------|
| <b>5. Quality Control</b><br>  | <b>Quality Control Functions (QCF)</b>                               | <b>12 months ended<br/>30 Sep 20X2 or 6 months ended 31 Mar 20X2<sup>4</sup></b> |  |  | <b>12 months ended<br/>30 Sep 20X1 or 6 months ended 31 Mar 20X1<sup>4</sup></b> |                                       |                    |
|   |  | Partners   | Managers   | Professional Staff   | Partners   | Managers                              | Professional Staff |
|   | Risk Management  | [0.6]  | [3.3]  | [2]  | [0.5]  | [3.0]                                 | [2]                |
|   | Training   | [0.5]  | [6.0]  | [1]  | [0.2]  | [7.1]                                 | [1]                |
|   | Quality Assurance  | [0.7]  | [5.6]  | [1]  | [0.7]  | [6.1]                                 | [1]                |
|   | Technical  | [0.5]  | [7.5]  | [1]  | [0.4]  | [7.4]                                 | [1]                |
|   | Total Headcount  | [2.3]  | [22.4]   | [5]  | [1.9]  | [23.6]                                | [5]                |
|   | <b>Ratios of:</b>  |  |  | <b>12 months ended<br/>30 Sep 20X2 or 6 months ended 31 Mar 20X2<sup>4</sup></b> | <b>12 months ended<br/>30 Sep 20X1 or 6 months ended 31 Mar 20X1<sup>4</sup></b> |                                       |                    |
|   | QCF Partners, Managers, Professional Staff to Total Audit Headcount  |  |  | [1 : 33]   | [1 : 33]   |                                       |                    |
|   | QCF Partners and Managers to Total Audit Partners and Audit Managers |  |  | [1 : 27]   | [1 : 26]   |                                       |                    |
| <b>[Firms can include relevant narratives/commentaries (e.g. overview of quality control set-up).]</b>  |  |  |  |  |  |                                       |                    |
| <b>6. Staff Oversight</b><br>   | <b>Ratios of:</b>  |  | <b>12 months ended<br/>30 Sep 20X2 or 6 months ended 31 Mar 20X2<sup>4</sup></b> |  | <b>12 months ended<br/>30 Sep 20X1 or 6 months ended 31 Mar 20X1<sup>4</sup></b> |                                       |                    |
|   |  |  | [X Firm]   | Industry average / range <sup>5</sup>  | [X Firm]   | Industry average / range <sup>5</sup> |                    |
|   | Partners to manager and audit professional staff                     |  | [1 : 23]   | [X] / [X] – [X]  | [1 : 31]   | [X] / [X] – [X]                       |                    |
|   | Managers to audit professional staff                                 |  | [1 : 5.0]  | [X] / [X] – [X]  | [1 : 4.8]  | [X] / [X] – [X]                       |                    |
| <b>[Firms can include relevant narratives/commentaries (e.g. comparison vis-à-vis the audit team assigned to the audit engagement).]</b>  |  |  |  |  |  |                                       |                    |
| <b>7. Attrition Rate</b><br>   |  |  | <b>12 months ended<br/>30 Sep 20X2 or 6 months ended 31 Mar 20X2<sup>4</sup></b> |  | <b>12 months ended<br/>30 Sep 20X2 or 6 months ended 31 Mar 20X2<sup>4</sup></b> |                                       |                    |
|   |  |  | [X Firm]   | Industry average / range <sup>5</sup>  | [X Firm]   | Industry average / range <sup>5</sup> |                    |
|   | Attrition rate   |  | [30%]  | [X] / [X] – [X]  | [32%]  | [X] / [X] – [X]                       |                    |
| <b>[Firms can include relevant narratives/commentaries (e.g. the retention rate of key audit engagement team members or attrition rates of high potential professional staff in the audit firm).]</b> |  |  |  |  |  |                                       |                    |

<sup>4</sup> Whichever is most recent and available at the time the AQI is presented to the AC.

<sup>5</sup> Information on industry average and range of years of audit experience is publicly available at <https://www.acra.gov.sg/accountancy/public-accountants/audit-quality-indicators-and-industry-average>.