

PRACTICE DIRECTION NO. 1 OF 2018

COMPLIANCE WITH RULE 10 OF THE ACCOUNTANTS (PUBLIC ACCOUNTANTS) RULES FOR PURPOSES OF PRACTICE MONITORING PROGRAMME

FOR ONGOING AUDITS AND INSPECTIONS CONDUCTED BEFORE 1 JULY 2023

Aim

1. This Practice Direction serves to:
 - (i) remind Public Accountants (“PAs”) of the need to comply with Rule 10¹ of the Accountants (Public Accountants) Rules (“PA Rules”) when providing public accountancy services; and
 - (ii) lay down the auditing standards which have been adopted by the Public Accountants Oversight Committee (“PAOC”) under Rule 10 of the PA Rules.

Background

2. The Practice Monitoring Programme (“PMP”) is legislated in Part V (sections 32 to 38) of the Accountants Act which came into operation on 1 April 2004. The objective of the PMP is to ascertain whether a public accountant has complied with the prescribed standards, methods, procedures and other requirements when providing public accountancy services².
3. Rule 10 of the PA Rules states that “For the purposes of passing a practice monitoring programme under Part V of the Act, a public accountant must comply with such auditing standards and professional and technical pronouncements as may be issued or adopted by the Oversight Committee from time to time.”
4. A public accountant who fails to comply with the standards prescribed under Rule 10 of the PA Rules will fail the PMP.

Prescribed Auditing Standards

5. For the purpose of the administration of the PMP under Part V of the Accountants Act, the auditing standards adopted by PAOC are:
 - (i) the Singapore Standards on Auditing (“SSAs”)³ issued by the Institute of Singapore Chartered Accountants (“ISCA”); and

¹ Refer to para. 3.

² Under the Accountants Act, public accountancy services means the audit and reporting on financial statements and the doing of such other acts that are required by any written law to be done by a public accountant.

³ The SSAs may be applied for all audits.

- (ii) the International Standards on Auditing (“ISAs”)⁴ issued by the International Federation of Accountants (“IFAC”).

The SSAs referred to above are adopted from and largely similar to the ISAs.

- 6. With internationalisation, some entities opt for cross-border listings: Singapore entities have been listed on stock exchanges outside Singapore while some foreign entities⁵ have been listed on the Singapore Stock Exchange.
- 7. Recognising the effects of internationalisation and the cross-border flow of funds of capital markets and in view that SSAs and ISAs are largely aligned, the PAOC adopts the ISAs as one of its prescribed standards for the purpose of PMP under Rule 10 but only for the audits of (a) local entities that are listed overseas; and (b) foreign entities listed in Singapore.

Effective Date

- 8. This Practice Direction takes immediate effect from its date of issuance.

Further Clarification

- 9. Any enquiries can be sent through www.acra.gov.sg/enquiry. You may also contact ACRA's Helpdesk at 6248 6028.

Issued on 28 August 2018

Ong Khiaw Hong

Chief Executive and Registrar of Public Accountants
Accounting and Corporate Regulatory Authority

Updated as of 1 July 2023.

⁴ The ISAs may only be applied for the audits of (a) local entities that are listed overseas; and (b) foreign entities listed in Singapore.

⁵ A foreign entity refers to an entity incorporated or otherwise established outside of Singapore.