

Conversation with Auditors

Other Audit Firms

11 August 2026

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Latest statistics and update on registration requirements

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Monitoring Auditor Resignation

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Errata and Reporting Integrity: A Matter of Audit Quality?

Discussion on errata and its potential impact to audit quality and investors confidence

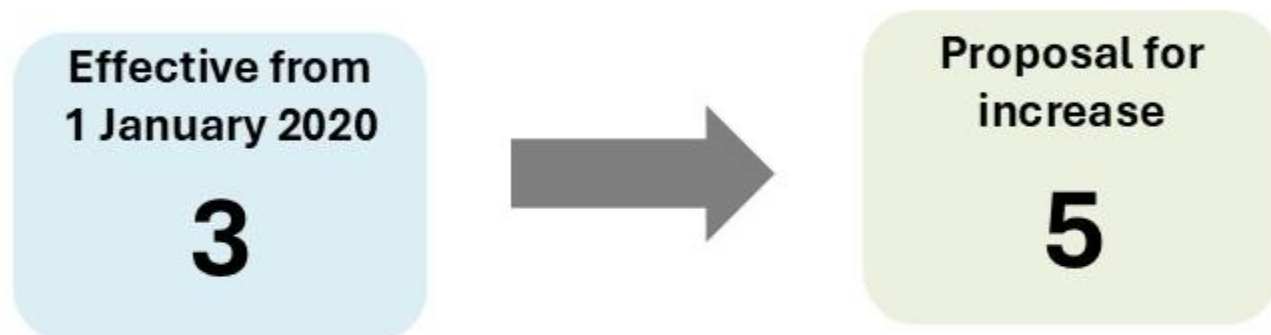
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Connecting Sustainability Disclosures to Financial Statements

Reminders to auditors

AOB Registration Updates

1. Proposed to increase minimum number of AOB registered auditors in the audit firm



2. With effect from 1 January 2027, audit firms are required to pay the annual fees of their registered individual auditors by 1 January of each calendar year.
3. Audit firms are required to ensure that information maintained in ARAS, including information of PIE and schedule fund, is updated on a timely manner.

Auditors Resignations

AOB Observations



Late notification and/or **incomplete** submission to the AOB following resignation

- Notification is limited to a copy of documents submitted to other parties (e.g. SSM)
- Reasons for resignation presented as generic one-line statements
- Inconsistencies between the stated reasons for resignation and the firm's actions



Resignations near or after the PIE's financial year end

- Significant accounting, auditing, or governance issues may not be brought to AOB's attention
- Short transition periods may affect the quality and timeliness of the audit
- Increased risk of unresolved matters impacting financial reporting and audit quality

Reasons for Auditors Resignations (Jan – July 2026)



Any late filing of the resignation notice by audit firm will be flagged as inspection finding.

Audit Quality Indicators

Statistics Gathering Analysis (“SGA”) Common Errors

Audit Partner Workload

- Should only include statistics for partners who audit PIE audit engagements.

Capacity and competence of the audit practice

- The auditors categorize staff who pursuing professional membership as to already obtain professional membership.
- The years of experience disclosed for partners, managers, and non-managerial staff were inaccurate.

Inconsistent AQI Information Reported Across Different Tabs of the SGA Submission

The AOB expects firms to perform appropriate validation procedures to ensure the accuracy and completeness of AQIs before submission

Technology Risk Framework

Technology-related observations in ISQM



Inadequate identification and assessment of key technology risks



Absence of logical access controls testing



Inadequate monitoring of file backups



Absence of program change management testing

Key Focus of SC Guidelines on Technology Risk Framework

Board and management oversight of technology risks

Risk identification, assessment and operational controls

Due diligence, contractual safeguards and monitoring

Cyber resilience and responsible AI adoption

Errata and Reporting Integrity: A Matter of Audit Quality?



Frequent or late corrections may mislead investors and reduce confidence in public reporting.

Connecting Sustainability Disclosures to Financial Statements

As sustainability disclosures become increasingly important to investors, auditors should consider whether these disclosures are reflected consistently in the financial statements. Therefore, auditors are reminded to:

- Consider whether sustainability-related risks and opportunities have been appropriately reflected in the financial statements and related disclosures.
- Assess the consistency between sustainability-related disclosures and the underlying assumptions, estimates and judgements used in preparing the financial statements.
- Evaluate whether sustainability-related matters may have implications for key financial statement areas, such as asset valuations, impairment assessments, provisions, expected credit losses, useful lives, and going concern.
- Sufficiently document the work performed to assess the impacts of sustainability-related risks and opportunities, evaluation of management's assumptions and estimation and the evidence obtained to support audit conclusion.