Module Objective
Upon completion of the Assurance module, Candidates will understand the nature, purpose, and scope of assurance engagements. Candidates will also be able to demonstrate how an auditor obtains an understanding of the entity, plans and performs audit procedures, collects and documents evidence, and presents reports for statutory audits in accordance with the Singapore Standards on Auditing and Code of Professional Conduct and Ethics.

Assumed Knowledge and Pre-requisites
Principles of accounting
- Double-entry bookkeeping (debits and credits);
- The elements of the financial statements (Introduction to Chapter 4 of the Conceptual Framework - assets, liabilities, revenue, expenses, and owners’ equity);
- Fundamental accounting equations (e.g. Assets - Liabilities = Owners’ Equity);
- Accounting cycle and transaction cycles (债务ors, inventory, cash, creditors, etc.);
- Cash versus accruals;
- Source documents;
- General ledger and subsidiary ledgers, including Accounting Information Systems (computerised and manual);
- Preparing journal entries;
- Posting journal entries;
- Balance day adjustments and closing entries;
- Reconciliations;
- Trial balance;

Specific accounting entries:
- Inventory systems (perpetual and periodic)
- Accounting for Goods and Services Tax (basic concepts and entries only)
- Depreciation and amortisation
- Impairment of debtors
- Discounts and credit terms
- How the accounting cycle culminates in the preparation of financial statements; and
- Preparation of a full set of financial statements for a single accounting entity, excluding the notes to the accounts.

Principles of auditing
- Financial statement assertions (Accuracy, Existence/Occurrence, Completeness, Cut-off, and Presentation and Disclosures);
- Phases of audit processes (audit planning, gathering evidence and review, completion, reporting);
- Concepts of controls testing and substantive testing; and
- Types of audit evidence (internal versus external).

Other general knowledge
- Differences between external auditor and internal auditor; and
- General scope of the internal audit function.

Candidates are strongly encouraged to complete the Principles of Financial Reporting module prior to enrolling in the Assurance module.
The Module at a Glance
A: Explain the nature, purpose, and scope of assurance engagements and the regulatory environment for statutory audits.
B: Assess the relevance and importance of ethics and professionalism in complying with Singapore Standards on Auditing and position the body of knowledge within the wider legal framework in Singapore.
C: Demonstrate how the auditor obtains an understanding of the entity and its environment and assesses the risk of material misstatement and explain the concept of materiality.
D: Discuss the auditor’s responsibilities in relation to fraud, laws, and regulations and demonstrate how an auditor plans an audit and documents his/her work.
E: Identify and describe audit procedures and evidence required on specific tests to meet the objectives of assurance engagements and application of the Singapore Standards on Auditing.
F: Explain how conclusions from audit work are reflected in different types of audit reports, and explain other types of assurance reports.

Specific Exclusions
The following Singapore Standards on Auditing are excluded from this module.
- SSA 610 Using the work of internal auditors
- SSA 710 Comparative information – Corresponding figures and comparative financial statements
- SSA 800 Special considerations – Audits of financial statements prepared in accordance with special purpose frameworks
- SSA 805 Special considerations – Audits of single financial statements and specific elements, accounts or items of a financial statement
- SSA 810 Engagements to report on summary financial statements

Essential Reading
Singapore Standards on Auditing
Ethics Pronouncement 100 (EP 100) the ISCA Code of Professional Conduct and Ethics
Ethics Pronouncement 200 (EP 200) Anti-Money Laundering and Countering the Financing of Terrorism
- Requirements and Guidelines for Professional Accountants in Singapore
The financial press in relation to emerging trends and current issues

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