
2021 Inspection

RT LLP

(Headquartered in Singapore, Republic of Singapore)

October 6, 2022

THIS IS A PUBLIC VERSION OF A PCAOB INSPECTION REPORT

PORTIONS OF THE COMPLETE REPORT ARE OMITTED FROM THIS DOCUMENT IN ORDER TO COMPLY WITH SECTIONS 104(g)(2) AND 105(b)(5)(A) OF THE SARBANES-OXLEY ACT OF 2002

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2021 INSPECTION

In the 2021 inspection of RT LLP, the Public Company Accounting Oversight Board (PCAOB) assessed the firm's compliance with laws, rules, and professional standards applicable to the audits of public companies. Our inspection was conducted in cooperation with the Accounting and Corporate Regulatory Authority.

We selected for review one audit of an issuer with a fiscal year ending in 2017. For the issuer audit selected, we reviewed a portion of the audit. We also evaluated elements of the firm's system of quality control.

2021 Inspection Approach

In selecting issuer audits for review, we use a risk-based method of selection. We make selections based on (1) our internal evaluation of audits we believe have a heightened risk of material misstatement, including those with challenging audit areas, and (2) other risk-based characteristics, including issuer and firm considerations. In certain situations, we may select all of the firm's issuer audits for review.

When we review an audit, we do not review every aspect of the audit. Rather, we generally focus our attention on audit areas we believe to be of greater complexity, areas of greater significance or with a heightened risk of material misstatement to the issuer's financial statements, and areas of recurring deficiencies. We may also select some audit areas for review in a manner designed to incorporate unpredictability.

Our selection of audits for review does not necessarily constitute a representative sample of the firm's total population of issuer audits. Additionally, our inspection findings are specific to the particular portions of the issuer audits reviewed. They are not an assessment of all of the firm's audit work nor of all of the audit procedures performed for the audits reviewed.

View the details on the [scope of our inspections and our inspections procedures](#).

OVERVIEW OF THE 2021 INSPECTION

The following information provides an overview of our 2021 inspection, which was our first inspection of this firm. We use a risk-based method to select audits for review and to identify areas on which we focus our review. Because our inspection process evolves over time, it can, and often does, focus on a different mix of audits and audit areas from inspection to inspection and firm to firm. Further, a firm's business, the applicable auditing standards, or other factors can change from the time of one inspection to the next. As a result of these variations, we caution that our inspection results are not necessarily comparable over time or among firms.

Firm Data and Audits Selected for Review

	2021
Firm data	
Total issuer audit clients for which the firm was the principal auditor at the outset of the inspection procedures ¹	0
Total issuer audits in which the firm was not the principal auditor	0
Total engagement partners on issuer audit work ²	1
Audits reviewed	
Total audits reviewed ³	1
Audits in which the firm was the principal auditor	1
Integrated audits of financial statements and internal control over financial reporting (ICFR)	0
Audits with Part I.A deficiencies	1

¹ Although the firm had no issuer audit clients at the outset of the inspection, the firm had issued at least one audit report with respect to an issuer since the firm's registration with the PCAOB.

² The number of engagement partners on issuer audit work represents the total number of firm personnel (not necessarily limited to personnel with an ownership interest) who had primary responsibility for an issuer audit (as defined in AS 1201, *Supervision of the Audit Engagement*) or for the firm's role in an issuer audit during the twelve-month period preceding the outset of the inspection or, in cases where the firm has not issued an audit report in that period, since the prior inspection or since the firm's registration with the PCAOB.

³ The population of issuer audits from which audits are selected for review may differ from the issuer audits at the outset of the inspection procedures due to variations such as new issuer audit clients for which the firm has not yet issued an audit report or issuer audit clients lost prior to the outset of the inspection.

If we include a deficiency in Part I.A of our report, it does not necessarily mean that the firm has not addressed the deficiency. In many cases, the firm has performed remedial actions after the deficiency was identified. Depending on the circumstances, remedial actions may include performing additional audit procedures, informing management of the issuer of the need for changes to the financial statements or reporting on ICFR, or taking steps to prevent reliance on prior audit reports.

Our inspection may include a review, on a sample basis, of the adequacy of a firm's remedial actions, either with respect to previously identified deficiencies or deficiencies identified during the current inspection. If a firm does not take appropriate actions to address deficiencies, we may criticize its system of quality control or pursue a disciplinary action.

If we include a deficiency in our report — other than those deficiencies for audits with incorrect opinions on the financial statements and/or ICFR — it does not necessarily mean that the issuer's financial statements are materially misstated or that undisclosed material weaknesses in ICFR exist. It is often not possible for us to reach a conclusion on those points based on our inspection procedures and related findings because, for example, we have only the information that the auditor retained and the issuer's public disclosures. We do not have direct access to the issuer's management, underlying books and records, and other information.

Our 2021 inspection procedures involved one audit for which the issuer, unrelated to our review, restated its financial statements to correct misstatements and the firm issued a special report regarding those adjustments.

Audit Areas Most Frequently Reviewed

This table reflects the audit areas we have selected most frequently for review in the 2021 inspection. For the issuer audit selected for review, we selected these areas because they were generally significant to the issuer's financial statements, may have included complex issues for auditors, and/or involved complex judgments in (1) estimating and auditing the reported value of related accounts and disclosures and (2) implementing and auditing the related controls.

2021	
Audit area	Audits reviewed
Loans and related accounts	1
Allowance for loan losses	1
Cash and cash equivalents	1
Business combinations	1

PART I: INSPECTION OBSERVATIONS

Part I.A of our report discusses deficiencies, if any, that were of such significance that we believe the firm, at the time it issued its audit report(s), had not obtained sufficient appropriate audit evidence to support its opinion on the issuer's financial statements and/or ICFR.

Part I.B discusses deficiencies, if any, that do not relate directly to the sufficiency or appropriateness of evidence the firm obtained to support its opinion(s) but nevertheless relate to instances of non-compliance with PCAOB standards or rules.

Consistent with the Sarbanes-Oxley Act ("Act"), it is the Board's assessment that nothing in Part I of this report deals with a criticism of, or potential defect in, the firm's quality control system. We discuss any such criticisms or potential defects in Part II. Further, you should not infer from any Part I deficiency, or combination of deficiencies, that we identified a quality control finding in Part II. Section 104(g)(2) of the Act restricts us from publicly disclosing Part II deficiencies unless the firm does not address the criticisms or potential defects to the Board's satisfaction no later than 12 months after the issuance of this report.

Classification of Audits with Part I.A Deficiencies

Within Part I.A of this report, we classify each issuer audit in one of the categories discussed below based on the Part I.A deficiency or deficiencies identified in our review.

The purpose of this classification system is to group and present issuer audits by the number of Part I.A deficiencies we identified within the audit as well as to highlight audits with an incorrect opinion on the financial statements and/or ICFR.

Audits with an Incorrect Opinion on the Financial Statements and/or ICFR

This classification includes instances where a deficiency was identified in connection with our inspection and, as a result, an issuer's financial statements were determined to be materially misstated, and the issuer restated its financial statements. It also includes instances where a deficiency was identified in connection with our inspection and, as a result, an issuer's ICFR was determined to be ineffective, or there were additional material weaknesses that the firm did not identify, and the firm withdrew its opinion, or revised its report, on ICFR. This classification does not include instances where, unrelated to our review, an issuer restated its financial statements and/or an issuer's ICFR was determined to be ineffective. We include any deficiencies identified in connection with our reviews of these audits in the audits with multiple deficiencies or audits with a single deficiency classification below.

Audits with Multiple Deficiencies

This classification includes instances where multiple deficiencies were identified that related to a combination of one or more financial statement accounts, disclosures, and/or important controls in an ICFR audit.

Audits with a Single Deficiency

This classification includes instances where a single deficiency was identified that related to a financial statement account or disclosure or to an important control in an ICFR audit.

PART I.A: AUDITS WITH UNSUPPORTED OPINIONS

This section of our report discusses the deficiencies identified, by specific issuer audit reviewed, in the audit work supporting the firm's opinion on the issuer's financial statements.

We identify each issuer by a letter (e.g., Issuer A) and industry sector. Each deficiency could relate to several auditing standards, but we reference the PCAOB standard(s) that most directly relates to the requirement with which the firm did not comply.

We present issuer audits below within their respective deficiency classifications (as discussed previously). Within the classifications, we generally present the audits based on our assessment as to the relative significance of the identified deficiencies, taking into account the significance of the financial statement accounts and/or disclosures affected, and/or the nature or extent of the deficiencies.

Audits with an Incorrect Opinion on the Financial Statements and/or ICFR

None

Audits with Multiple Deficiencies

Issuer A – Financials

Type of audit and related areas affected

In our review, we identified deficiencies in the financial statement audit related to the **Allowance for Loan Losses (ALL)**, a **Business Combination**, and **Journal Entries**.

Description of the deficiencies identified

With respect to the **ALL**:

The issuer maintained an ALL related to loans receivable, which included a collectively assessed component ("Collective Reserve") and an individually assessed component ("Individual Reserve"). The issuer used various models and assumptions to estimate the ALL. The following deficiencies were identified:

- The firm's approach for substantively testing the Collective Reserve was to review and test management's process. The firm did not sufficiently evaluate the reasonableness of the Collective Reserve because the firm did not perform procedures to test certain assumptions the

issuer used to determine the reserve, including the loss rates and portfolio segmentation. (AS 2501.09, .10, and .11)⁴

- The firm did not perform procedures to test the Individual Reserve, beyond recalculating the days past due for each loan in the population, determining the aging bucket for the respective loans, and re-performing the issuer's calculation of the reserve using the issuer's loan risk level and associated loss rate assumptions. (AS 2501.07)⁴
- The firm did not identify, and appropriately address, a departure from IFRS related to the issuer's presentation of repayments of loans from customers as cash flows from investing activities in the statement of cash flows rather than cash flows from operating activities in conformity with IAS 7, *Statement of Cash Flows*. (AS 2810.30 and .31)

Unrelated to our review, the issuer reevaluated the presentation of cash flows from the repayment of loans from customers in the statement of cash flows and concluded that a material misstatement existed that had not been previously identified. The issuer subsequently corrected this misstatement in a restatement of its financial statements, and the firm issued a special report regarding those adjustments.

With respect to a **Business Combination**:

The issuer completed a business combination during the year in which it divested a wholly-owned subsidiary and acquired all of the issued and outstanding shares of another company, for cash consideration and the issuance of stock, in a series of related divestiture and acquisition transactions. The issuer recorded the acquisition as a reverse merger for accounting and financial reporting purposes. The firm did not perform procedures to test the business combination, beyond summarizing the terms of the related transactions and evaluating the appropriateness of the issuer's accounting treatment and financial statement presentation. (AS 2301.08) In addition, the firm did not identify, and appropriately address, a departure from IFRS related to the issuer's accounting for and recognition of certain expenses relating to the business combination in conformity with IFRS 3, *Business Combinations*. (AS 2810.30 and .31)

Unrelated to our review, the issuer reevaluated its accounting for certain expenses relating to the business combination and concluded that a material misstatement existed that had not been previously identified. The issuer subsequently corrected this misstatement in a restatement of its financial statements, and the firm issued a special report regarding those adjustments.

The firm did not perform any procedures to test the adjustments recorded by the issuer to correct the misstatement to its financial statements related to the business combination. (AS 2301.08)

With respect to **Journal Entries**:

The firm did not perform any procedures to identify and select journal entries and other adjustments for testing. (AS 2401.58)

⁴ This citation refers to AS 2501, *Auditing Accounting Estimates*, which was in effect for this audit. This standard was replaced by AS 2501, *Auditing Accounting Estimates, Including Fair Value Measurements*, which became effective for audits of financial statements for fiscal years ending on or after December 15, 2020.

Audits with a Single Deficiency

None

PART I.B: OTHER INSTANCES OF NON-COMPLIANCE WITH PCAOB STANDARDS OR RULES

This section of our report discusses any deficiencies we identified that do not relate directly to the sufficiency or appropriateness of evidence the firm obtained to support its opinion but nevertheless relate to instances of non-compliance with PCAOB standards or rules.

When we review an audit, we do not review every aspect of the audit. In some cases, we assess the firm's compliance with specific PCAOB standards or rules on other audits that were not reviewed and include any instances of non-compliance below.

The deficiencies below are presented in numerical order based on the PCAOB standard or rule with which the firm did not comply. We identified the following deficiencies:

- In the audit reviewed, the firm did not assemble a complete and final set of audit documentation for retention within 45 days following the report release date and did not prepare an engagement completion document. In these instances, the firm was non-compliant with AS 1215, *Audit Documentation*.
- In the audit reviewed, the firm did not make certain required communications to the issuer's audit committee related to (1) the significant and critical accounting policies and practices; (2) critical accounting estimates; and (3) the firm's evaluation of the quality of the issuer's financial reporting. Further, the firm did not establish an understanding of the terms of the audit engagement with the audit committee, record such understanding in an engagement letter, and provide the engagement letter to the audit committee. In these instances, the firm was non-compliant with AS 1301, *Communications with Audit Committees*.
- In the audit reviewed, the firm's audit report incorrectly identified one of the issuer's financial statements and did not include a required element. In these instances, the firm was non-compliant with AS 3101, *The Auditor's Report on an Audit of Financial Statements When the Auditor Expresses an Unqualified Opinion*.
- In the audit reviewed, the firm did not file its report on Form AP by the relevant deadline. In this instance, the firm was non-compliant with PCAOB Rule 3211, *Auditor Reporting of Certain Audit Participants*.
- In the audit reviewed, the firm's special report did not include certain required elements. In this instance, the firm was non-compliant with AS 3305, *Special Reports*.

PART II: OBSERVATIONS RELATED TO QUALITY CONTROL

Part II of our report discusses criticisms of, and potential defects in, the firm's system of quality control.

We include deficiencies in Part II if an analysis of the inspection results, including the results of the reviews of individual audits, indicates that the firm's system of quality control does not provide reasonable assurance that firm personnel will comply with applicable professional standards and requirements. Generally, the report's description of quality control criticisms is based on observations from our inspection procedures.

This report does not reflect changes or improvements to the firm's system of quality control that the firm may have made subsequent to the period covered by our inspection. The Board does consider such changes or improvements in assessing whether the firm has satisfactorily addressed the quality control criticisms or defects no later than 12 months after the issuance of this report.

When we issue our reports, we do not make public criticisms of, and potential defects in, the firm's system of quality control, to the extent any are identified. If a firm does not address to the Board's satisfaction any criticism of, or potential defect in, the firm's system of quality control within 12 months after the issuance of our report, we will make public any such deficiency.

APPENDIX A: FIRM'S RESPONSE TO THE DRAFT INSPECTION REPORT

Pursuant to Section 104(f) of the Act, 15 U.S.C. § 7214(f), and PCAOB Rule 4007(a), the firm provided a written response to a draft of this report. Pursuant to Section 104(f) of the Act and PCAOB Rule 4007(b), the firm's response, excluding any portion granted confidential treatment, is attached hereto and made part of this final inspection report.

The Board does not make public any of a firm's comments that address a nonpublic portion of the report unless a firm specifically requests otherwise. In some cases, the result may be that none of a firm's response is made publicly available.

In addition, pursuant to Section 104(f) of the Act, 15 U.S.C. § 7214(f), and PCAOB Rule 4007(b), if a firm requests, and the Board grants, confidential treatment for any of the firm's comments on a draft report, the Board does not include those comments in the final report. The Board routinely grants confidential treatment, if requested, for any portion of a firm's response that addresses any point in the draft that the Board omits from, or any inaccurate statement in the draft that the Board corrects in, the final report.



13 September 2022

Via email [ResponsestoDraftReport@pcaobus.org]

Mr. George Botic
Director
Division of Registrations and Inspections
1666 K Street NW
Washington, DC 20006
United States of America

Dear Mr. Botic,

We refer to the report on the 2021 inspection of RT LLP ("the firm") by the PCAOB where one audit of an issuer ("Issuer A") with a fiscal year ending in 2017 was reviewed. Pursuant to Section 104(f) of the Act, 15 U.S.C. § 7214(f), and PCAOB Rule 4007(a), we are providing a written response to the draft of this report.

Our responses are as follows:

Responses to Part I: Inspection observations

Background on the audit of Issuer A and the inspection

The firm does not actively perform SEC or US-based engagements under PCAOB standards. The audit of Issuer A was a one-off engagement and no such further engagements have been performed to-date.

For the audit of Issuer A for the fiscal year ended December 31, 2017, the firm had used CCH ProSystem FX Engagement ("CCH") as the audit software and the electronic filing system for the workpapers.

The firm ceased using CCH in 2019 upon the expiry of the license. By then, it had successfully migrated to another audit software, Caseware.

RT LLP
Chartered Accountants
UEN : T08LL0811J

RT ASEAN Pte Ltd
Head Office
UEN : 201537050N

RT Advisory Pte Ltd
UEN : 201510979W

RT Links Pte Ltd
UEN : 201542866E

RT Academy Pte Ltd
UEN : 201527798R

RT International Advisory Pte Ltd
UEN : 201726206W

+65 62260080

info@rtasean.com

RT@Maxwell - 297 South Bridge Road, Singapore 058839

RT ASEAN Singapore : www.rtasean.sg

RT ASEAN : www.rtasean.com

Founding Member of RT ASEAN and Independent Member of BKR International

Singapore China Egypt India Indonesia Qatar South Korea Taiwan UAE Vietnam





Once the firm's license with CCH had ended, access to the software was denied by the vendor and it was "locked out" from accessing any files of audit engagements that were completed. As a result of this, the firm was not able to provide the PCAOB Inspection team with the actual set of working papers and files that the audit engagement team had prepared and used in CCH.

The firm was only able to provide whatever documents and information that were available from our SharePoint site, a cloud depository. The firm was unable to ascertain if these documents were the final working papers or were complete. The firm understands that the inspection was conducted based on these incomplete files and documents and the findings were also derived from them as well. The firm was also unable to provide any specific responses to the findings of the inspection team from referring to these documents.

All the members of the engagement team who worked on the audit were also no longer with the firm by the time the inspection was conducted. Therefore, the firm was not able to call on the individuals to provide information on the findings from the inspection team.

Part I.A Audits with Unsupported Opinions – Audits with Multiple Deficiencies:

1. With respect to the **Allowance for Loan Losses ("ALL")**
 - For reasons stated in the background section above, there was no access to the complete audit files, work papers and the engagement team for the audit. Therefore, the firm is unable to verify or respond on the deficiencies identified.
2. With respect to a **Business Combination**
 - For reasons stated in the background section above, there was no access to the complete audit files, work papers and the engagement team for the audit. Therefore, the firm is unable to verify or respond on the deficiencies identified.
3. With respect to **Journal Entries**
 - For reasons stated in the background section above, there was no access to the complete audit files, work papers and the engagement team for the audit. Therefore, the firm is unable to verify or respond on the deficiencies identified.

Part I.B Other Instances of Non-compliance with PCAOB standards or Rules:

- A. With respect to non-compliance with AS1215, *Audit Documentation*
 - For reasons stated in the background section above, there was no access to the complete audit files, work papers and the engagement team for the audit. Therefore, the firm is unable to verify or respond on the deficiencies identified.



- B. With respect to non-compliance with AS1301, *Communications with Audit Committees*
- The firm is unable to conclude on the completeness and accuracy of the findings. This is because there was no access to the complete audit files and work papers as stated in the background section above.
- C. With respect to non-compliance with AS 3101, *The Auditor's Report on an Audit of Financial Statements When the Auditor Expresses an Unqualified Opinion*
- The firm accepts that there was an oversight by the engagement partner and team which led to the deficiency.
- D. With respect to non-compliance with PCAOB Rule 3211, *Auditor Reporting of Certain Audit Participants*
- The firm accepts that there was an oversight by the engagement partner and team which led to the deficiency.
- E. With respect to non-compliance with AS 3305, *Special Reports*
- The firm accepts that there was an oversight by the engagement partner and team which led to the deficiency.

Redacted pursuant to Section 104(f) and/or (g)(2) of the Sarbanes-Oxley Act.



Redacted pursuant to Section 104(f) and/or (g)(2) of the Sarbanes-Oxley Act.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Voo Chih Yeong', written in a cursive style.

Voo Chih Yeong
Director

