
From: ICPAS [cpasingapore@pacific.net.sg]
Sent: Monday, January 26, 2004 5:26 AM
To: Comments
Subject: PCAOB RULEMAKING DOCKET MATTER NO. 013 -

26 January 2004

Office of the Secretary
Public Company Accounting Oversight Board
1666 K Street
N.W. Washington D.C. 20006-2803
USA

Dear Sir,

**PCAOB RULEMAKING DOCKET MATTER NO. 013 –
PROPOSED RULES RELATING TO THE OVERSIGHT OF NON-U.S. PUBLIC
ACCOUNTING FIRMS**

The Institute of Certified Public Accountants of Singapore (ICPAS) appreciates the opportunity to provide feedback and comments on the PCAOB's proposed rules and amendments relating to the oversight of non-US public accounting firms in PCAOB Release No. 2003-024, dated 10 December 2003.

ICPAS is the national organisation of the accountancy profession in Singapore. It was established in June 1963 as the Singapore Society of Accountants (SSA) under the Singapore Society of Accountants Ordinance, then reconstituted and renamed the ICPAS on 11 February 1989, under the Accountants Act 1987. Currently, approved company auditors are required to be members of the ICPAS and registered with the Public Accountants Board (PAB). Further information in relation to the PAB is provided in the response to question 2 below.

The ICPAS is committed to retaining investor and public confidence in the auditing process. We agree with the need for increased authority and responsibility for the oversight system of the auditing functions. Our comments relate to your proposals as follows and are also based on responses received from ICPAS members, who are public accountants, in relation to a questionnaire circulated by ICPAS:

1. PCAOB to extend the registration for non-US accounting firms by 90 days to 19 July 2004.
2. PCAOB to rely on the work of oversight systems in other jurisdiction.
3. Foreign registered public accounting firms to submit a written petition to PCAOB for an inspection that relies upon an inspection conducted by a home country system. PCAOB to evaluate its discussion with the non-US inspecting body concerning an inspection work program for the registering firm.

1. PCAOB to extend the registration for non-US accounting firms by 90 days to 19 July 2004

Our members appreciate the extension of the registration date but a minority of members has indicated preference for a longer extension period to facilitate the collation of large quantity of information in fulfilling the registration requirements, which can be burdensome both administratively and financially.

2. PCAOB to rely on the work of oversight systems in other jurisdiction

The Institute agrees with and appreciates the PCAOB's proposal to rely on the work of oversight systems in other jurisdiction, which promotes the efficiency and effectiveness of the overall oversight operations of the PCAOB and the oversight systems in other jurisdiction. The Institute wishes to assure the PCAOB that the auditing, ethical and accounting standards in Singapore are already in line with international best practice as determined by the International Federation of Accountants and the International Accounting Standards Board.

The Public Accountants Board (PAB), a statutory body under the purview of the Singapore Ministry of Finance, currently performs the oversight function of auditors in Singapore. With effect from 1 April 2004, this function will be taken over by the Accounting and Corporate Regulatory Authority, a new statutory board formed from the merger of the PAB and the Registry of Companies and Businesses (RCB). Evidently, there are considerable efforts to continuously update our system in keeping with the reforms and initiatives at the international level.

3. Foreign registered public accounting firms to submit a written petition to PCAOB for an inspection that relies upon an inspection conducted by a home country system. PCAOB to evaluate its discussion with the non-US inspecting body concerning an inspection work program for the registering firm.

The Institute agrees with the PCAOB's proposal (i) for foreign registered public accounting firms to submit a written petition for an inspection that relies upon an inspection conducted by a home country system; and (ii) to evaluate its discussion with the non-US inspecting body concerning an inspection work program for the registering firm. The Institute is of the view that this is a marked improvement in the effectiveness of the first proposed oversight system to be performed by the PCAOB. This form of quality control measures exercised by the PCAOB over the reviews performed by the non-US oversight body is consistent with the auditing principles related to reliance on the work of other professionals or auditors.

Pursuant to the PCAOB Proposed Rule 4011, non-US public accounting firms are required to submit a written petition describing the non-US system's laws, rules and/or other information to assist the Board in evaluating the independence and rigor of the system.

The Institute further proposes a unified petition approach for the public accounting firms in Singapore. This proposal is based on the fact that the accounting firms in Singapore are subject to the oversight system performed by one oversight body and the requirements of the oversight system in Singapore are applicable to all accounting firms in Singapore. In promoting efficiency and effectiveness of the submission and review process, the non-US oversight body should be empowered to submit the required information, on behalf of the non-US public accounting firms, to the PCAOB for assessment of the non-US oversight system on a periodical basis.

In ironing out the details of the above proposal, the Institute agrees with the PCAOB's proposal to evaluate its discussion with the non-US inspecting body concerning an inspection work program for the

registering firm as part of the petition and review process.

The Institute emphasizes the adequacy, integrity and independence of the oversight system in Singapore and proposes a high level of reliance on the Singapore inspection system to the PCAOB. The Institute is also happy to share with the PCAOB the relevant reforms and initiatives currently being undertaken in Singapore.

In summary, the Institute agrees with the proposals of the PCAOB but recommends a unified petition approach, which the Institute urges the PCAOB to take into careful consideration. The Institute strongly believes that the co-operation between the Singapore and US authorities would be in line with advancing the spirit of the US-Singapore Free Trade Agreement.

Yours sincerely,
Janet Tan
Executive Director
Institute of Certified Public Accountants of Singapore