

If you are a public accountant who is subjected to a hot review order and wishes to continue to be an Audit Principal for your pupil(s) during the hot review order period, use this form to apply to the Public Accountants Oversight Committee (PAOC) to seek its consent for you to do so.

a. Name of public accountant

b. Registration number of public accountant

c. Please attach a copy of the Hot Review Order and any approvals by ACRA or the PAOC to extend the hot review period or vary the hot review order (if any).

d. Provide the following information:

- i. Name of pupil(s)
- ii. Commencement date of supervision as an Audit Principal to the pupil(s)
- iii. Name of accounting entity(ies) where you are an Audit Principal

1. Mr A – Commenced on 30 Jun 20X0 – Firm X
2. Ms B – Commenced on 31 Mar 20X1 – Firm Y, etc.

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Section 4: Declaration and Signature of Public Accountant

This form must be signed by the public accountant making the application.

I hereby declare that the information contained in this form is true and accurate.

f. Signature

g. Date of application

Important Notes:

1. Send your application form and supporting documents to:

Public Accountants Oversight Committee
Accounting and Corporate Regulatory Authority
55 Newton Road
#03-02 Revenue House
Singapore 307987

Attention: Professional Oversight Department

2. Please take note of the following timeline to submit the application:

- a. A public accountant who is subjected to a hot review order and wishes to continue to be an Audit Principal for his or her pupil(s) must apply to the PAOC within 30 days after the date on which the order becomes effective.
- b. Transitional provision – A public accountant who was an Approved Principal before 1 February 2015 and is subjected to a hot review order as at 1 February 2015 must apply to the PAOC by 28 February 2015 if he or she wishes to continue to be an Audit Principal for his or her pupil(s) until the completion of the hot review order¹.

Explanatory Note to the Form:

Guidance for applications by public accountants serving hot review orders for consent to act as an Audit Principal

1. As the intent of Rule 6A(2) is to raise the quality of supervision by an Audit Principal, applications under Rule 6B(1) would only be granted in exceptional circumstances on a case-by-case basis.
2. While the PAOC will consider each and every application on its own merits, applicants may wish to note that the following type of reasons will, under ordinary circumstances, carry lesser or little weight in the PAOC's determination on whether to grant consent for a public accountant serving a hot review order to act as an Audit Principal:
 - a. Inability to hire and retain staff
 - b. Impact to reputation and business of the public accountant and/or his or her firm
 - c. Impracticable to fulfil the hot review order
 - d. Inability to appoint a suitable hot review partner
 - e. More time needed to fulfil hot review order
3. Applicants may also wish to note that should they propose either to (a) have the firm's other public accountants who may have less than 5 years of public practice experience supervise the applicant's pupils, or (b) have Audit Principals who are already undertaking supervision of 4 pupils to supervise the applicant's pupils while the applicant provides the overall oversight and signs off the pupil's experience as the Audit Principal, they would need to explain how they can overcome the following respective concerns that arise from such a proposal:
 - a. The requirement that a public accountant has at least 5 years' of experience in public practice to serve as an Audit Principal is to ensure pupils gain audit management training from a public accountant who is sufficiently

¹ Completion of the hot review means that the public accountant had fulfilled his or her obligations stated in the hot review order and communicated his compliance to ACRA. This completion date may be earlier or later (subject to approval) than the indicative end date stated in the hot review order.

experienced. It would therefore be a matter of concern how a public accountant without sufficient experience can adequately supervise a pupil.

- b. Allowing an Audit Principal to supervise more than 4 pupils may affect the Audit Principal's ability to provide sufficient guidance and supervision to his or her existing pupils.
4. While this note provides some guidance on the factors that are not likely to be considered as meritorious grounds for such applications, the PAOC notes that each case will be considered on its own merits in deciding whether to grant consent. Public accountants should therefore ensure all relevant information supporting their application are provided for the PAOC's consideration.

Public Accountants Subjected to Restriction Orders are Not Eligible for Application

5. It should also be noted that Rule 6B(1) is only applicable for public accountants subjected to hot review orders only. Should a public accountant receive a hot review order that is also accompanied with a restriction order (such as a restriction from the provision of public accountancy services or the audits of public interest entities for a period of time), he or she shall not be eligible to apply under Rule 6B(1). The public accountant will cease to become an Audit Principal from the effective date of his or her restriction order until the cessation of the restriction order.