

**WELCOME AND OPENING ADDRESS**  
**BY MRS CHIA-TERN HUEY MIN, CHIEF EXECUTIVE,**  
**ACCOUNTING AND CORPORATE REGULATORY AUTHORITY**  
**ON 20 JANUARY 2026, 9:15AM**  
**AT THE ACRA-SGX-SID AUDIT AND RISK COMMITTEE SEMINAR**  
**2026**

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Distinguished guests  
Ladies and gentlemen

Good morning and on behalf of ACRA, SGX Regco and SID, I would like to extend a warm welcome to each of you at this Audit and Risk Committee Seminar.

2. Our theme for this morning's seminar is Trust at the Core. Directors are the stewards of that trust. Think about your recent decisions on board matters – did they go towards strengthening trust in your organisation. There is a charming old Dutch proverb that says, "*Trust arrives on foot, but leaves on horseback*".

3. To help directors on this journey to continually build trust, we're dedicating this morning's seminar to equipping directors with the tools and insights to continue building and safeguarding the bedrock of trust in Singapore's financial markets.

**Background**

4. In the financial context, trust is also a strong currency. Without trust, investors lose confidence and the financial ecosystem can take a hit. As directors, you would assiduously look to ensure your companies uphold high

standards of transparency and accountability so as to maintain the currency of trust, even as you navigate new complexities.

5. I would like to share with you what ACRA sees as three key elements for strengthening trust and governance practices. First, ensuring the robustness of financial reporting that underpins investor confidence. Second, strengthening audit quality through enhanced Audit Quality Indicators. Third, safeguarding auditor independence that protects the integrity of the entire system.

6. Each element is critical on its own, but together, they form an interconnected framework that protects market integrity and upholds Singapore's reputation as a trusted business and financial hub.

### **Element One: Robust Financial Reporting**

7. Let's begin with the first element – the quality and robustness of financial reporting. Reliable financial reporting is the medium for establishing trust between companies and their investors. Even as new business complexities or economic challenges emerge, investors will look to financial statements to make informed assessments.

8. As directors, your interest would be to ensure that your companies' financial statements remain a reliable medium to instil investor confidence. This is also where we see ACRA's Financial Reporting Surveillance Programme (FRSP) as supporting you in achieving high standards in financial reporting.

9. Last March, we published our 5<sup>th</sup> FRSP report and more recently in November, we issued our Financial Reporting Practice Guidance. These are practical resources designed to help you deal with the common pitfalls and the complexities of financial reporting. The FRSP report shares the common deficiencies that our surveillance programme has uncovered and provides practical recommendations for enhancing your financial reporting practices. The report also comes with an accompanying Director's Guide which outlines your responsibilities and the key priority areas, making our regulatory expectations clear and actionable. The Financial Reporting Practice Guidance, meanwhile, helps you to identify and address potential issues early. We do not see our regulatory role as being confined to taking enforcement actions alone, we also work to support you to build stronger investor confidence.

10. ACRA is embracing AI to enhance our capabilities, and we intend to expand our support to companies through a new advisory initiative in the next 3 years on disclosures in financial statements. We will use GenAI to identify and obtain insights on disclosure issues in financial statements and derive broader observations on common issues. While ACRA will also issue company-specific advisories on the disclosure deficiencies, we intend to provide market-wide observations that will help you better understand potential gaps and take actions to address them.

## **Element Two: Strengthening Audit Quality through Enhanced Audit Quality Indicators**

11. Moving to the second element – strengthening audit quality through enhanced audit quality indicators. While robust financial reporting forms the medium for conveying trust, the quality of the audit process that validates

these statements is what gives life to that medium. Directors have oversight responsibilities for audit quality, whether you serve on audit committees or work with them in your governance role.

12. To better support your oversight responsibilities and address emerging risks, we have enhanced our Audit Quality Indicators (AQI) Disclosure Framework. We consulted with audit committee members and following a comprehensive review, we launched the enhanced framework in December. The updated framework introduces three new AQIs – use of technology, culture survey, and restatements – and revises our existing AQI on audit hours.

13. The updated framework is a product of audit committee members working directly with ACRA to give inputs and reactions. Your feedback has helped shape these indicators to ensure that they meet your needs, enabling you to evaluate audit quality and make informed decisions about auditor selection and retention.

### **Element Three: Safeguarding Auditor Independence**

14. Finally, we come to auditor independence. Auditors as professional service providers are unique in their role of serving the public interest, and hence auditor independence is fundamental.

15. We are observing clear trends of private equity (PE) investments in audit firms in other major financial markets. Private equity investments may bring valuable capital and innovation, but they also raise important questions about risks, like ensuring auditor independence. ACRA is monitoring this

trend and actively engaging our international colleagues to better understand the implications and to exchange insights.

16. ACRA will soon publish a Practice Direction to encourage accounting firms to engage ACRA early should they consider PE investments. We believe this collaborative approach supports market evolution while safeguarding audit quality.

17. The independence of auditors is a cornerstone for credibility to the assurance on financial statements. As directors play a role in assessing whether independence is being safeguarded, for example, when engaging with your auditors, PE developments will therefore be relevant to how directors evaluate if their professional judgment remains free from undue influence.

### **Conclusion**

18. *Trust arrives on foot, but leaves on horseback.* This old Dutch proverb from another era captured an enduring truth about the assiduous process of building trust. The three elements that I spoke about – robust financial reporting, strengthened audit quality, and auditor independence – are important guardrails for upholding stakeholder trust in our markets.

19. Trust cannot be built through regulation alone – it is forged through partnership, dialogue between ACRA and our key stakeholders. ACRA will continue to work with our key stakeholders like yourselves, to strengthen our shared commitment to build and uphold trust.

20. With that, I wish you all a productive session ahead and a fulfilling “foot-journey” ahead of building trust. Thank you.

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