

REF#775070

ASSURANCE GUIDANCE COMMITTEE TERMS OF REFERENCE
(SAICA's advisory group in the field of audit and other assurance)

1. Establishment

1. A revised committee structure was introduced for SAICA's committees within the former three Standards Divisions (Assurance and Practice (AAP), Corporate and Public Sector Reporting (CPR) and Taxation (TAX)), which divisions were contained within the Executive Portfolio, *Members and Global Alliances*. In terms of the revised structure, advisory groups were established for focus areas that form the foundation of the accountancy profession's functions, namely Audit and Assurance, Financial Reporting, Taxation, Legal and Compliance and Ethics. The *Assurance Guidance Committee* (AGC) will henceforth function as the advisory group for audit and assurance.
2. *Assurance* in this context generally refers to audits and reviews of financial statements and other assurance and related services engagements. The AGC operates to support SAICA's vision, mission and overall objectives.

2. Purpose

3. The AGC is established to create a forum to focus on the assurance practitioner constituency of SAICA's membership, in the context of issues that concern members within the assurance profession and in the assurance standard-setting processes. The objectives of the AGC are to:
 - Create value for the assurance practitioner constituency of SAICA's membership by identifying challenges they are facing and proposing solutions to these challenges.
 - Be involved with, and influence and contribute to the development of pronouncements relating to assurance and related services, issued by local and international standard-setting bodies.
 - Facilitate communication with the Independent Regulatory Board for Auditors (IRBA) and other regulators on assurance and related services matters when required; and
 - Enhance the quality of all assurance related guidance issued by SAICA. This excludes guidance on subject matters and topics in respect of which pronouncements are ordinarily issued by the IRBA for registered auditors.

3. Membership

Committee composition

4. The approved membership is as follows:
 - At least Two (2) members from large audit firms,
 - At least Four (4) members from small and medium practices,
 - At least Two (2) members in the area of assurance consultants or experts and other industry experts,
 - At least One (1) member representative of the Academia, and
 - A representative from the Auditor-General South Africa (AGSA).

5. Vacancies on the AGC will be advertised at the discretion of the Secretariat. The rotation or nomination cycle for a newly appointed or re-appointed member of the committee shall begin as at the earliest of 1 January or 1 June after the date of his/her appointment. Nominations to the AGC will be considered and approved by the current members, in consultation with the Secretariat, taking into account technical knowledge, relevant experience and qualifications, practice/industry area, and SAICA's overall commitment to transformation in the profession (taking cognisance of specific targets that by set from time to time). If consensus cannot be reached on the appointment or re-appointment of a member, the matter will be referred to the SAICA Executive Director, Standards for resolution.
6. Appointments to the AGC are to be ratified by the SAICA Nominations and Governance Committee (NomGov).
7. In selecting and appointing members that will serve on the Committee, cognisance will be taken of the following criteria:
 - Technical knowledge,
 - Relevant experience,
 - Relevant qualifications,
 - Practice/industry area, and
 - Transformation requirements that may be set from time to time.
8. Members serve on a voluntary basis and no remuneration is paid apart from expense claims related to Committee activity.

Term of office

9. The term of office for members is three years. Members may be reappointed for a maximum of two additional terms.

Chairperson and deputy chairperson

10. The chairperson and deputy chairperson shall be appointed by the Committee who will make the decision based on a majority of votes either by the AGC members or by their nominated alternatives. The term of office of the Chairperson is three years and may be reappointed for additional terms, subject to the overall term limits of their Committee membership.
11. It is the responsibility of the Chairperson to facilitate the Committee's functions and responsibilities during meetings, and to assist the Secretariat as appropriate with Committee business between meetings. The committee may elect a deputy-chairperson to provide support to the chairperson.

Alternate members

12. Members are encouraged to appoint an alternate to attend meetings on their behalf when they are not available. Each committee member should nominate a specific person as their permanent alternate. In appointing their alternate members, committee members should take cognisance of the transformation requirements of this committee. The curriculum vitae of the appointed alternate members should be submitted to the Secretariat for noting.

Resignation

13. Any member of the Committee who wishes to tender his/her resignation must do so in writing to the Chairperson and the Secretariat. Reasons for his/her wishing to resign from the Committee should be set out in the document.

Ex-officio and invitational attendance at Committee meetings

14. The relevant Project Director and Project Manager attend all meetings in an *ex officio* capacity. In addition, any other member of the Secretariat is entitled to attend meetings in the same capacity. Permanent invitees: A representative(s) from the Independent Regulatory Board for Auditors (IRBA), as coordinated between the Secretariat and the IRBA Director, Standards. The IRBA representative(s) attend and may address the Committee meetings.
15. Other invitees: At the discretion of the Chairperson and the Secretariat, non-members may be invited to attend and/or address the Committee meetings and also serve on the AGC project working groups (or similar), for example,
 - South African Institute of Professional Accountants (SAIPA)
 - Institute of Internal Auditors South Africa (IIASA)
 - Institute of Directors in Southern Africa (IoDSA)
 - Pan African Federation of Accountants (PAFA)

4. Meetings

16. The Committee ordinarily meets four times a year. The number of meetings may be changed at the recommendation of the Secretariat, or by agreement of the Committee. Members or their alternates are expected to attend and contribute to all meetings, in person or by means of teleconferencing facilities. The Secretariat monitors and, after discussion with the Committee, responds as deemed appropriate to situations of generally poor attendance or contribution on the part of any member.
17. Where expedient, the Committee may constitute a project working group (or similar) (working group) to be chaired by a member of the Committee to formulate a proposed response on any issue. Working group members may be drawn from outside the Committee. Responsibility will be delegated to the working group, but the working group must report back to the committee, which will approve the final pronouncement or submission.
18. A quorum consists of at least 50% of the committee members plus one member. The invitees shall not form part of the quorum. The Chairman has the authority to agree on when a vote will be required.

Should voting be required each member will have one vote. Votes will be passed by a majority of members present.

Members of the Committee acting other than at a meeting

19. The Chairperson may decide at his/her discretion or on recommendation of the Secretariat, taking into account the nature of a particular matter and the time in-between formal meetings, that it may be expedient to address a matter via round-robin using electronic communication. If the matter concerned requires members to vote, such decision may be adopted by written consent of a majority of the members of the Committee, given in person or by electronic communication, provided that each member of the Committee has received notice of the matter to be decided.

Conducting Committee business between meetings

20. While recognising that Committee members are normally in full-time employment and serve on a voluntary basis, it is necessary and appropriate that some Committee business continues and is conducted between meetings. Workloads will be kept realistic and no unreasonable demands will be made of members.

5. Recordings and Meeting Notes

21. The Committee's meetings shall be recorded in full and the recording shall be kept by the Committee secretariat. The Secretariat shall minute, in the form of brief meeting notes the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance and note any apologies. Meeting notes of Committee meetings shall be circulated promptly to all members of the Committee.

6. Confidentiality

22. All aspects of the work of the Committee are confidential.

7. Evaluation

23. This Committee shall at least annually review its own performance, constitution and terms of reference in the spirit of on-going improvement and achieving maximum levels of effectiveness. Should a member fail to attend meetings on a regular basis, fail to contribute meaningfully to the work of the Committee and fail to provide quality commentary as and when required, the Chairperson, in consultation with the Secretariat, may, at their discretion, remove the member(s) from the Committee.

8. Delegation of authority

24. The Committee has authority to delegate its powers and duties. The Committee will delegate authority to project working groups (or similar), where relevant.

9. Conflict of interest

25. Where an AGC member becomes aware of any conflict or perceived conflict of interest, such a member is required to declare that interest. If any member is uncertain on whether or not they have a conflict of interest they should declare such uncertainty and the AGC members present at the meeting can vote on whether they believe a conflict of interest is present. The declaration will be considered by the AGC and will also be recorded in the meeting notes of the relevant meeting at which the declaration was made. The meeting should be quorate, with the AGC member concerned not being counted in a decision relating to the conflict of interest. The AGC member concerned may not vote on any decisions made regarding a matter that is the subject of a declared conflict.

10. Approval of these terms of reference

26. These terms of reference were updated and approved by the AGC on 11 October 2023.

Version Control

11 October 2023	Updated and approved by the AGC via round robin.
15 November 2016	Updated and approved by the AGC at an AGC meeting.