



# SAICA FREQUENTLY ASKED QUESTIONS

Application of International Standard on Related Services (ISRS)  
4400 (Revised) Agreed-Upon Procedures Engagements

September 2022

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## SAICA FREQUENTLY ASKED QUESTIONS

### **Application of International Standard on Related Services (ISRS) 4400 (Revised) *Agreed-Upon Procedures Engagements***

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**Please note:**

- Every effort has been made to ensure that the information in this document is complete and accurate. Nevertheless, information is given purely as guidance with respect to the subject matter and SAICA will have no responsibility to any person for any claim of any nature whatsoever which may arise out of or related to the contents of this document.
- The information provided in this document does not constitute legal advice and should be read in that context.
- Where the document suggests a particular view, such a view is based on SAICA's interpretation at that point in time, of the relevant laws, regulations, standards, codes and related pronouncements. Although SAICA has consulted with the Independent Regulatory Board for Auditors (IRBA) and the Assurance Guidance Committee (AGC) of SAICA, it is possible that a different view may ultimately be followed in practice.
- This document has not been subject to any formal process of the IRBA or SAICA.
- This is a live document that is subject to change and is non-authoritative.
- This document does not impose requirements on practitioners beyond those included in ISRS 4400 (Revised) and does not change the practitioner's responsibility to comply with ISRS 4400 (Revised). As per paragraph 15 of ISRS 4400 (Revised), the practitioner shall comply with each requirement of this ISRS unless a particular requirement is not relevant to the agreed-upon procedures engagement, for example, if the circumstances addressed by the requirement do not exist in the engagement.
- Although specific references to ISRS 4400 (Revised) have been included in this document, the practitioner is still required to have an understanding of the entire text of the ISRS to assess whether or not any particular FAQ is relevant to an engagement, and if so, to apply the requirements of the ISRS properly.
- The concept of professional judgement should be applied in all the scenarios described in the FAQs, in context of, and as required by ISRS 4400 (Revised). The approaches presented are not necessarily the only acceptable approaches.
- The practitioner is required to comply with the documentation requirements of ISRS 4400

(Revised).

- This document provides guidance for SAICA members and associate general accountants (AGAs). Where a SAICA member or an AGA is also a member of another professional body, the obligations on the member in terms of that professional body should also be considered.
- Where a practitioner performs an agreed-upon procedures engagement for an entity that is an assurance client of the practitioner, the practitioner needs to consider the impact (if any) of accepting the agreed-upon procedures engagement on the practitioner's independence from the perspective of the assurance engagement.

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**1. Relevant ethical requirements that the practitioner is subject to when undertaking an agreed-upon procedures (AUP) engagement**

With which ethical code of professional conduct must a SAICA member or an associate general accountant (AGA) comply in conducting an AUP engagement?

ISRS 4400 (Revised) paragraph 17 requires the practitioner to comply with relevant ethical requirements. The standard defines “relevant ethical requirements” as “Principles of professional ethics and ethical requirements that are applicable to the engagement team is subject to when undertaking agreed-upon procedures engagements. These Relevant Ethical requirements ordinarily comprise the provisions of International Ethics Standards Board for Accountants’ (IESBA) International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), together with national requirements that are more restrictive”<sup>1</sup>.

ISRS 4400 (Revised) paragraph 24(d) requires the terms of the AUP engagement to include acknowledgement of the relevant ethical requirements with which the practitioner will comply in conducting the AUP engagement. ISRS 4400 (Revised) paragraph 30(k) requires the AUP report to include a statement that the practitioner complies with the ethical requirements of the IESBA Code, or other professional requirements, or requirements imposed by law or regulation, that are at least as demanding.

***SAICA members who are not registered auditors, and AGAs***

SAICA members who are not registered auditors, and AGAs, are required to comply with the SAICA *Code of Professional Conduct* (the SAICA Code) in the performance of an AUP engagement.

The AUP terms of engagement and AUP report would thus refer to compliance with the “*Code of Professional Conduct of the South African Institute of Chartered Accountants*”.

FAQ 7 in this document addresses the signing convention of the AUP report.

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<sup>1</sup> References to ISRS 4400 (Revised) in the FAQ include the Conforming and Consequential Amendments to the IAASB’s Other Standards as a Result of the New and Revised Quality Management Standards. Conforming and consequential amendments are shown with marked changes from the latest approved version of ISRS 4400 (Revised).

***SAICA members who are registered auditors***

SAICA members who are registered auditors as defined in the Auditing Profession Act, No. 26 of 2005 will be required to comply with both the SAICA Code and the *IRBA Code of Professional Conduct for Registered Auditors* (the IRBA Code) in the performance of an AUP engagement. It is however deemed sufficient to only refer to the IRBA Code in the AUP engagement letter and AUP report on consideration that compliance with the IRBA Code by registered auditors is prescribed by legislation (refer to Section 4(c) of the Auditing Profession Act). The SAICA Code furthermore conforms to the IRBA Code.

The AUP terms of engagement and AUP report would thus refer to compliance with the “Code of Professional Conduct for Registered Auditors issued by the Independent Regulatory Board for Auditors”. This applies irrespective of whether the registered auditor is performing an AUP engagement for an assurance client or for a non-assurance client.

FAQ 7 in this document addresses the signing convention of the AUP report.

***AUP engagements performed by- or on behalf of the Auditor-General of South Africa (AGSA)***

When an AUP engagement is performed by- or on behalf of the AGSA, the reporting guidelines of the AGSA should be followed.

*Issued September 2022*

**2. Including a comparison between the SAICA Code / IRBA Code (as applicable) and the IESBA Code in the AUP report**

Is it a requirement for the AUP report to include a comparison between the SAICA Code / IRBA Code (as applicable) and the IESBA Code?

ISRS 4400 (Revised) does not require the practitioner to provide a comparison between the relevant ethical requirements that the engagement team is subject to (for example the SAICA Code or IRBA Code) and the IESBA Code.

Registered auditors would note that the illustrative regulatory AUP reports issued by the IRBA (AUP reports required by certain legislation) contain the following explanation **in addition to identifying the relevant ethical requirements**: “The IRBA Code is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour; and it is consistent with the corresponding sections of the International Ethics Standards Board for Accountants’ *International Code of Ethics for Professional Accountants (including International Independence Standards)*.”

The inclusion of the paragraph above has been agreed between the IRBA and the relevant regulators, and **should thus be included in applicable regulatory AUP reports**.

Although this paragraph is not required by the standard, practitioners may voluntary include it in AUP reports that have not been agreed between the IRBA and particular regulators. FAQs 4 and 5 in this document illustrate such voluntary inclusion.

*Issued September 2022*

### 3. AUP engagements performed by the auditor of the entity's financial statements: Independence requirements

For an AUP engagement performed by the auditor of the entity's financial statements, where there are no legal or regulatory requirements to be independent for the AUP engagement: Is there an assumption that the practitioner would agree with the engaging party to comply with independence requirements applicable to audits in the conduct of the AUP engagement?

The IESBA Code does not contain independence requirements for AUP engagements. However, national laws or regulations, other professional requirements or conditions of a contract, program or arrangement relating to the subject matter for the AUP engagement may specify requirements pertaining to independence (ISRS 4400 (Revised) paragraph A15). Similar to the IESBA Code, neither the IRBA Code nor the SAICA Code contains independence requirements for AUP engagements.

The application material in ISRS 4400 (Revised) paragraph A38 explains that the practitioner may be the auditor of the financial statements of the engaging party (or responsible party if different from the engaging party). In such a circumstance, if the practitioner is also engaged to conduct an AUP engagement, intended users of the AUP report may assume that the practitioner is independent for the purpose of the AUP engagement. Therefore, the practitioner may agree with the engaging party that the practitioner's compliance with the independence requirements applicable to audits of financial statements is appropriate for the purpose of the AUP engagement. In such a case, a statement that the practitioner is required to comply with such independence requirements is included in the terms of the engagement, in accordance with ISRS 4400 (Revised) paragraph 24(e).

For an AUP engagement that is performed by the auditor of the entity's financial statements, the practitioner **may** therefore agree with the engaging party to comply with independence requirements applicable to audits of financial statements for the purpose of the AUP engagement. It is however not a requirement of the standard for the practitioner to do so and it is also not assumed that the practitioner would agree to do so. The practitioner should however consider whether law or regulation, other professional requirements or conditions of a contract, program or arrangement relating to the engagement specify requirements pertaining to independence.

Refer to FAQ 4 in this document for illustrative wording regarding independence in an AUP report where the engagement is performed by a registered auditor.

Refer to FAQ 6 in this document for a discussion on the implications of the practitioner agreeing to comply with the IRBA Code's independence requirements applicable to audits in the conduct of an AUP engagement.

*Issued September 2022*

**4. AUP engagements performed by a registered auditor: Illustrative wording for the AUP report that addresses the requirements of ISRS 4400 (Revised) paragraphs 30(k) (ethical code), 30(l) (independence) and 30(m) (ISQM 1)**

Does SAICA have suggested illustrative wording that may be used in the AUP report where an AUP engagement is performed by a registered auditor, specifically regarding the references to the applicable ethical code, independence requirements and system of quality management?

Drawing from the

- i) Illustrative wording in Illustration 1 and Illustration 2 in Appendix 2 to ISRS 4400 (Revised);
- ii) Example wording provided in footnote 8 to Illustration 2 in Appendix 2 to ISRS 4400 (Revised); and
- iii) Conforming and Consequential Amendments to the IAASB's Other Standards as a Result of the New and Revised Quality Management Standards, published by the IAASB in in January 2022 and approved by the IRBA in March 2022 for adoption, issue and prescription by registered auditors in South Africa,

the AUP report may be worded along the following to address the requirements of ISRS 4400 (Revised) paragraphs 30(k), (l) and (m):

*Scenario 1: Assumptions:*

- *The AUP report is not a regulatory report that has been issued by the IRBA.*
- *The registered auditor has not voluntarily included a comparison between the IRBA Code and the IESBA Code.*
- *The registered auditor has not agreed with the engaging party to comply with independence requirements, and has determined that there are no legal, regulatory, other professional requirements or conditions of a contract, program or arrangement relating to the engagement that specify requirements pertaining to independence.*
- *International Standard on Quality Management (ISQM) 1 is effective<sup>2</sup>.*

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<sup>2</sup> Systems of quality management in compliance with ISQM 1 are required to be designed and implemented by 15 December 2022, and the evaluation of the system of quality management required by paragraphs 53-54 of ISQM 1 is required to be performed within one year following 15 December 2022. The Conforming and Consequential Amendments to the IAASB's Other Standards as a Result of the New and Revised Quality Management Standards are effective for other assurance and related services engagements beginning on or after 15 December 2022.

*“Professional Ethics and Quality Management*

We have complied with the ethical requirements of the Code of Professional Conduct for Registered Auditors issued by the Independent Regulatory Board for Auditors. For the purpose of this engagement, there are no independence requirements with which we are required to comply.

Our firm applies International Standard on Quality Management 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.”

*Scenario 2: Assumptions:*

- *The AUP report is not a regulatory report that has been issued by the IRBA.*
- *The registered auditor has voluntarily included a comparison between the IRBA Code and the IESBA Code.*
- *The registered auditor has not agreed with the engaging party to comply with independence requirements, and has determined that there are no legal, regulatory, other professional requirements or conditions of a contract, program or arrangement relating to the engagement that specify requirements pertaining to independence.*
- *International Standard on Quality Management (ISQM) 1 is effective<sup>3</sup>.*

*“Professional Ethics and Quality Management*

We have complied with the ethical requirements of the Code of Professional Conduct for Registered Auditors issued by the Independent Regulatory Board for Auditors (IRBA Code). The IRBA Code is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour; and it is consistent with the corresponding sections of the International Ethics Standards Board for Accountants’ *International Code of Ethics for Professional Accountants (including International Independence Standards)*.

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<sup>3</sup> Systems of quality management in compliance with ISQM 1 are required to be designed and implemented by 15 December 2022, and the evaluation of the system of quality management required by paragraphs 53-54 of ISQM 1 is required to be performed within one year following 15 December 2022. The Conforming and Consequential Amendments to the IAASB’s Other Standards as a Result of the New and Revised Quality Management Standards are effective for other assurance and related services engagements beginning on or after 15 December 2022.

For the purpose of this engagement, there are no independence requirements with which we are required to comply.

Our firm applies International Standard on Quality Management 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.”

*Scenario 3: Assumptions:*

- *The AUP report is not a regulatory report that has been issued by the IRBA.*
- *The registered auditor has not voluntarily included a comparison between the IRBA Code and the IESBA Code.*
- *The registered auditor has determined that there are no legal, regulatory, other professional requirements or conditions of a contract, program or arrangement relating to the engagement that specify requirements pertaining to independence.*
- *The registered auditor has agreed with the engaging party to comply with the independence requirements in the IRBA Code applicable to audits.*
- *ISQM 1 is effective<sup>4</sup>*

*“Professional Ethics and Quality Management*

We have complied with the ethical requirements of the Code of Professional Conduct for Registered Auditors issued by the Independent Regulatory Board for Auditors (IRBA Code) and the independence requirements in Part 4A of the IRBA Code.

Our firm applies International Standard on Quality Management 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.”

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<sup>4</sup> Systems of quality management in compliance with ISQM 1 are required to be designed and implemented by 15 December 2022, and the evaluation of the system of quality management required by paragraphs 53-54 of ISQM 1 is required to be performed within one year following 15 December 2022. The Conforming and Consequential Amendments to the IAASB’s Other Standards as a Result of the New and Revised Quality Management Standards are effective for other assurance and related services engagements beginning on or after 15 December 2022.

*Scenario 4: Assumptions:*

- *The AUP report is not a regulatory report that has been issued by the IRBA.*
- *The registered auditor has voluntarily included a comparison between the IRBA Code and the IESBA Code.*
- *The registered auditor has determined that there are no legal, regulatory, other professional requirements or conditions of a contract, program or arrangement relating to the engagement that specify requirements pertaining to independence.*
- *The registered auditor has agreed with the engaging party to comply with the independence requirements in the IRBA Code applicable to audits.*
- *ISQM 1 is effective.*<sup>5</sup>

*“Professional Ethics and Quality Management*

We have complied with the ethical requirements of the Code of Professional Conduct for Registered Auditors issued by the Independent Regulatory Board for Auditors (IRBA Code) and the independence requirements in Part 4A of the IRBA Code. The IRBA Code is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour; and it is consistent with the corresponding sections of the International Ethics Standards Board for Accountants’ *International Code of Ethics for Professional Accountants (including International Independence Standards)*.

Our firm applies International Standard on Quality Management 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.”

*Issued September 2022*

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<sup>5</sup> Systems of quality management in compliance with ISQM 1 are required to be designed and implemented by 15 December 2022, and the evaluation of the system of quality management required by paragraphs 53-54 of ISQM 1 is required to be performed within one year following 15 December 2022. The Conforming and Consequential Amendments to the IAASB’s Other Standards as a Result of the New and Revised Quality Management Standards are effective for other assurance and related services engagements beginning on or after 15 December 2022.

**5. AUP engagements performed by a SAICA member who is not a registered auditor, or by an AGA: Illustrative wording for the AUP report that addresses the requirements of ISRS 4400 (Revised) paragraphs 30(k) (relevant ethical requirements), 30(l) (independence) and 30(m) (ISQM 1)**

Does SAICA have suggested illustrative wording that may be used in the AUP report where an AUP engagement is performed by a SAICA member who is not a registered auditor, or by an AGA, specifically regarding the references to the applicable ethical code, independence requirements and systems of quality management?

Drawing from the

- i) Illustrative wording in Illustration 1 and Illustration 2 in Appendix 2 to ISRS 4400 (Revised);
- ii) Example wording provided in footnote 8 to Illustration 2 in Appendix 2 to ISRS 4400 (Revised); and
- iii) Conforming and Consequential Amendments to the IAASB's Other Standards as a Result of the New and Revised Quality Management Standards, published by the IAASB in in January 2022 and approved by the IRBA in March 2022 for adoption, issue and prescription by registered auditors in South Africa,

the AUP report may be worded along the following to address the requirements of ISRS 4400 (Revised) paragraphs 30(k), (l) and (m):

*Scenario 1: Assumptions:*

- *The AUP report is not a regulatory report that has been issued by the IRBA.*
- *The SAICA member (who is not a registered auditor) or the AGA has not voluntarily included a comparison between the SAICA Code and the IESBA Code.*
- *The SAICA member or the AGA has not agreed with the engaging party to comply with independence requirements, and has determined that there are no legal, regulatory, other professional requirements or conditions of a contract, program or arrangement relating to the engagement that specify requirements pertaining to independence.*
- *International Standard on Quality Management (ISQM) 1 is effective<sup>6</sup>:*

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<sup>6</sup> Systems of quality management in compliance with ISQM 1 are required to be designed and implemented by 15 December 2022, and the evaluation of the system of quality management required by paragraphs 53-54 of ISQM 1 is required to be performed within one year following 15 December 2022. The Conforming and Consequential Amendments to the IAASB's Other Standards as a Result of the New and Revised Quality Management Standards are effective for other assurance and related services engagements beginning on or after 15 December 2022.

*“Professional Ethics and Quality Management*

We have complied with the ethical requirements of the *Code of Professional Conduct of the South African Institute of Chartered Accountants*. For the purpose of this engagement, there are no independence requirements with which we are required to comply.

Our firm applies International Standard on Quality Management 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.”

*Scenario 2: Assumptions:*

- *The AUP report is not a regulatory report that has been issued by the IRBA.*
- *The SAICA member (who is not a registered auditor) or the AGA has voluntarily included a comparison between the SAICA Code and the IESBA Code.*
- *The SAICA member or the AGA has not agreed with the engaging party to comply with independence requirements, and has determined that there are no legal, regulatory, other professional requirements or conditions of a contract, program or arrangement relating to the engagement that specify requirements pertaining to independence*
- *International Standard on Quality Management (ISQM) 1 is effective<sup>7</sup>.*

*“Professional Ethics and Quality Management*

We have complied with the ethical requirements of the *Code of Professional Conduct of the South African Institute of Chartered Accountants* (SAICA Code). The SAICA Code is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour; and it is consistent with the corresponding sections of the International Ethics Standards Board for Accountants’ *International Code of Ethics for Professional Accountants (including International Independence Standards)*. For the purpose of this engagement, there are no independence requirements with which we are required to comply.

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<sup>7</sup> Systems of quality management in compliance with ISQM 1 are required to be designed and implemented by 15 December 2022, and the evaluation of the system of quality management required by paragraphs 53-54 of ISQM 1 is required to be performed within one year following 15 December 2022. The Conforming and Consequential Amendments to the IAASB’s Other Standards as a Result of the New and Revised Quality Management Standards are effective for other assurance and related services engagements beginning on or after 15 December 2022.

Our firm applies International Standard on Quality Management 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.”

*Scenario 3: Assumptions:*

- *The AUP report is not a regulatory report that has been issued by the IRBA.*
- *The SAICA member (who is not a registered auditor) or the AGA has not voluntarily included a comparison between the SAICA Code and the IESBA Code.*
- *The SAICA member or the AGA has determined that there are no legal, regulatory, other professional requirements or conditions of a contract, program or arrangement relating to the engagement that specify requirements pertaining to independence.*
- *The SAICA member or the AGA has agreed with the engaging party to comply with independence requirements.*
- *ISQM 1 is effective<sup>8</sup>.*

*“Professional Ethics and Quality Management*

We have complied with the ethical requirements of the *Code of Professional Conduct of the South African Institute of Chartered Accountants* and the independence requirements in accordance with [*specify independence requirements that the practitioner has agreed with the engaging party to comply with*].

Our firm applies International Standard on Quality Management 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.”

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<sup>8</sup> Systems of quality management in compliance with ISQM 1 are required to be designed and implemented by 15 December 2022, and the evaluation of the system of quality management required by paragraphs 53-54 of ISQM 1 is required to be performed within one year following 15 December 2022. The Conforming and Consequential Amendments to the IAASB’s Other Standards as a Result of the New and Revised Quality Management Standards are effective for other assurance and related services engagements beginning on or after 15 December 2022.

*Scenario 4: Assumptions:*

- *The AUP report is not a regulatory report that has been issued by the IRBA.*
- *The SAICA member (who is not a registered auditor) or the AGA has voluntarily included a comparison between the SAICA Code and the IESBA Code.*
- *The SAICA member or the AGA has determined that there are no legal, regulatory, other professional requirements or conditions of a contract, program or arrangement relating to the engagement that specify requirements pertaining to independence.*
- *The SAICA member or the AGA has agreed with the engaging party to comply with independence requirements.*
- *ISQM 1 is effective<sup>9</sup>.*

*“Professional Ethics and Quality Management*

We have complied with the ethical requirements of the *Code of Professional Conduct of the South African Institute of Chartered Accountants* and the independence requirements in accordance with [*specify independence requirements that the practitioner has agreed with the engaging party to comply with*]. The SAICA Code is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour; and it is consistent with the corresponding sections of the International Ethics Standards Board for Accountants’ *International Code of Ethics for Professional Accountants (including International Independence Standards)*.

Our firm applies International Standard on Quality Management 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.”

*Issued September 2022*

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<sup>9</sup> Systems of quality management in compliance with ISQM 1 are required to be designed and implemented by 15 December 2022, and the evaluation of the system of quality management required by paragraphs 53-54 of ISQM 1 is required to be performed within one year following 15 December 2022. The Conforming and Consequential Amendments to the IAASB’s Other Standards as a Result of the New and Revised Quality Management Standards are effective for other assurance and related services engagements beginning on or after 15 December 2022.

**6. Implications of agreeing to comply with independence requirements of the IRBA Code applicable to audits**

A practitioner has agreed with the engaging party to comply with the independence requirements in Part 4A of the IRBA Code in the performance of the AUP engagement. What are the implications of this decision for the practitioner?

If a practitioner agrees with the engaging party to comply with independence requirements in the conduct of the AUP engagement, the practitioner will have to comply with those specified independence requirements. If the practitioner, for example, agreed to comply with Part 4A of the IRBA Code for purposes of the AUP engagement, the practitioner will have to comply with all the requirements in Part 4A of the IRBA Code for purposes of the AUP engagement. This includes, but is not limited to, requirements relating to the following:

- Determination of whether to treat the entity, or certain categories of entities, as public interest entities [IRBA Code section 400];
- Independence of the individual, firm and network firm [IRBA Code section 400];
- Identified breaches of independence requirements [IRBA Code section 400];
- Long association of personnel (including partner rotation) [IRBA Code section 540];
- Provision of non-assurance services to the AUP client [IRBA Code section 600].

*Issued September 2022*

## 7. Signing convention of the AUP report

Does the IRBA or SAICA have a prescribed signing convention regarding the AUP report?

For the purposes of ISRS 4400 (Revised)<sup>10</sup>, the following terms have the meanings attributed below:

**Engagement partner** – The partner or other ~~person in~~ individual, appointed by the firm, who is responsible for the engagement and its performance, and for the agreed-upon procedures report that is issued on behalf of the firm, and who, where required, has the appropriate authority from a professional, legal or regulatory body. (ISRS 4400 (Revised) paragraph 13(c))

**Practitioner** – The individual(s) conducting the engagement (usually the engagement partner or other members of the engagement team, or, as applicable, the firm). Where this ISRS expressly intends that a requirement or responsibility be fulfilled by the engagement partner, the term “engagement partner” rather than “practitioner” is used. (ISRS 4400 (Revised) paragraph 13(h))

ISRS 4400 (Revised) paragraph 30 requires the AUP report to be in writing, and specifies what the AUP report shall include. This includes:

- The practitioner’s signature (ISRS 4400 (Revised) paragraph 30(p));
- The date of the AUP report (ISRS 4400 (Revised) paragraph 30(q)); and
- The location in the jurisdiction where the practitioner practices (ISRS 4400 (Revised) paragraph 30(r).)

ISRS 4400 (Revised) does not require the name or designation of the engagement partner, for example, to be included in the AUP report.

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<sup>10</sup> References to ISRS 4400 (Revised) in the FAQ include the Conforming and Consequential Amendments to the IAASB’s Other Standards as a Result of the New and Revised Quality Management Standards. Conforming and consequential amendments are shown with marked changes from the latest approved version of ISRS 4400 (Revised).

**Par R115.6 SA of the IRBA Code**

The IRBA Code contains a signing convention requirement that applies to the **individual registered auditor responsible for the audit, review or other assurance engagement** and that requires certain information to be reflected **when signing any audit, review or other assurance report**.

An AUP engagement is not an “audit, review or other assurance engagement.”

When signing an AUP report, the RA will not be signing any “audit, review or other assurance report”.

The requirements of par R115.6 SA of the IRBA Code are therefore not applicable for an RA that is signing an AUP report.

**Par R115.6 SA of the SAICA Code**

The SAICA Code contains a requirement on the **individual professional accountant responsible for the audit, review or other assurance engagement** to reflect certain information when **signing any audit, review or other assurance report or certificate**.

An AUP engagement is not an “audit, review or other assurance engagement.”

The requirements of par R115.6 SA of the SAICA Code will therefore not be applicable where a SAICA member or AGA is performing an AUP engagement on a client for whom the SAICA member or AGA does not also perform an audit, review or other assurance engagement.

The reference to “certificate” in par R 115.6 SA includes an AUP report. When a SAICA member or AGA performs an AUP engagement for a client for whom the SAICA member or AGA also performs an audit, review or other assurance engagement, the AUP report will therefore have to reflect the following in addition to the requirements of ISRS 4400 (Revised).30 (p) to (r):

- (a) the individual professional accountant’s full name;
- (b) if not a sole proprietor, the capacity in which they are signing;
- (c) their designation underneath their name; and
- (d) if not set out on the firm’s letterhead, the name of the professional accountant’s firm.

The “designation” would be “Chartered Accountant (SA)”<sup>11</sup> or “Associate General Accountant (South Africa)”<sup>12</sup> or “Registered Auditor” for individuals who are RAs.

**To summarise:**

	<b>Engagement partner is a CA(SA) but not an RA</b>	<b>Engagement partner is an AGA</b>	<b>Engagement partner is an RA</b>
Engaged to perform an AUP engagement for a client for whom the engagement partner does not perform an audit, review or other assurance engagement (i.e. a non-assurance client)	<p>Applicable Code: SAICA Code.</p> <p>Signing convention: Apply ISRS 4400 (Revised).30 (p) – (r).</p> <p>Refer to the SAICA recommendation regarding the signing convention below.</p>	<p>Applicable Code: SAICA Code.</p> <p>Signing convention: Apply ISRS 4400 (Revised).30 (p) – (r).</p> <p>Refer to the SAICA recommendation regarding the signing convention below.</p>	<p>Applicable Code: IRBA Code and the SAICA Code. (Reference is made to the IRBA Code in the AUP report, as explained in FAQ 1 in this document.)</p> <p>Signing convention: Apply ISRS 4400 (Revised).30 (p) –(r).</p> <p>Refer to the SAICA recommendation regarding the signing convention below.</p>
Engaged to perform an AUP engagement for a client for whom the engagement partner also performs an audit, review or other assurance engagement (i.e. an assurance client)	<p>Applicable Code: SAICA Code</p> <p>Signing convention: Apply ISRS 4400 (Revised).30(p) – (r) <b>AND</b> SAICA Code R115.6 SA.</p>	<p>Applicable Code: SAICA Code</p> <p>Signing convention: Apply ISRS 4400 (Revised).30(p) – (r) <b>AND</b> SAICA Code R115.6 SA.</p>	<p>Applicable Code: IRBA Code and SAICA Code. (Reference is made to the IRBA Code in the AUP report, as explained in FAQ 1 in this document.)</p> <p>Signing convention: Apply ISRS 4400 (Revised).30 (p) – (r) <b>AND</b> SAICA Code R115.6 SA. Designation: “Registered Auditor”</p>

<sup>11</sup> Or any equivalent designation permitted by the SAICA Code.

<sup>12</sup> Or any equivalent designation permitted by the SAICA Code.

	<p>Designation: “Chartered Accountant (SA)” or any equivalent designation permitted by the SAICA Code.</p> <p><i>(Note: Audits and other assurance engagements where reasonable assurance is provided may only be performed by RAs)</i></p>	<p>Designation: “Associate General Accountant (South Africa)” or any equivalent designation permitted by the SAICA Code.</p> <p><i>(Note: Audits and other assurance engagements where reasonable assurance is provided may only be performed by RAs)</i></p>	
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### **SAICA recommendation: Signing convention for AUP reports**

In the interest of transparency, SAICA recommends that all AUP reports should contain the information required in SAICA Code R115.6 SA.

For example, if a registered auditor is signing an AUP report for a non-assurance client, it is recommended that the practitioner should include *ia* the practitioner’s RA designation in the AUP report.

### ***AUP engagements performed by- or on behalf of the Auditor-General of South Africa (AGSA)***

When an AUP engagement is performed by- or on behalf of the AGSA, the reporting guidelines of the AGSA should be followed.

*Issued September 2022*