

Ref#719223

28 February 2019  
Imran Vanker  
Director: Standards  
Independent Regulatory Board for Auditors  
Building 2, Greenstone Hill Office Park,  
Emerald Boulevard,  
Modderfontein

Email: [ivanker@irba.co.za](mailto:ivanker@irba.co.za)

Dear Imran

### **SAICA SUBMISSION ON THE PROPOSED SAAPS 3**

Thank you for the opportunity to provide comments on the proposed guide.

SAICA's Assurance division was extensively involved in the drafting of the proposed guide through participation in the Task Group and additional inputs which were provided to IRBA staff as the project progressed. Furthermore, we requested members of the SAICA Assurance Guidance Committee (AGC) whether they have any additional comments or input, rather than establishing a specific working group to inform our comment letter.

It is in this context that we respond to the request for specific comments in the explanatory memorandum to the exposure draft.

Yours sincerely,

**Jeanne Viljoen**  
**Acting Senior Executive: Assurance and Practice**

**Comments:**

**1. Do you agree with the recommended effective date?**

We agree that the SAAPS should be effective immediately after approval.

**2. Do you believe that the new format of this proposed SAAPS enhances navigation and ease of use? If not, why? Please suggest an alternative approach.**

Yes, we believe it will be easier to identify illustrative examples that relate to the auditor's specific scenario.

**3. Do you agree with the new or amended illustrative auditor's reports included in this proposed SAAPS?**

We agree with the amended illustrative auditor's reports.

**4. Do the illustrative auditor's and independent reviewer's reports contained in this proposed SAAPS provide adequate examples of illustrative auditor's and independent reviewer's reports that provide practical assistance to auditors when reporting on financial statements in accordance with the requirements of the International Standards on Auditing (ISAs) and the International Standards on Review Engagements (ISREs) in compliance with South African jurisdictional requirements?**

**If not, why? Please provide details of any further illustrative auditor's and independent reviewer's reports you believe should be deleted, amended and/or added to Part B of this proposed SAAPS.**

We agree that the examples provided are adequate and that no additional examples are required at this stage.

**5. Do you believe that the guidance provided in Note 8 to Part A of this proposed SAAPS provides helpful guidance on determining other information as defined in ISA 720 (Revised) in the South African context?**

**If not, why? Please suggest what further guidance is necessary in the South African context.**

We agree that the guidance is helpful. It is our understanding that this information comes from the IRBA Staff Practice Alert on ISA 720 which we supported at the time it was issued.

**6. Do you agree that the IRBA Staff Practice Alert can be withdrawn by the IRBA when the final SAAPS 3 (Revised 2019) becomes effective? If not, why?**

We agree with the withdrawal, as we believe that all the information has been incorporated into the SAAPS.

**7. Considering the requirements of ISA 720 (Revised), do you believe the practice of the Auditor-General of South Africa is appropriate? If not, why?**

We believe that the way that the Auditor-General has dealt with other information in their auditor's report is appropriate. The Auditor-General issues one report on the audit of the financial statements, predetermined objectives and legislation of the entity being audited. We do not believe that the predetermined objectives that were audited forms part of other information.

- 8. Because of the different effective dates of the parts in both the IRBA Code and IESBA Code, do you agree with the conclusion reached by the CFAS to provide for two options (transitional period and period going forward) for the wording to be included in this proposed SAAPS?**

We believe it is appropriate to include the two options.

- 9. Do you agree with the wording used to describe the periods to which each of the options relate, as follows:**
- **Transitional period:** For auditor's reports issued on or after 15 June 2019 in respect of audits of financial statements for financial periods beginning before or on 14 June 2019; and
  - **Period going forward:** For audits of financial statements for financial periods beginning on or after 15 June 2019?

Yes, the descriptions are appropriate.

- 10. Do you agree with the wordings and the descriptions of the parts of both the extant IRBA and IESBA Codes and the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) used in the Basis for Opinion section of the illustrative auditor's reports?**

The wording clearly describes the applicable sections of the codes to users.

- 11. Do you agree with the conclusion reached by CFAS on not requiring a reference to the FRPs in the auditor's and independent reviewer's reports? If not, please provide your views, including your reasons for disagreement.**

We believe this was duly considered by the RIRSC and CFAS and therefore agree that no reference should be made to FRPs.