
INDEPENDENT REGULATORY BOARD FOR AUDITORS
COMMITTEE FOR AUDITING STANDARDS

**Publication of South African Auditing Practice Statement 3 (Revised March 2024),
Illustrative Reports, Incorporating Enhanced Auditor Reporting Requirements**

Johannesburg / 13 March 2024

On 6 March 2024, the Independent Regulatory Board for Auditors' (IRBA) Committee for Auditing Standards approved the [South African Auditing Practice Statement \(SAAPS\) 3 \(Revised March 2024\), *Illustrative Reports*](#) (SAAPS 3 (Revised March 2024)), for publication.

SAAPS 3 (Revised March 2024) is aimed at providing practical guidance to registered auditors who report on financial statements, both for compliance with the International Standards on Auditing (ISAs) or the International Standards on Review Engagements, as applicable, as well as the legal and regulatory requirements applicable to auditors and auditor reporting in South Africa, as related to the content and format of the auditor's report.

This SAAPS 3 (Revised March 2024) final pronouncement was concluded following a public consultation process. The proposed SAAPS 3 (Revised March 2024) was issued for public comment on 21 September 2023, and all of the comment letters received are available on the [IRBA website](#).

Key Revisions

The main reason for revising SAAPS 3 (Revised March 2024) was to incorporate the [IRBA Rule on Enhanced Auditor Reporting for the Audit of Financial Statements of Public Interest Entities \(PIEs\)](#) (EAR Rule) into the illustrative reports. The EAR Rule prescribes additional disclosures in the independent auditor's report on the audit of annual financial statements of PIEs, as defined in the IRBA Code of Professional Conduct for Registered Auditors.

Additional amendments include the following:

- Removal of the extant options in the Basis of Opinion paragraph that accommodated the different effective dates of Parts 1, 3, 4A and 4B of the IRBA Code, as the transitional period has passed – practically reverting to the option for periods going forward (for audits of financial statements for financial periods beginning on or after 15 June 2019).
- Implementation of conforming amendments to ISA 700 (Revised), *Forming an Opinion and Reporting on Financial Statements*, related to ISA 600 (Revised), *Special Considerations – Audits of Group Financial Statements (Including the Work of Component Auditors)* (ISA 600 (Revised)), which affect the sub-bullet where the auditor addresses the *Auditor's Responsibilities* in the context of a group audit.
- Implementation of the [IFRS Foundation® Trade Mark Guidelines](#), in accordance with

the [International Auditing and Assurance Standards Board's \(IAASB\) International Accounting Standards Board \(IASB\) Liaison Working Group Publication](#).

- Deletion of the Illustrative Auditor-General of South Africa Report (Illustrative Report 4 of Part A) for section 4(3) audits, as it is no longer aligned with AGSA reporting prescriptions.
- Amendments to Notes in Part A, as follows:
 - Addition of a new Note 16, *IRBA Rule: Enhanced Auditor Reporting Requirements*, which explains the EAR-related additions to the illustrative reports.
 - Amendment to Note 2, *Financial Statements*, to emphasise and clarify the use of the correct title when referring to the financial statements in the Opinion paragraph.
 - Amendment to Note 6, *Relevant Ethics Requirements*, to remove superseded information.
 - Amendment to Note 7, *Key Audit Matters*, to incorporate the EAR Rule requirement to report key audit matters for all PIEs (which is an extension of the ISA 701 requirement through a legal requirement).
 - Amendment to Note 10, *Applicable Financial Reporting Framework*, to conform to the IFRS Foundation® Trade Mark Guidelines.
 - Amendment to Note 13, *Auditor's Responsibilities for the Audit of the Financial Statements – Group Audit*, to incorporate guidance in respect of the reference to group financial statements that are prepared based on an alternative consolidation process.
 - Deletion of all "Public Sector Perspective" subparagraphs in the Notes to Part A.
- Minor editorial changes.

Effective Date

This SAAPS 3 (Revised March 2024) is effective for auditor's or independent reviewer's reports issued for audits or independent reviews of financial statements for periods ending on or after 15 December 2024, with early adoption permitted.

This aligns with the effective dates of the EAR Rule and ISA 600 (Revised). Therefore, the early adoption of SAAPS 3 (Revised March 2024) will equate to an early adoption of both the EAR Rule and ISA 600 (Revised). If the registered auditor does not intend to early adopt the EAR Rule and/or ISA 600 (Revised), it is recommended that they continue to use the extant SAAPS 3, *Illustrative Reports* (Revised May 2019), adapted as necessary.

In addition, we note that the IFRS Foundation® Trade Mark Guidelines and the IAASB IASB Liaison Working Group Publication, incorporated into this SAAPS 3, are already effective. Therefore, SAAPS 3 (Revised March 2024) provides helpful guidance about referencing the

IFRS® Accounting Standards in current audit reports. A communique to advise how these IFRS Foundation® Trade Mark Guidelines impact other IRBA pronouncements will be issued soon.

Imran Vanker

Director: Standards

About the IRBA

The objective of the IRBA is to endeavour to protect the financial interests of the South African public and international investors in South Africa through the effective and appropriate regulation of audits conducted by registered auditors, in accordance with internationally recognised standards and processes.

The statutory responsibilities of the Committee for Auditing Standards are to assist the IRBA to develop, maintain, adopt, issue or prescribe auditing pronouncements; to consider relevant international changes by monitoring developments by other auditing standard-setting bodies and sharing information where requested; and to promote and ensure the relevance of auditing pronouncements.