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**INDEPENDENT REGULATORY BOARD FOR AUDITORS  
COMMITTEE FOR AUDITING STANDARDS**

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**The IRBA issues the South African Auditing Practice Statement (SAAPS) 3 (Revised May 2019), *Illustrative Reports***

Johannesburg / 30 May 2019

The CFAS approved the issue of the South African Auditing Practice Statement (SAAPS) 3 (Revised May 2019), *Illustrative Reports*, (SAAPS 3 (Revised May 2019)) for use by registered auditors at its meeting on 28 May 2019.

SAAPS 3 (Revised May 2019) is aimed at providing practical guidance to registered auditors who report on financial statements, both for compliance with the ISAs or the ISREs, as applicable, and 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. For the purpose of SAAPS 3 (Revised May 2019), the main legal and regulatory requirements addressed are the Auditing Profession Act, 2005 (No. 26 of 2005); the Rule in terms of Sections 9 and 10, read with sections 1, 2 and 3 of the APA, published in the Government Gazette No. 39475 on 4 December 2015; the Companies Act, 2008 (Act No. 71 of 2008); and the Public Audit Act, 2004 (Act No. 25 of 2004).

SAAPS 3 (Revised May 2019) has been updated as a result of the amendments to the International Ethics Standards Board for Accountants (IESBA) *Code of Ethics for Professional Accountants* (now the IESBA *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code)) and the amendments to the IRBA *Code of Professional Conduct for Registered Auditors* (now the IRBA *Code of Professional Conduct for Registered Auditors* (Revised November 2018) (IRBA Code)). Due to the different effective dates of the parts in both the IRBA Code and the IESBA Code, SAAPS 3 (Revised May 2019) makes provision for two options in the illustrative auditor's reports where references are made to the Codes, and clearly distinguishes between the two options as follows:

- *Transitional period:* Registered auditors who sign off auditor's reports issued on or after 15 June 2019 in respect of the audits for financial periods beginning before or on 14 June 2019; and
- *Periods going forward:* Registered auditors who sign off auditor's reports for audits of financial statements for periods beginning on or after 15 June 2019.

In addition, SAAPS 3 (Revised May 2019) has been updated to:

- Incorporate the guidance contained in the *IRBA Staff Audit Practice Alert: Determining Other Information as Defined in ISA 720 (Revised) in the South African Context*. As a result, the IRBA will withdraw the Staff Audit Practice Alert as at the effective date of SAAPS 3 (Revised May 2019).
- Recognise that, in the public sector environment, other information does not include those selected objectives presented in the annual performance report that have been specifically audited and reported on in the auditor's report.

The format of SAAPS 3 (Revised May 2019) has also been updated to enhance navigation and use.

### **Effective Date**

SAAPS 3 (Revised May 2019) is effective for auditor's or independent reviewer's reports issued on or after 15 June 2019.

On the IRBA website ([www.irba.co.za](http://www.irba.co.za)), SAAPS 3 (Revised May 2019) is available for downloading in both PDF and Word formats. Should you have any further queries, please do not hesitate to contact the Standards Department by email at [standards@irba.co.za](mailto:standards@irba.co.za).

**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 CFAS 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.*