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| **INDEPENDENT REGULATORY BOARD FOR AUDITORS** |

**South African Auditing Practice Statement (SAAPS) 6*****External Confirmations from Financial Institutions* issued**Johannesburg / 08 August 2013The Board of the Independent Regulatory Board for Auditors (the IRBA) approved the SAAPS6 *External Confirmations from Financial Institutions* (SAAPS 6), developed by the Committee for Auditing Standards (CFAS), for issue and use by registered auditors in **July 2013**.SAAPS 6 provides implementation guidance to a registered auditor when requesting externalconfirmations to obtain audit evidence, either manually or electronically, from financialinstitutions, to meet the requirements of the International Standard on Auditing (ISA) 505*External Confirmations*. Implementation of SAAPS 6 is not a substitute for applying all relevant ISAs.**Withdrawal of SAAPS 1100 *Bank Confirmations***SAAPS 6 replaces the extant SAAPS 1100 *Bank Confirmations* issued in December 2000 that will be withdrawn from the effective date of SAAPS 6, namely **1 October 2013**.**Implications for practice in South Africa**The SAAPS is no longer restricted to external bank confirmations, traditionally obtained by auditors, but recognises the rapid advances in the nature and extent of financial instruments that entities enter into, with a wide variety of financial institutions, for which an auditor may seek external confirmation.SAAPS 6 also addresses the introduction of electronic external confirmation requests in SouthAfrica, which is expected to: significantly reduce the time required to obtain external confirmations from financial institutions, enhance the security and tracking processes, reduce the risk of incorrect and incomplete confirmations and result in cost savings to clients.SAAPS 6 thus includes implementation guidance for the following:* Provides examples in **Appendix A** of possible alternative procedures that an auditor might perform to obtain evidence regarding completeness of financial instruments disclosed in audited financial statements. The alternative procedures address circumstances when external confirmations from Financial Institutions include a disclaimer on the completeness of balances and information.
* Provides practical assistance to an auditor when obtaining external confirmation certificates either manually or electronically from any financial institution in South Africa and includes guidance for auditors on the use of electronic confirmation requests.
* Contains completely revised *Confirmation Request Forms* in **Appendix B** that accommodate both manual and electronic confirmation requests. In addition, the confirmation requests now consist of **nine different types of forms** tailored to the variety of financial instruments for which confirmations may be sought from financial institutions and enable an auditor to select and request confirmation for only those financial instruments and balances relevant to the client.

**Effective date**Due to the implications for auditors of the new format of ***Confirmation Request Forms*** andintroduction of **electronic external confirmations**, to allow sufficient time for auditors to address the changes within their firms, **SAAPS 6 is effective for all external confirmation requests issued on or after 1 October 2013**. **Early adoption is permitted**.The SAAPS is available in both PDF and Word formats and may be downloaded from theIRBA [website](http://www.irba.co.za/guidance-to-ras/technical-guidance-for-auditors/auditing-standards-and-guides/south-african-standards-and-practice-statements). Should you have any further queries or experience any technical difficulties indownloading the documents please do not hesitate to contact the Standards Department at+27 (0)87 940 8800 or send an email to standards@irba.co.za.**Sandy van Esch****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 CFAS assists the IRBA to develop and maintain auditing pronouncements which are**internationally comparable.* |