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

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| **Revised Illustrative Reports Used by Registered Auditors When Reporting in Terms of the Financial Markets Act, No. 19 of 2012, and JSE Directive DG 1.7**  Johannesburg / 28 September 2016  Regarding Johannesburg Stock Exchange (JSE) stockbrokers, the Committee for Auditing Standards (CFAS) approved the issue of the Revised Illustrative JSE Stockbrokers' Auditor Reports for use by registered auditors when reporting in terms of the Financial Markets Act, No. 19 of 2012, and the JSE Directive DG 1.7 for stockbrokers with year-ends on or after 31 December 2016 as follows:   * Illustrative regulatory reports 2A, 2B, 3; and * Illustrative regulatory reports 4-5.   In terms of the Financial Markets Act, the JSE Rules and the JSE Directives, the external auditor of a stockbroker is required to report to the JSE on various regulatory matters.  In terms of JSE Directive 1.7.1 of the Financial Markets Act, the revised illustrative reports have been rendered in accordance with the wording and practices agreed from time to time between the JSE Market Regulation Department and the Independent Regulatory Board for Auditors (IRBA).  ***Illustrative Regulatory Reports 2A, 2B and 3***  Using the International Auditing and Assurance Standards Board (IAASB) standards for the engagements, illustrative reports 2A, 2B and 3 have been developed to report on the stockbrokers as follows:   * Part 2A: ISRE 2410; * Part 2B: ISRS 4400; and * Part 3: ISRS 4400.   ***Illustrative Regulatory Reports 4-5***  Illustrative reports 4-5, which represent a non-assurance engagement, fall outside the IAASB standards. The CFAS has concluded that the provisions of paragraph 20 of the International Framework for Assurance Engagements (Framework) have been adhered to when developing illustrative reports 4-5 in that these reports do not imply compliance with the Framework or with assurance standards. They also do not inappropriately use the words 'assurance', 'audit' or 'review'.  The illustrative reports are available in both PDF and Word formats and may be downloaded from the IRBA website at [www.irba.co.za](http://www.irba.co.za/industry-specific-guides-and-regulatory-reports-pages/jse-related-engagements). 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.* |