

COMMENT ON DRAFT SOUTH AFRICAN STANDARD ON ASSURANCE ENGAGEMENT
(SASAE)

NO.	DOCUMENT PAGE	CLAUSE/ SUBCLAUSE/ ANNEX/FIGURE/TABLE	COMMENT (JUSTIFICATION FOR CHANGE)/ PROPOSED CHANGE
1	Page 1 of 88	Cover page , Document Title.	The dti proposes that the word “Certificate” be removed from the Document title and the title should read “ASSURANCE ENGAGEMENTS ON BROAD-BASED BLACK ECONOMIC EMPOWERMENT (B-BBEE) VERIFICATION”
2	Page 4 of 88	Explanatory Memorandum, Background section, Paragraph 1, Line 1	Remove the “dti’s” and retain “The Department of Trade and industry’s.....” Suggested change: Through out the entire document, in instances where the “the dti” is used it should always be in bold font .
3	Entire Document	Entire SASAE Document	The dti with the Presidential B-BBEE Advisory Council is submitting that only “Reasonable Assurance” should be undertaken when conducting BBEE Assurance Engagements. In our view, “limited assurance” will be viewed as lesser assurance work and will not be viewed as appropriate for B-BBEE verification. This also has the potential of causing confusion in the market in terms of placing reliance on “limited assurance” certificates as opposed to “reasonable assurance”.
4	Page 9 of 88	Explanatory Memorandum, Section on “Request for Specific Comments”	Refer to comment number 3 above with regards to the dti’s views on “limited assurance”.
	Page 10 of 88	Explanatory Memorandum, Section on “Request for Specific Comments”, Paragraph 11	The attached Appendices A1 to A4 adequately address the requirements that should form part of the content of

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			the assurance reports.
	Page 11 of 88	Explanatory Memorandum, Section on “Effective Date”.	Transitional Period We are in support with the proposed 6 Months transitional period, because it will give Auditors time to attend and complete the B-BBEE MDP training.
8	Page 14 of 88	Introduction, Paragraph 1	Remove the inverted commas on the dti.
10	Page 16 of 88	Foot Note number 8,	Note that the construction threshold is R1.5 million for Built Environment Profession and is R5 Million for the Contractor. Given this the foot note should be consistent with the correct thresholds for the Construction Sector Code.
12	Pages 61 & 69 of 88	Appendix A1 and Appendix A3, Table on B-BBEE Status and Procurement Recognition Levels. (Note that the B-BBEE Codes of Good Practice do not specify “level 9” but rather ““Non –Compliant contributor”. The term “Level 9” should be removed and the term “Non-Compliant contributor” should be specified as detailed in the B-BBEE Codes of Good Practice. Furthermore all “Levels” (i.e. level 1 to 8) should be followed by the term “contributor” so as to be consistent with the B-BBEE Codes of Good Practice.
13	Page 58 of 88	Appendix A1, Ownership Element Scorecard	Include the term “Vote” on second row 5 th row so as to be consistent with the B-BBEE Codes of Good Practice