

Imran Vanker
Director of Standards
Independent Regulatory Board for Auditors (IRBA)
Building 2
Greenstone Hill Office Park
Emerald Boulevard
Modderfontein

19 October 2015

DELOITTE RESPONSE TO REQUEST FOR COMMENTS ON THE PROPOSED SOUTH AFRICAN AUDITING PRACTICE STATEMENT 3 (REVISED 2015)

Dear Imran,

We appreciate the opportunity to provide our comments on the Proposed South African Auditing Practice Statement (SAAPS) 3 (Revised 2015) (the Proposed Statement), issued by the IRBA (the Board).

We have separated our comments into two sections:

- **Response to request for specific comments** – this provides comments to the specific questions posed by the IRBA in the explanatory memorandum.
- **General comments on the Proposed Statement** – this provides other general comments based on the Proposed Statement.

Where applicable, our recommended changes are indicated in Bold and Italics or with Strikethrough.

RESPONSE TO REQUEST FOR SPECIFIC COMMENTS

1. Whether you agree with the proposed wording for the auditor's statement of independence and fulfilment of other ethical responsibilities contained in the Basis for Opinion section of the auditor's report in South Africa.

If not, please suggest alternative wording to be included in the auditor's report.

No, we do not agree with the proposed wording for the auditor's statement of independence and fulfilment of other ethical responsibilities in the Basis for Opinion section of the auditor's report in South Africa.

We suggest the following changes to the proposed wording:

- Move the wording stating that the IRBA Code is consistent with the IESBA Code, to directly after referring to the IRBA Code; and

- Referring to “other” ethical requirements consistently, therefore stating that we are independent of the company in accordance with “other” ethical requirements.

With the changes mentioned above taken into account, the paragraph will now read (changes in Bold and Italics):

“We are independent of the company in accordance with the Independent Regulatory Board for Auditors Code of Professional Conduct for Registered Auditors (IRBA Code), *which is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Part A and B)*, together with the *other* ethical requirements that are relevant to our audit of the financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IRBA Code.”

2. Whether you agree with the decision that no illustrative KAM are provided in the proposed SAAPS 3 (Revised 2015).

If not, please provide details of South African specific matters where illustrative KAM are necessary in order to assist auditors when reporting on financial statements that meet the requirements of the ISA 701.

Yes, we agree with the decision that no illustrative Key Audit Matters (KAMs) are provided in the proposed SAAPS 3 (Revised 2015).

However, from a South African perspective, it will be common that consolidated and separate financial statements are issued together. We do not agree with the statement on page 53 in the Key Audit Matters section of the report that states: “[Description of each key audit matter in accordance with ISA 701 *Communicating Key Audit Matters in the Independent Auditor’s Report (ISA 701) relating to both the consolidated and separate financial statements as applicable*]”. We believe that KAMs are only required for consolidated financial statements and recommend that this statement is amended as such. This conclusion is based on the following:

- ISA 701 paragraph 5 states: “This ISA applies to audits of complete sets of general purpose financial statements of listed entities and circumstances when the auditor otherwise decides to communicate key audit matters in the auditor’s report”;
- ISA 700 (Revised) *Forming an Opinion and Reporting on Financial Statements (ISA 700)* paragraph 8 states: “Reference to “financial statements” in this ISA means “a complete set of general purpose financial statements, including the related notes.” The related notes ordinarily comprise a summary of significant accounting policies and other explanatory information. The requirements of the applicable financial reporting framework determine the form and content of the financial statements, and what constitutes a complete set of financial statements.”; and
- The International Accounting Standards Board (IASB) has made it clear that separate financial statements cannot exist without consolidated financial statements (footnote E3 to IAS 27. 17 in the International Financial Reporting Standards (IFRS) and paragraphs 9.2 and 9.24 of the International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs)) and therefore a complete set of financial statements can only be consolidated financial statements (albeit that separates may exist, but they cannot exist in isolation).

3. Whether you agree with the conclusions made by the CFAS on how to illustrate an auditor’s response in the circumstances anticipated in the three illustrative report examples highlighted in the explanatory memorandum, being illustrative report 11, 17 and 21 contained in part B of proposed SAAPS 3 (Revised 2015).

If not, please provide details of what you believe an auditor’s response should be in these circumstances.

We agree with the conclusions made by the CFAS in illustrative report 11.

We have the following comments on illustrative report 17 (starting on page 116):

- We believe that the example in the Proposed Statement should demonstrate an IFRS fact pattern and not an IFRS for SMEs fact pattern. Practitioners that audit IFRS financial statements could incorrectly assume that this fact pattern is only applicable when IFRS for SMEs financial statements are audited. Practitioners auditing IFRS for SMEs financial statements would be more inclined to investigate the relevance of this fact pattern and example to IFRS for SMEs than vice versa;
- We recommend the inclusion of the reasoning on why this is an adverse opinion in the Circumstances box or in a Basis for Conclusions document, as this is currently only included in the Explanatory Memorandum;
- We recommend the amendment of the first sentence of the “Adverse Opinion” section to specifically identify which statements have been audited as follows: “We have audited the *separate* financial statements of ABC Proprietary Limited...”; and
- We believe the circumstances of this illustrative report is the same as the circumstances of illustrative report 7 of ISA 720 (Revised) *The Auditor’s Responsibilities Relating to Other Information* (ISA 720), where an adverse opinion was expressed on the consolidated financial statements due to the non-consolidation of a subsidiary. Similar to the illustration in ISA 720 (Revised), we believe that the matter giving rise to the adverse opinion also affects the other information.

Therefore we recommend amending the circumstances of illustrative report 17 to state this and for the Other Information paragraph to be amended by replacing the last sentence of this section (“We have nothing to report in this regard”) with:

- “As described in the *Basis for Adverse Opinion* section above, the company should have consolidated the financial statements of its only subsidiary, XYZ Proprietary Limited, acquired during the year. We have concluded that the other information is materially misstated for the same reason with respect to the amounts or other items in the Directors’ Report affected by the failure to consolidate XYZ Proprietary Limited.”

We have the following comments on illustrative report 21 (starting on page 132):

- The third bullet of the circumstances box starting with “It is practical to include the omitted disclosures...” should be removed, as this is a duplication of what has already been stated in the second bullet; and
- In line with our recommendation made under question 4 below, we recommend that especially for this example of non-compliance committed by management (non-disclosure of the directors’ and prescribed officers’ remuneration), an indication should be included in this illustrative report that it is the practitioner’s responsibility to consider whether a Reportable Irregularity exists.

4. Whether in your view, the illustrative reports contained in the proposed SAAPS 3 (Revised 2015) provide adequate examples of illustrative reports that provide practical assistance to auditors when reporting on financial statements in accordance with the requirements of the International Standards on Auditing (ISAs) and the International Standards on Review Engagements (ISREs) and in compliance with South African jurisdictional requirements.

If not, please provide details of any illustrative reports you believe should be deleted, amended and/or added to Part B of proposed SAAPS 3 (Revised 2015).

Although the proposed SAAPS 3 (Revised 2015) provide a significant number of examples of illustrative reports that provide practical assistance to auditors when reporting on financial statements, we request the inclusion of the following scenarios:

- An additional illustrative report should illustrate the circumstances that paragraph A30 of ISA 570 (Revised) *Going Concern* (ISA 570) is depicting. This paragraph states the following:

A30. Paragraph 22 establishes the minimum information required to be presented in the auditor's report in each of the circumstances described. The auditor may provide additional information to supplement the required statements, for example to explain:

- *That the existence of a material uncertainty is fundamental to users' understanding of the financial statements; or*
- ***How the matter was addressed in the audit.*** (Ref: Para. A1)

In accordance with ISA 570, a material uncertainty is not treated as a KAM and therefore the auditor does not disclose how the matter was addressed in the audit, except if the auditor applies the second bullet of paragraph A30 of ISA 570. In this additional proposed illustrative report, it would demonstrate that the auditor can disclose how the matter was addressed, even though the material uncertainty is not disclosed as a KAM. No such illustrative report exists in ISA 570.

- An additional illustrative report should illustrate the audit report in the year after an adverse or disclaimer of opinion was issued. Practitioners spend significant time in consultation on the audit report in the year after the adverse or disclaimer was issued, and the impact on corresponding figures, if any.
- We propose that all illustrative reports should include a footnote or statement in the Circumstances box to alert practitioners to consider a potential Reportable Irregularity when the fact pattern includes an element of non-compliance committed by management. This footnote/statement will highlight that the illustrative fact patterns were not designed to demonstrate professional judgement on Reportable Irregularities.

5. Whether you agree that the English auditor's and independent reviewer's reports have been appropriately translated into Afrikaans.

If not, please provide details of how you believe the Afrikaans auditor's and independent reviewer's reports should be worded.

We have included some recommendations (in bold and italics and using strikethrough) to improve the translation of all the Afrikaans reports included in the Proposed Statement in Appendix A.

Comments relating to specific Afrikaans reports:

- The circumstances of Illustrative Report 4 on page 66, Illustrative Report 24 on page 143 and Illustrative Report 25 on page 146 make reference to "Akte van oprigting". This is the translation of the Articles of Association, which is no longer relevant. "Akte van oprigting" should be replaced with "***Memorandum van Inlywing***" to translate the term Memorandum of Incorporation.
- We recommend replacing the acronym "SARS" in the third bullet point of Illustrative Report 25 (on page 146) with "***Suid-Afrikaanse Inkomstediens ("SAID")***".

6. Whether you agree with the proposed effective date for proposed SAAPS 3 (Revised 2015).

If not, please suggest an alternative date and details of your reason for your suggestion.

Yes, we agree with the proposed effective date for proposed SAAPS 3 (Revised 2015).

GENERAL COMMENTS ON THE PROPOSED STATEMENT

We note the following general comments on the Proposed Statement for the Board's attention:

- In the first bullet point of paragraph 4 of the Introduction (page 20) it states "...and an independent reviewer's reports". This is a spelling error and should only refer to "report".
- The circumstances of the first report included in Part A (starting on page 23), includes the scenario where the auditor has obtained all of the other information prior to the date of the auditor's report. We believe that in the majority of cases, the auditor will obtain other information (included in annual/integrated report) after the date of the auditor's report, based on the South African regulatory requirements. We believe that the illustrative report 1 in Part B (starting on page 52) is more representative of the South African context and should be the first report included in Part A and should replace the current first report in Part A. The illustrative report 1 in Part B should then be replaced with the current report 1 of part A.
- In the last sentence of the Key Audit Matters paragraph used throughout the Proposed Statement (first instance starting on page 24), it is stated: "...and we do not provide a separate opinion on these matters." We believe this wording should be revised to state: "...and we do not *express* a separate opinion on these *key audit* matters."
- In the second paragraph of the Other Information section of the reports used throughout the Proposed Statement (first instance on page 25), the wording should be updated in accordance with paragraph 22(c) of ISA 720 (Revised) to state the following: "...and we do not express *an audit opinion or* any form of assurance conclusion thereon." Even though the illustrative examples in ISA 720 do not include this proposed wording, we believe that only using the word "conclusion" could be misinterpreted to relate to limited assurance only.
- The third bullet under the section "Auditor's Responsibilities for the Audit of the Financial Statements" used throughout the (first instance on page 26) should be updated to state: "Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by ~~management~~ *the directors*."
- The last three paragraphs of the "Auditor's Responsibilities for the Audit of the Financial Statements" section of the reports used throughout the Proposed Statement (where applicable) (first instance on page 27), states that we have communicated certain matters with the directors. In the case where an audit committee is appointed, we would be communicating these to the audit committee only, and not to all the directors. We therefore believe that in the case where a company has appointed an audit committee that these three paragraphs should state that we have communicated these matters to the *audit committee* and not to the directors. In the case where no audit committee has been appointed, we agree to keep the wording to state that the matters were communicated to the directors. This rationale should also be explained in one of the notes to the Guidance in part A. We suggest adding such a paragraph to Note 9 of Part A (starting on page 46).
- The meaning of the second sentence of the third paragraph of Note 4 on page 43 is unclear. We suggest to revise the wording as follows: "A directors' report is not identified as a statement ~~in the financial reporting framework applicable~~ to a complete set of financial statements ~~which must be "standalone"~~, *that is, the financial statements in order to* fully comply with the disclosure requirements of the applicable financial reporting framework."
- Note 8 of part A (on page 45) provides examples of naming conventions of the document that accompanies the audited financial statements. The examples are Annual Report or Integrated Report. We believe the name "*Annual Integrated Report*" should be added as an example, as it is commonly used in a South African context.

- Note 13 of Part A (on page 48) states that “The illustrative report assumes that the auditor and independent reviewer is a Registered Auditor...” It should state “...the auditor *or* the independent reviewer...”
- The heading of illustrative report 27 in Part B is incorrect on the contents page (on page 51) and on the report itself (on page 152). It currently refers to an “adverse opinion”. It should be referring to an “adverse *conclusion*” since this illustration relates to independently reviewed financial statements.
- For illustrative report 3 in Part B (on page 62) and illustrative report 4 in Part B (on page 66), we recommend adding the fact that the auditor’s responsibilities are included in an Appendix to the auditor’s report, to the heading of the reports itself and on the contents page. This will assist a user of the SAAPS to quickly find an example of this scenario in the Proposed Statement.
- The second paragraph on page 64 states “...included in appendix x of this auditor’s report.” It should state “...included in *Appendix* x of this auditor’s report.”
- The first two bullet points of the circumstances of illustrative report 5 (on page 70) should be combined. The reason why it is possible to perform a voluntary audit is due to the fact that the public interest score is less than 100 and the financial statements are internally compiled.
- In the circumstances box of illustrative report 7 in Part B (on page 78), the last bullet point should be split into two bullet points, in line with the other reports in Part B. The second bullet point should start at: “Memorandum of Incorporation does not provide for the appointment of...”
- The meaning of the third bullet point in the circumstances box of illustrative report 8 in Part B (on page 82) is unclear. We recommend revising the wording as follows: “Deferred tax ~~now~~ *was* raised on the taxable temporary differences *after the issue of the financial statements* and the financial statements *need to be* amended.”
- In illustrative report 9 in Part B (starting on page 86), it is indicated that Key Audit Matters have been communicated. This illustration is however for a public company that is not listed. We do not believe it is relevant for this example as it is not a requirement of a public company that is not listed in the South African environment to disclose Key Audit Matters. We recommend removing this from the circumstances box as well as all the paragraphs relevant to the fact that Key Audit Matters were disclosed.
- Further in illustrative report 9 in Part B (starting on page 86), the purpose of this report is to give an example of non-compliance with the Companies Act where an Other Matter paragraph is included in the auditor’s report. An item is only included in an Other Matter paragraph where the matter is fundamental to the understanding of the users. We do not believe that the example in this report (the fact that the company has not appointed a social and ethics committee) is fundamental to the understanding of the users. We believe a more relevant example would be where a company has not appointed an audit committee, due to the following reasons:
 - When a company has not appointed an audit committee, the auditor is not legally appointed;
 - This is a common occurrence in practice and auditors still sign these audit reports even though they were not legally appointed by the audit committee; and
 - The audit committee has to confirm the independence of the auditor, which has not occurred if an audit committee has not been appointed. A statement regarding the independence of the auditor can then be included in the Other Matter paragraph.

- There is a spelling error on page 91 in the heading of the “Responsibilities of the Directors for the Financial Statements” section. It is stating “Responsibility of the Director...” and it should be stating “Responsibilities of the Directors...”
- There is a spelling error on page 95 in the first paragraph of the “Basis for Qualified Opinion” section. It should state “Note X to the financial statements...” instead of singular “statement”.
- The directors’ responsibility section heading of illustrative report 12 on page 99 is inconsistent with the heading used in the other reports of the Proposed Statement, as it refers to Those Charged with Governance in addition to the Directors. We recommend amending this heading as follows: “Responsibilities of the Directors² ~~and Those Charged with Governance~~ for the Financial Statements”.
- In illustrative report 16 (on page 112), we suggest amending the second bullet of the circumstances box to clarify the fact pattern: “The auditor has concluded an unmodified (i.e., “clean”) opinion on the separate financial statements *of the holding company* is appropriate based on the audit evidence obtained.”
- Based on our response to question 3 with regards to the other information in illustrative report 17 that is affected by the adverse opinion issued, we recommend that all the illustrative reports in the Proposed Statement where an adverse or qualified opinion is expressed, are scrutinised to determine whether the other information is affected by the adverse or qualified opinion and if it is affected, to amend the other information section of the reports, as required by ISA 720 (Revised).

* * * * *

We would be pleased to discuss our letter with you or your staff at your convenience. If you have any questions, please do not hesitate to contact Liezl du Plessis, Partner, at 012 482 0126 or 082 374 2765.

Yours faithfully,



Deloitte & Touche
Per L du Plessis
Partner

Appendix A

Gekonsolideerde finansiële state en afsonderlike finansiële state tesame voorgelê (IFRS)

Omstandighede sluit in:

- Hierdie verslag is 'n vertaling van voorbeeld 1 *van Deel B* van SAAPS 3 (Revised 2015)
- Oudit van 'n volledige stel gekonsolideerde en afsonderlike finansiële state van 'n genoteerde entiteit opgestel ooreenkomstig 'n redelike voorstellingsraamwerk ("fair presentation framework")
- Die oudit is 'n groepsoudit van die maatskappy en die maatskappy se filiale
- Gekonsolideerde finansiële state en afsonderlike finansiële state word tesame aangebied (vier kolom formaat)
- Die ouditeur het tot die gevolgtrekking gekom dat 'n ongemodifiseerde (m.a.w. "skoon") mening toepaslik is gebaseer op die ouditbewyse wat verkry is
- Gebaseer op ouditbewyse verkry het die ouditeur tot die gevolgtrekking gekom dat daar geen wesenlike onsekerheid bestaan wat verband hou met gebeure of omstandighede wat beduidende twyfel kan laat bestaan oor die entiteit se vermoë om as 'n lopende saak voort te bestaan nie
- ~~Sluitel~~ **Kern**-ouditaangeleenthede ("key audit matters") in verband met die gekonsolideerde en afsonderlike finansiële state was gekommunikeer
- Die ouditeur het 'n deel van die ander inligting ("other information") voor die datum van die ouditeur se verslag bekom, het nie 'n wesenlike wanvoorstelling van die ander inligting geïdentifiseer nie, en verwag om ander inligting na die datum van die ouditeur se verslag te bekom

Onafhanklike Ouditeur se Verslag

Aan die Aandehouers van ABC Beperk

Mening

Ons het die gekonsolideerde en afsonderlike finansiële state van ABC Beperk (die groep), soos uiteengesit op bladsye ... tot ..., geoudit. Hierdie gekonsolideerde en afsonderlike finansiële state bestaan uit die ~~state~~ van finansiële stand soos op 31 Desember 201X, en die ~~state~~ van wins of verlies en ander omvattende inkomste, die ~~state~~ van veranderings in ekwiteit en die ~~state~~ van kontantvloei vir die jaar wat op daardie datum geëindig het, en die aantekeninge tot die finansiële state, insluitende 'n opsomming van beduidende rekeningkundige beleid.

Na ons mening is die gekonsolideerde en afsonderlike finansiële state, in alle wesenlike opsigte, 'n redelike voorstelling van die gekonsolideerde en afsonderlike finansiële stand van die groep soos op 31 Desember 20X1, en van die groep se gekonsolideerde en afsonderlike finansiële prestasie en gekonsolideerde en afsonderlike kontantvloei vir die jaar wat op daardie datum geëindig het,

ooreenkomstig ‘International Financial Reporting Standards’ en die vereistes van die Maatskappywet van Suid-Afrika.

Grondslag vir Mening

Ons het ons oudit ooreenkomstig ‘International Standards on Auditing’ (‘ISAs’) uitgevoer. Ons verantwoordelikhede in terme van daardie standaard word verder beskryf in die *Ouditeur se Verantwoordelikhede vir die Oudit van die Gekonsolideerde en Afsonderlike Finansiële State* afdeling van ons verslag. Ons is onafhanklik van die groep in ooreenstemming met die ‘Independent Regulatory Board for Auditors (IRBA) se *Kode vir Professionele Gedrag vir Geregistreerde Ouditoure (IRBA-kode)*, tesame met die etiese vereistes wat van toepassing is op ons oudit van die gekonsolideerde en afsonderlike finansiële state in Suid-Afrika. Ons het ons ander etiese verantwoordelikhede ooreenkomstig hierdie vereistes en die IRBA-kode vervul. Die IRBA-kode is ~~konsekvent~~ **ooreenstemming met** met die ‘International Ethics Standards Board for Accountants *Code of Ethics for Professional Accountants (Part A and B)*’. Ons glo dat die ouditbewyse wat ons verkry het, ~~toereikend~~ **voldoende** en toepaslik is om ’n grondslag vir ons ouditmening te bied.

~~Sleutel~~ **Kern**-ouditaangeleenthede

~~Sleutel~~ **Kern**-ouditaangeleenthede is daardie aangeleenthede **wat** volgens ons professionele oordeel van die mees beduidendste was in ons oudit van die gekonsolideerde en afsonderlike finansiële state vir die huidige periode. Hierdie aangeleenthede ~~is was~~ geadresseer in die konteks van ons oudit van die gekonsolideerde en afsonderlike finansiële state as ’n geheel, en in die vorming van ons mening daarop, en ons verskaf nie ’n aparte mening oor hierdie aangeleenthede ~~uit~~ nie.

[*Beskrywing van elke ~~sleutel~~ kern-ouditaangeleentheid in ooreenstemming met ISA 701 in verband met beide die gekonsolideerde en afsonderlike finansiële state, soos toepaslik.*]

Ander Inligting

Die direkteure is verantwoordelik vir die ander inligting. Die ander inligting bestaan uit die Direkteursverslag, die Verslag van die Ouditkomitee en die Sertifikaat van die Maatskappysekretaris soos vereis deur die Maatskappywet van Suid-Afrika, wat ons verkry het voor die datum van hierdie verslag, en die Algemene Jaarverslag, wat ons verwag aan ons beskikbaar gemaak sal word na daardie datum. Ander inligting sluit nie die gekonsolideerde en afsonderlike finansiële state en ons ouditeursverslag daarop in nie.

Ons mening oor die gekonsolideerde en afsonderlike finansiële state dek nie die ander inligting nie en ons spreek **geen auditopinie of** geen vorm van gerusstelling daarvoor uit nie.

In verband met ons oudit van die gekonsolideerde en afsonderlike finansiële state is dit ons verantwoordelikhede om die ander inligting te lees, en sodoende te oorweeg of die ander inligting wesenlik teenstrydig is met die gekonsolideerde en afsonderlike finansiële state of ons kennis verkry gedurende die oudit, of andersins blyk om wesenlik wanvoorgestel te wees. Indien ons, gebaseer op die werk wat ons uitgevoer het, tot die gevolgtrekking kom dat daar ’n wesenlike wanvoorstelling van hierdie ander inligting is, word ons vereis om daardie feit te rapporteer. Ons het niks om in hierdie verband te rapporteer nie.

Verantwoordelikhede van die Direkteure vir die Gekonsolideerde en Afsonderlike Finansiële State

Die maatskappy se direkteure is verantwoordelik vir die opstel en redelike voorstelling van die gekonsolideerde en afsonderlike finansiële state ooreenkomstig 'International Financial Reporting Standards' en die vereistes van die Maatskappywet van Suid-Afrika, en vir sodanige interne beheer as wat die direkteure nodig ag ~~vir~~ die opstel van gekonsolideerde en afsonderlike finansiële state wat vry is van wesentliche wanvoorstelling, hetsy weens bedrog of foute.

As deel van die opstel van die gekonsolideerde en afsonderlike finansiële state is die direkteure daarvoor verantwoordelik om die groep en die maatskappy se vermoë om as 'n lopende saak voort te bestaan te beoordeel, en soos toepaslik, aangeleenthede wat verband hou met lopende saak en die gebruik van die lopende saak grondslag van verantwoording te openbaar, tensy die direkteure beplan om die groep en/of die maatskappy te likwedeer of om bedrywighede te staak, of geen realistiese alternatiewe het as om **dit te doen niese te maak nie**.

Ouditeur se Verantwoordelikhede vir die Oudit van die Gekonsolideerde en Afsonderlike Finansiële State

Ons doelwitte is om redelike gerusstelling te verkry ~~oor~~ of die gekonsolideerde en afsonderlike finansiële state as 'n geheel vry is van wesentliche wanvoorstelling, hetsy weens bedrog of foute, en om 'n ouditeursverslag uit te reik wat ons mening bevat. Redelike gerusstelling is 'n hoë vlak van gerusstelling, maar is nie 'n waarborg dat 'n oudit wat ooreenkomstig die ISAs uitgevoer was altyd 'n wesentliche wanvoorstelling sal opspoor wanneer dit bestaan nie. Wanvoorstellings kan ontstaan as gevolg van bedrog of foute, en word individueel of in totaal wesentlik geag indien dit redelikerwys verwag kan word dat sodanige wanvoorstellings die ekonomiese besluite van gebruikers wat op grond van hierdie gekonsolideerde en afsonderlike finansiële state geneem word, sal beïnvloed.

As deel van 'n oudit ooreenkomstig die ISAs, oefen ons professionele oordeel uit en handhaaf ons professionele skeptisisme dwarsdeur die oudit. Ons doen ook die volgende:

- Identifiseer en beoordeel die risikos van wesentliche wanvoorstelling van die gekonsolideerde en afsonderlike finansiële state, hetsy weens bedrog of foute, ontwerp en voer **audit**prosedures uit na aanleiding van daardie risikos, en verkry ouditbewyse wat voldoende en toepaslik is om 'n grondslag vir ons ouditmening te bied. Die risiko van nie-opsporing van 'n wesentliche wanvoorstelling as gevolg van bedrog is groter as vir 'n wesentliche wanvoorstelling as gevolg van foute, aangesien bedrog samespanning, vervalsing, doelbewuste weglatings, wanvoorstellings, of die omseiling van interne beheer **kan behels**.
- Verkry 'n begrip van interne beheer relevant tot die oudit ten einde ouditprosedures te ontwerp wat toepaslik is in die omstandighede, maar nie vir die doel om 'n mening uit te spreek oor die effektiwiteit van die entiteit se interne beheer nie.
- Evalueer die toepaslikheid van **die** rekeningkundige beleid wat gebruik is en die redelikheid van rekeningkundige ramings en verwante openbaarmaking wat deur bestuur gemaak is.
- Kom tot 'n gevolgtrekking oor die toepaslikheid van die direkteure se gebruik van die lopende saak grondslag van verslagdoening, en gebaseer op ouditbewyse verkry, kom tot 'n gevolgtrekking oor die bestaan van 'n wesentliche onsekerheid wat verband hou met gebeure of omstandighede wat beduidende twyfel kan laat bestaan oor die groep en die maatskappy se vermoë om as 'n lopende saak voort te bestaan. Waar ons tot die gevolgtrekking kom dat 'n wesentliche onsekerheid bestaan word daar van ons vereis om in ons ouditeursverslag aandag te vestig op die toepaslike openbaarmaking in die

gekonsolideerde en afsonderlike finansiële state, of, indien sodanige openbaarmaking onvoldoende is, om ons mening te wysig. Ons gevolgtrekkings word gebaseer op ouditbewyse verkry tot en met die datum van ons ouditeursverslag. Toekomstige gebeure en omstandighede mag egter daartoe aanleiding gee dat die groep en / of die maatskappy ophou om as 'n lopende saak voort te bestaan.

- Evalueer die algehele voorstelling, struktuur en inhoud van die gekonsolideerde en afsonderlike finansiële state, insluitende die openbaarmaking, ~~en asook~~ of die gekonsolideerde en afsonderlike finansiële state die onderliggende transaksies en gebeure op só 'n manier weergee dat redelike voorstelling bereik word.
- Verkry voldoende toepaslike ouditbewyse in verband met die finansiële inligting van die entiteite of besighedsaktiwiteite binne die groep om 'n mening oor die gekonsolideerde finansiële state uit te spreek. Ons is verantwoordelik vir die leiding, toesig en uitvoering van die groepsoudit. Ons bly uitsluitlik verantwoordelik vir ons ouditmening.

Ons kommunikeer met die ~~ouditkomitee~~ ~~direkteur~~ oor, onder andere, die beplande omvang en tydsberekening van die oudit en beduidende ouditbevindinge, insluitende enige beduidende tekortkominge in interne beheer wat ons tydens ons oudit identifiseer.

Ons verskaf ook die ~~ouditkomitee~~ ~~direkteur~~ van 'n bevestiging dat ons relevante etiese vereistes rakende onafhanklikheid nagekom het, en ons kommunikeer aan hulle alle verhoudings en ander aangeleenthede wat redelikerwys geag kan word om ons onafhanklikheid te beïnvloed, sowel as voorsorgmaatreëls, waar dit van toepassing is.

Vanuit die aangeleenthede aan die ~~ouditkomitee~~ ~~direkteur~~ gekommunikeer bepaal ons daardie aangeleenthede wat die mees beduidendste was in ons oudit van die gekonsolideerde en afsonderlike finansiële state van die huidige periode, en dus as die ~~selekt~~ ~~kern~~-ouditaangeleenthede geag word. Ons beskryf hierdie aangeleenthede in ons ouditeursverslag tensy wetgewing of regulasie publieke openbaarmaking van die aangeleentheid verbied, of wanneer ons in uiterse seldsame omstandighede bepaal dat die aangeleentheid nie in ons verslag gekommunikeer moet word nie, aangesien die negatiewe gevolge na verwagting die publieke belangvoordele van sodanige kommunikasie sal oorskry.

Die ~~aanstellings~~ ~~aangewese~~ vennoot ten opsigte van die oudit wat aanleiding gee tot hierdie ouditeursverslag is [naam van individuele geregistreerde ouditeur].

[Ouditeur se handtekening]

[Naam van individuele geregistreerde ouditeur]

[Kapasiteit indien nie 'n alleen-praktisyn bv. Direkteur of Vennoot]

Geregistreerde Ouditeur

[Datum van ouditeur se verslag]

[Ouditeur se adres]