

Respondent



13

Anonymous



111:49
Time to complete



1. Select Respondent Type *

Please select the capacity in which you are responding.

Regulator



2. Organisation Name *

If you answered "Individual" in Question 1, please write "Private".

JSE Limited

3. Full Name of Respondent *

JSE Limited

4. Job Title *

Issuer Regulation

5. Email Address *

IRequities2@jse.co.za

6. Do you believe that additional disclosures in the auditor's report about the scope of the audit would be useful in enhancing the understanding of the audit that was performed? *

Refer to question 1 in section A of the Consultation Paper.

	Very useful	Useful	Somewhat useful	Not useful	No particular view
Scope of the audit. Refer to section A.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>

7. In relation to question 6 above, please provide your reasons and where applicable, indicate what the benefits and drawbacks of such disclosures would be to you as a stakeholder, as well as any suggestions you may have.

Max 4 000 characters.

We do not anticipate that disclosure of scope will provide additional useful information to a user of the audit report.

8. Do you believe that disclosing the materiality threshold applied, and an explanation of significant judgements made by the auditor in determining materiality for the audit in the auditor's report, would be useful in enhancing the understanding of the audit that was performed? *

Refer to question 2 in section A of the Consultation Paper.

	Very useful	Useful	Somewhat useful	Not useful	No particular view
Materiality threshold applied, and an explanation of significant judgements made by the auditor in determining materiality for the audit. Refer to section A.	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

9. In relation to question 8 above, please provide your reasons and where applicable, indicate what the benefits and drawbacks of such disclosures would be to you as a stakeholder, as well as any suggestions you may have.

Max 4 000 characters.

We believe that the information will be useful as it provides insight into the level of materiality an independent party believed appropriate. Whilst the disclosure may provide the quantitative measure of materiality determined by the auditor we encourage disclosure in respect of the qualitative considerations relevant to materiality as well.

10. Do you believe that the disclosure of performance materiality in the auditor's report would be useful in enhancing the understanding of the audit that was performed? *

Refer to question 3 in section A of the Consultation Paper.

	Very useful	Useful	Somewhat useful	Not useful	No particular view
Performance materiality. Refer to section A.	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

11. In relation to question 10 above, please provide your reasons and where applicable, indicate what the benefits and drawbacks of such disclosures would be to you as a stakeholder, as well as any suggestions you may have.

Max 4 000 characters.

The disclosure provides additional transparency and allows for challenge of management in respect of what management's view of materiality is.

12. Do you believe that additional disclosures in the auditor's report that explain the extent to which the audit was considered capable of detecting irregularities, including fraud, would be useful in enhancing the understanding of the audit that was performed? *

Refer to question 4 in section B of the Consultation Paper.

Very useful Useful Somewhat useful Not useful No particular view

Explanation of the extent to which the audit was considered capable of detecting irregularities, including fraud. Refer to section B.



13. In relation to question 12 above, please provide your reasons and where applicable, indicate what the benefits and drawbacks of such disclosures would be to you as a stakeholder, as any suggestions you may have.

Max 4 000 characters.

Such disclosure will enhance the understanding of the auditor's role & provide insight into the possible fraud risk areas of an entity.

14. Do you believe that disclosures in the auditor's report about how the auditor evaluated management's assessment of the entity's ability to continue as a going concern and, where relevant, key observations arising with respect to that evaluation would be useful in enhancing the understanding of the audit that was performed? *

Refer to question 5 in section C of the Consultation Paper.

Very useful Useful Somewhat useful Not useful No particular view

How the auditor evaluated management's assessment of the entity's ability to continue as a going concern and, where relevant, key observations. Refer to section C.



15. In relation to question 14 above, please provide your reasons and indicate where applicable, what the benefits and drawbacks of such disclosures would be to you as a stakeholder, as well as any suggestions you may have.

Max 4 000 characters.

Where there is no material uncertainty in respect of going concern, we are not convinced that additional disclosure in this regard provides valuable information.

16. Do you believe that a conclusion (i.e. a positive statement) that management's use of the going concern basis of accounting in the preparation of the entity's financial statements is appropriate, should be included in the auditor's report? *

Refer to question 6 in section C of the Consultation Paper.

	Yes	Maybe	No	No particular view
Conclusion (i.e. a positive statement) that management's use of the going concern basis of accounting is appropriate. Refer to section C.	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>

17. In relation to question 16 above, please provide your reasons and where applicable, indicate what the benefits and drawbacks of such disclosures would be to you as a stakeholder, as well as any suggestions you may have.

Max 4 000 characters.

There should be a clear understanding regarding management's role and the role of the auditor, to have such a statement in the auditor's report would be a repetition of management's statement.

18. Where there is a material uncertainty related to going concern, do you believe that procedures specific to the auditor's response to the material uncertainty related to going concern should be disclosed in the auditor's report? *

Refer to question 7 in section C of the Consultation Paper.

	Yes	Maybe	No	No particular view
Procedures specific to the auditor's response to a material uncertainty related to going concern. Refer to section C.	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

19. In relation to question 18 above, please provide your reasons and where applicable, indicate what the benefits and drawbacks of such disclosures would be to you as a stakeholder, as well as any suggestions you may have.

Max 4 000 characters.

Additional information in the instance of a material uncertainty regarding going concern is useful as it provides important information on the risks in respect of the going concern assumption and the specific matters of significance in this regard.

20. Where the auditor concludes that no material uncertainty related to going concern has been identified, would a statement that the auditor has not identified a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the entity's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue be useful to you as a user? *

Refer to question 8 in section C of the Consultation Paper.

Very useful	Useful	Somewhat useful	Not useful	No particular view
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Very useful Useful Somewhat useful Not useful No particular view

A statement that the auditor has not identified a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the entity's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue. Refer to section C.

21. In relation to question 20 above, please provide your reasons and where applicable, indicate what the benefits and drawbacks of such disclosures would be to you as a stakeholder, as well as any suggestions you may have.

Max 4 000 characters.

We believe there is an implicit statement of such where no material uncertainty on going concern is raised, hence no value would be provided from such a statement.

22. Are there any other matters related to going concern that you believe should be disclosed in the auditor's report? *

Refer to question 9 in section C of the Consultation Paper.

Yes Maybe No No particular view

Any other matters related to going concern that you believe should be disclosed in the auditor's report. Refer to section C.

23. In relation to question 22 above, please provide the details and where applicable, the benefits and drawbacks of disclosure of such matters, as well as any suggestions you may have.

Max 4 000 characters.

No comments.

24. Do you believe that auditor's reports other than on listed entities and where law or regulation requires the application of ISA 701, should disclose Key Audit Matters (KAMs)? *

Refer to question 10 in section D of the Consultation Paper.

	Other PIEs	All Entities	No	No particular view
KAMs in auditor's reports other than on listed entities and where law or regulation requires the application of ISA 701. Refer to section D.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>

25. In relation to question 24 above, please explain your reasons for the answer to this question and where applicable, specify the type of entity for which you believe the auditor's reports should disclose KAMs, as well as any suggestions you may have.

Max 4 000 characters.

No comments.

26. In your view, are descriptions of the outcome of audit procedures or key observations with respect to Key Audit Matters useful in understanding the KAM? *

Refer to question 11 in section D of the Consultation Paper.

Very useful Useful Somewhat useful Not useful No particular view

Descriptions of the outcome of audit procedures or key observations with respect to Key Audit Matters. Refer to section D.

27. In relation to question 26 above, please provide your reasons and where applicable, indicate what the benefits and drawbacks of such disclosures would be to you as a stakeholder, as well as any suggestions you may have.

Max 4 000 characters.

These disclosures provide insight into why the matter was raised as a KAM and how it was addressed, hence we believe the disclosure to be useful.

28. Do you believe it is beneficial to stakeholders to have visibility of the professional relationships between an audit firm and the audit client for audits of entities that are not PIEs? *

Refer to question 12 in section E of the Consultation Paper.

Yes Maybe No No particular view

Visibility of the professional relationships between an audit firm and the audit client for audits of entities that are not PIEs. Refer to section E.

29. In relation to question 28 above, please provide your reasons. Where applicable, indicate what the benefits and drawbacks of such disclosures would be to you as a stakeholder and specify for which types of entities should the disclosure of such professional relationships be. Also indicate any suggestions you may have.

Max 4 000 characters.

No comments.

30. If the answer to question 28 is "yes" or "maybe", do you believe this should be disclosed in the auditor's report? *

Refer to question 13 in section E of the Consultation Paper.

	Yes	Maybe	No	No particular view	Not Applicable
Disclosure of professional relationships in the auditor's report. Refer to section E.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>

31. In relation to question 30 above, please provide your reasons. Where applicable, indicate what the benefits and drawbacks of such disclosures would be to you as a stakeholder or provide alternative mechanisms for such disclosure.

Max 4 000 characters.

No comments

32. Do you believe the auditor's report is an appropriate mechanism to disclose the matters described in (a), (b), (c) and (d) in paragraph 65 of the Consultation Paper in relation to fees? *

Refer to question 14 in section E of the Consultation Paper.

	Yes	Maybe	No	No particular view
Auditor's report an appropriate mechanism to disclose the matters described in (a), (b), (c) and (d) in paragraph 65. Refer to section E.	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

33. In relation to question 32 above, please provide your reasons. Where applicable, indicate what the benefits and drawbacks of such disclosures would be to you as a stakeholder or provide suggestions on other possible mechanisms to achieve such disclosure, including the benefits and the drawbacks.

Max 4 000 characters.

We believe that the item discussed in paragraph 65(d) are specifically useful in providing insight into potential independence risks for the audit firm/ assurance engagement.

34. Do you believe the auditor's report is an appropriate mechanism to disclose whether an entity has been classified as a PIE or not? *

Refer to question 15 in section F of the Consultation Paper.

	Yes	Maybe	No	No particular view
Disclosure of whether an entity has been classified as a PIE or not in the auditor's report. Refer to section F.	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>

35. In relation to question 34 above, please provide your reasons and where applicable, indicate what the benefits and drawbacks of such disclosures would be to you as a stakeholder, as well as any suggestions you may have.

Max 4 000 characters.

No comment.

36. Do you believe that when prior period financial statements that are misstated have not been amended and an auditor's report has not been reissued, but the corresponding figures have been properly restated or appropriate disclosures have been made in the current period financial statements, the matter should in all cases be described in the auditor's report? *

Refer to question 16 in section G of the Consultation Paper.

	Yes	Maybe	No	No particular view
<p>Description in the auditor's report when prior period financial statements that are misstated have not been amended and an auditor's report has not been reissued, but the corresponding figures have been properly restated or appropriate disclosures have been made in the current period financial statements. Refer to section G.</p>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>

37. In relation to question 36 above, please provide your reasons and where applicable, indicate what the benefits and drawbacks of such disclosures would be to you as a stakeholder, as well as any suggestions you may have.

Max 4 000 characters.

No comments. (Readers found this question confusing)

38. Where such disclosure (refer to question 36) is made in the auditor's report, whether mandated or not, do you believe that tailored descriptions of the audit procedures performed, and key observations made by the auditor regarding prior year material misstatements, would be useful in enhancing the understanding of how the auditor addressed the matter? *

Refer to question 17 in section G of the Consultation Paper.

Very useful	Useful	Somewhat useful	Not useful	No particular view
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Very useful Useful Somewhat useful Not useful No particular view

Tailored descriptions of the audit procedures performed, and key observations made by the auditor regarding prior year material misstatements. Refer to section G.

39. In relation to question 38 above, please provide your reasons and where applicable, indicate what the benefits and drawbacks of such disclosures would be to you as a stakeholder, as well as any suggestions you may have.

Max 4 000 characters.

No comments.

40. Do you believe the disclosure of the threshold of unadjusted misstatements in the auditor's report would be useful in further enhancing transparency by auditors? *

Refer to question 18 in section H of the Consultation Paper.

Very useful Useful Somewhat useful Not useful No particular view

Do you believe the disclosure of the threshold of unadjusted misstatements in the auditor's report would be useful in further enhancing transparency by auditors? Refer to section H.

41. In relation to question 40 above, please provide your reasons and where applicable, indicate what the benefits and drawbacks of such disclosures would be to you as a stakeholder, as well as any suggestions you may have.

Max 4 000 characters.

No comments.

42. In relation to the matters described in sections A, B, C, G and H in the Consultation Paper, if applicable, would you please indicate for which types of entities these disclosures should be made? Your response should be in the format set out below (tick where appropriate and provide your reasons, including benefits and drawbacks, in the comment box). *

Refer to question 19 in section I of the Consultation Paper.

	All entities	PIEs only	Listed entities only	Others (Please explain in question 43 below)	Disclosure should not be made at all (Please explain in question 43)
Extending the disclosures of the Audit Scope. Refer to section A.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Materiality. Refer to section A.	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Performance Materiality. Refer to section A.	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Enhancing the disclosure of the audit effort related to Irregularities, including fraud. Refer to section B.	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Enhancing the disclosure of the audit effort related to Going Concern. Refer to section C.	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

	All entities	PIEs only	Listed entities only	Others (Please explain in question 43 below)	Disclosure should not be made at all (Please explain in question 43)
Auditor's report disclosures arising from Prior Year Misstatements. Refer to section G.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Disclosure of the reporting threshold unadjusted misstatements. Refer to section H.	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

43. In relation to question 42 above, please provide your reasons and where applicable, indicate what the benefits and drawbacks of such disclosures would be to you as a stakeholder, as well as any suggestions you may have.

Max 4 000 characters.

For items A and G please refer to specific section.

44. Other than those proposals discussed in sections A to I in the Consultation Paper, are there more matters that can be disclosed by auditors in the auditor's report for an audit of financial statements? *

Refer to question 20 in section J of the Consultation Paper.

	Yes	Maybe	No	No particular view
More matters that can be disclosed by auditors in the auditor's report.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>

45. In relation to question 44 above, please provide your reasons and where applicable, indicate what the benefits and drawbacks would be to you as a stakeholder, as well as any suggestions you may have.

Max 4 000 characters.

No comments.

46. Should there be prescribed standards or a rule that will mandate additional disclosures in the auditor's report? *

Refer to question 21 in section J of the Consultation Paper.

	Yes	Maybe	No	No particular view
Prescribed standards or a rule that will mandate additional disclosures in the auditor's report.	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

47. In relation to question 46 above, please provide your reasons and where applicable, indicate what the benefits and drawbacks of such disclosures would be to you as a stakeholder, as well as any suggestions you may have.

Max 4 000 characters.

We acknowledge that there may be a need for country or region specific disclosures in audit reports and that a process which does not require the International Standard setter to mandate disclosure through the standards may be a quicker process. We however feel that disclosures should be standardised as much of possible across regions and that there should not be an ongoing process to amend the content of the audit report. There needs to be a clear expectation of what disclosures are expected to come through in the financial statements and that which is to be provided in the auditor's report. A periodic assessment of the environment and changes in reporting in audit reports may be required and will prove useful; consistency & comparability of reporting is however important.

48. Is there a need to develop a structure or framework within which to accommodate currently envisaged but also future changes to auditor's report contents? *

Refer to question 22 in section J of the Consultation Paper.

	Yes	Maybe	No	No particular view
A need to develop a structure or framework within which to accommodate currently envisaged but also future changes to auditor's report contents.	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

49. In relation to question 48 above, please provide your reasons. Where applicable, indicate what the benefits and drawbacks of such disclosures would be to you as a stakeholder and explain what the elements of such a framework would be. Also provide any suggestions you may have.

Max 4 000 characters.

We feel that disclosures should be standardised as much of possible across regions and that there should not be an ongoing process to amend the content of the audit report. The International Standard setter could assess the various region or country specific additional disclosures that have been mandated & consider whether there is weakness in the standards or a need of users of audit reports that is not addressed under the current standards. A periodic assessment of the environment and changes in reporting in audit reports may be required.