

## Template for Respondents

### Respondent Information

<b>Respondent type</b> <i>Please select the capacity in which you are responding.</i>	Firm
<b>Organisation Name</b> <i>If you answered "Individual", please write "Private".</i>	SNG Grant Thornton
<b>Full Name</b>	Yvonne Kgoedi
<b>Job Title</b>	Director
<b>Email Address</b>	yvonne.kgoedi@sng.gt.com

### Question 1

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?					
	<b>Very useful</b>	<b>Useful</b>	<b>Somewhat useful</b>	<b>Not useful</b>	<b>No particular view</b>
Scope of the audit. Refer to section A	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<u><i>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.</i></u>					
<ul style="list-style-type: none"> <li>• Audit scope is not defined in the ISA's, therefore it is not clear what scope is. Unless it is well defined, it will not be understood, as scoping could mean different things for different audit firms.</li> <li>• Additional disclosures may make the audit report longer which may not be beneficial to the users.</li> <li>• Should it be decided that inclusion of scope is necessary for a group audit report, it would be useful to further explain the meaning of full scope and limited scope.</li> </ul>					

### Question 2

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?
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	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="checkbox"/>	<input type="checkbox"/>	✓	<input type="checkbox"/>	<input type="checkbox"/>
<p><u>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.</u></p> <ul style="list-style-type: none"> <li>• This may be useful since materiality is used for planning and performing the audit; in evaluating the effect of identified and uncorrected misstatements; and in forming an opinion in the auditor's report.</li> <li>• Auditors may get an opportunity to disclose and explain their considerations in determining materiality.</li> <li>• There should be a requirement to include an explanation where materiality is significantly different from one year to the other.</li> <li>•</li> </ul>					

### Question 3

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?					
	Very useful	Useful	Somewhat useful	Not useful	No particular view
Performance materiality. Refer to section A	<input type="checkbox"/>	<input type="checkbox"/>	✓	<input type="checkbox"/>	<input type="checkbox"/>
<p><u>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.</u></p> <p>Might be useful provided the performance materiality is properly explained and what it is used for is clearly disclosed including the auditor's considerations in determining the Performance materiality.</p>					

### Question 4

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?					
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	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	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<p><u>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.</u></p> <ul style="list-style-type: none"> <li>We support the inclusion of this disclosure for it will give auditors and opportunity to explain the work done and manage expectation gap</li> </ul>					

#### Question 5

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?					
	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	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<p><u>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.</u></p> <p>It is very useful since it will give an auditor and opportunity to explain how they applied their judgement around going concern.</p> <ul style="list-style-type: none"> <li>It will also give an opportunity for auditors to explain their conclusions on going concern judgements applied by management</li> </ul>					

#### Question 6

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?
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	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="checkbox"/>	<input type="checkbox"/>	✓	<input type="checkbox"/>
<p><u>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.</u></p> <ul style="list-style-type: none"> <li>The Going Concern basis of accounting is already included in the financial statements' disclosures and the audit opinion sufficiently covers it. We therefore think that a specific conclusion will not add value.</li> </ul>				

### Question 7

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?				
	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 type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<p><u>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.</u></p> <ul style="list-style-type: none"> <li>We agree with an inclusion of the procedures performed as this is an area where users may need more information to understand the work that has been done.</li> </ul>				

### Question 8

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?
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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	<input type="checkbox"/>	<input type="checkbox"/>	✓	<input type="checkbox"/>	<input type="checkbox"/>
<p><u>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.</u></p> <ul style="list-style-type: none"> <li>ISA 570 does not require the period of assessment to be 12 months from when the financial statements are issued, but rather 12 months after year end (reporting date)., However, this may be somewhat useful, but will need for the ISA 570 to be updated to require the auditor to extend procedures by 12 months from date of authorisation of AFS. This might be a challenge; the auditor will need to anticipate that date and the date will move as the audit progress.</li> </ul>					

### Question 9

Are there any other matters related to going concern that you believe should be disclosed in the auditor's report?				
	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	✓	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<p><u>Please provide the details and where applicable, the benefits and drawbacks of disclosure of such matters, as well as any suggestions you may have.</u></p> <p>Where going concern indicators are present, but material uncertainty does not exist i.e., close call, the auditor can disclose procedures specific to how they satisfied themselves that a material uncertainty related to going concern does not exist.</p>				

### Question 10

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 KAMs?				
	<b>Other PIEs</b>	<b>All Entities</b>	<b>No</b>	<b>No particular view</b>
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="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i><u>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.</u></i>				
We agree with inclusion of KAMs for other PIE's and Public Sector entities				

### Question 11

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?					
	<b>Very useful</b>	<b>Useful</b>	<b>Somewhat useful</b>	<b>Not useful</b>	<b>No particular view</b>
Descriptions of the outcome of audit procedures or key observations with respect to Key Audit Matters. Refer to section D	✓	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i><u>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.</u></i>					
<ul style="list-style-type: none"> <li>We agree with inclusion of the outcomes as this will give additional information on the KAMs</li> </ul>					

### Question 12

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 <b>not</b> PIEs?				
	<b>Yes</b>	<b>Maybe</b>	<b>No</b>	<b>No particular view</b>

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.	✓	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<p><u>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.</u></p> <ul style="list-style-type: none"> <li>We believe stakeholders should have visibility of the professional relationships as it assists in their assessment of independence.</li> </ul>				

### Question 13

If the answer to question 12 is "yes" or "maybe", do you believe this should be disclosed in the auditor's report?				
	<b>Yes</b>	<b>Maybe</b>	<b>No</b>	<b>No particular view</b>
Disclosure of professional relationships in the auditor's report. Refer to section E.	✓	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<p><u>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.</u></p> <ul style="list-style-type: none"> <li>Yes, we think it should be included in the auditors reports for it to get more attention.</li> </ul>				

### Question 14

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 in relation to fees?				
	<b>Yes</b>	<b>Maybe</b>	<b>No</b>	<b>No particular view</b>
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 type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<p><u>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.</u></p>				

- We believe the auditor's report is the proper mechanism to disclose matters described in (a), (b), (c) and (d).

### Question 15

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

	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="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

*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.*

- We believe the users do not have enough information about the impact of classifying entity as a PIE.

*If not, please provide reasons and suggestions on other appropriate mechanisms:*

- No value. We believe the users do not have enough information about the impact of classifying entity as a PIE.

### Question 16

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?

	Yes	Maybe	No	No particular view
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	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



have been made in the current period financial statements. Refer to section G				
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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.

- In support of the proposal.

Where such disclosure 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?

- Agreed.

**Question 17**

Where such disclosure 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?

	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	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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.

- We believe this information might be useful to users and may also be an opportunity for the auditor to provide information on the work performed regarding prior year material misstatements.

**Question 18**

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?

	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	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<p><u>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.</u></p> <p>We believe that disclosing the threshold for unadjusted misstatements in the auditor's report is not useful. - Further we discourage disclosure of uncorrected misstated in the audit report.</p>					

### Question 19

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).					
Details	All entities	PIEs only	Listed entities only	Other (Please explain)	Disclosure should not be made at all (Please explain)
<b>Extending the disclosures of the audit scope</b> <i>Refer to section A</i>					
<u>Comments:</u>					
<b>Materiality</b> <i>Refer to section A</i>			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
<u>Comments:</u>					
Public Sector entities and where required by law or regulation. Not all PIEs should have the disclosure.					
<b>Performance materiality</b> <i>Refer to section A</i>			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
<u>Comments:</u>					

	Public Sector entities and where required by law or regulation			
<b>Enhancing the disclosure of the audit effort related to irregularities, including fraud</b>  <i>Refer to section B</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
	<u>Comments:</u> Public Sector entities			
<b>Enhancing the disclosure of the audit effort related to going concern</b>  <i>Refer to section C</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<u>Comments:</u>			
<b>Auditor's report disclosures arising from prior year misstatements</b>  <i>Refer to section G</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
	<u>Comments:</u> Public Sector entities and where required by law or regulation			
<b>Disclosure of the reporting threshold unadjusted misstatements</b>  <i>Refer to section H</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
	<u>Comments:</u> Public Sector entities and where required by law or regulation			
<u>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.</u>				

## Question 20

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

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.

### Question 21

Should there be prescribed standards or a rule that will mandate additional disclosures in the auditor's report? If not, please provide your reasons.

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

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.

- Yes, we agree that there should be a standard or a rule to mandate additional disclosures for consistency.

### Question 22

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?

	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="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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.

- Yes, we do think there is need to develop a structure or framework.