

IRBA
Building 2
Greenstone Hill Office Park
Emerald Boulevard
Modderfontein
Online submission

To whom it may concern

Re: Proposed IRBA Rule on Enhanced Auditor Reporting for the Audit of Financial Statements

On behalf of the South African Institute of Professional Accountants (SAIPA) we would like to comment on the proposed IRBA rule; **Proposed IRBA Rule on Enhanced Auditor Reporting for the Audit of Financial Statements** published by The Independent Regulatory Board for Auditors “IRBA” for comments submitted by 05 October 2022. We appreciate the opportunity to comment on this Proposed Rule.

Request for Specific Comments

Question 1

Do you support the proposed IRBA Rule on Enhanced Auditor Reporting for the Audit of Financial Statements? Yes / No.

If “No”, please indicate the reason(s) for your response

SAIPA Response

We understand that the IRBA’s objective is “to endeavour to protect the financial interests of South Africa through the effective and appropriate regulation of assurance conducted by registered assurance providers, in accordance with internationally recognised standards and processes”. Considering this objective, we agree and support the proposed IRBA Rule on Enhanced Auditor Reporting for the Audit of Financial Statements.

We do not agree with and support the requirement to disclose the materiality applied to the audit. We would recommend to rather disclose the basis of materiality determination as well as significant judgements applied in determining such materiality as opposed to disclosing the materiality figure.

We do agree with the disclosure of the fees paid or payable to firms, network forms and related firms for all types of services and all group entities.

We do agree with the disclosure of the detail around going concern assumptions, assessments and judgement in the assessment thereof.

We do agree with the disclosure requirements for the audit of all Public Interest Entities as defined in the IRBA Code.

We agree with the disclosure requirements relating to the Key Audit Matters.

Question 2

Do you believe that there is guidance required in support of the proposed IRBA Rule on Enhanced Auditor Reporting for the Audit of Financial Statements? Yes / No.

If "Yes", please indicate the areas in which guidance is needed.

SAIPA Response

We do not believe that there is guidance required in support of the proposed IRBA Rule on Enhanced Auditor Reporting for the Audit of Financial Statements

Question 3

Do you agree with the effective date for the proposed IRBA Rule on Enhanced Auditor Reporting for the Audit of Financial Statements, as indicated in paragraph 29 of the Explanatory Memorandum? Yes / No.

If "No", please indicate the reason(s) for disagreeing and also suggest an effective date that will be appropriate.

SAIPA Response

The IRBA recommends that the proposed IRBA Rule be effective at least 12 months (one year) after the IRBA Board's prescription and/or publication of the Rule. We agree with the effective date of the proposed rule which will allow sufficient implementation time for Registered Auditors.

Should you wish to discuss the contents of this letter with us, please contact Faith Ngwenya or Leana van der Merwe or Rashied Small on +27 (0)11 207 7840

Yours faithfully



Shahied Daniels

Chief Executive

South African Institute of Professional Accountants