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04 March 2019

Email: [ivanker@irba.co.za](mailto:ivanker@irba.co.za)

Dear Imran

## **EY Comments: Proposed South African Auditing Practice Statement (SAAPS) 3 (Revised 2019), Illustrative Reports**

We thank you for the opportunity to provide additional comments on the *Proposed South African Auditing Practice Statement (SAAPS) 3 (Revised 2019), Illustrative Reports*.

Please note that a representative of EY was involved in the drafting of the proposed guide through participation in the Task Group and continuous input was provided to the IRBA throughout the running of this project. It is in this context that we respond to the request for additional comments specified in the exposure draft.

The comments and considerations expressed in this comment letter are the views of Ernst & Young Inc. South Africa. Should you wish to discuss any of these comments, please contact Roger Hillen at 011 772 3522, [Roger.Hillen@za.ey.com](mailto:Roger.Hillen@za.ey.com).

Yours sincerely

Roger Hillen

Professional Practice Director

**1. Do you agree with the recommended effective date?**

We agree with the proposal that the SAAPS be made effective immediately upon CFAS approval and issue.

**2. Do you believe that the new format of this proposed SAAPS enhances navigation and ease of use? If not, why? Please suggest an alternative approach.**

Yes. The enhancements made to the Contents table make it easier to identify and find the most relevant illustrative example.

**3. Do you agree with the new or amended illustrative auditor's reports included in this proposed SAAPS?**

Yes. We have no further comments or recommendations this regard.

**4. Do the illustrative auditor's and independent reviewer's reports contained in this proposed SAAPS provide adequate examples of illustrative auditor's and independent reviewer's 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) in compliance with South African jurisdictional requirements? If not, why? Please provide details of any further illustrative auditor's and independent reviewer's reports you believe should be deleted, amended and/or added to Part B of this proposed SAAPS.**

Yes. We have no further comments or recommendations this regard.

**5. Do you believe that the guidance provided in Note 8 to Part A of this proposed SAAPS provides helpful guidance on determining other information as defined in ISA 720 (Revised) in the South African context? If not, why? Please suggest what further guidance is necessary in the South African context.**

Yes. We have no further comments or recommendations this regard.

**6. Do you agree that the IRBA Staff Practice Alert can be withdrawn by the IRBA when the final SAAPS 3 (Revised 2019) becomes effective? If not, why?**

Yes; on the basis that the information contained in the Staff Practice Alert, including additional guidance, has now been incorporated in the SAAPS 3 (Revised 2019).

**7. Considering the requirements of ISA 720 (Revised), do you believe the practice of the Auditor-General of South Africa is appropriate? If not, why?**

Yes. We agree with the practice applied by the Auditor-General in this regard and have no further comments or recommendations in this regard.

**8. Because of the different effective dates of the parts in both the IRBA Code and IESBA Code, do you agree with the conclusion reached by the CFAS to provide for two options (transitional period and period going forward) for the wording to be included in this proposed SAAPS?**

Yes. We agree that this is appropriate.

**9. Do you agree with the wording used to describe the periods to which each of the options relate, as follows?**

- **Transitional period: For auditor's reports issued on or after 15 June 2019 in respect of audits of financial statements for financial periods beginning before or on 14 June 2019; and**
- **Period going forward: For audits of financial statements for financial periods beginning on or after 15 June 2019?**

Yes. We agree that the wording used is appropriate.

**10. Do you agree with the wordings and the descriptions of the parts of both the extant IRBA and IESBA Codes and the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) used in the Basis for Opinion section of the illustrative auditor's reports?**

Yes. We agree that the wording used.

**11. Do you agree with the conclusion reached by CFAS on not requiring a reference to the FRPs in the auditor's and independent reviewer's reports? If not, please provide your views, including your reasons for disagreement.**

Yes. We have no further comments or recommendations this regard.