

Guide
August 2020



Guide for Registered Auditors

Joint Audit Engagements

Independent Regulatory Board for Auditors
PO Box 8237, Greenstone, 1616
Johannesburg

This Guide for Registered Auditors: *Joint Audit Engagements* (this Guide) was prepared by a Task group of the Independent Regulatory Board for Auditors' (IRBA) Committee for Auditing Standards (CFAS). The CFAS Task Group comprised technical staff representatives from firms, the South African Reserve Bank – Prudential Authority, the South African Institute of Chartered Accountants and the IRBA.

This Guide provides guidance to registered auditors (auditors) on the application of the International Standards on Auditing (ISAs) and IRBA pronouncements in the circumstances in which auditors or firms perform a joint audit engagement.

This Guide can be downloaded free of charge in PDF and word formats on the [IRBA website](#).

Copyright © 2020 by the Independent Regulatory Board for Auditors (IRBA). All rights reserved. Permission is granted to make copies of this work, provided that such copies, in whichever format, are for the purpose of registered auditors discharging their professional duties; for use in academic classrooms or for personal use; are not sold for income; and provided further that each copy bears the following credit line:

“Copyright © 2020 by the Independent Regulatory Board for Auditors. All rights reserved. Used with the permission of the IRBA.”

Otherwise, written permission from the IRBA is required to reproduce, store or transmit this document, except as permitted by law.

GUIDE FOR REGISTERED AUDITORS: JOINT AUDIT ENGAGEMENTS

(Effective for audits of financial statements for periods beginning on or after 31 December 2020)

| CONTENTS | PAGE |
|--|-------------|
| Introduction | 5 |
| Scope..... | 5 |
| Definitions | 7 |
| Circumstances for a Joint Audit Engagement | 8 |
| Roles and Responsibilities of a Joint Auditor | 8 |
| Compliance with Independence and Other Relevant Ethical Requirements | 9 |
| Quality Control System | 9 |
| Acceptance and Continuance of Audit Client Relationships and Engagements | 10 |
| Joint Auditors' Agreements | 10 |
| The Role of an Engagement Quality Control Reviewer in a Joint Audit Engagement ... | 12 |
| Audit Plan and Strategy | 13 |
| New Joint Audit Engagements | 14 |
| Consultations on Technical, Independence/Ethical or Other Matters | 15 |
| Access to the Working Papers of a Joint Auditor | 15 |
| Cross-Review of the Work Performed by the Other Joint Auditor and Documentation of the Cross-Review | 15 |
| Communication | 18 |
| The Role of Joint Auditors in Reporting a Reportable Irregularity | 19 |
| Joint Auditors' Report and the Resolution of Differences of Opinion Between Joint Auditors | 19 |
| Concluding in a Joint Audit Engagement | 20 |
| Documentation | 20 |
| Archiving of the Audit File | 21 |
| Considerations of MAFR on Joint Audit Engagements | 21 |
| APPENDIX 1 | 22 |
| Joint Auditors' Considerations in Audits of Group Financial Statements | 22 |
| APPENDIX 2 | 24 |
| Summary of Documentation Considerations Regarding Topics Covered in this Guide | 24 |
| APPENDIX 3 | 25 |
| Extracts from IRBA Pronouncements that are of Relevance to Joint Audit Engagements | 25 |
| APPENDIX 4 | 26 |
| Inspecting Joint Audit Engagements | 26 |
| APPENDIX 5 | 27 |

This Guide for Registered Auditors: *Joint Audit Engagements* provides guidance to registered auditors (auditors) on the application of International Standards on Auditing (ISAs) in the circumstances in which auditors or firms perform a joint audit engagement.

Guides are developed and issued by the Independent Regulatory Board for Auditors (IRBA) to provide guidance to auditors in meeting specific legislative requirements imposed by a Regulator. Guides do not impose requirements on auditors beyond those included in the International or South African Standard(s) or South African regulatory requirements; and they do not change an auditor's responsibility to comply, in all material respects, with the requirements of the International or South African Standard(s) or with South African regulatory requirements relevant to the audit, review, other assurance services or related services engagements.

An auditor is required to have an understanding of the entire text of every Guide to enable the auditor to assess whether or not any particular Guide is relevant to an engagement; and if so, to enable the auditor to apply properly the requirements of the particular International or South African Standard(s) to which the Guide relates.

In terms of Section 1 of the Auditing Profession Act, No. 26 of 2005 (the Act), a Guide is included in the definition of "auditing pronouncements". In terms of the Act, the auditor must, in the performance of an audit, comply with those standards, practice statements, guidelines and circulars developed, adopted, issued or prescribed by the IRBA.

Introduction

Scope

1. The International Standards on Auditing (ISAs) and IRBA pronouncements apply to joint audit engagements. This Guide for Registered Auditors: *Joint Audit Engagements* (this Guide) provides guidance to registered auditors (auditors) on the application of the ISAs and IRBA pronouncements in a joint audit engagement.
2. All the ISAs are applicable to a joint audit engagement. ISA 600 references joint auditors in the definitions section as follows: “Group engagement partner – The partner or other person in the firm who is responsible for the group audit engagement and its performance, and for the auditor’s report on the group financial statements that is issued on behalf of the firm. Where joint auditors conduct the group audit, the joint engagement partners and their engagement teams collectively constitute the group engagement partner and the group engagement team. This ISA does not, however, deal with the relationship between joint auditors or the work that one joint auditor performs in relation to the work of the other joint auditor.”¹ Other than the definition of group engagement partner in the ISAs’ Glossary of Terms, there are no other references to joint auditors in the ISAs.
3. The joint auditors collectively constitute the engagement partner and the engagement team, as appropriate. The ISAs use the term “auditor” to refer to the person or persons conducting the audit, usually the engagement partner or other members of the engagement team or, as applicable, the firm. Where an ISA expressly intends that a requirement or responsibility be fulfilled by the engagement partner, the term “engagement partner”, rather than “auditor”, is used.² It then follows that in a joint audit engagement all requirements and application material in the ISAs, where there is a reference to an “auditor”, also apply to joint auditors, collectively. The joint auditors, collectively constituting the engagement partner and the engagement team, would therefore need to ensure that all requirements (read together with the application material) in the ISAs are met.
4. The purpose of an audit is to enhance the degree of confidence of intended users in the financial statements. This is achieved by the expression of an opinion by the auditor on whether the financial statements are prepared, in all material respects, in accordance with an applicable financial reporting framework.³ This purpose of an audit applies equally to a joint audit engagement.
5. Section 44(3)(a) of the Auditing Profession Act, No. 26 of 2005 (the Act), states that the auditor must carry out the audit free from any restrictions whatsoever and in compliance, so far as applicable, with auditing pronouncements relating to the conduct of the audit. This applies equally to a joint audit engagement.

¹ ISA 600, *Special Considerations – Audit of Group Financial Statements (including the work of component auditors)*, paragraph 9(h) (emphasis added).

² IAASB Glossary of Terms (December 2018), definition of “Auditor”.

³ ISA 200, *Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with International Standards on Auditing*, paragraph 3.

GUIDE FOR REGISTERED AUDITORS: JOINT AUDIT ENGAGEMENTS

6. The guidance in this Guide does not establish new requirements or contain exemptions from the requirements of the ISAs. It should be read in conjunction with the ISAs, as applicable. The auditor exercises professional judgment to determine the extent to which any of the guidance provided in this Guide may be appropriate in light of the requirements of the ISAs and the particular circumstances of the joint audit engagement. As such, the joint auditors are strongly encouraged to apply this Guide. If the joint auditors do not use the principles and considerations in this Guide, they are expected to demonstrate how else they achieved the objectives of this Guide.
7. Firms may establish policies and procedures that are relevant to joint audit engagements, while considering this Guide.
8. The contents of this Guide may be useful to those charged with governance and management of audited entities who have joint auditors or are planning joint audits. It is worth noting, though, that this Guide only becomes applicable once a joint audit appointment has been made by the audited entities.
9. This Guide applies only to joint audit engagements performed by auditors within South Africa. However, it may be considered in a cross-border joint audit engagement, where an auditor from South Africa performs a joint audit engagement with an auditor registered in another jurisdiction, such as in public sector audits of multi-lateral organisations.
10. Furthermore, if the Auditor-General of South Africa opts not to perform an audit, in terms of Section 4(3) of the Public Audit Act, No 25 of 2004, and therefore takes no accountability for that audit, joint audit engagements are permitted in that instance in the public sector. In such a scenario, this Guide will be applicable to the joint audit of the financial statements of the relevant entities.
11. This Guide does not extend to:
 - An engagement to review financial statements in accordance with *International Standards on Review Engagements* (ISREs). It may, nevertheless, be considered by a reviewer in performing a joint review engagement.
 - An assurance engagement in accordance with *International Standards on Assurance Engagements other than Audits or Reviews of Historical Financial Information* (ISAEs). It may, nevertheless, be considered by the assurance provider in performing a joint engagement of this nature.
 - The relationship between an engagement auditor (including a joint auditor, where applicable) and the sub-contracted firm(s) in a shared or sub-contracted audit.

A shared or sub-contracted audit (refer to the “Definitions” section) is not a joint audit engagement, as the sub-contracted firm in a shared audit scenario does not carry any direct responsibility for the report issued in respect of the audit engagement. Further, the sub-contracted firm does not form any audit opinion nor issue any auditor’s report on the shared audit engagement. However, it must be noted that in a joint audit engagement, one or more of the joint auditors may decide to sub-contract or outsource their portion of the joint audit work to another auditor or audit firm(s). If any joint auditor enters into a shared or sub-contracted audit arrangement, it does not reduce the responsibilities of that said joint auditor(s) with

regard to the joint audit engagement.⁴

12. Appendix 5, *Understanding the difference between joint and shared audit engagements*, provides a comprehensive description of the differences between joint audit engagements and shared audit engagements. This description is provided so that greater clarity is created in the market-place and that the terms are not used interchangeably or incorrectly.

Definitions

13. For the purposes of this Guide, unless otherwise specified or the context clearly indicates the contrary, all the terms defined in the ISAs (December 2018) and reflected in the *Glossary of Terms* have the same meaning in this Guide as attributed to them in the *Glossary of Terms*, including, but not limited to the following:
- “Audit documentation”;
 - “Audit evidence”;
 - “Audit file”;
 - “Audit opinion”;
 - “Component auditor”;
 - “Engagement partner”;
 - “Engagement quality control reviewer” (EQCR);
 - “Experienced auditor”;
 - “Firm⁵”;
 - “Management”; and
 - “Those charged with governance”.
14. A *joint audit engagement* is an audit where two or more separate firms are engaged to jointly audit the financial statements of an entity, take joint and collective responsibility for the audit and form a joint auditors’ opinion.
15. A *joint auditors’ opinion* is a single audit opinion formed on the financial statements of an entity by two or more separate firms engaged in a joint audit engagement, which audit opinion is expressed in a joint auditors’ report, which is signed by all the firms engaged in the joint audit engagement.
16. A *joint auditor* is an auditor who is jointly engaged under a joint audit engagement.

⁴ Also refer to Appendix 5 of this Guide.

⁵ The auditors are also referred to the following definition of a firm in the Act: “means a partnership, company or sole proprietor referred to in section 40”.

GUIDE FOR REGISTERED AUDITORS: JOINT AUDIT ENGAGEMENTS

17. A *new joint audit engagement* is when a new firm(s) is engaged to participate in, or an existing firm(s) exits⁶, the engagement.
18. A *single auditor engagement* is an audit where only one firm is engaged to audit the entity's financial statements and then issues an auditor's report on those financial statements.⁷
19. A *cross-review*, in the case of a joint audit engagement, refers to the procedure(s) performed by one joint auditor on the audit documentation of the other joint auditor(s).
20. The *IRBA Code* is the IRBA Code of Professional Conduct for Registered Auditors (Revised November 2018).
21. A *shared or sub-contracted audit* is an audit engagement where a portion of the audit work is outsourced or sub-contracted by the engagement auditor to another firm(s). The engagement auditor takes overall control, responsibility and accountability for the audit engagement, regardless of the outsourcing or sub-contracting of a portion of the audit work to another firm(s).

Circumstances for a Joint Audit Engagement

22. In South Africa, entities appoint joint auditors to audit their financial statements for various reasons, which may include a request or a requirement by a regulator, the need for auditor continuity, the development of the resource pool, in consideration of Mandatory Audit Firm Rotation (MAFR), or any combination of the reasons.

Roles and Responsibilities of a Joint Auditor

23. A joint auditor has a joint responsibility with the other joint auditor(s) for the audit and the joint auditors' opinion that is expressed by them on the audited financial statements. The joint responsibility emanates from the auditors' acceptance of their joint appointment (as evidenced by the audit engagement letter). A joint auditor's joint responsibility means that the joint auditor is also responsible for the work performed by the other joint auditor(s) and they shall therefore jointly ensure that the joint audit engagement is conducted in accordance with the ISAs⁸, and that sufficient and appropriate audit evidence (evidenced through the cross-review) is obtained and documented collectively by all the joint auditors in order to express a joint auditors' opinion.
24. An auditor is liable towards an audit client and/or third party to the extent as provided in Section 46 of the Act.

⁶ Exiting the engagement could be as a result of the joint auditor's resignation, removal or rotation off the engagement.

⁷ This includes a shared audit where a portion of the audit is outsourced or sub-contracted to another firm(s).

⁸ ISA 200, paragraph 20.

Compliance with Independence and Other Relevant Ethical Requirements

25. The responsibility for compliance with the IRBA Code and other relevant ethical requirements rests with each joint auditor individually. A joint auditor may obtain, before and at the end of the joint audit engagement, a written confirmation that the other joint auditor(s) will comply and has complied with the IRBA Code and other relevant ethical requirements.
26. The joint audit engagement partners shall remain alert for evidence of non-compliance with relevant ethical requirements by members of the engagement team and determine the appropriate action, if such non-compliance is identified.⁹ A joint auditor may cross-review the work done by the other joint auditor(s) to ensure independence and compliance with the IRBA Code and other relevant ethical requirements. A letter by each of the joint auditors to each other, explaining their processes in this regard and any identified threats or non-compliance as well as safeguards applied, may form part of the audit documentation.
27. If any joint auditor is not satisfied with the compliance with independence and other relevant ethical requirements of the other joint auditor(s), the dissatisfied joint auditor applies professional judgment and considers bringing this to the attention of management and/or those charged with governance (while considering the IRBA Code), declining or resigning from the joint audit engagement. Also refer to paragraphs 73-76 of this Guide.

Quality Control System

28. ISA 220, *Quality Control for an Audit of Financial Statements*, presumes that audit engagements are conducted by a firm that is subject to the requirements of International Standard on Quality Control (ISQC) 1, *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*. Therefore, prior to the acceptance or continuance of a joint audit engagement, the joint auditors, based on their professional judgment, need to satisfy themselves that there are sufficient appropriate quality control systems in place at each firm(s) that is party to the joint audit engagement.¹⁰ For this purpose, the joint auditors may need to agree on access to the relevant firm records, resources or information. Consequently, the joint auditors document how they have satisfied themselves to achieve the abovementioned purpose with respect to sufficient appropriate quality control systems of the other joint auditor(s), for example, through firm monitoring and inspection results.

⁹ ISA 220, paragraphs 9 and 10.

¹⁰ ISA 220, paragraph 2.

GUIDE FOR REGISTERED AUDITORS: JOINT AUDIT ENGAGEMENTS

29. The joint audit engagement partners need to ensure that their responsibility with respect to audit quality will be discharged¹¹, and to then plan and perform the audit accordingly. A letter or memorandum by each joint auditor to the other(s) may form part of the audit documentation. A joint auditor may also request or obtain relevant excerpts from the last regulatory inspection report, peer review report or transparency report of the other joint auditor.
30. If any joint auditor is not satisfied with the quality control systems of the other joint auditor(s) – whether at the engagement acceptance, during or at the end of the engagement – the dissatisfied joint auditor applies professional judgment in determining whether additional work in relation to the joint audit engagement can be performed in overcoming the deficiency(ies) identified. If not, they should then consider bringing this to the attention of management and/or those charged with governance, declining or resigning from the joint audit engagement. Also refer to paragraphs 73-76 of this Guide.

Acceptance and Continuance of Audit Client Relationships and Engagements

31. The joint auditors apply the ISAs¹², the IRBA Code and other relevant ethical requirements in determining the acceptance and continuance of audit client relationships and audit engagements. The joint auditors need to ensure that the ethical requirements are complied with. Where the percentage split of work between the joint auditors poses a quality risk for either of the firms, the recommendation is to reconsider the acceptance of the joint audit engagement.
32. In issuing the audit engagement letter, joint auditors should apply ISA 210, *Agreeing the Terms of Engagement*, and draft the audit engagement letter in accordance with the policies and procedures of each joint auditor's firm. To ensure that there are clear terms of engagement for all parties involved, a single audit engagement letter is agreed to between the audit client and the joint auditors. It is encouraged that the audit engagement letter makes reference to a joint auditors' agreement, where this has been put in place. Joint audit engagement letters should be specific and tailored for every engagement and not extend to permanent agreements.

Joint Auditors' Agreements

33. In addition to the audit engagement letter, the joint auditors may decide to put in place a formal joint auditors' agreement that documents their agreement regarding each joint auditor's duties and obligations in respect of the joint audit engagement, and the policies and procedures to be followed by the joint auditors in conducting the joint audit engagement.

¹¹ ISA 220, paragraph 8.

¹² ISA 220, paragraphs 12 and 13.

GUIDE FOR REGISTERED AUDITORS: JOINT AUDIT ENGAGEMENTS

34. The joint auditors' agreement can make provision for the following (but is not necessarily only limited thereto):
- The professional indemnity cover procured by each joint auditor;
 - Audit fee billing arrangements;
 - The policies to be applied in respect of independence and/or compliance with relevant ethical requirements where one joint auditors' policies are more stringent than the IRBA Code;
 - The process to address and resolve differences in audit methodology to be applied by the joint auditors;
 - Agreement as to monitoring arrangements;
 - Agreement on group audit arrangements;
 - Arrangements for relevant joint induction and training;
 - The joint auditors' respective roles and responsibilities with regard to the joint audit;
 - How to report a Reportable Irregularity in terms of Section 45 of the Act;¹³
 - Whether joint auditors that are party to the joint audit engagement may enter into a shared or sub-contracted audit and, if so, the process to be followed;
 - The allocation of work to each joint auditor;
 - The communication/protocols for rotation of work among the joint auditors;
 - The requirements for the involvement of experts – both internal and external;
 - Communication protocols in respect of the independence and other relevant ethical requirements of a joint auditor;
 - Communication protocols in respect of the quality control systems of a joint auditor;
 - The right of access to the working papers of a joint auditor;
 - The timing and processes for cross-reviewing each other's working papers;
 - Consultation processes and requirements of their respective firms;
 - The content of the management representation letter;
 - Communication protocols in respect of meetings with audit client management, those charged with governance and the required attendees;
 - Designating representatives of the joint auditors that will attend meetings, including planning meetings or meetings to discuss key risks and significant issues between the joint auditors, as well as periodic meetings with management and/or those charged with governance (including audit committee meetings);
 - The process for preparing written communication, such as audit committee documents;

¹³ Refer to Appendix 3 of this Guide.

GUIDE FOR REGISTERED AUDITORS: JOINT AUDIT ENGAGEMENTS

- Dispute resolution mechanisms or protocols;
 - Recourse of the compliant auditor against the alleged non-compliant joint auditor;
 - The accessibility, archiving, retrieval and retention process or protocol for the audit file; and
 - Any other matters, as may be agreed upon between the joint auditors.
35. It is recommended that the joint auditors obtain legal advice on the joint auditors' agreement to ensure that there does not flow any legal consequences, unintended by the joint auditors, from the joint auditors' agreement.
36. The joint auditors may share their joint auditors' agreement with those charged with governance. The joint auditors may also choose to provide the joint auditors' agreement as an appendix to the audit engagement letter, if the content thereof is considered appropriate.
37. In addition to joint audit agreement in respect of the audit of the financial statements, the entity may engage the firms to provide other assurance-related services that are not prohibited, such as work on interim financial statements. In such instances, further formal agreement(s) similar to joint audit agreements, regulating the firms' participation in such other assurance-related services, may need to be considered.

The Role of an Engagement Quality Control Reviewer in a Joint Audit Engagement

38. The joint auditors, together with their respective firm(s), consider the appointment of an engagement quality control reviewer (EQCR) in a joint audit engagement, if applicable, in accordance with ISQC 1 and the policies and procedures of the firm(s).
39. Each firm may appoint and perform engagement quality control reviews in accordance with its own policies and procedures. In instances where one of the joint auditors appoints an EQCR, it may be appropriate for the other joint auditor(s) to also appoint an EQCR to ensure that the audit file as a whole is subject to engagement quality control review.
40. The EQCRs determine the scope of their respective reviews pertaining to the joint audit engagement. The EQCR of each joint auditor may consider the cross-review documentation, which is included in the working papers prepared by the engagement team, depending on the scope of the engagement quality review and areas of significant judgment. The EQCR may also request access to the working papers of the other joint auditor(s). In performing the review, the EQCR may also consider the following:
- The joint auditor's evaluation of the firm's independence and the respective joint auditor firm's independence in relation to the joint audit engagement;
 - Whether timely discussions and consultations have taken place on matters involving differences of opinion between the joint auditors or other difficult or contentious matters, and the conclusion arising from those discussions and consultations;

GUIDE FOR REGISTERED AUDITORS: JOINT AUDIT ENGAGEMENTS

- Whether documentation selected for review, which includes the work performed by the other joint auditor(s), or documentation of a cross-review of such work, reflects the work performed in relation to significant judgments made and supports the conclusions reached;
 - The quality of the cross-reviews performed by their joint auditor on significant judgments; and
 - The timing of the EQCR's review being performed and completed before the date of the joint auditors' report.
41. In instances where all joint auditors have an EQCR respectively appointed by each of their firms, the EQCRs may interact with each other for purposes of coordinating the engagement quality control review. Each EQCR may consider performing a cross-review of the other EQCR's documentation in carrying out their review. The joint auditors may agree that only one EQCR is required to be appointed jointly for the entire engagement, subject to the consideration of the policies and procedures of the firm(s).

Audit Plan and Strategy¹⁴

42. In a joint audit, the joint auditors are jointly responsible for the audit. Therefore, the audit work will need to be planned accordingly. The nature, timing and extent of the procedures to be performed and the audit evidence obtained shall be sufficient and appropriate to enable the joint auditors to express a joint auditors' opinion, in accordance with the ISAs.
43. To be able to develop a joint audit plan, the joint auditors establish and agree to one overall audit strategy. To cater for differences in methodology, the joint auditors may initially do this individually, and then agree on the overall audit strategy to inform the development of the joint audit plan.
44. The joint auditors shall obtain an understanding of the entity and its environment and assess the risks of material misstatement at the assertion and financial statement levels, taken as a whole, and determine the materiality level(s). The term materiality level(s) (agreed to by the joint auditors) is intended to encompass; materiality for the financial statements as a whole, performance materiality, and the threshold for posting audit differences.
45. The joint auditors design and implement overall responses to address the assessed risks of material misstatements at the financial statement level.¹⁵
46. The joint auditors design and perform further audit procedures which procedures' nature, timing and extent are based on and are responsive to the assessed risks of material misstatement at the assertion level.¹⁶
47. In terms of the ISAs, the nature, timing and extent of work to be performed in an audit of financial statements under a joint audit engagement are the same as those under a single auditor engagement.

¹⁴ Refer to Appendix 1 of Joint Auditors' Considerations in Audits of Group Financial Statements.

¹⁵ ISA 330, *The Auditor's Responses to Assessed Risks*, paragraph 5.

¹⁶ ISA 330, *The Auditor's Responses to Assessed Risks*, paragraph 6.

GUIDE FOR REGISTERED AUDITORS: JOINT AUDIT ENGAGEMENTS

48. The joint auditors shall ensure that sufficient appropriate audit evidence has been obtained for all identified risks of material misstatement.
49. The joint auditors may allocate the work among themselves in terms of business units, branches, subsidiaries, geographical locations, or specific items on the financial statements (i.e. assets and liabilities or income and expenses); or on any other mutually agreed basis. The joint auditors may also consider the rotation of work allocated from one financial period to another, as there are benefits to be gained from such a decision. Further, those charged with governance and regulators may request or prescribe that work be rotated among the joint auditors. The rotation of work allocated from one financial period to another does not trigger the auditing of opening balances, in terms of ISA 510, *Initial Audit Engagements – Opening Balances*.
50. In some cases, certain areas of work, owing to their importance or the nature of the work involved, would not be divided but be performed jointly by all the joint auditors.
51. The joint auditors agree in writing on the allocation of the work for the efficient conduct of the audit, and communicate this to those charged with governance.
52. Based on audit evidence obtained during the performance of audit procedures, the joint auditors shall assess jointly, throughout the joint audit engagement, whether their initial assessment of the risks of material misstatements at the financial statement level and assertion level remains appropriate. If necessary, they will modify the nature, timing or extent of planned audit procedures, and consider the appropriateness of the allocation of the amended audit procedures.

New Joint Audit Engagements

53. If the joint audit is an initial audit engagement¹⁷ for the joint auditors, the joint auditors shall perform work on the opening balances.¹⁸ Generally, the new or incoming joint auditor would perform these procedures to obtain sufficient appropriate audit evidence on the opening balances and appropriateness of accounting policies by, among others, reviewing the audit procedures performed by the other auditor(s) relating to the preceding financial year. With reference to the definition of a new joint audit engagement, the scenario of an initial audit engagement can be brought about by the rotation of a single firm off a joint audit engagement. The incoming joint auditor(s) shall document the work performed on the opening balances.

¹⁷ ISA 300, *Planning an Audit of Financial Statements*, paragraphs 13 and A22.

¹⁸ ISA 510, *Initial Audit Engagements – Opening Balances*.

Consultations on Technical, Independence/Ethical or Other Matters

54. The joint auditors are jointly responsible for the audit. Therefore, significant matters that include technical and ethical issues arising from the audit are discussed among the joint auditors, together with management and/or those charged with governance, as appropriate, taking into account the ISAs. Where appropriate, consultation with specialists within the respective firms may be initiated. The conclusions reached, as a result of the discussions and consultations, are implemented by the joint auditors, individually or jointly, and documented accordingly. Also refer to paragraphs 73-76 of this Guide.

Access to the Working Papers of a Joint Auditor

55. In order to achieve the objectives of an audit, open access to working papers is expected at a minimum in relation to those working papers that constitute the audit evidence obtained. The formal joint auditors' agreement may stipulate the specifics on how such access is managed, including access by an EQCR, where applicable, to the working papers of the other joint auditor(s). Where a formal joint auditors' agreement is concluded between the joint auditors, the joint auditors are strongly encouraged to stipulate the right of access to the working papers of a joint auditor.

Cross-Review of the Work Performed by the Other Joint Auditor and Documentation of the Cross-Review

56. The purpose of a cross-review is to ensure that the audit has been conducted in accordance with the ISAs; and that in the professional judgment of the joint auditor, sufficient appropriate audit evidence has been obtained to support the conclusions reached and for the joint auditors' report to be issued.¹⁹
57. The joint auditors, at the planning stage, agree on the timing and processes for carrying out the cross-review of the work of the other joint auditor(s) to ensure that it has been carried out according to the agreed upon audit strategy before forming the joint auditors' opinion. The cross-review is carried out in a manner that is responsive to the risk assessment.
58. The cross-review is performed in a timely manner, at appropriate intervals during the audit and on appropriate sections of the other joint auditor's/auditors' documentation. The determination of appropriate intervals and sections of the audit documentation to review is a matter of professional judgment. The objectives of cross-reviews at different intervals or sections of the documentation of the audit may differ, as described below.
- The objective of a cross-review at the planning stage of the audit, and of planning sections of the other joint auditor's/auditors' documentation, would be to ensure that the audit strategy and plan are in accordance with the ISAs and consistent with what was agreed upon by the joint auditors; and that there is no contradictory documentation that has not been properly considered. The objective is also to

¹⁹ ISA 220, paragraph 17.

GUIDE FOR REGISTERED AUDITORS: JOINT AUDIT ENGAGEMENTS

ensure that the risk assessment has been completed and that all identified risks are to be addressed.

- The objective of a cross-review at the execution stage of the audit and the execution sections of the other joint auditor's/auditors' documentation would be to ensure compliance with the ISAs and that the audit procedures have been executed according to the agreed upon audit strategy and plan; and that significant professional judgments applied during the execution and findings noted are appropriate and documented.
 - The objectives of a cross-review at the completion stage of the audit and the completion sections of the other joint auditor's/auditors' documentation include:
 - Determining that the conclusions of the other joint auditor(s) are appropriate and consistent with the audit evidence.
 - Determining whether uncorrected misstatements (as identified by all joint auditors) are appropriately collated for joint evaluation, as per paragraph 77 below.
 - Making an overall evaluation whether sufficient appropriate audit evidence, on which to base the joint auditors' opinion, has been obtained, and properly documented. This evaluation includes significant professional judgments relating to forming an opinion on the financial statements, as described in the ISAs.
 - Compliance with the ISAs.
59. Timely reviews of the following by the engagement partner at appropriate stages during the engagement allow significant matters to be resolved on a timely basis to the engagement partner's satisfaction on or before the date of the auditor's report:
- Critical areas of judgment, especially those relating to difficult or contentious matters identified during the course of the audit engagement;
 - Significant risks; and
 - Other areas the engagement partner considers important.²⁰
60. Cross-reviews are completed and documented at appropriate stages, on or before the date of the joint auditors' report. Inquiry alone, as a cross-review procedure, is not sufficient; it is supplemented by a review of working papers. Further, it is advisable that such a review be performed by an experienced auditor.
61. A review consists of consideration of whether:
- The work has been performed in accordance with professional standards and applicable legal and regulatory requirements;
 - Significant matters have been raised for further consideration;
 - Appropriate consultations have taken place, and the resulting conclusions have been documented and implemented;

²⁰ ISA 220, paragraph A18.

GUIDE FOR REGISTERED AUDITORS: JOINT AUDIT ENGAGEMENTS

- There is a need to revise the nature, timing and extent of work performed;
 - The work performed supports the conclusions reached and is appropriately documented;
 - The evidence obtained is sufficient and appropriate to support the report; and
 - The objectives of the engagement procedures have been achieved.²¹
62. In documenting the nature, timing and extent of the cross-review performed, each joint auditor records:
- The identifying characteristics of the specific items or matters tested;
 - Who performed the cross-review, and the date such work was completed; and
 - The extent of such a cross-review.
63. The cross-review documentation is sufficient to satisfy an experienced auditor, having no previous connection with the joint audit engagement, to be able to understand the nature, timing and extent of the cross-review procedures, and the conclusions reached in the cross-review. Evidence of the cross-review may include the following:
- A list of the working papers reviewed;
 - Minutes of meetings held with the other joint auditor(s); and
 - Documentation of how the reviewer concluded that the joint auditor has complied with the joint audit strategy, for example, how the procedures performed address the risks identified, considering the significance of the risk in accordance with the ISAs.
64. If a joint auditor, after carrying out the cross-review, evaluates and concludes that the procedures performed by the other joint auditor(s) are not in accordance with the audit plan as agreed between the joint auditors, the joint auditor can request that additional procedures be performed by the other joint auditor. Alternatively, if, after carrying out the audit plan as agreed between the joint auditors, a joint auditor concludes that there is insufficient and/or inappropriate audit evidence to support the conclusion reached, the joint auditor should consult with the other joint auditor(s) and agree on the approach to address the concerns noted.
65. If the other joint auditor(s) disagrees or is unable to carry out the additional procedures, the joint auditor requesting that additional procedures be performed would then perform these additional procedures to obtain the sufficient appropriate audit evidence required to conclude and form a joint auditors' opinion on the financial statements. The joint auditor may consider communicating this to those charged with governance, as appropriate, after exploring all reasonable dispute resolution mechanisms.

²¹ ISQC 1, paragraph A 35.

Communication

66. A joint auditor communicates with the other joint auditor(s) on a timely basis.²² The communication may include²³:
- The ethical requirements that are relevant to the joint audit engagement and, in particular, independence requirements;
 - The quality control system of each joint auditor in accordance with the ISAs.
 - The processes, in relation to the review of the other joint auditor's working papers (i.e. timing, extent and practicalities regarding access to audit files, obtaining copies of key documents, etc.);
 - Identified significant risks of material misstatement at the financial statement level or assertion level, due to fraud or error, that may be relevant to the work of the other joint auditor(s);
 - Information on instances of non-compliance with laws and regulations that could give rise to a material misstatement of the financial statements;
 - Indicators of possible management bias;
 - A description of any identified significant deficiencies in internal control;
 - Other significant matters that the joint auditor expects to communicate to those charged with governance, including fraud or suspected fraud and reportable irregularities, if any;
 - Any other matters that may be relevant to the audit that the other joint auditor(s) should be aware of and/or that are relevant to the work of the other joint auditor(s); and
 - The joint auditors' findings and conclusions, which may lead to a modified opinion.
67. The joint auditors apply the requirements in ISA 260 (Revised), *Communicating with Those Charged with Governance*, regarding communication with management and those charged with governance.
68. The joint auditor(s) establishes an effective communication plan with the other joint auditor(s), such that all joint auditors are aware of the issues being discussed and communicated with management and those charged with governance.
69. In joint audit engagements, written communication – such as management letters, letters to those charged with governance, reports or presentations to the audit committee relating to the audit engagement, management and/or those charged with governance – is made jointly by the joint auditors. This will facilitate consistent communication of the joint views and conclusions of the joint auditors.
70. Further, the joint auditors obtain and document the joint management representation letter from management and/or those charged with governance. Also, the joint auditors consult each other on the content of the management representation letter.

²² ISA 600, paragraph 40.

²³ ISA 600, paragraph 41.

71. Important or critical meetings, including planning meetings or meetings to discuss key risks and significant issues between the joint auditors, as well as periodic meetings with management and/or those charged with governance (including audit committee meetings), are attended by representatives from all of the joint auditors, unless otherwise arranged.

The Role of Joint Auditors in Reporting a Reportable Irregularity

72. The joint auditors shall consider their roles and responsibilities regarding reportable irregularities in terms of the Act and the Revised Guide for Registered Auditors: *Reportable irregularities in terms of the Auditing Profession Act*.²⁴

Joint Auditors' Report and the Resolution of Differences of Opinion²⁵ Between Joint Auditors

73. The joint auditors discuss and establish a process for dealing with and resolving differences of opinion among themselves. This is preferably done before the planning stage.
74. Effective procedures, including communication protocols, encourage the identification of differences of opinion at an early stage, provide a clear pathway for the successive steps to be taken thereafter and determination of documentation required for the resolution of differences of opinion between the joint auditors and the implementation of the conclusions reached.
75. In rare circumstances where the differences of opinion between the joint auditors cannot be resolved (after all reasonable steps to resolve the differences, including the use of dispute resolution mechanism, have been taken) and the matter is significant enough to affect the joint auditors' report, the joint auditors should consider withdrawal from the joint audit engagement, under the applicable law or regulation. In such an event, the joint auditors must inform management and/or those charged with governance of the conclusions reached.
76. If the differences of opinion between the joint auditors are as a result of a joint auditor concluding that the other joint auditor(s) is/are not independent and/or non-compliant with other relevant ethical requirements, the first mentioned joint auditor should inform the audit client as appropriate in terms of ISA 260 (Revised), and consider the implications on the joint audit engagement in accordance with ISA 220, paragraph 11(c), and withdraw from the joint audit engagement.

²⁴ Refer to Appendix 3 of this Guide.

²⁵ Refers to different points of views about how to conduct the joint audit engagement in general, and not only to the joint audit opinion.

Concluding in a Joint Audit Engagement

77. In order to form an opinion, the auditor shall conclude as to whether the auditor has obtained reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error. That conclusion shall take into account:
- The auditor's conclusion, in accordance with ISA 330, whether sufficient appropriate evidence has been obtained;
 - The auditor's conclusion, in accordance with ISA 450, whether uncorrected misstatements are material, individually or in aggregate; and
 - The evaluations as contained in paragraphs 12-15 of ISA 700 (Revised), as to whether the financial statements are prepared, in all material respects, in accordance with the requirements of the applicable financial reporting framework.²⁶
78. In the case of a joint audit engagement, the abovementioned process is performed jointly by the joint auditors. This is in addition to the consideration of the revision of materiality (if applicable), obtaining the management representation letter and conclusion on the joint auditors' opinion to be expressed jointly.

Documentation²⁷

79. The audit file, in the context of a joint audit engagement, consists of each joint auditor's documentation relating to their agreed allocated audit work, and the documented evidence of the cross-review. Collectively, the joint auditors' documentation forms the audit file. It is not expected that all joint auditors would retain a copy of all engagement documentation. However, the joint auditors may agree to maintain documentation in a single audit file.
80. The documentation in the audit file²⁸ shall be sufficient to enable an experienced auditor, having no previous connection with the audit, to understand:
- The nature, timing and extent of the audit procedures performed to comply with the ISAs and applicable legal and regulatory requirements;
 - The results of the audit procedures performed, and the audit evidence obtained; and
 - Significant matters arising during the audit, the conclusions reached thereon and significant professional judgments made in reaching those conclusions.²⁹
81. The joint auditors establish policies and procedures for the access and retrieval of the final audit file.

²⁶ ISA 700 (Revised), *Forming an Opinion and Reporting on Financial Statements*, paragraph 11.

²⁷ Refer to Appendix 2 for a summary of documentation considerations regarding topics covered in this Guide.

²⁸ Refers to the collective audit file held by the joint auditors.

²⁹ ISA 230, paragraph 8.

Archiving of the Audit File

82. The joint auditors establish policies and procedures for assembling the final audit file, in accordance with ISQC 1 and respective firm requirements, and this is ordinarily not more than 60 days after the date of the joint auditors' report³⁰. The assembly period may be included in a formalised joint auditors' agreement.
83. The joint auditors confirm to each other in writing that their respective portion of the final audit file has been assembled, closed and archived in accordance with ISQC 1, the ISAs and the IRBA Code. This is not expected to be a common practice, however where a joint auditor is required to retrieve an archived file for purposes of modification, the joint auditors are expected to provide notice to each other if the archived engagement file is retrieved for modification and to provide details of the executed modifications.

Considerations of MAFR on Joint Audit Engagements

84. The joint auditors shall consider the IRBA's MAFR ruling, effective from 1 April 2023, and plan accordingly in consultation with the audit client. This shall include planning for the possible knowledge sharing in preparation for MAFR implementation as well as the possible interaction of the rotating auditor with the incoming auditor.

³⁰ ISA 230, paragraphs 14 and A21.

Joint Auditors' Considerations in Audits of Group Financial Statements

1. In some cases, the joint audit engagement may be a group audit, as defined in ISA 600. In such cases, the joint auditors shall apply ISA 600. This appendix sets out matters that the joint auditors may consider, and these are a high-level summary and not meant to be an exhaustive list.
 - The joint auditors may jointly perform the risk assessment and planning for the group audit. As part of this process, the group engagement team³¹ will identify and assess risks of material misstatement with respect to the group financial statements, group scoping, component materiality and involvement in the component audits, in accordance with ISA 600.
 - The joint auditors may determine which joint auditor will audit each component. This may be done as follows:
 - A component is allocated to one of the joint auditors; and/or
 - A component is determined to be jointly audited, as a result of the component's significance to the group, resourcing or knowledge sharing warrants all joint auditors' involvement in that component.
2. Special consideration may be given to the allocation of central functions of the group, as the work performed at these functions is likely to be relied on by all joint auditors at a group level, as well as by component auditors. The audit work at these functions may be allocated according to either option outlined above. The group engagement team may consider the most effective allocation, cross-review and reporting formats to ensure that all auditors placing reliance on the audit work performed at the central function will have sufficient appropriate audit evidence related to that function to support their audit opinions (whether these are for group reporting or statutory audit purposes).
3. Joint auditors may consider agreeing to the scope and timing of involvement in the component auditor's work. This may include determination of which joint auditor takes responsibility for involvement in each component and the extent of involvement deemed necessary in the professional judgment of the joint auditor; and this may form part of the joint auditors' agreement.
 - Group instructions may need to detail the more complex reporting requirements for components, including the need to keep all joint auditors in component auditor communications, how the group engagement team plans to be involved at the component level, group reporting templates, and instructions regarding cross-reviews at components that are jointly audited.
 - The group engagement team concludes on the group audit as a whole; consequently, each joint auditor's working papers will include evidence supporting

³¹ Refer to paragraph 2 of this Guide.

GUIDE FOR REGISTERED AUDITORS: JOINT AUDIT ENGAGEMENTS

this conclusion, including the following:

- Group risk assessment, as detailed above;
- Involvement in the component audits or cross-review of the joint auditors' documentation, if such involvement is applicable; and
- A cross-review of audit work performed at central functions, if applicable.

Summary of Documentation Considerations Regarding Topics Covered in this Guide

1. The joint auditors, for the purpose of documenting the work in the audit file, may consider the following with respect to the joint audit engagement, and this is not an exhaustive list:
 - Documentation of the confirmation from the other joint auditor in relation to compliance with independence and other relevant ethical requirements for the purpose of the joint audit engagement;
 - Documentation of the audit planning and materiality (including performance materiality) and risk assessment (including fraud risk assessment) done jointly by the joint auditors;
 - Documentation of the discussions and consultations between the joint auditors and the conclusions arising from those discussions and consultations, including those related to any additional audit procedures that have been performed;
 - Documentation relating to the agreed-upon allocation of work and performance thereof by the other joint auditor(s) and the cross-review by the joint auditor;
 - Documentation of the assessment of the significant risk areas or components of the financial statements, and the scope and extent of the review performed on the work of the other joint auditor(s);
 - Documentation of the meetings and/or discussions with management and/or those charged with governance on significant risk areas and components;
 - Documentation of cross-review procedures on the work performed by the other joint auditor(s);
 - Documentation of the overall evaluation of uncorrected misstatements by the joint auditors;
 - Documentation of the involvement of the engagement quality control reviewer, where applicable;
 - Documentation of the resolution of disagreements on significant audit areas or judgmental areas between the joint auditors; and
 - Documentation of evidence of communication between the joint auditors.

Extracts from IRBA Pronouncements that are of Relevance to Joint Audit Engagements

Revised Guide for Registered Auditors: Access to Audit Working Papers

1. Where the joint auditor has contracted to give access to working papers, access is granted in terms of the contract between the joint auditors (firms). The contract should allow each joint auditor sufficient access to the working papers to ensure that they are able to comply with the responsibilities and requirements in terms of auditing pronouncements, as prescribed or issued by the IRBA and which include the Standards of the IAASB and the Code.³²

Revised Guide for Registered Auditors: Reportable Irregularities in terms of the Auditing Profession Act³³

2. If more than one auditor is responsible and accountable for an audit engagement (such as in a joint audit engagement), the duty to consider whether an unlawful act or omission is a reportable irregularity lies with each individual auditor. Depending on whether both auditors, or only one of them, are satisfied or have reason to believe that a reportable irregularity exists, auditors have certain responsibilities.
3. If both individual auditors are satisfied or have reason to believe that the unlawful act or omission meets the definition of a reportable irregularity:
 - The auditor/s responsible and accountable for the audit may send a combined report to the IRBA in terms of Section 45; or
 - Each individual auditor responsible and accountable for the audit may send a separate report to the IRBA, and still comply with the requirements of Section 45.
4. If only one auditor is satisfied or has reason to believe that the unlawful act or omission meets the definition of a reportable irregularity, such auditor must send a report to the IRBA in terms of Section 45 to comply with the requirements of the section. A copy of the report should also be sent to the other joint auditor.

Rule on Mandatory Audit Firm Rotation

5. If, at the effective date, the public interest entity has appointed joint auditors and both have had audit tenure of 10 years or more, then only one audit firm is required to rotate at the effective date, and the remaining audit firm will be granted an additional two years before rotation is required.³⁴

³² Revised Guide for Registered Auditors: *Access to Working Papers*, paragraph 29.

³³ Revised Guide for Registered Auditors: *Reportable Irregularities in terms of the Auditing Profession Act*, paragraph 6.2.1.

³⁴ Rule on Mandatory Audit Firm Rotation, transitional provisions, paragraph 1.

Inspecting Joint Audit Engagements

An IRBA inspection of a joint audit engagement may include the following aspects (which are not necessarily exhaustive):

1. The joint audit engagement inspection is conducted on all joint auditors and their engagement file(s) as a whole, and is viewed as one audit engagement. One preliminary inspections report and a copy of the list of the complete inspection findings are normally issued to all joint auditors/ firms and the respective responsible engagement partners. This may differ, depending on circumstances.
2. The inspection findings from a joint audit engagement inspection reflect on all engagement partners involved in the joint audit engagement.
3. The inspection of a joint audit engagement file(s) is based on all of the requirements of the International Standards on Auditing (ISAs) and the principles set out in this Guide.
4. Joint auditors are expected to provide a consolidated response (“joint response”) to inspection findings. Inconsistencies in responses (or any difficulty experienced in the relationship between the joint auditors) may result in a firm-level finding being reported.

Understanding the difference between joint and shared³⁵ audit engagements

| | Joint Audit Engagement | Shared Audit Engagement |
|--|---|---|
| Definition | A joint audit engagement is an audit where two or more separate firms are engaged to jointly audit the financial statements of an entity, take joint and collective responsibility for the audit and form a joint auditors' opinion. | A shared or sub-contracted audit is an audit engagement where a portion of the audit work is outsourced or sub-contracted by the engagement auditor ³⁶ to another firm(s). The engagement auditor takes overall control, responsibility and accountability for the audit engagement, regardless of the outsourcing or sub-contracting of a portion of the audit work to another firm(s). |
| Roles and Responsibilities | <p>A joint auditor has a joint responsibility with the other joint auditor(s) for the audit and the joint auditors' opinion on the financial statements.</p> <p>The joint auditors shall ensure that the joint audit engagement has been conducted in accordance with the applicable ISAs and relevant laws, and that sufficient appropriate audit evidence has been obtained collectively by all the joint auditors in order to express a joint auditors' opinion.</p> | <p>The engagement auditor is solely responsible for reaching a conclusion and forming an audit opinion on the financial statements.</p> <p>The engagement auditor shall ensure that the audit engagement has been conducted in accordance with the applicable ISAs and relevant laws, and that sufficient appropriate audit evidence has been obtained in order to express an audit opinion.</p> |
| Acceptance and Continuance of Audit Client Relationships and Engagements | The joint auditors apply the ISAs, the IRBA Code and other relevant legal and ethical requirements in determining the acceptance and continuance of audit client relationships and audit engagements. | <p>The shared auditor³⁷ would not apply ISA 210 because they are not engaging with the audit entity and therefore do not need to agree to the terms of engagement with management and those charged with governance.</p> <p>The shared auditor would, however apply the IRBA Code and other relevant legal and ethical requirements in determining the acceptance of the engagement with the engagement auditor.</p> |

³⁵ Also referred to as a sub-contracted audit.

³⁶ Also referred to as the statutory auditor.

³⁷ Also known as the sub-contracted auditor.

GUIDE FOR REGISTERED AUDITORS: JOINT AUDIT ENGAGEMENTS

| | | |
|---|--|---|
| | <p>There will be an agreement on the audit engagement terms recorded in an audit engagement letter between the joint auditors and the audit client.</p> <p>Each individual auditor must comply with ISQC 1 in ensuring that the firm is competent to perform the engagement and has the capabilities, including time and resources to do so (ISQC 1.26(a)).</p> | <p>There will be an agreement entered into between the statutory auditor and the shared auditor outlining the terms of the outsourced or sub-contracted audit work.</p> <p>Although the shared auditor must have the competencies and capabilities, including time and resources to perform the outsourced work (ISQC 1.26(a)), the engagement auditor may be involved in transferring skills to the shared auditor by for example, involving the shared auditor in more complex or higher risk areas.</p> |
| Audit plan and strategy | In a joint audit, the joint auditors are jointly responsible for the audit. Therefore, the audit work will need to be planned accordingly. The nature, timing and extent of the procedures to be performed and the audit evidence obtained shall be sufficient and appropriate to enable the joint auditors to express a joint auditors' opinion, in accordance with the ISAs. | The shared auditor is only responsible for executing the audit work as agreed with the engagement auditor. The engagement auditor is solely responsible for ensuring that the nature, timing and extent of the procedures to be performed and the audit evidence obtained is sufficient and appropriate to support the audit opinion expressed, in accordance with the ISAs. |
| The Role of Joint Auditors in Reporting a Reportable Irregularity | The joint auditors shall consider their roles and responsibilities regarding reportable irregularities in terms of the Act and the Revised Guide for Registered Auditors: Reportable irregularities in terms of the Auditing Profession Act. | Since the shared auditor is not the statutory appointed auditor, there is no responsibility on the shared auditor regarding reportable irregularities in terms of the Act, other than to bring this to the attention of the statutory auditor in accordance with their agreement. The shared auditor is, however required to consider the reporting obligations that may arise out of Section 360 of the IRBA Code of Professional Conduct for Registered Auditors (Revised November 2018) (the IRBA Code) relating to non-compliance with laws and regulations (NOCLAR). |
| Concluding in a Joint Audit Engagement | In a joint audit engagement, the joint auditor's issue a joint auditors' opinion on the financial statements. | The engagement auditor (statutory auditor) issues an audit opinion on the financial statements. |

GUIDE FOR REGISTERED AUDITORS: JOINT AUDIT ENGAGEMENTS

| | | |
|--|---|--|
| | In order to form an opinion, the joint auditors shall collectively conclude as to whether the joint auditors have obtained reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error. | In order to form an opinion, the engagement auditor shall conclude as to whether the auditor has obtained reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error. |
|--|---|--|

One of the consequences of understanding the differences between a joint audit engagement and a shared audit engagement is that the allocation of time and resources between the parties to a joint audit engagement is likely to be more balanced and equitable, than in a shared audit engagement, where the portion of work outsourced or sub-contracted need not meet any threshold, and could be minimal.