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The Director: Standards
The Independent Regulatory Board for Auditors
P O Box 8237
Greenstone 1616
South Africa

Dear Sir/Madam

**COMMENTARY ON PROPOSED GUIDE DEALING WITH REPORTING ON FINANCIAL INFORMATION
CONTAINED IN INTERIM, PRELIMINARY, PROVISIONAL AND ABRIDGED REPORTS**

This comment paper addresses the questions posed in the Invitation to Comment, Reporting on Financial Information Contained in Interim, Preliminary, Provisional and Abridged Reports (the proposed guide), issued by the Independent Regulatory Board for Auditors (IRBA).

Overall Comment

We welcome this proposed guide which provides useful guidance on the JSE Listings Requirements and the form and content of the illustrative auditor's reports.

Commentary on Specific Questions

Question 1:

Respondents are requested to indicate whether or not they agree that the reference to IAS 34 in 8.57(a) of the JSE Listing Requirements for the preparation of interim reports comprises an acceptable financial reporting framework for purposes of paragraph 6(a) of ISA 210 *Agreeing the Terms of Audit Engagements* when accepting an engagement to audit or review the interim report of an issuer.

If "Not" please provide suggestions.

Response:

We agree that the reference to IAS 34 comprises an acceptable financial reporting framework when accepting an engagement to audit or review the interim report of an issuer.

Question 2:

Respondents are requested to indicate which of the following descriptions they regard as the most appropriate description of the *financial reporting framework* as required by paragraph 8.57(a) of the JSE Listing Requirements in an auditor's review report on an interim report:

- a) *"International Financial Reporting Standard, IAS 34 Interim Financial Reporting;*
- b) *" International Accounting Standard (IAS) 34 Interim Financial Reporting;"* or
- c) *"International Financial Reporting Standards, which include International Accounting Standard (IAS) 34 Interim Financial Reporting."*

Response:

The description under a) is the most appropriate description of the financial framework. Option b) may also be acceptable but option c) is definitely not acceptable as it implies the full spectrum of IFRS being applicable. IAS 34 addresses disclosure but not measurement and recognition other than in respect of limited matters.

Question 3:

Do respondents believe there are any additional matters that should be addressed in the proposed Guide?

If "Yes", please provide suggestions.

Response:

Yes we do believe there is one additional matter that should be addressed in the proposed guide. We believe that consideration should be given to include illustrative auditors' reports with modified (as opposed to unmodified) auditors' conclusions.

Question 4:

An increased number of illustrative auditors' reports are included in Appendix 1 of this proposed Guide by comparison to those provided in the previous SAICA Guide that has been withdrawn.

- a) Do respondents believe the additional illustrative auditors' reports are useful?
If "Not" please indicate which illustrative reports you believe are unnecessary or could be omitted from the proposed Guide.
- b) Are there additional illustrative reports that respondents believe should be provided?
If "Yes" please provide suggestions and examples.

Response:

Question a) Yes the illustrative auditors' reports are useful.

Question b) Yes, as mentioned above we believe that consideration should be given to include illustrative auditors' reports where the auditors' conclusion is modified as the illustrative reports only address unmodified conclusions.

Question 5:

Do respondents find the summary of the relevant Listings Requirements in Appendix 4 that pertain to issuers' interim, preliminary, provisional and abridged reports and the related auditors' reporting responsibilities useful?

If you answered "No", please explain why and, either suggest an alternative, or indicate whether you believe Appendix 4 should be excluded.

Response:

Yes we do find it useful.

Question 6:

Respondents are requested to comment on whether or not the proposed effective date for implementation of the Guide to be applied to auditor's reports issued on or after 30 June 2013 will be sufficient to support effective implementation of the guidance.

If not, what implementation date do respondents believe will be appropriate?

Response:

We are in favour of the earliest effective date as possible. The guide should be issued to audit teams preparing to start their interim reviews for the six months ended 30 June 2013.

Should you wish to discuss the above, please do not hesitate to contact the writer.

Yours faithfully

A handwritten signature in black ink, appearing to read 'M. Bourne', written over a horizontal line.

Michael F. J. Bourne
Professional Practice Director
South Africa