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Mr. I Vanker
The Director – Standards
Independent Regulatory Board for Auditors
Building 2
Greenstone Hill Office Park
Emerald Boulevard
Modderfontein

standards@irba.co.za

Dear Imran

**Comments on the Proposed Guide for Registered Auditors:
Assurance Engagements on Fresh Produce Agents' Trust Accounts**

We appreciate the opportunity to comment on the proposed Guide Assurance Engagements on Fresh Produce Agents' Trust Accounts.

Below are our responses to the specific comments requested and as well as our general comments:

Specific comments:

- 1. Are there any aspects of this proposed Guide with which respondents disagree? Please provide details and suggestions for correction and/or improvements.**
There are no aspects of the proposed Guide that we disagree with.
- 2. Are there aspects of this proposed Revised Guide that are unclear and require further guidance? If so, please list those aspects and the guidance required.**
There are no aspects of the Guide that are deemed to be unclear or require further guidance.
- 3. Are there further aspects that should be included in this proposed Guide? If so, please list those aspects and the guidance required.**
No further aspects that we believe should be included in this Guide.

KPMG Inc. is a company incorporated under the South African Companies Act and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

KPMG Inc. is a Registered Auditor, in public practice, in terms of the Auditing Profession Act, 26 of 2005.

Registration number 1999/021543/21

Executive Chairman: Prof Wiseman Nkuhlu

Directors: Full list on website

The company's principal place of business is at KPMG Crescent,

85 Empire Road, Parktown, where a list of the directors' names is available for inspection.

General comments:

Listed below are other comments and suggestions that came out of our review of the proposed Guide. These are as follows:

- 1) “*Our independence and quality control*” section on page 28 included in Appendix 1: Illustrative Engagement Letter states:

“We are required to comply with the independence and other ethical requirements of the Independent Regulatory Board for Auditors’ *Code of Professional Conduct for Registered (Revised November 2018)* (IRBA Code).”

The above should read as “We are required to comply with the independence and other ethical requirements of the Independent Regulatory Board for Auditors’ Code of Professional Conduct for Registered Auditors (Revised November 2018) (IRBA Code).”

- 2) The structure of the paragraph noted in point 1 above, which is also included in Appendix 4: Illustrative Annual Auditor’s Report (unmodified opinion) and Appendix 5: Illustrative Annual Auditor’s Report (Qualified Opinion), is not consistent with the proposed revised Guide on Assurance Engagements on Financial Service Providers’ Separate Accounts (Section 19(3)) and Reporting Requirements (Section 19(4)) of the Financial Advisory and Intermediary Services Act (“FAIS Guide”) that was also out for comment.

We suggest you consider the aligning the disclosure to promote consistency in the IRBA guides.

For information the paragraph per the proposed FAIS Guide, page 36, reads as the follows:

“We have complied with the independence and other ethical requirements of the *Code of Professional Conduct for Registered Auditors* issued by the Independent Regulatory Board for Auditors’ (IRBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. The IRBA Code is consistent with the International Ethics Standards Board for Accountants’ *International Code of Ethics for Professional Accountants (including International Independence Standards)* (Parts 1, 3, 4A and 4B).”

- 3) Footnote 6 “Agricultural Produce Agents Act, No. 12 of 1992, Definitions section” currently situated on page 13 of the Guide should be situated on page 12 of the Guide.
- 4) On page 27 in Appendix 1: Illustrative Engagement Letter, under the *<Agent’s/Partners/Director’s/ Directors> responsibility for the trust accounts* section, the first bullet point reads as follows:

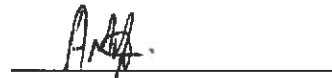
“Access to all information that the <agent/partners/directors> is/are aware and that is relevant to our engagement...”

This should read as: Access to all information that the <agent/partners/directors> is/are aware of and that is relevant to our engagement...”

We would like to take the opportunity to thank the IRBA for the proposed Guide.

Please contact Andre Appel at +27 82 040 0307 if you wish to discuss any of the matters raised in this letter.

Yours sincerely,



Andre Appel

Department of Professional Practice – Audit & Assurance