

2 November 2015

Imran Vanker  
Director: Standards  
Independent Regulatory Board for Auditors

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

Dear Sir

**COMMENTS PROPOSED GUIDE: REPORTING RESPONSIBILITIES OF REPORTING ACCOUNTANT - RELATING TO PROPERTY ENTITIES IN TERMS OF THE JSE LISTING REQUIREMENTS**

With reference to your exposure of this proposed guide, we wish to raise the following comments:

1. We suggest that additional guidance be provided for the JSE accredited reporting accountant to avoid the confusion which can arise in circumstances where the assets and liabilities have been extracted from audited underlying results of the subject matter in compliance with 13.16 (a) of the LR, at carrying values which may not represent the transaction fair value. The subsequent adjustment of these assets and liabilities to fair values is often reflected in a separate adjustment column in the pro forma statement of Financial Position. It is therefore often not possible to identify a single adjustment column in which the adjusted values at acquisition can be identified for the purposes of reference in a review report in terms of 13.16(e).
2. We agree with the view of CFAS that ISRE 2400 (Revised) or ISRE 2410 are appropriate assurance reports, but note that users can seldom understand the different circumstances in which the reports are used, as the reports themselves do not explain the reason for complying with either ISRE 2400 or ISRE 2410. Additional guidance on this could be beneficial.
3. We are of the opinion that sufficient and appropriate guidance is given on assurance engagement risks provided in Appendix A pertaining to the entity's forecast information, but suggest that guidance on engagement risks for pro forma financial information also be included, as guidance provided by ISRE 2400 may be incomplete.
4. We are of the opinion that insufficient guidance is provided for compiling the Report on other legal and regulatory requirements contained in the reporting accountants report on property forecast information, as illustrated in Appendix 2, and which is intended to provide the report requested by 13.15(b). Reference is made to reporting **any** exceptions, and no guidance is provided with regard to the consideration of materiality in what constitutes an exception. We suggest that the wording in the illustrative report on regulatory requirements in Appendix 2 "We have nothing to report in this regard" be replaced with a limited or reasonable assurance conclusion on the assessments required by 13.15 (b).

We thank you for the opportunity of making comments on this proposed guidance

Yours faithfully



**Ewald van Heerden**  
**Partner & Head of the Risk Management Department**  
**MAZARS**

REGISTERED AUDITOR – A FIRM OF CHARTERED ACCOUNTANTS(SA), IRBA REGISTRATION NUMBER 900222

MAZARS HOUSE RIALTO ROAD GRAND MOORINGS PRECINCT CENTURY CITY 7441 • PO BOX 134 CENTURY CITY 7446 • DOCEX 9 CENTURY CITY  
TEL: +27 21 818 5000 • FAX: +27 21 818 5001 • [cpt@mazars.co.za](mailto:cpt@mazars.co.za) • [www.mazars.co.za](http://www.mazars.co.za)

PARTNERS: H SAVEN (NATIONAL CHAIRMAN), MC OLCKERS (MANAGING PARTNER), LD AURET, AK BATT, H CASPER, DPC COLYN, J CRONJE, AS DE JAGER, DS DOLLMAN, M EDELBERG, Y FERREIRA, K HOOSAIN, MY ISMAIL, FN MILLER, P MINNAAR, S NAIDOO, MG ODENDAAL, D RESNICK, KA ROBISON, BG SACKS, MA SALEE, N SILBOWITZ, DL SMITH, SM SOLOMON, HH SWANEPOEL, MJA TEUCHERT, EC VAN HEERDEN, JC VAN TUBBERGH, J WESSELS, K ZAACKS

A FULL LIST OF NATIONAL PARTNERS IS AVAILABLE ON REQUEST OR AT [WWW.MAZARS.CO.ZA](http://www.mazars.co.za)