

Exposure Draft

July 2013

Comments due by 15 October 2013



South African Standard on Assurance Engagements (SASAE) 3501

**ASSURANCE ENGAGEMENTS ON eXtensible BUSINESS
REPORTING LANGUAGE (XBRL)**

REQUEST FOR COMMENT

REQUEST FOR COMMENT

The Committee for Auditing Standards (CFAS) of the Independent Regulatory Board for Auditors (IRBA) approved this exposure draft, proposed South African Standard on Assurance Engagement (SASAE) 3501 *Assurance Engagements on eXtensible Business Reporting Language (XBRL)* now issued in July 2013. This proposed SASAE may be modified in light of comments received before being issued in final form.

The mission of the IRBA is to endeavour to protect the financial interests of the South African public and international investors in South Africa through the effective and appropriate regulation of audits conducted by registered auditors, in accordance with internationally recognized standards and processes.

In line with the IRBA's legislative mandate, the IRBA objectives are to create the framework and principles to contribute to the protection of the public who rely on the services of registered auditors and to support registered auditors who carry out their duties competently, fearlessly and in good faith. The goal is to help create an ethical, value-driven financial sector that encourages investment, confidence and promotes sound practices by *developing and maintaining auditing standards which are internationally comparable*. The statutory responsibility of the CFAS is to assist the IRBA to:

- develop, maintain, adopt, issue or prescribe auditing pronouncements;
- consider relevant international changes by monitoring developments by other auditing standard-setting bodies and sharing information where requested; and
- promote and ensure the relevance of auditing pronouncements.

This proposed SASAE may be downloaded free-of-charge in PDF Format from the IRBA website: www.irba.co.za.

Respondents are asked to submit their comments electronically to the Director: Standards - Sandy van Esch (svanesch@irba.co.za). All comments will be considered a matter of public record and will ultimately be posted on the IRBA website (www.irba.co.za). Comments may also be faxed for the attention of the Director: Standards at +27 086 575 6535 or mailed to:

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Comments should be submitted by **15 October 2013**.

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REQUEST FOR COMMENT

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EXPLANATORY MEMORANDUM

Introduction

This memorandum provides background to the proposed South African Standard on Assurance Engagements (SASAE) 3501, *Assurance Engagements on eXtensible Business Reporting Language (XBRL)* (proposed “SASAE”), and deals with significant matters and request for specific comments. The Committee for Auditing Standards (CFAS) approved this proposed SASAE 3501 for exposure in July 2013.

This proposed SASAE provides requirements and application guidance for auditors accepting and performing a subject matter-specific limited assurance engagement relating to the XBRL tagging process and / or instance documents.

Background

The use of XBRL is relatively new to the South African business environment and is evolving. It is expected that regulators and other interested parties are likely to be the main users of information in the XBRL format. The main users of the related assurance report are likely to be the directors of an entity who have engaged the entity’s auditor to provide an assurance report, and the relevant regulator, who may specify the taxonomy to be applied to the underlying information and results in the tagged data in the instance document to meet their regulatory requirements.

This proposed SASAE has been developed by a CFAS Task Group at the request of the JSE Limited, the Johannesburg Stock Exchange (the “JSE”), to provide guidance for auditors requested to provide assurance for issuers, listed on the JSE, on *XBRL instance documents* filed with the JSE’s “XBRL Voluntary Filing Pilot Programme”.

Whilst this SASAE may be applied in circumstances other than the JSE XBRL Voluntary Filing Programme, where reasonable assurance might also be sought, this SASAE deals only with limited assurance engagements on XBRL tagging of information (the tagging process) and / or instance documents. This proposed SASAE requires a practitioner¹ to select procedures appropriate to the circumstances of the engagement based on the practitioner’s assessment of risks of material misstatement. In order to obtain a meaningful level of assurance, an explicit risk assessment is necessary. Mandating certain types of procedures (such as inquiry and analytical procedures) as the primary means of obtaining evidence is not considered appropriate.

¹ ISAE 3000, paragraph 1, provides guidance to professional accountants in public practice (referred to as “practitioners”). This proposed SASAE 3501 applies to registered auditors in public practice and the auditor’s internal or external expert in XBRL technology and taxonomies when performing such assurance engagements. The terms “practitioner” and “auditor” may be used interchangeably in this proposed SASAE 3501.

Relationship with other pronouncements

The IRBA currently prescribes the entire suite of the IAASB's *International Quality Control, Auditing, Review, Other Assurance and Related Services Pronouncements* as those to be applied by all registered auditors in public practice ("auditors") in South Africa when providing such services to their clients. The *International Framework for Assurance Engagements* (the Framework) identifies those engagements to which the principles based, ISAE 3000, *Assurance Engagements other than Audits or Reviews of Historical Financial Information* apply and provides a framework for the development of subject matter-specific assurance engagements, such as this proposed SASAE.

Where a subject matter-specific SASAE is relevant to a particular engagement it applies in addition to the requirements in ISAE 3000. Consequently, once the proposed SASAE is issued and effective, it will apply in South Africa in addition to ISAE 3000 that is prescribed for use by auditors and will have the same authority as other subject matter-specific ISAEs issued by the IAASB.

This proposed SASAE applies to XBRL assurance engagements performed by practitioners. The proposed SASAE is based on the principles in ISAE 3000 and applies in addition to ISAE 3000. The proposed SASAE should be read in conjunction with the *Preface to the International Standards on Quality Control, Auditing, Review, Other Assurance and Related Services*.

If reasonable assurance is sought, this proposed SASAE is not appropriate and a practitioner is advised to apply additional procedures required in a reasonable assurance engagement in terms of ISAE 3000. The main difference between the provision of limited and reasonable assurance is that in a limited assurance engagement, the work performed is of a lesser depth and breadth than that required for a reasonable assurance engagement.

It is, however, important to note:

The skills, knowledge and experience of XBRL required for a limited assurance engagement are the same as those required for a reasonable assurance engagement.

- The preconditions for the engagement are the same for both limited assurance engagements and reasonable assurance engagements.
- The suitability of the applicable criteria is not affected by the level of assurance, that is, if criteria are not suitable for a reasonable assurance engagement, they are not suitable for a limited assurance engagement and vice versa.
- The decisions regarding materiality are not affected by the level of assurance, that is, materiality for a reasonable assurance engagement is the same as for a limited assurance engagement.

Summary of procedures in a practitioner's report

For limited assurance engagements on XBRL, the practitioner's report is required to include a summary of the practitioner's procedures². The report must also include a statement that the extent of procedures is substantially less than a reasonable assurance engagement and consequently does not enable the practitioner to obtain the assurance necessary to become aware of all significant matters that might be identified in a reasonable assurance engagement³.

In a limited assurance engagement, however, the level of assurance that the practitioner obtains can vary significantly depending on the procedures performed in the individual circumstances of the engagement. It is important therefore that the summary be written in an objective way that allows intended users to understand the work done as the basis for the practitioner's conclusion. While it is difficult to describe the appropriate level of summation in a general way, in most cases it will not involve detailing the entire work plan. Nevertheless, it is important for it not to be so summarised as to be ambiguous, nor written in a way that is overstated or embellished.

Significant Matters

1. This proposed SASAE applies the principles contained in ISAE 3000 in a limited assurance engagement to report on XBRL-tagged data for regulators, investors or other financial report users in respect of:
 - a) The consistency and completeness of the XBRL tagging process; or
 - b) The consistency and completeness of the XBRL tagging process and instance document.
2. Technical knowledge of the XBRL language and of the specific requirements for submitting XBRL-tagged data is needed to properly create XBRL instance documents and related files. The process for tagging source documents and other business reports in XBRL is complex and requires technical expertise on the part of management of the entity and the practitioner.
3. Consequently a practitioner and their internal or external technical expert require competence in XBRL and a working knowledge of the relevant taxonomies used, the tagging of information and instance documents, prior to accepting the limited assurance engagement.
4. It is important to note that this proposed SASAE does not deal with or provide specific guidance on:
 - c) Advising on the implementation of XBRL;
 - d) Assisting with or performing the XBRL tagging process;
 - e) Providing advice on the selection of individual tags;
 - f) Training management in XBRL tagging;
 - g) Supplying software that automates the tagging; or

² Par 49(i) of ISAE 3000 – implications for the practitioner's report

³ Refer illustrative assurance report in Appendix 1.

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- h) Assisting those charged with governance in an oversight role.
5. If an auditor provides technical advisory services on XBRL, the auditor evaluates his or her independence, in accordance with the IRBA Code of Professional Conduct for Registered Auditors, prior to accepting an XBRL assurance engagement as independence may be impaired if the auditor has also prepared XBRL related documents or made decisions about the instance documents for management of that entity.

Project Timetable

Subject to comments received on exposure of this proposed SASAE, the CFAS intends to finalise the standard late in 2013 or early 2014.

Effective date

Recognising that proposed SASAE 3501 is a new standard, and given the need for the likely immediate use of the standard as there is no equivalent standard, the CFAS believes that an appropriate effective date for the standard would be for assurance reports covering periods ending 12–15 months after approval of the final standard but with earlier application permitted. The CFAS welcomes comment on whether this would provide a sufficient period to support effective implementation of the SASAE.

Guide for respondents

The CFAS welcomes comments on all matters addressed in the exposure draft. Comments are most helpful when they refer to specific paragraphs, include the reasons for the comments, and, where appropriate, make specific suggestions for any proposed changes to wording. When a respondent agrees with proposals in this exposure draft (especially those calling for change in current practice), it will be helpful for the CFAS to be made aware of this view.

Request for specific comments

Comments on any aspects of the proposed SASAE are welcome. Respondents are requested in particular to comment on the following:

1. Do respondents believe the proposed SASAE achieves an appropriate balance between facilitating the consistency and quality of XBRL assurance engagements, given the nature of the subject matter, and the potential costs of such engagements, as a result of the work effort required by the standard?
2. Do respondents agree with the general approach taken in the proposed SASAE to limited assurance engagements to report on the completeness and consistency, of the XBRL tagging process and instance document, as outlined above? In particular:
 - a. Do respondents agree that for such engagements a risk assessment is necessary in order to obtain a meaningful level of assurance; and
 - b. In responding to the assessed risks, do respondents agree that the standard should direct the practitioner to design and perform further procedures whose

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nature, timing and extent are responsive to the assessed risks having regard to the level of assurance?

An alternative may be to specify only certain types of procedures (such as inquiry and analytical procedures) as the primary means of obtaining evidence.

3. Do respondents believe that the guidance in this proposed SASAE is sufficient to support practitioners in exercising professional judgement and professional scepticism in such engagements?
4. Do respondents believe further guidance or application material should be provided? Yes / No.

If your response is yes, please provide details of what further guidance or application material you believe is needed.

5. Do respondents agree with the form and content of the illustrative assurance report included in Appendix 1 to this proposed SASAE?
6. Do respondents agree with the requirements and guidance in the proposed SASAE for a limited assurance engagement regarding the summary of procedures in the auditor's report?

In particular, will the proposed SASAE lead to reporting procedures with an appropriate amount of detail to effectively convey to users the level of assurance obtained by the auditor?

7. Do respondents believe that there should be a restriction on use and distribution of the assurance report?

**PROPOSED SOUTH AFRICAN STANDARD ON ASSURANCE ENGAGEMENTS
(SASAE) 3501**

**ASSURANCE ENGAGEMENTS ON eXtensible BUSINESS REPORTING
LANGUAGE (XBRL)**

(Effective for assurance reports covering periods ending on or after <date>).

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Proposed South African Standard on Assurance Engagements (SASAE) 3501, *Assurance Engagements on eXtensible Business Reporting Language (XBRL)* should be read in conjunction with the *Preface to the International Standards on Quality Control, Auditing, Review, Other Assurance and Related Services* and the *Preface to the South African Standards on Quality Control, Auditing, Review, Other Assurance and Related Services*.

Introduction

1. eXtensible Business Reporting Language (“XBRL”) is changing the basis of business reporting around the world and there is increasing momentum for its adoption. XBRL is an electronic language used for the communication of business and financial data. The original concept that continues to form the backbone of XBRL is the creation of a global standard that permits each piece of data contained within corporate financial reports, such as the primary financial statements or the notes and schedules to the financials, to be “tagged” with what is perhaps best described as a “bar code”. It is similar to taking the financial statements and allocating each number and narrative a unique identifier and descriptor, that maps perfectly to International Financial Reporting Standards (IFRS).
2. This proposed South African Standard on Assurance Engagements (SASAE) 3501 *Assurance Engagements on eXtensible Business Reporting Language (XBRL)* (proposed SASAE) sets out requirements for practitioners providing limited assurance relating to XBRL tagging of information and / or instance documents.

Scope of this SASAE

3. The performance of assurance engagements in accordance with the IAASB’s Engagement Standards, other than audits or reviews of historical financial information, requires a practitioner to comply with ISAE 3000. ISAE 3000 includes requirements in relation to such topics as engagement acceptance, planning, evidence and documentation that apply to all assurance engagements. (Ref: Para. A1)
4. This proposed SASAE applies the principles contained in ISAE 3000 in an assurance engagement to report on XBRL-tagged data for regulators, investors or other financial report users in respect of:
 - a) The consistency and completeness of the XBRL tagging process; or
 - b) The consistency and completeness of the XBRL tagging process and instance document. (Ref: Para. A1)
5. Technical knowledge of the XBRL language and of the specific requirements for submitting XBRL-tagged data is needed to properly create XBRL instance documents and related files. The process for tagging source documents and other business reports in XBRL is complex and requires technical expertise on the part of management and the practitioner.
6. The practitioner may not represent compliance with this proposed SASAE unless the practitioner has complied with the requirements of this proposed SASAE and ISAE 3000.
7. The XBRL tagging is a machine-readable rendering of data within a source document (for example, financial statements or financial report), and hence this assurance engagement does not constitute an audit of historical financial information as defined in International Standards on Auditing (ISA’s).

8. This proposed SASAE does not deal with, or provide specific guidance for:
 - Advising on the implementation of XBRL;
 - Assisting with or performing the XBRL tagging process;
 - Providing advice on the selection of individual tags;
 - Training management in XBRL tagging;
 - Supplying software that automates the tagging; or
 - Assisting those charged with governance in an oversight role.
9. If the practitioner provides technical advisory services on XBRL, the practitioner shall evaluate whether the practitioner's independence may be impaired when XBRL related documents are prepared or decisions are made about the documents for management.
10. The International Framework for Assurance Engagements (the Framework), which defines and describes the elements and objectives of an assurance engagement, provides context for understanding this guidance and ISAE 3000. Compliance with ISAE 3000 and this proposed SASAE requires, among other matters, that a practitioner complies with the independence and other requirements of the *Code of Professional Conduct for Registered Auditors* issued by the Independent Regulatory Board for Auditors (the IRBA) and implements quality control procedures that are applicable to the individual engagement. (Ref: Para. A2–A3)

Effective date

11. This SASAE is effective for assurance engagement for periods beginning on or after (date).

Objectives

12. The objectives of the practitioner are:
 - a) To obtain limited assurance about whether there are any material errors in the XBRL tagging process that may give rise to inconsistencies with the underlying information and the taxonomies applied; or
 - b) To obtain limited assurance about whether there are any material errors in the XBRL tagging process that may give rise to the XBRL tagged data contained in the instance document being inconsistent with the underlying information and the taxonomies applied; and
 - c) To report, in accordance with the practitioner's findings, about whether, anything has come to the practitioner's attention that causes the practitioner to believe on the basis of the procedures performed that the XBRL-tagged data for regulators, investors or other financial report users in respect of:
 - i) The consistency and completeness of the XBRL tagging process; or
 - ii) The consistency and completeness of the XBRL tagging process and instance document;

is not prepared, in all material respects, in accordance with the applicable taxonomy; and

- d) To report or communicate as required by the terms of the engagement and / or other legal and regulatory requirements.

Definitions

13. For purposes of this guidance, the following terms have the meanings attributed below:

- a) *Attribute* – A property of an element, such as its name, balance, data type, period type, and whether the element is abstract.
- b) *Axis (pl. axes)* – An instance document contains facts; an axis differentiates facts and each axis represents a way that the facts may be classified. For example, revenue for a period might be reported along a business unit axis, a country axis, a product axis, and so forth.
- c) *Concept* – XBRL technical term for element.
- d) *Context* – Entity and report-specific information (reporting period, segment information, and so forth) required by XBRL that allows tagged data to be understood in relation to other information.
- e) *Domain* – An element that represents an entire set of other elements; the domain and its members are used to classify facts along the axis of a table. For example, “Gauteng” is a domain member in the domain “South Africa,” and would be used to classify elements such as revenues and assets in Gauteng as distinct from other provinces. When a fact does not have any domain member specified, that means it applies to the entire domain.
- f) *Domain member* – An element representing one of the possibilities within a domain.
- g) *Element* – XBRL components (items, domain members, dimensions, and so forth). The representation of a financial reporting concept, including line items in the face of the financial statements, important narrative disclosures, and rows and columns in tables.
- h) *Element definition* – A human-readable description of a reporting concept. From an XBRL technical point of view, the element definition is the label with the type “documentation” and there are label relationships in a label relationships file, but from a user point of view, the definition is an unchangeable attribute of the element.
- i) *Extension taxonomy or extension* – A taxonomy that allows users to add to or modify a published taxonomy in order to define new elements or change element relationships and attributes (presentation, calculation, labels, and so forth) without altering the original.
- j) *Face of the financial statements* – Financial statements without the notes or schedules.

- k) *Fact* – The occurrence in an instance document of a value or other information tagged by a taxonomy element.
- l) *Hierarchy* – Trees (presentation, calculation, and so forth) used to express and navigate relationships.
- m) *Instance document* – a computer file containing the XBRL tags for a given set of financial information.
- n) *Label* – Human-readable name for an element; each element has a standard label that corresponds to the element name and is unique across the taxonomy.
- o) *Label type* – A distinguishing name for each distinct element indicating the circumstances in which it should be used; each is given a separate defining role to use in different presentation situations.
- p) *Linkbase* – XBRL technical term for a relationship file.
- q) *Mapping* – the process of associating the appropriate tag (element) with an item in the underlying information⁴ or determining whether a new extension element should be created.
- r) *Parent-child hierarchy* – Relationship between elements that indicates subordination of one to the other as represented in a print listing or financial statement presentation. Relationships files use parent-child hierarchies to model several different relationships, including presentation, summation of a set of facts, and membership of concepts within a domain used as the axis of a table.
- s) *Practitioner* – refers to a registered auditor.
- t) *Presentation linkbase* – Part of a taxonomy that defines relationships that arrange elements allowing them to navigate the taxonomy content in parent-child tree structures (hierarchies).
- u) *Render or rendering* – To process an instance document into a layout that facilitates readability and understanding of its contents.
- v) *Tag (element)* – tag assigned to a specific figure in the financial information which identifies certain characteristics that allow the information to be read, understood and manipulated by a computer program that can recognise the tag.
- w) *Taxonomies* – a library of tags. The library of tags required for any particular purpose is referred to as taxonomy. The taxonomy is a collection of reportable terms and their association with accounting and related concepts, for example the IFRS taxonomy.
- x) *Unit of measure* – The units in which numeric items have been measured, such as Rands.

⁴ For example financial information, may comprise financial statements, including the notes to the financial statements and financial statement schedules, or non-financial information.

Requirements

Compliance with criteria

14. The practitioner shall not represent compliance with this proposed SASAE unless the practitioner has complied with the requirements of both this proposed SASAE and ISAE 3000. (Ref: Para. A1, A4, A6)

Ethical requirements

15. The practitioner shall comply with relevant ethical requirements⁵, including those pertaining to independence, relating to assurance engagements. (Ref: Para. A2–A3)

Acceptance and continuance

16. The practitioner shall:
- a) Have sufficient assurance skills, knowledge and experience, and sufficient competence in XBRL, the relevant taxonomies being used, the tagging of information and / or instance documents, to accept responsibility for the assurance engagement and conclusion; and
 - b) Be satisfied that the engagement team and any practitioner's internal or external experts collectively possess the necessary professional competencies, including an understanding the relevant taxonomies being used, the tagging of information and instance documents and in assurance, to perform the assurance engagement in accordance with this proposed SASAE.

Preconditions for the engagement

17. In order to establish whether the preconditions for the engagement are present:
- a) The practitioner shall determine that both the XBRL instance document and the engagement have sufficient scope to be useful to intended users, considering, in particular:
 - i) If the XBRL instance document is to exclude significant amounts and/or disclosures that have been, or could readily be, quantified; or
 - ii) If the engagement is to exclude significant amounts or disclosures that are included in the entity's underlying information, whether such exclusions are reasonable in the circumstances.
 - b) The practitioner shall assess that the applicable taxonomies and entity extension taxonomies, if applicable, constitutes suitable criteria as required by ISAE 3000. As part of that assessment, the practitioner shall determine whether the criteria encompass at a minimum: (Ref: Para. A5)

⁵ Where the practitioner is a registered auditor, the independence requirements in the *IRBA Code of Professional Conduct for Registered Auditors* are to be applied.

- i) The XBRL taxonomies to be applied and appropriateness thereof to create the XBRL instance document;
 - ii) Acceptable method for determining the entity's tagging of information based on the taxonomies to be applied; and
 - iii) Adequate granularity of the tagging of information such that intended users can understand the XBRL instance document.
- c) The practitioner shall obtain the agreement of management that it acknowledges and understands its responsibility:
- i) For designing, implementing and maintaining such internal control as the entity determines is necessary to enable the preparation of a XBRL instance document that is free from material misstatement, whether due to fraud or error;
 - ii) That the entity has provided the practitioner with all relevant information and access as agreed in the terms of the engagement and reflected all relevant matters in the XBRL instance document;
 - iii) For the creation of entity extension taxonomies, where required;
 - iv) For the tagging of the information in the preparation of the XBRL instance document; and
 - v) For the preparation of its XBRL instance document in accordance with the relevant taxonomies.

Agreement on engagement terms

18. The agreed terms of the engagement required by ISAE 3000 shall include: (Ref: Para. A6)
- a) The objectives and scope of the engagement;
 - b) Any scope limitations (for example, expressing a conclusion on the completeness, accuracy and validity of the underlying information that was tagged is excluded from the scope);
 - c) The responsibilities of the practitioner;
 - d) The responsibilities of management, including those described in paragraph 17(c);
 - e) Identification of the applicable taxonomies and regulatory requirements for the preparation of the XBRL instance document;
 - f) Reference to the expected form and content of any reports to be issued by the practitioner and a statement that there may be circumstances in which a report may differ from its expected form and content; and
 - g) An acknowledgement that management agrees to provide a representation letter at the conclusion of the engagement.

Planning

19. When planning the engagement as required by ISAE 3000, the practitioner shall (Ref: Para. A7–A10):
 - a) Identify the nature of the tagged data and / or instance document that define the scope of the engagement;
 - b) Ascertain the reporting objectives of the engagement to plan the timing of the engagement and the nature of the communications required;
 - c) Consider the factors that, in the practitioner’s professional judgement, are significant in directing the engagement team’s efforts;
 - d) Consider the results of engagement acceptance or continuance procedures and, where applicable, whether knowledge gained on other engagements performed by the practitioner for the entity is relevant;
 - e) Ascertain the nature, timing and extent of resources necessary to perform the engagement; (Ref: Para. A11)
 - f) Determine the impact of the XBRL tagging process on the engagement; and
 - g) Consider the impact of third party organisation service involvement on the XBRL tagging process, if required.

Materiality in planning and performing the engagement

20. When planning and performing the engagement, the practitioner shall consider materiality with respect to the taxonomies applied in the tagging process to compile the XBRL instance document. (Ref: Para. A12–A16)
21. The practitioner shall apply materiality in determining the consistency and completeness of the mapping process in relation to the relevant taxonomies applied and the underlying source data. (Ref: Para. A12–A16)
22. The practitioner shall apply materiality in determining the consistency and completeness of the XBRL instance document and determining the nature, timing and extent of further procedures. (Ref: Para. A12–A16)

Understanding the XBRL tagging process and / or the preparation of the XBRL instance document

23. The practitioner shall obtain an understanding of the underlying taxonomies, regulatory requirements, the XBRL tagging process and / or the preparation of the XBRL instance document sufficient to design and perform procedures in order to achieve the objectives of the engagement. (Ref: Para. A17–A20)
24. The practitioner shall, as a basis for identifying and assessing risks:
 - a) Obtain an understanding of the control environment and the information system, including the related business processes, relevant to the XBRL tagging process and reporting, the responsibilities of management relating to the XBRL tagging process; and

- b) Obtain an understanding of the underlying information to be used in the tagging process.
25. The practitioner shall obtain an understanding of the following:
- a) Relevant taxonomies and the entity's selection of those taxonomies to be used to create the XBRL instance document;
 - b) The nature of the entity, including:
 - i) The method used to determine the entity's tagging of information based on the taxonomies;
 - ii) The underlying information, level of granularity required and completeness of the XBRL tagging process;
 - iii) The extent to which the taxonomies or XBRL tagging process has changed with respect previous periods and the impact on comparative information in the current period; and
 - iv) The completeness of the XBRL instance document in relation to any similar document which includes similar information as the XBRL instance document and for which assurance was provided by the entity's auditor.
 - c) The responsibility for and oversight of XBRL information within the entity; and
 - d) Whether the entity has an internal audit function and, if so, its activities and main findings with respect to the accuracy and completeness of XBRL instance documents. (Ref: Para. A21)

Procedures to obtain an understanding and to identify and assess risks

26. The procedures to obtain an understanding of the entity and its tagging process to identify and assess risks shall include the following: (Ref: Para. A17–A20)
- a) Inquiries of those within the entity who, in the practitioner's judgement, have information that is likely to assist in identifying and assessing risks of material misstatement due to fraud or error; (Ref: Par. A22–A23) and
 - b) Observation of the tagging process and inspection of the XBRL mapping design, any relevant agreements with third party suppliers, previous internal audit or other assurance provider reports.
27. The practitioner and other key members of the engagement team, and any key practitioner's internal or external experts, shall discuss the susceptibility of the entity's XBRL instance document to a material misstatement whether due to fraud or error, and the application of the taxonomies to the underlying information.
28. The practitioner shall evaluate whether the entity's tagging methods and reporting policies, including the determination of the taxonomies, are appropriate for its circumstances, and consider whether they are consistent with the applicable taxonomies and reporting policies used in the relevant industry and applied in prior periods.
29. Where the entity has an internal audit function that is relevant to the engagement the practitioner shall: (Ref: Para. A21)

- a) Determine whether, and to what extent, to use specific work of the internal auditors; and
- b) If using the specific work of the internal auditors, determine whether that work is adequate for the purposes of the engagement.

Identifying and assessing risks of material misstatement

30. The practitioner shall obtain an understanding of material misstatements, or other factors (for example, number of tags, extensions, value of amounts) that are likely to arise at the XBRL instance document level, as the basis for designing and performing limited assurance procedures in the context of the engagement, and shall consider the following factors : (Ref: Para. A17–A20)
 - a) The possibility of intentional misstatement in the XBRL instance document;
 - b) The possibility of non-compliance with the provisions of those laws and regulations generally recognised to have a direct effect on the content of the XBRL instance document;
 - c) The possibility of omission of a potentially significant taxonomy tag; and
 - d) The nature, degree of complexity and granularity of the XBRL tagging process.

Responses to assessed risks

31. The practitioner shall design procedures in response to the assessed risks of material misstatement to determine whether the XBRL instance document and individual disclosures are free from material misstatements in the following respects: (Ref: Para. A24, A26–A31)
 - a) *Completeness* of XBRL files – All required information has been tagged at the required levels. Any additional permitted information selected by the entity has been tagged in its entirety.
 - b) *Mapping* of the source information – The selection of elements are appropriate.
 - c) *Consistency* of the XBRL files with the source information – All formatted information in the XBRL files is consistent with the underlying information.
 - d) *Structure* of the XBRL files – XBRL files are structured for the intended use (e.g. regulatory requirements).⁶

Tests of controls

32. Because of the nature of this engagement it may be necessary for a practitioner, in addition to inquiring about the design and implementation of controls, to determine whether additional procedures are necessary, including tests of controls over the tagging process. (Ref: Para A25)

⁶ AICPA, Principles and Criteria for XBRL-Formatted Information, paragraph 11

Procedures regarding the XBRL instance document aggregation process

33. The practitioner shall perform the following procedures related to the XBRL instance document aggregation process:
- a) Agreeing or reconciling the XBRL instance document with the underlying information; and
 - b) Obtaining, through inquiry of the entity, an understanding of material adjustments made during the course of preparing the XBRL instance document.

Additional procedures

34. If a practitioner becomes aware of a matter(s) that causes the practitioner to believe the XBRL instance document may be materially misstated, the practitioner shall design and perform additional procedures sufficient to enable the practitioner to determine whether the matter is unlikely to cause the XBRL instance document to be materially misstated. (Ref: Para. A32–A33)

Evaluating the effect of errors arising from the tagging process

35. The practitioner shall determine whether any errors arising from the tagging process are material, individually or in the aggregate or as a result of a control deficiency in the tagging process. In making this determination, the practitioner shall consider the size and nature of the errors in relation to the XBRL instance document. (Ref. Para. A34)

Communication and correction of misstatements

36. The practitioner shall communicate on a timely basis all material misstatements identified during the tagging process and shall request the entity to correct these misstatements.
37. If the entity refuses to correct some or all of the material misstatements communicated by the practitioner, the practitioner shall obtain an understanding of the entity's reasons for not making the corrections and shall take that understanding into account when forming the practitioner's conclusion.

Written representations

38. The practitioner shall request written representations from a person(s) within the entity with appropriate responsibilities for and knowledge of the matters concerned:
- a) That the entity has fulfilled its responsibility for the preparation of the XBRL instance document in accordance with the applicable taxonomies applied, as set out in the terms of the engagement;
 - b) That the entity has provided the practitioner with all relevant information and access as agreed in the terms of the engagement and reflected all relevant matters in the XBRL instance document;

- c) Whether the entity believes the effects of uncorrected errors are immaterial, individually and in the aggregate, to the XBRL instance document. A summary of such items shall be included in or attached to the written representation; and
 - d) That the entity has communicated to the practitioner all deficiencies in controls over the tagging process.
39. The date of the written representations shall be as near as practicable to, but not after, the date of the practitioner's report.
40. The practitioner shall disclaim a conclusion on the XBRL instance document or withdraw from the engagement, where withdrawal is possible under regulations, if the practitioner concludes that there is sufficient doubt about the integrity of the entity such that the written representations required are not reliable or the entity does not provide the written representations required.

Comparative information

41. When comparative information is presented with the XBRL instance document and some or all of that comparative information is covered by the practitioner's report, the practitioner shall evaluate whether:
- a) The comparative information agrees with the amounts and other disclosures presented in the prior period or, when appropriate, has been properly restated and that restatement has been adequately disclosed; and
 - b) The XBRL tagged process reflected in the comparative information is consistent with those applied in the current period or, if there have been changes, whether they have been properly applied and adequately disclosed.

Documentation

42. In documenting the nature, timing and extent of procedures performed, the practitioner shall record: (Ref. Para. A35)
- a) Relevant taxonomies and the entity's selection of taxonomies used to create the XBRL instance document;
 - b) The identifying characteristics of the specific items or matters tested;
 - c) Who performed the engagement work and the date such work was completed; and
 - d) Who reviewed the engagement work performed and the date and extent of such review.
43. The practitioner shall document discussions of significant matters with the entity and others, including the nature of the significant matters discussed and the conclusions reached, and when and with whom the discussions took place.
44. The practitioner shall include in the engagement documentation:
- a) Issues identified with respect to compliance with relevant ethical requirements and how they were resolved;

- b) Conclusions on compliance with independence requirements that apply to the engagement, and any relevant discussions with the firm that support these conclusions;
- c) Conclusions reached regarding the acceptance and continuance of client relationships and assurance engagements; and
- d) The nature and scope of, and conclusions resulting from, consultations undertaken during the course of the engagement.

Subsequent events

45. The practitioner is not responsible to consider events occurring between the date on the identified version of the XBRL instance document reported on and the date of the assurance report.

Matters arising after the date of the assurance report

46. The practitioner has no obligation to perform any procedures regarding the tagging process and / or the XBRL instance document after the date of the practitioner's assurance report.
47. If, in exceptional circumstances, the practitioner performs new or additional procedures or draws new conclusions after the date of the practitioner's assurance report, the practitioner shall document: (Ref: Para. A36)
- a) The circumstances encountered;
 - b) The new or additional procedures performed, evidence obtained, and conclusions reached, and their effect on the practitioner's assurance report; and
 - c) When and by whom the resulting changes to engagement documentation were made and reviewed.
48. The practitioner shall assemble the engagement documentation in an engagement file and complete the administrative process of assembling the final engagement file on a timely basis after the date of the practitioner's assurance report. After the assembly of the final engagement file has been completed, the practitioner shall not delete or discard engagement documentation of any nature before the end of its retention period.
49. In circumstances other than those envisaged in paragraph 47 where the practitioner finds it necessary to modify existing engagement documentation or add new engagement documentation after the assembly of the final engagement file has been completed, the practitioner shall, regardless of the nature of the modifications or additions, document:
- a) The specific reasons for making them; and
 - b) When and by whom they were made and reviewed.

Engagement quality control review

50. For those engagements, if any, for which a quality control review is required by laws or regulations or for which the firm or practitioner has determined that an engagement quality control review is required, the engagement quality control reviewer shall perform an objective evaluation of the significant judgements made by the engagement team, and the conclusions reached in formulating the assurance report. This should include: (Ref: Para. A37)
- a) Discussion of the tagging process with the practitioner;
 - b) Review of the XBRL instance document and the proposed assurance report; and
 - c) Evaluation of the conclusions reached in formulating the assurance report and consideration of whether the proposed assurance report is appropriate.

Forming the assurance conclusion

51. The practitioner shall conclude as to whether the practitioner has obtained limited assurance about the tagging process used to create the XBRL instance document.
52. The practitioner shall evaluate whether anything has come to the practitioner's attention that causes the practitioner to believe that the tagging process has resulted in errors and consequently whether the XBRL instance document is not consistent, in all material respects, with the underlying source document in accordance with the taxonomies applied.

Assurance report content

53. The assurance report⁷ shall include the following basic elements: (Ref: Para. A38–A43)
- a) A title that clearly indicates the report is an independent assurance report.
 - b) The addressee of the assurance report.
 - c) Identification of the XBRL instance document/s (for example document details and size), including the period it covers, and, if any information in that statement is not covered by the practitioner's conclusion, identification of the information subject to assurance as well as the excluded information, together with a statement that the practitioner has not performed any procedures with respect to the excluded information and that, therefore, no conclusion on it is expressed.
 - d) A description of the entity's responsibilities.
 - e) Identification of the applicable taxonomy criteria.
 - f) A description of the practitioner's responsibility, including:
 - i) A statement that the engagement was performed in accordance with this SASAE; and
 - ii) A summary of the practitioner's procedures, including a statement that the extent of procedures is substantially less than a reasonable assurance

⁷ Refer Appendix 1 for illustrative limited assurance report.

engagement and consequently does not enable the practitioner to obtain the assurance necessary to become aware of all significant matters that might be identified in a reasonable assurance engagement.

- g) The practitioner's conclusion, expressed in the negative form, about whether the XBRL tagging process and / or the instance document is inconsistent with the underlying information prepared in accordance with the applicable taxonomies.
- h) If the practitioner expresses a conclusion that is modified, a clear description of all the reasons therefor.
- i) The practitioner's signature.
- j) The date of the assurance report.

Emphasis of matter paragraphs and other matter paragraphs

54. If the practitioner considers it necessary to: (Ref: Para. A44–A46)
- a) Draw intended users' attention to a matter presented or disclosed in the XBRL instance document that, in the practitioner's judgement, is of such importance that it is fundamental to intended users' understanding of the XBRL instance document (an Emphasis of Matter paragraph); or
 - b) Communicate a matter other than those that are presented or disclosed in the XBRL instance document that, in the practitioner's judgement, is relevant to intended users' understanding of the engagement, the practitioner's responsibilities or the assurance report (an Other Matter paragraph) and this may include circumstances where the underlying source information comprises audited financial statements on which a modified audit opinion has been expressed or the comparative information was tagged differently in the period compared to the previous period.

Other communication requirements

55. The practitioner shall communicate appropriately to the entity the following matters that come to the practitioner's attention during the course of the engagement, and shall determine whether there is a responsibility to report them to a party outside the entity:
- a) Deficiencies in controls over the tagging process that, in the practitioner's professional judgement, are of sufficient importance to merit attention;
 - b) Identified or suspected fraud; and
 - c) Matters involving non-compliance with laws and regulations, other than when the matters are clearly inconsequential.

Application and Other Explanatory Material

Compliance with criteria

(Ref: Para. 3, 4, 14)

A1. ISAE 3000 includes a number of requirements that apply to all assurance engagements, including engagements in accordance with this proposed SASAE. In some cases, this proposed SASAE may include additional requirements or application material in relation to those topics.

Ethical requirements

(Ref: Para. 10, 15)

A2. The IRBA *Code of Professional Conduct for Registered Auditors* adopts a threats and safeguards approach to independence. Compliance with the fundamental principles may potentially be threatened by a broad range of circumstances. Many threats fall into the following categories:

- a) *Self-interest*, for example, undue dependence on total fees from the entity.
- b) *Self-review*, for example, performing another service for the entity that directly affects the XBRL assurance report, such as assisting with or performing the XBRL tagging process.
- c) *Advocacy*, for example, acting as an advocate on behalf of the entity with respect to the interpretation of the applicable criteria.
- d) *Familiarity*, for example, a member of the engagement team having a long association, or close or immediate family relationship, with an employee of the entity who is in a position to exert direct and significant influence over the preparation of the XBRL instance document.
- e) *Intimidation*, for example, being pressured to reduce inappropriately the extent of work performed in order to lower fees, or being threatened with withdrawal of the practitioner's registration by a registering authority that is associated with the entity's industry group.

A3. Safeguards created by the profession, laws or regulations, or safeguards in the work environment, may eliminate or reduce such threats to an acceptable level.

Assessing the appropriateness of subject matter

(Ref: Para. 14)

A4. ISAE 3000 requires the practitioner to assess the appropriateness of the subject matter.⁸ In the case of a XBRL instance document, the tagging process and / or the instance document is the subject matter of the engagement.

⁸ ISAE 3000, paragraph 18

Assessing the suitability of the criteria

(Ref: Para. 17(b))

- A5. Suitable criteria exhibit the following characteristics: relevance, completeness, reliability, neutrality, and understandability. Criteria may be “specifically developed” or they may be “established”, that is, embodied in laws or regulations, or issued by authorised or recognised bodies of experts that follow a transparent due process.⁹ Although criteria established by a regulator can be presumed to be relevant when the regulator is the intended user, some established criteria may be developed for a special purpose and be unsuitable for application in other circumstances.

Changing the terms of the engagement

(Ref: Para. 14, 18)

- A6. ISAE 3000 requires that the practitioner not agree to a change in the terms of the engagement where there is no reasonable justification for doing so.¹⁰ A request to change the scope of the engagement may not have a reasonable justification when, for example, the request is made to exclude certain elements from the taxonomy because of the likelihood that the practitioner’s conclusion would be modified.

Planning

(Ref: Para. 19)

- A7. When establishing the overall engagement strategy, it may be relevant to consider the emphasis given to different aspects of the design and implementation of XBRL.
- A8. Smaller engagements may be conducted by a very small engagement team. With a smaller team, coordination of, and communication between, team members is easier. Establishing the overall engagement strategy for a smaller engagement need not be a complex or time-consuming exercise. For example, a brief memorandum, based on discussions with the entity, may serve as the documented engagement strategy if it covers the matters noted in paragraph 19.
- A9. The practitioner may decide to discuss elements of planning with the entity when determining the scope of the engagement or to facilitate the conduct and management of the engagement. Although these discussions often occur, the overall engagement strategy and the engagement plan remain the practitioner’s responsibility. When discussing matters included in the overall engagement strategy or engagement plan, care is required in order not to compromise the effectiveness of the engagement. For example, discussing the nature and timing of detailed procedures with the entity may compromise the effectiveness of the engagement by making the procedures too predictable.

⁹ Assurance Framework, paragraphs 36-37

¹⁰ ISAE 3000, paragraph 11

A10. The performance of an assurance engagement is an iterative process. As the practitioner performs planned procedures, the evidence obtained may cause the practitioner to modify the nature, timing or extent of other planned procedures. In some cases, information may come to the practitioner's attention that differs significantly from that expected at an earlier stage of the engagement.

Planning to use the work of experts

(Ref: Para. 19(e))

A11. The practitioner considers using a multidisciplinary team that includes one or more experts to perform the engagement. ISAE 3000 contains a number of requirements with respect to using the work of an expert that may need to be considered at the planning stage when ascertaining the nature, timing and extent of resources necessary to perform the engagement.¹¹

Materiality in planning the engagement

(Ref: Para. 20–22)

A12. The criteria may discuss the concept of materiality in the context of the preparation and presentation of the tagging process and / or the instance document. Although criteria may discuss materiality in different terms, the concept of materiality generally includes that:

- a) Misstatements, including omissions, are considered to be material if they, individually or in the aggregate, could reasonably be expected to influence relevant decisions of users taken on the basis of the tagging process and / or the instance document;
- b) Judgements about materiality are made in light of surrounding circumstances, and are affected by the size or nature of a misstatement, or a combination of both; and
- c) Judgements about matters that are material to intended users of the tagging process and / or the instance document are based on a consideration of the common information needs of intended users as a group. The possible effect of misstatements on specific individual users, whose needs may vary widely, is not considered.

A13. Such a discussion, if present in the applicable criteria, provides a frame of reference to the practitioner in determining materiality for the engagement. If the applicable criteria do not include a discussion of the concept of materiality, the characteristics referred to above provide the practitioner with such a frame of reference.

A14. The practitioner's determination of materiality is a matter of professional judgement, and is affected by the practitioner's perception of the common information needs of

¹¹ ISAE 3000, paragraph 26-32

intended users as a group. In this context, it is reasonable for the practitioner to assume that intended users:

- a) Have a reasonable knowledge of the tagging process and / or the instance document and related activities, and a willingness to study information in the tagging process and / or the instance document with reasonable diligence;
- b) Understand that the tagging process and / or the instance document is prepared and assured to levels of materiality, and have an understanding of any materiality concepts included in the applicable criteria; and
- c) Make reasonable decisions on the basis of the information in the tagging process and / or the instance document.

A15. Intended users and their information needs may include, for example:

- a) Regulators, for example a securities exchange¹². Their information needs may relate to monitoring compliance with disclosure requirements.
- b) Investors and other stakeholders. Their information needs may relate to specific data contained within the XBRL instance document.
- c) Management of the entity. Their information needs may relate to the use of, for example, taxonomies for internal or external reporting purposes.

The practitioner may not be able to identify all those who will read the assurance report, particularly where there are a large number of people who have access to it. Intended users may be identified in different ways, for example, by agreement between the practitioner and the engaging party, or by laws or regulations.

A16. Judgements about materiality are made in light of surrounding circumstances, and are affected by both quantitative and qualitative factors.

Understanding the XBRL tagging process and / or the preparation of the XBRL instance document

(Ref: Para. 23, 26, 30)

A17. The practitioner uses professional judgement to determine the extent of the understanding and the nature, timing and extent of procedures to identify and assess risks of material misstatement that are required to obtain limited assurance. The practitioner's primary consideration is whether the understanding that has been obtained and the identification and assessment of risks are sufficient to meet the objective stated in this proposed SASAE. The depth of the understanding that is required by the practitioner is less than that possessed by management in managing the entity.

A18. Obtaining an understanding and identifying and assessing risks of material misstatement is an iterative process. Procedures to obtain an understanding of the entity and its environment and to identify and assess risks of material misstatement by

¹² In South Africa, the JSE Limited, Johannesburg Stock Exchange.

themselves do not provide sufficient appropriate evidence on which to base the assurance conclusion.

A19. Observation and inspection may support enquiries of management and others, and may also provide information about the tagging process and / or the instance document.

A20. In a limited assurance engagement, the practitioner is not required to obtain an understanding of all the components of the entity's internal control and reporting as is required in a reasonable assurance engagement. The practitioner, however, considers whether it is necessary to obtain an understanding of the design of controls over the tagging process, and whether they have been implemented as designed.

Internal audit

(Ref: Para. 25(d), 29)

A21. The entity's internal audit function is likely to be relevant to the engagement if the nature of the internal audit function's responsibilities and activities are related to the tagging process and / or the instance document and the practitioner expects to use the work of the internal audit function to modify the nature or timing, or reduce the extent, of procedures to be performed.

Causes of risks of material misstatement – fraud and error

(Ref: Para. 26(a))

A22. Misstatements in the tagging process and / or instance document can arise from either fraud or error. The distinguishing factor between fraud and error is whether the underlying action that results in the misstatement of the tagging process and / or instance document is intentional or unintentional.

A23. Although fraud is a broad legal concept, for the purposes of this proposed SASAE, the practitioner is concerned with fraud that causes material misstatement in the tagging process and / or instance document. Although the practitioner may suspect or, in rare cases, identify the occurrence of fraud, the practitioner does not make legal determinations of whether fraud has actually occurred.

Responses to assessed risks

(Ref: Para. 31)

A24. Overall response to address assessed risk of material misstatement at the instance document level may include:

- a) Emphasising to assurance personnel the need to maintain professional scepticism.
- b) Assigning more experienced staff or those with special skills or using experts.
- c) Providing more supervision.

- d) Incorporating additional elements of unpredictability in the selection of further procedures to be performed.
- e) Making general changes to the nature, timing or extent of procedures, for example: performing procedures at the period end instead of at an interim date; or modifying the nature of procedures to obtain more persuasive evidence.

Test of controls

(Ref: Para. 32)

A25. If the practitioner's assessment of risks of material misstatement includes an expectation that the controls are operating effectively over the tagging process (that is, the practitioner intends to rely on the operating effectiveness of controls in determining the nature, timing and extent of other procedures), the practitioner is required to design and perform tests of the operating effectiveness of those controls.

Illustrative procedures that may be performed in an assurance engagement on XBRL tagging of information and / or instance document

(Ref: Para. 31)

A26. The taxonomies selected are appropriate for the entity's intended purpose and have been used in creating the XBRL-tagged data. (Identification and Version of taxonomies)

- a) Identify which base taxonomies are being used by management in the XBRL-tagged data, and compare such referenced taxonomies to that specified by management and with most current applicable version.
- b) Obtain from management a listing of the extension elements included in the entity's extension taxonomy and the reasons it has used such extensions for such elements. Inquire of management as to whether it limited the use of extensions to circumstances where an appropriate financial statement element does not exist in the base taxonomies.

A27. All required information has been tagged at the required levels and any additional permitted information selected by the entity has been tagged in its entirety. (Completeness of XBRL files)

- a) Inquire of management as to what level of granularity the entity used to tag the information.
- b) Compare the level of tagging used in the XBRL tagged data to the level required or allowed by the regulatory requirements.
- c) Compare the source document to a rendered version of the XBRL-tagged data.

A28. Selection of elements is appropriate. (Mapping of the source information)

- a) Compare the items required to be tagged in the source documents to the corresponding listing of items in the mapping worksheet. Note on the mapping

worksheet any items required to be tagged, that are not included on the mapping worksheet, that do not correspond to items required to be tagged, and that do not have an element selection listed on the mapping worksheet.

- b) Evaluate whether the element attributes are consistent with the information in underlying source documents. For each element agree the name, type, period and balance attributes and definition (documentation label) to the related information in the source document (line item caption, note disclosure as applicable).
- c) Evaluate whether the selected element is consistent with the corresponding business reporting concept in its reporting context in the underlying source documents.
- d) Evaluate whether facts appearing multiple times in the source documents are tagged using the same element in the instance document.
- e) Evaluate whether the same element is used for each period for which a fact appears in the underlying source documents.
- f) Evaluate whether a new element is created only when no suitable element exists in the standard taxonomy. Agree the extension taxonomy scheme and the attributes of the extension element included, to the specifications for extension taxonomies, and extension elements included in the regulatory requirements, if applicable. For each extension element that contains a definition, agree the definition to the nature of the corresponding information in the source document, including any description of the information contained within the notes to the financial information.

A29. All tagged information in the XBRL files is consistent with the underlying information. (Consistency of the XBRL files with source information)

- a) Compare the naming convention used by the entity to the naming convention provided in the regulatory requirements identifying inconsistencies with respect to file names for XBRL-related documents, context IDs and unit IDs.
- b) Evaluate whether the company identifier used by management is in accordance with the regulatory requirements.
- c) Compare the units and contexts identified in the XBRL-tagged data to the source documents, identifying inconsistencies with respect to duplicate or unused units or contexts as well as units or contexts that do not reflect information contained in the source document.
- d) Evaluate whether the contextual information is in accordance with regulatory or other requirements, as applicable.
- e) Evaluate whether the contextual information reflects the information in the source documents including the following:
 - i. The context reporting periods.
 - ii. The decimal values (for example, rounded to millions).
 - iii. The units defined in the instance document.

- iv. The entity identifier in the instance document.
- f) Obtain from management a detailed list of changes in the elements used from the prior period and inquire of management as to why the changes were made. Compare the elements used in the current period XBRL-tagged data to the elements used in the prior period XBRL-tagged data, and evaluate any differences noted to the list provided by management.
- g) Agree line item captions, amounts, dates, other attributes (monetary units) and relationships (order and calculations) in the rendered instance document to the source documents.
- h) Evaluate whether the tag has been applied consistently, including the selection of the tag from the taxonomy, relationships between tags through the use of dimensions and tuples; and other elements of data within the tag. Agree the information in each tag, including attributes and definition of the element, context reference, unit reference, and decimals attribute and data value.
- i) Evaluate whether the extension elements for accounting concepts with debit or credit balances include a balance attribute. Evaluate whether the extension tags for currency amounts that do not designate a debit or credit balance attribute indicate the meaning of a positive or negative value in the documentation label.
- j) Evaluate whether the tagged amounts have the appropriate sign considering the nature of the value in the source documents, the balance attribute and definition of the element.
- k) When required, evaluate whether the rendered text block information is consistent with the format and layout of the content in the source documents.
- l) When required, evaluate whether all headers, captions and line items in the source documents are reflected in the proper order and hierarchy in the presentation label linkbase.
 - i. Compare labels included in the label linkbase and used in the XBRL-tagged data to the related captions in the source document.
 - ii. Compare the structure and content of the label linkbase to the structure and content specified in the regulatory requirements.
- m) Evaluate whether the calculations reflected in the source documents are included in the calculation linkbase to the extent possible, within the technical limitations of XBRL and any applicable regulatory requirements, and that only those calculations, that are reflected in the source documents, are included in the calculation linkbase. Illustrative procedures might include:
 - i. Compare the calculations appearing in the source document to the calculations reflected in the calculation linkbase to identify any calculations in the calculation linkbase that do not exist in the source document (i.e. implied values or subtotals) as well as any calculations that are reflected in the source document that do not exist in the calculation linkbase.
 - ii. Compare the components of all calculations in the calculation linkbase to the corresponding calculations in the source document and evaluate whether

the calculation linkbase consistently reflects the calculations in the source document (i.e. same data forms the calculation).

- iii. Evaluate whether all elements included in a calculation within the calculation linkbase, have been assigned proper weight attributes and consistently sum to their parent elements, except where there are acceptable calculation inconsistencies (e.g. same fact presented in Source Document with different levels of detail).
- n) Compare the ordering of elements in the presentation linkbase to the presentation order of line items in the Source Document.
- o) Compare dimensional relationships indicated in the definition linkbase and the structure to the related tabular information presented in the source document.
- p) Compare the document and entity information elements used in the XBRL-tagged data to those specified by the regulatory requirements as required elements and compare the format and content of the information tagged within each element to the format and content requirements specified in the regulatory requirements for that element.

A30. XBRL files are structured for the intended use. (Structure of the XBRL files)

- a) Evaluate whether all information should be organised using any required presentation groupings.
- b) Evaluate whether the entity scheme and identifier for each context throughout the instance document are identical and in accordance with applicable regulatory requirements.
- c) Evaluate whether new table structures are created only when no suitable table structure exists in the applicable standard taxonomy.
- d) If a test submission validation tool is made available by the regulator or requesting party, evaluate whether the instance document and related files pass such validation tests.
- e) Evaluate whether the names of extension elements (excluding domain members) do not contain prohibited information.

A31. Compare the “human readable” element of the XBRL Instance document to the source document (for example financial statements) approved by the management of the entity.

Additional procedures

(Ref: Para. 34)

A32. An assurance engagement is an iterative process, and information may come to the practitioner’s attention that differs significantly from that on which the determination of planned procedures was based. As the practitioner performs planned procedures, the evidence obtained may cause the practitioner to perform additional procedures. Such procedures may include asking the entity to examine matter(s) identified by the

practitioner, and make adjustments to the tagging process and / or the instance document if appropriate.

A33. If a matter(s) comes to the practitioner's attention that causes the practitioner to believe that the tagging process and / or instance document may be materially misstated, the practitioner is required to design and perform additional procedures. If having done so, however, the practitioner is not able to obtain sufficient appropriate evidence to either conclude that the matter(s) is not likely to cause the tagging process and / or instance document to be materially misstated or determine that it does cause the tagging process and / or instance document to be materially misstated, a scope limitation exists.

Accumulation of identified misstatements

(Ref. Para. 35)

A34. The practitioner may designate an amount below which misstatements would be clearly trivial and would not need to be accumulated because the practitioner expects that the accumulation of such amounts clearly would not have a material effect on the tagging process and / or instance document. "Clearly trivial" is not another expression for "not material". Matters that are clearly trivial will be of a wholly different (smaller) order of magnitude than materiality determined in accordance with this SASAE, and will be matters that are clearly inconsequential, whether taken individually or in aggregate and whether judged by any criteria of size, nature or circumstances. When there is any uncertainty about whether one or more items are clearly trivial, the matter is considered not to be clearly trivial.

Documentation

(Ref. Para. 42)

A35. ISAE 3000 requires the practitioner to document matters that are significant in providing evidence that supports the assurance report and that the engagement was performed in accordance with the SASAE¹³. The following are examples of matters that may be appropriate to include in the engagement documentation:

- a) *Fraud*: The risks of material misstatement and the nature, timing and extent of procedures with respect to fraud; and communications about fraud made to the entity, regulators and others.
- b) *Planning*: The overall engagement strategy, the engagement plan, any significant changes made during the engagement, and the reasons for such changes.
- c) *Materiality*: The following amounts and the factors considered in their determination: materiality for the tagging process and / or the instance

¹³ ISAE 3000, paragraph 42

document; if applicable; performance materiality; and any revision of materiality as the engagement progresses.

- d) *Risk of material misstatement*: the discussion required by paragraph 27, and the significant decisions reached, key elements of the understanding obtained regarding each of the aspects of the entity and its environment specified in paragraph 25, and the risks of material misstatement for which in the practitioner's professional judgement further procedures were required.
- e) *Further procedures*: The nature, timing and extent of the further procedures performed the linkage of those further procedures with the risks of material misstatements, and the results of those procedures.
- f) *Evaluation of misstatements*: The amount below which misstatements would be regarded as clearly trivial, misstatements accumulated during the engagement and whether they have been corrected, and the practitioner's conclusion as to whether uncorrected misstatements are material, individually or in aggregate, and the basis for that conclusion.

Matters arising after the date of the assurance report

(Ref: Para. 47)

A36. Examples of exceptional circumstances include facts which become known to the practitioner after the date of the assurance report but which existed at that date and which, if known at that date, might have caused the tagging process and / or the instance document to be amended or the practitioner to modify the conclusion in the assurance report, for example, the discovery of a significant uncorrected error. The resulting changes to the engagement documentation are reviewed in accordance with the firm's policies and procedures with respect to review responsibilities as required by ISQC 1, with the engagement partner taking final responsibility for the changes¹⁴.

Engagement quality control review

(Ref: Para. 50)

A37. Other matters that may be considered in an engagement quality control review include:

- a) The engagement team's evaluation of the firm's independence in relation to the engagement.
- b) Whether appropriate consultation has taken place on matters involving differences of opinion or other difficult or contentious matters, and the conclusions arising from those consultations.
- c) Whether engagement documentation selected for review reflects the work performed in relation to the significant judgements and supports the conclusions reached.

¹⁴ ISQC 1, *Quality Control for Firms that Perform Audits and Reviews of Financial Statements and Other Assurance and Related Services Engagements*, paragraphs 32-33.

Assurance report content

(Ref. Para. 53)

- A38. Appendix 1 contains an illustration of an assurance report on the tagging process and / or the instance document incorporating the elements set forth in paragraph 53.
- A39. To avoid misunderstanding and undue reliance on information that has not been subject to assurance, where the tagging process and / or the instance document includes information, such as comparatives, that is not covered by the practitioner's conclusion, that information is ordinarily identified as such in the tagging process and / or the instance document and in the practitioner's assurance report.
- A40. As well as identifying the addressee of the assurance report, the practitioner may consider it appropriate to include the wording in the body of the assurance report that specifies the purpose for which, or the intended users for whom, the report was prepared.
- A41. In addition, the practitioner may consider it appropriate to include wording that specifically restricts distribution of the assurance report other than to intended users, its use by others, or its use for other purposes.
- A42. An appreciation of the nature, timing and extent of procedures performed is essential for the intended users to understand the conclusion expressed in a limited assurance report.
- Factors to consider in making the determination and the level of detail to be provided include:
- a) Circumstances specific to the entity.
 - b) Specific engagement circumstances affecting the nature and extent of procedures performed.
- A43. In describing the procedures performed in the assurance report, it is important that they are written in an objective way but are not summarised to the extent that they are ambiguous, nor written in a way that is overstated or embellished or that implies that reasonable assurance has been obtained. It is also important that the description of procedures not give the impression that an agreed-upon procedures engagement has been undertaken, and in most cases will not detail the entire work plan.

Emphasis of matter paragraphs and other matter paragraphs

(Ref: Para. 54)

- A44. A widespread use of Emphasis of Matter or Other Matter paragraphs diminishes the effectiveness of the practitioner's communication of such matters.
- A45. The content of an Emphasis of Matter paragraph includes a clear reference to the matter being emphasised and to where relevant disclosures that fully describe the

matter can be found in the instance document. It also indicates that the practitioner's conclusion is not modified in respect of the matter emphasised.

A46. The content of an Other Matter paragraph reflects clearly that such other matter is not required to be presented and disclosed in the instance document. Paragraph 54 limits the use of an Other Matters paragraph to matters relevant to users' understanding of the engagement, the practitioner's responsibilities or the assurance report, that the practitioner considers is necessary to communicate in the assurance report.

APPENDIX 1

Illustrative Limited Assurance Report on the XBRL tagging process and the XBRL instance document

Circumstances include:

- The assurance provider is the auditor of the entity
- Wide range of users
- The subject matter is the identified underlying source document, in this case the audited financial statements of ABC Limited for the year ended 31 December 20X2.
- The criteria is the identified taxonomy, in this case the XBRL South Africa approved Taxonomies
- Limited assurance conclusion

Independent Auditor's Limited Assurance Report on the XBRL tagging process and XBRL instance document

To the directors of ABC Limited

We have undertaken a limited assurance engagement on the eXtensible Business Reporting Language (XBRL) tagging process ('the tagging process') in applying the XBRL South African approved Taxonomies ('the criteria') to the audited financial statements of ABC Limited for the year ended 31 December 20X2, and the resultant XBRL tagged data contained in the XBRL instance document (identify the instance document by reference to the identification reference number) at 31 December 20X2 ('the instance document').

The identified instance document is only one of several possible presentations. It does not reflect the effects of events that occurred subsequent to the date of our report on the financial statements.

Our audit of the annual financial statements of ABC Limited for the year ended 31 December 20X2 ('the financial statements') was conducted in accordance with *International Standards on Auditing* and, in our report of 15 March 20X3, we expressed an unmodified opinion on the financial statements which were prepared, in all material respects, in accordance with International Financial Reporting Standards.

Directors' responsibility

The directors are responsible for such controls as they determine is necessary to ensure that there are no errors in the tagging process, and the XBRL tagged data ('the tagged data') contained in the instance document is consistent, in all material respects, with the information contained in the financial statements of ABC Limited for the year ended 31 December 20X2, from which the tagged data is derived in accordance with the XBRL South Africa approved Taxonomies.

Appendix 1*Our independence and quality control*

We have complied with the *Code of Professional Conduct for Registered Auditors* issued by the Independent Regulatory Board for Auditors, which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

In accordance with 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*, we maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor's responsibility

Our responsibility is to express a limited assurance conclusion on the tagging process that results in the instance document being consistent with the source document based on the procedures we have performed and the evidence we have obtained. We have conducted our limited assurance engagement in accordance with the South African Standard on Assurance Engagements (SASAE) 3501 *Assurance Engagements on eXtensible Business Reporting Language (XBRL)*. That standard requires that we plan and perform this engagement to obtain limited assurance about whether the tagging process is free of material error and the tagged data contained in the instance document is consistent, in all material respects, with the financial statements from which it is derived.

A limited assurance engagement undertaken in accordance with SASAE 3501 is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control over the tagging process and tagged data contained in the instance document, and the procedures performed in response to the assessed risks. Accordingly, less assurance is obtained than in a reasonable assurance engagement.

The procedures we performed were based on our professional judgement and included the following¹⁵.

- Obtained an understanding of the related business processes relevant to the XBRL tagging process and XBRL related data, including the appropriateness of the taxonomies selected and the completeness of the tagging process.
- Evaluated the XBRL mapping process, including the selection of a sample of captions, headings and calculations reflected in the source document to the definition, presentation and calculation linkbase.
- Obtained written representations from the directors on the completeness, consistency and presentation of the instance document and the design, implementation and adequacy of controls to prepare the instance document.

¹⁵ The procedures are to be summarised, but not to the extent that they are ambiguous, nor described in a way that is overstated or embellished, or that implies that reasonable assurance has been obtained. It is important that the description of the procedures does not give the impression that an agreed upon procedures engagement has been undertaken, and in most cases will not detail the entire work plan.

Appendix 1

- Evaluated on a sample basis whether the tags and related contextual structuring attributes reflected the corresponding information in the source document and were consistently applied within the document and from period to period.
- Evaluated the completeness, consistency and structure of the instance document based on the underlying source document and taxonomies applied to the elements mapped.

The procedures performed in a limited assurance engagement vary in nature from, and are less in extent than for, a reasonable assurance engagement. As a result, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether ABC Limited's tagging process is free of material error and the tagged data contained in the instance document is consistent, in all material respects, with the financial statements from which it is derived.

Limited assurance conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that there are material errors in the tagging process so that the XBRL tagged data ('the tagged data') contained in the instance document is inconsistent, in all material respects, with the information contained in the financial statements of ABC Limited for the year ended 31 December 20X2, from which the tagged data is derived in accordance with the XBRL South Africa approved Taxonomies.

Restriction on use

The instance document is prepared to assist ABC Limited to comply with the reporting provisions of the JSE's XBRL Voluntary Filing Pilot Programme¹⁶. As a result, our report may not be suitable for another purpose or use by other parties.

Auditor's Signature

Name of individual registered auditor/s¹⁷

Capacity if not a sole practitioner: e.g. Director or Partner

Registered Auditor

Date of auditor's report

Auditor's address

¹⁶ JSE's "XBRL Voluntary Filing Pilot Programme" (or other identified regulator/legislation)

¹⁷ And "XBRL expert" assurance provider if joint sign off due to technical nature of assurance provided