



## INDEPENDENT REGULATORY BOARD FOR AUDITORS

### COMMITTEE FOR AUDITING STANDARDS

#### **Exposure Draft: Proposed SAAPS 3 (Revised XX 2025), Updates to Illustrative Auditor's Reports as a Result of the IAASB's Narrow Scope Amendments to ISA 700 (Revised)**

Johannesburg / 10 March 2025

The Independent Regulatory Board for Auditors' (IRBA) Committee for Auditing Standards (CFAS) has approved the [Exposure Draft \(ED\): Proposed South African Auditing Practice Statement \(SAAPS\) 3 \(Revised XX 2025\), Illustrative Reports](#) (proposed SAAPS 3 (Revised)), for exposure and public comment by 16 April 2025.

The proposed SAAPS 3 (Revised) provides practical guidance to registered auditors who report on financial statements both for compliance with the International Standards on Auditing (ISAs) or the International Standards on Review Engagements, as applicable; and for the legal and regulatory requirements applicable to auditors and auditor reporting in South Africa, in relation to the content and format of the auditor's report.

#### **Scope of the Proposed Amendments**

The proposed SAAPS 3 (Revised) outlines changes that are primarily focused on audits of financial statements for public interest entities (PIEs). It has been updated to

include the International Auditing and Assurance Standards Board's (IAASB) [Narrow Scope Amendments to ISA 700 \(Revised\) as a Result of the Revisions to the IESBA Code that Require a Firm to Publicly Disclose When a Firm Has Applied the Independence Requirements for PIEs](#). In January 2024, the IRBA Board approved the IAASB's narrow scope amendments to ISA 700 (Revised) for adoption, issue and prescription by registered auditors in South Africa.

In addition, the International Ethics Standards Board for Accountants (IESBA) Code's transparency requirements on independence were adopted into the IRBA Code of Professional Conduct for Registered Auditors (IRBA Code). This was done as part of the [Revisions to the Definitions of Listed Entity and Public Interest Entity in the IRBA Code](#), which are effective for audits of financial statements for periods beginning on or after 15 December 2024, with early adoption permitted.

Other proposals that are contained in the ED include:

- Editorial revisions for improved clarity, consistency and accuracy;
- Guidance on review engagements, as the IRBA Code's transparency requirements on independence apply to both audits and reviews; and
- Proposals regarding regulatory reports for auditors in specific industries.

### **Proposed Effective Date**

Subject to the comments received, the expectation is for the CFAS to approve and issue the final SAAPS in September 2025, with that being noted at the subsequent meeting of the IRBA Board.

Consequently, the proposed effective date for SAAPS 3 (Revised) is for auditor's or independent reviewers' reports issued for audits or independent reviews of financial statements for periods beginning on or after 15 December 2024, with early adoption permitted. This aligns with the effective dates of the revisions to the definitions of listed entity and PIE in the IRBA Code and the narrow scope amendments to ISA 700 (Revised) as a result of the revisions to the IESBA Code.

Therefore, an early adoption of SAAPS 3 (Revised) will mean an early adoption of the revisions to the definitions of listed entity and PIE in the IRBA Code and the narrow scope amendments to ISA 700 (Revised) as a result of the revisions to the IESBA Code. However, if the registered auditor does not intend to early adopt these abovementioned modifications, it is recommended that they continue to use the extant [SAAPS 3, Illustrative Reports \(Revised March 2024\)](#), adapted as necessary, until the proposed SAAPS 3 (Revised) becomes effective.

### **Guide to Reading the Exposure Draft**

To enhance the readability and comprehension of the entire text, the CFAS has provided the complete content for convenience. However, it kindly requests respondents to direct their attention and comments specifically to the paragraphs that are not shaded in *grey*, as these are the sections that are open for public comment. Insights and feedback on these specific sections will help the CFAS to conclude on the areas that are currently under consideration. The committee appreciates every respondent's co-operation and thoughtful engagement in this feedback process.

### **Request for Comments**

The CFAS welcomes comments on all matters that are addressed in this ED. Mainly, it seeks responses to the detailed questions that are set out in the Request for Specific Comments section. Comments are most helpful when they refer to particular paragraphs and/or illustrative reports, include the reasons for the comments and make specific suggestions for any proposed changes to the wording. When a respondent agrees with the proposals in the ED, it will be helpful for the CFAS to be made aware of this view, as support for its proposals cannot always be inferred when not stated.

Respondents should email their feedback, in Word format, to [standards@irba.co.za](mailto:standards@irba.co.za). All comments will be considered a matter of public record.

The deadline for submission is **16 April 2025**. To download the ED, visit the [IRBA website](#).

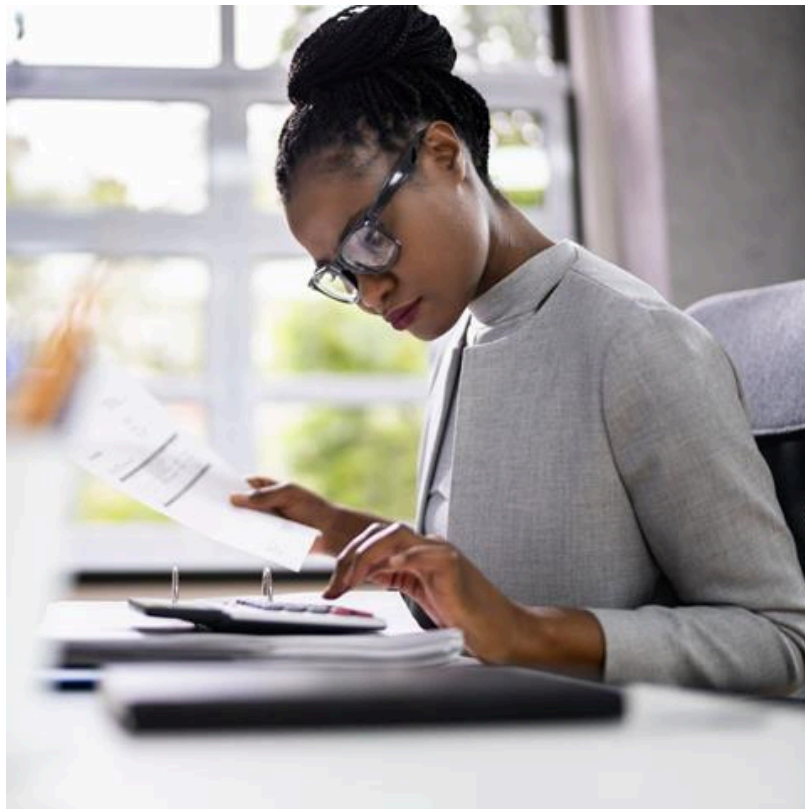
Should you have any queries, please email [standards@irba.co.za](mailto:standards@irba.co.za).

## Standards Department

### *About the IRBA*

*The objective 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 recognised standards and processes.*

*The statutory responsibilities of the CFAS are to assist the IRBA to develop, maintain, adopt, issue or prescribe auditing pronouncements; to consider relevant international changes by monitoring developments by other auditing standard-setting bodies and sharing information where requested; and to promote and ensure the relevance of auditing pronouncements.*





Building 2 | Greenstone Hill Office Park | Emerald Boulevard |  
Modderfontein

P.O. Box 8237 | Greenstone | 1616

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