**INDEPENDENT REGULATORY BOARD FOR AUDITORS**

**COMMITTEE FOR AUDITING STANDARDS**

**Proposed Guide for Registered Auditors**

***Reporting Responsibilities of the Reporting Accountant Related to Property Entities in Terms of the JSE Listings Requirements***

Johannesburg / 1 October 2015

The Committee for Auditing Standards (CFAS) of the Independent Regulatory Board for Auditors (IRBA) approved the release of the Proposed *Guide for Registered Auditors: Reporting Responsibilities of the Reporting Accountant Related to Property Entities in Terms of the JSE Listings Requirements* (proposed Guide) in August 2015, for exposure for public comment by **30 October 2015**.

The proposed Guide provides guidance to JSE-accredited reporting accountants of JSE-listed entities that report on property related transactions, in accordance with the JSE Limited Listings Requirements (the Listings Requirements). It is aimed at assisting reporting accountants with the applicable assurance engagements and related reporting accountant’s reports for:

* Engagement in terms of paragraph 13.15 of the Listings Requirements on an entity’s forecast statement of profit or loss and other comprehensive income as well as the vacancy and lease expiry profile of the property portfolio as a whole (forecast information) and/or;
* Engagement in terms of paragraph 13.16(e) of the Listings Requirements to issue a review conclusion on the assets and/or liabilities acquired by the applicant issuer, as reflected in the adjustment column of the pro forma statement of financial position.

This proposed Guide:

* Replaces the previous South African Institute of Chartered Accountants (SAICA) Circular 9/2005: The Reporting Accountant’s Reporting Responsibilities in Terms of Section 13 of the Listings Requirements of the JSE Limited Relating to Property Companies (issued August 2005), which is to be withdrawn by SAICA. The proposed Guide addresses and updates matters in terms of paragraph 13.15 of the JSE Listings Requirements previously dealt with in the SAICA Circular.
* Provides guidance on the reporting accountant’s reporting responsibilities in terms of paragraph 13.16(e) of the JSE Listings Requirements relating to the provision by the reporting accountant of a review conclusion on the assets and/or liabilities acquired by the applicant issuer in terms of the transaction as reflected in the adjustment column of the pro forma statement of financial position contained in a circular and the related illustrative reporting accountant’s report.

**Proposed effective date**

The JSE Limited is running a concurrent public consultation process for the proposed revisions to the JSE Limited Listings Requirements.

Depending on comments received and the completion of the JSE Limited’s public consultation process, it is expected that the final Guide may be approved by the CFAS in November 2015 and issued in December 2015, with such approval and issue being noted at the subsequent meeting of the IRBA Board.

If so, a possible effective date for implementation of the Guide may be applicable to reporting accountant’s reports issued on or after 1 January 2016.

**Request for comment**

The CFAS welcomes comments on all matters addressed in the proposed Guide and seeks responses to four specific questions that are set out in the Explanatory Memorandum section of the proposed Guide.

We invite registered auditors and other interested parties to submit any comments regarding the proposed Guide to the IRBA by **30 October 2015**. Comments should be submitted via e-mail to standards@irba.co.zaThis e-mail address is protected from spambots, so you will need to have JavaScript enabled to view it in Word format. All comments will be considered as a public record. A copy of the proposed Guide is available in PDF format and may be downloaded from the [exposure draft page](http://www.irba.co.za/guidance-to-ras/technical-guidance-for-auditors/exposure-drafts-and-comment-letters).

Should you have any other queries or experience any technical difficulties in downloading the documents, please do not hesitate to email the Standards Department.

**Imran Vanker**

**Director: Standards**

***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 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 share information where requested; and promote and ensure the relevance of auditing pronouncements.*