**INDEPENDENT REGULATORY BOARD FOR AUDITORS**

**COMMITTEE FOR AUDITING STANDARDS**

**Proposed South African Auditing Practice Statement (SAAPS) 3 (Revised 2015)**

***Illustrative Reports***

Johannesburg / 4 September 2015

The Committee for Auditing Standards (CFAS) of the Independent Regulatory Board for Auditors (IRBA) approved the release of the Proposed SAAPS 3 (Revised 2015), Illustrative Reports (proposed SAAPS 3 (Revised 2015)) in August 2015, for exposure for public comment by **19 October 2015**.

The proposed SAAPS 3 (Revised 2015) provides guidance to Registered Auditors on the layout and wording of assurance reports in accordance with the requirements of the International Standards on Auditing (ISAs) and the International Standards on Review Engagements (ISREs) and in compliance with South African jurisdictional requirements, mainly the Companies Act, 2008 (Act No. 71 of 2008) and the Public Audit Act, 2004 (Act No. 25 of 2004).

**Revisions made to proposed SAAPS 3 (Revised 2015)**

The proposed SAAPS 3 (Revised 2015):

* Contains conforming amendments arising from the revision of the ISAs:
  + ISA 700 (Revised) *Forming an Opinion and Reporting on Financial Statements*;
  + ISA 570 (Revised) *Going Concern*;
  + ISA 705 (Revised) *Modifications to the Opinion in the Independent Auditor’s Report*;
  + ISA 706 (Revised) *Emphasis of Matter Paragraphs and Other Matter Paragraphs in the Independent Auditor’s Report*; and
  + Proposed ISA 800 (Revised) *Special Considerations –* *Audits of Financial Statements Prepared in Accordance with Special Purpose Frameworks*
* Provides assistance to auditors on how key audit matters are addressed in the auditor’s report in accordance with the new ISA 701 *Communicating Key Audit Matters in the Independent Auditor’s Report*.
* Provides practical assistance to auditors when reporting in terms of ISA 720 (Revised) *The Auditors Responsibilities Relating to Other Information*.

These ISAs are effective for audits of financial statements for periods ending on or after 15 December 2016.

Although the International Auditing and Assurance Standards Board (IAASB) has not finalised the revisions made to ISA 800 (Revised) *Special Considerations – Audits of Financial Statements Prepared in Accordance with Special Purpose Frameworks* that was issued on exposure in January 2015, the illustrative ISA 800 reports contained in the proposed SAAPS 3 (Revised 2015) reflect the amendments anticipated in ISA 800 (Revised), once issued. Proposed SAAPS 3 (Revised 2015) will be updated prior to its issue for any amendments necessary when the final ISA 800 (Revised) is issued by the IAASB (expected October 2015).

**Proposed effective date**

Depending on comments received, it is anticipated that the final SAAPS 3 (Revised 2015) will 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.

It is expected that the effective date will correspond with the effective date of the new and revised ISAs issued by the IAASB, being effective for audits of financial statements for periods ending on or after 15 December 2016. As with early adoption of the new and revised ISAs permitted by the IAASB, early adoption of the proposed SAAPS 3 (Revised 2015) is also permitted where the auditor has early adopted the underlying suite of new and revised IAASB standards.

**Request for comment**

The CFAS welcomes comments on all matters addressed in the proposed SAAPS 3 (Revised 2015) and seeks responses to six specific questions which are set out in the Explanatory Memorandum section of the proposed SAAPS 3 (Revised 2015).

We invite Registered Auditors and other interested parties to submit any comments regarding the proposed SAAPS 3 (Revised 2015) to the IRBA by **19 October 2015**. Comments should be submitted by e-mail to [standards@irba.co.za](mailto:standards@irba.co.za), in Word format. All comments will be considered a matter of public record.

A copy of the exposure draft 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) on the IRBA website. Should you have any other queries or experience any technical difficulties in downloading the documents please do not hesitate to contact the Standards Department by sending an email to [standards@irba.co.za](mailto:standards@irba.co.za).

**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; 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.*