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| **INDEPENDENT REGULATORY BOARD FOR AUDITORS****COMMITTEE FOR AUDITING STANDARDS**  |

**The IRBA Board adopts the IAASB’s new and revised Auditor Reporting Standards and related conforming amendments**Johannesburg / 17 June 2015The Committee for Auditing Standards (the CFAS) of the Independent Regulatory Board for Auditors (the IRBA) is pleased to announce that the IRBA Board has approved for adoption, issue and prescription by Registered Auditors in South Africa the following IAASB pronouncements: * [ISA 700 (Revised), *Forming an Opinion and Reporting on Financial Statements*;](http://www.irba.co.za/upload/ISA-700-Revised.pdf)
* [ISA 701, *Communicating Key Audit Matters in the Independent Auditor’s Report*](http://www.irba.co.za/upload/ISA-701.pdf);
* [ISA 705 (Revised), *Modifications to the Opinion in the Independent Auditor’s Report*](http://www.irba.co.za/upload/ISA-705-Revised.pdf);
* [ISA 706 (Revised), *Emphasis of Matter Paragraphs and Other Matter Paragraphs in the Independent Auditor’s Report*](http://www.irba.co.za/upload/ISA-706-Revised.pdf);
* [ISA 570 (Revised), *Going Concern*](http://www.irba.co.za/upload/ISA-570-Revised.pdf);
* [ISA 260 (Revised), *Communication with Those Charged with Governance*](http://www.irba.co.za/upload/ISA-260-Revised.pdf); and
* [Related Conforming Amendments to other ISAs](http://www.irba.co.za/upload/Conforming-Amendments-to-ISAs.pdf).

The above ISAs represent the new and revised Auditor Reporting Standards that are effective for audits of financial statements for periods ending on or after 15 December 2016.Implications for practice in South AfricaThe following matters should be considered for implementation of the new and revised Auditor Reporting Standards in South Africa:* **Effective date of the IAASB’s new and revised Auditor Reporting Standards** – The effective date for the new and revised Auditor Reporting Standards should be the same as the effective date prescribed by the IAASB although early adoption of the entire suite of the new and revised Auditor Reporting Standards is permitted. Piecemeal adoption of the new and revised Auditor Reporting Standards is not permitted.
* **New requirement for listed entities to include the name of the engagement partner in the auditor’s report** – The IRBA Code of Professional Conduct for Registered Auditors (the IRBA Code) already prescribes the signing convention for reports to contain the individual Registered Auditor’s full name. The requirements of the IRBA Code will prevail and the individual Registered Auditor’s full name shall be included in all auditor’s reports.
* **Ability to include the auditor’s responsibility paragraph on the website of an appropriate authority** – The auditor’s responsibility paragraph should only be included in the body of the auditor’s report or as an appendix to the auditor’s report. The close proximity of the auditor’s responsibilities section of the auditor’s report to the body of the auditor’s report allows for users of the financial statements (and the auditor’s report) to understand the value that an auditor brings to the financial reporting process.

The South African Auditing Practice Statement (SAAPS) 3 (Revised November 2013), *Illustrative Reports* (SAAPS 3 (Revised)) provides practical assistance to auditors when reporting on financial statements that meet the requirements of the ISAs and the ISREs and comply with South African jurisdictional requirements. SAAPS 3 (Revised) is in the process of being updated as a result of the issue of the new and revised Auditor Reporting Standards by the IAASB and the IRBA Board’s prescription of these standards for Registered Auditors in South Africa and is expected to be issued on exposure later this year. The new and revised Auditor Reporting standards may be downloaded from the [IRBA website](http://irba.zerobox.co.za/guidance-to-ras/technical-guidance-for-auditors/auditing-standards-and-guides/the-new-and-revised-auditor-reporting-standards). Should you have any further queries please contact the Standards Department at +27 (0)87 940 8800 or send an email to 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.* |