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| **INDEPENDENT REGULATORY BOARD FOR AUDITORS** |

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| **Sectional Titles - Auditor Reporting**  Johannesburg / 27 March 2017  Registered auditors are referred to the Communication issued by the South African Institute of Chartered Accountants (SAICA) on 22 March 2017 regarding audit engagements on sectional titles schemes.  The Management Rules for a sectional titles scheme (or body corporate), as contained in The Sectional Titles Schemes Management Regulations, 2016, have introduced some new and revised requirements relating to, among other matters, the financial records, budgets, annual financial statements and audits of a sectional titles scheme. Some requirements have posed challenges in their interpretation and application.  Representatives from the Independent Regulatory Board for Auditors (IRBA), SAICA and the Community Schemes Ombud Service (CSOS) have considered these challenges. With the assistance of the stakeholders, SAICA has prepared a Communication, *Sectional Titles - Implementation of Regulations and Auditor Reporting,* to assist body corporates and their auditors in understanding and complying with the requirements.  The CSOS has issued Chief Ombud's Circular No. 1 of 2017 that provides clarity around transitional provisions, financial reporting frameworks and their auditing requirements. SAICA has also issued FAQs to further assist in clarifying some of the requirements for sectional titles schemes and, more broadly, community schemes.  The CSOS's Chief Ombud's Circular is available on the CSOS website [here](http://www.csos.org.za/documents/circularmarch.PDF).  SAICA's Communication is available on the SAICA website [here](https://www.saica.co.za/Technical/LegalandGovernance/Legislation/SectionalTitles/tabid/4015/language/en-ZA/Default.aspx).  SAICA's FAQs are available on the SAICA website [here](https://www.saica.co.za/Technical/LegalandGovernance/Legislation/SectionalTitles/tabid/4015/language/en-ZA/Default.aspx).  Should you have any further queries, please do not hesitate to contact the Standards Department by email at [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.* |