
INDEPENDENT REGULATORY BOARD FOR AUDITORS

COMMITTEE FOR AUDITING STANDARDS

COVID-19 and Its Impact on File Assembly (Archiving)

Johannesburg / 23 April 2020

The purpose of this communicate is to assist registered auditors with meeting their file assembly obligations, which may be affected by the COVID-19 lockdown.

The lockdown could have an impact on a firm's ability to comply with its policies and procedures in relation to the timely assembly of final engagement files. Assembly deadlines that fall within or shortly after the official lockdown period are most likely to be affected. In the current circumstances, additional time may be required to assemble final engagement files.

The International Standard on Quality Control (ISQC) 1, paragraph 45, requires firms to establish policies and procedures for engagement teams to complete the assembly of final engagement files on a timely basis after the engagement reports have been finalised. In South Africa, there is no IRBA pronouncement that prescribes the time limits by which the assembly of final engagement files should be completed. However, ISQC 1, paragraph A54, states that such a time limit would ordinarily not be more than 60 days after the date of the auditor's report. This time limit of 60 days forms the basis of most firms' policies and procedures relating to the timely assembly of final engagement files.

Therefore, firms are required to establish time limits that reflect the need to complete the assembly of final engagement files on a timely basis, as part of their policies and procedures that are embedded within their systems of quality control. It is also important that any deviations from the stipulated policies and procedures regarding time limits set by the firm be appropriately approved by leadership and clearly documented with supporting reasons. Such documentation is crucial to provide evidence of the continued operation of a firm's system of quality control, even under unusual circumstances, and may be subject to a review should the firm be selected for an internal or external quality inspection.

Other COVID-19 Guidance for Auditors

Auditors are referred to the [IRBA website](#) where a repository of local and international guidance on the implications of COVID-19 in relation to audits of financial statements has been created.

The IRBA may issue further guidance, when necessary, as the situation develops.

Should you have any further queries, please do not hesitate to contact the Standards Department via email at standards@irba.co.za.

Bernard Peter Agulhas
Chief Executive Officer

About the IRBA

The IRBA is a public protection statutory body established to protect the financial interests of the public by ensuring registered auditors and their firms deliver services of the highest quality. It upholds audit firm independence to ensure that audit quality is such that it enhances the accuracy and credibility of financial performance reporting. In this way, the IRBA has an important role to play in building the reputation of South Africa as an investment market for both local and global investors and driving economic growth for the country.

The IRBA also registers suitably qualified accountants as auditors, who must adhere to the highest ethics standards, and promotes the auditing profession through the effective regulation of assurance conducted in accordance with internationally recognised standards and processes.