



INDEPENDENT REGULATORY BOARD FOR AUDITORS

IRBA Issues Feedback Statement on the Post-implementation Review of Its SAAEPS 1, Sustainability Assurance Engagements: Rational Purpose, Appropriateness of Underlying Subject Matter and Suitability of Criteria

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Subsequent to the post-implementation review (PIR) announced in August 2023, the Independent Regulatory Board for Auditors (IRBA) has now issued a Feedback Statement on South African Assurance Engagements Practice Statement (SAAEPS) 1, *Sustainability Assurance Engagements: Rational Purpose, Appropriateness of Underlying Subject Matter and Suitability of Criteria*. This review, conducted in 2024, was aimed at gathering valuable insights for the benefit of the ongoing evolution of sustainability assurance discussions.

SAAEPS 1, issued in August 2018 by the IRBA's Committee for Auditing Standards (CFAS), provides practical guidance to practitioners on the preconditions for accepting a sustainability assurance engagement, as outlined in International Standard on Assurance Engagements (ISAE) 3000 (Revised), *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*.

Given the significant developments in sustainability reporting and assurance, including the International

Auditing and Assurance Standards Board's (IAASB) recent approval and issue of the International Standard on Sustainability Assurance (ISSA) 5000, *General Requirements for Sustainability Assurance Engagements*, the PIR sought to:

- Determine the extent of usage of SAAEPS 1;
- Determine whether SAAEPS 1 is consistently understood and implemented in a manner that achieves the IRBA's intended purpose;
- Identify how, if any, practical challenges and concerns are being addressed; and
- Understand whether SAAEPS 1 is still fit for purpose, considering the assurance developments at the IAASB and globally.

The Secretariat co-ordinated the review through in-person discussions with representatives from seven audit firms. The Feedback Statement summarises the key themes arising from those discussions.

Key Findings from the Post-implementation Review

Based on the four areas that the PIR focused on, below are highlights from the feedback received.

- **Usage of SAAEPS 1:** Firms utilise SAAEPS 1 to varying degrees, ranging from direct references in working papers to informing their methodologies, alongside reliance on global firm papers referencing ISAE 3000 (Revised).
- **Understanding and Implementation:** Overall, SAAEPS 1 is well understood by auditors and serves as a valuable supplement to the requirements of ISAE 3000 (Revised).
- **Addressing Practical Challenges:** Firms reported using SAAEPS 1, particularly the guidance on rational purpose, as a tool for discussion with management during pre-engagement activities and readiness assessments.
- **Fitness for Purpose:** While acknowledging the continued relevance of the South African-specific guidance in SAAEPS 1, general agreement was that it would require revision to align with the newly issued ISSA 5000. The importance of Appendix A (Considerations) of SAAEPS 1 was frequently highlighted.

Additionally, respondents expressed varied opinions on the long-term relevance of the chapters on the appropriateness of the underlying subject matter and the suitability of criteria, given the evolving global reporting frameworks. However, there was unanimous support for the content related to rational purpose and its ongoing importance in the marketplace, particularly in guarding against greenwashing.

The review also highlighted broader perspectives on sustainability assurance engagements, including the importance of processes and controls for non-financial information; the involvement of governance structures; the impact of global sustainability-related developments; the role of readiness assessments; and considerations regarding reporting criteria and evidence availability. The potential need for the IRBA to consider awareness-raising efforts that extend to non-registered auditors, given the professional-agnostic nature of ISSA 5000, was also noted.

Next Steps

The CFAS and Committee for Auditor Ethics are coordinating efforts to recommend that the IRBA Board adopt ISSA 5000 and localise the International Ethics Standards Board for Accountants' [International Ethics Standards for Sustainability Assurance \(including International Independence Standards\)](#) into the IRBA Code. These recommendations are expected to be considered by the IRBA Board in the first quarter of 2026.

The findings from this PIR will be considered by the CFAS' Sustainability Standing Committee for the development of recommendations for potential projects for the CFAS' approval. Those will include the possible revision of SAAEPS 1.

The IRBA remains committed to ensuring the effective and appropriate regulation of audits and assurance engagements in South Africa, taking into account the evolving landscape of sustainability reporting and assurance.

The PIR Feedback Statement is available on the [IRBA website](#).

Should you have any queries, please do not hesitate to contact the Standards Department by emailing standards@irba.co.za.

Standards Department

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.





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