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

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| **Exposure Draft: Proposed SAAEPS 1, *Sustainability Assurance Engagement Concepts: Evaluating the Rational Purpose, the Appropriateness of the Underlying Subject Matter***  ***and the Suitability of Criteria***  Johannesburg / 29 November 2017  The Independent Regulatory Board for Auditors' (IRBA) Committee for Auditing Standards (CFAS) approved the issuing of the proposed South African Assurance Engagements Practice Statement (SAAEPS) 1, *Sustainability Assurance Engagement Concepts: Evaluating the Rational Purpose, the Appropriateness of the Underlying Subject Matter and the Suitability of Criteria* (proposed SAAEPS), in November 2017 for exposure for public comment by **29 March 2018**.  The proposed SAAEPS provides practical assistance to practitioners on evaluating certain aspects of the rational purpose of the sustainability assurance engagement, the appropriateness of the underlying subject matter and the suitability of the criteria applied in the preparation of the subject matter information and the documentation thereof when requested to accept a sustainability assurance engagement in accordance with the requirements of the International Standard on Assurance Engagements (ISAE) 3000 (Revised), *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*.  Section 3 of the Explanatory Memorandum in the proposed SAAEPS contains a number of significant issues that were deliberated on by the CFAS, and these are as follows:   * Practical assistance on certain aspects of ISAE 3000 (Revised); * Focus on certain aspects of the preconditions for a sustainability assurance engagement; * Evaluation of the rational purpose; * Underlying subject matter, subject matter information and criteria; * Practical examples, questions to consider and a flowchart contained in the proposed SAAEPS; and * Documentation.   **Proposed effective date**  Depending on comments received, the expectation is that the final SAAEPS may be approved and issued by the CFAS in June 2018, with such approval and issue being noted at the subsequent meeting of the IRBA Board.  It is expected that the proposed SAAEPS will be effective for the *Acceptance and Continuance - Preconditions for the Assurance Engagement* phase of the assurance engagement for periods beginning on or after 15 December 2018.  **Request for comment**  The CFAS welcomes comments on all matters addressed in the proposed SAAEPS, especially those identified in the Request for Specific Comments section (Section 4) of the Explanatory Memorandum.  We invite registered auditors and other interested parties to submit any comments regarding the proposed SAAEPS to the IRBA by **29 March 2018**. Comments, in Word format, should be submitted by e-mail to [standards@irba.co.za](mailto:standards@irba.co.za). 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 drafts page on the [IRBA website](https://www.irba.co.za/guidance-to-ras/technical-guidance-for-auditors/exposure-drafts-and-comment-letters).  **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 responsibilities of the CFAS are 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.* |