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

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**Global Consultation on Fraud and Going Concern in an Audit of Financial Statements:  
Exploring the Differences Between Public Perceptions About the Role of the Auditor and  
the Auditor's Responsibilities in a Financial Statement Audit**

Johannesburg / 07 October 2020

The International Auditing and Assurance Standards Board (IAASB) has published, for public comment, a Discussion Paper, *Fraud and Going Concern in an Audit of Financial Statements: Exploring the Differences Between Public Perceptions About the Role of the Auditor and the Auditor's Responsibilities in a Financial Statement Audit* (the Discussion Paper).

The auditor's role in relation to fraud and going concern in audits of financial statements continues to receive heightened public attention. In recent years, this has been amplified by the number of high-profile corporate failures. As a result, the IAASB has recognised the need to further explore these topics.

The Discussion Paper sets out the issues and challenges related to the expectation gap (i.e. the difference between what users of financial statements expect and the auditor's responsibilities in a financial statement audit). It also explores possible actions that the IAASB could undertake to help narrow this gap.

In addition, the Discussion Paper is aimed at gathering perspectives from a broad range of stakeholders, across the financial reporting ecosystem, about the role of the auditor in relation to fraud and going concern in an audit of financial statements. Stakeholders are asked for their perspectives on whether the auditing standards related to fraud and going concern need to be updated to reflect the rapidly evolving external reporting landscape; and, if so, in what areas.

The feedback collected will inform decisions about possible further actions by the IAASB on these topics.

### **Request for Comments**

The Independent Regulatory Board for Auditors' (IRBA) Committee for Auditing Standards (CFAS) welcomes comments on all matters addressed in the Discussion Paper. Comments should be submitted via email to [standards@irba.co.za](mailto:standards@irba.co.za) in Word and PDF formats by **30 November 2020**. All comments will be considered as a public record.

Alternatively, we invite registered auditors and other interested parties to submit comments directly to the IAASB via the [IAASB website](#) by **12 January 2021**.

A copy of the Discussion Paper is available in PDF format and may be downloaded from the Exposure Drafts and Comment Letters page of the [IRBA website](#).

Should you have any other queries or experience any technical difficulties in downloading the document, please do not hesitate to email the [Standards Department](#).

**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.*