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

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**Proposed Guide for Registered Auditors: Joint Audit Engagements**

Johannesburg / 4 December 2019

The Independent Regulatory Board for Auditors' (IRBA) Committee for Auditing Standards (CFAS) approved the release of the *Proposed Guide for Registered Auditors: Joint Audit Engagements* (this proposed Guide) in November 2019 for a 90-day exposure period for public comment.

This proposed Guide was developed by a CFAS Task Group, which comprised of technical staff representatives from auditing firms, the South African Reserve Bank – Prudential Authority, the South African Institute of Chartered Accountants and the IRBA.

This proposed Guide provides guidance to registered auditors (auditors) on the application of International Standards on Auditing (ISAs) and IRBA pronouncements in the circumstances in which auditors or firms perform a joint audit engagement.

The guidance contained in this proposed Guide does not establish new requirements or contain exemptions from the requirements of the ISAs. As such, it should be read in conjunction with the ISAs, as applicable. The auditor exercises professional judgement to determine the extent to which any of the guidance provided in this proposed Guide may be appropriate, in light of the requirements of the ISAs and the particular circumstances of the joint audit engagement.

This proposed Guide is authoritative and includes:

- Descriptions and/or definitions to appropriately describe the features of a joint audit engagement;
- Roles and responsibilities of the joint auditors, individually and together (including addressing the risk of fronting);
- Independence and other relevant ethical requirements;
- A quality control system;
- Acceptance and continuance of audit client relationships and engagements;
- Joint auditors' agreements;
- The role of an engagement quality control reviewer in a joint audit engagement;
- An audit plan and strategy;
- A new joint audit engagement;
- Consultations on technical, independence/ethical or other matters;
- Access to the working papers of a joint auditor;
- The cross-review of the work performed by the other joint auditor and documentation of the cross-review;

- Communication;
- The role of joint auditors in reporting a reportable irregularity in terms of the Auditing Profession Act, 2005;
- The joint auditors' report and the resolution of differences of opinion between joint auditors;
- Concluding in a joint audit engagement;
- Documentation;
- Archiving of the audit file; and
- Considerations of Mandatory Audit Firm Rotation on joint audit engagements.

### **Proposed Effective Date**

Depending on the comments received, it is anticipated that the final Guide will be approved by the CFAS in June 2020. Following that, it will then be issued in that same month, with such approval and issue being noted at the subsequent meeting of the IRBA Board.

It is expected that the final Guide will be effective for audits of financial statements for periods beginning on or after 31 December 2020.

### **Request for Comments**

The CFAS welcomes comments on all matters addressed in this proposed Guide and seeks responses to four specific questions that are set out in the Explanatory Memorandum section.

We invite auditors and other interested parties to submit any comments regarding this proposed Guide to the IRBA by **6 March 2020**. Comments, in Word format, should be submitted via 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](#).

**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.*