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## INDEPENDENT REGULATORY BOARD FOR AUDITORS

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### ***Audits of Investment Properties and/or Property Companies***

Johannesburg / 11 December 2020

The recent stakeholder and media attention on property companies has highlighted the business risks involved in operating in this industry. An example of such business risks being the valuation of investment properties. These risks are further impacted by slow economic growth under the ongoing Covid-19 conditions. Although Covid-19 has also impacted other industries, in the property industry, it has negatively impacted occupancies, rental income and lease renewals. This may result in heightened audit risk. Registered auditors who audit investment properties and/or property companies are reminded of, among others, the following available resources:

Link	Date Issued
<a href="https://www.jse.co.za/sites/default/files/media/documents/2020-11/Investment%20property%20Common%20findings%20report%202020.pdf">https://www.jse.co.za/sites/default/files/media/documents/2020-11/Investment%20property%20Common%20findings%20report%202020.pdf</a>	3 November 2020
<a href="https://www.accountancysa.org.za/wp-content/uploads/2020/04/COVID_19_Significant_judgements_estimates_Educational_material_3-1.pdf">https://www.accountancysa.org.za/wp-content/uploads/2020/04/COVID_19_Significant_judgements_estimates_Educational_material_3-1.pdf</a>	April 2020 (includes a disclosure example from pages 7 to 10)
<a href="https://www.frc.org.uk/getattachment/03838acd-facc-4a06-879c-a4682672a6d7/CRR-COVID-19-Thematic-Review-Jul-2020.pdf">https://www.frc.org.uk/getattachment/03838acd-facc-4a06-879c-a4682672a6d7/CRR-COVID-19-Thematic-Review-Jul-2020.pdf</a>	July 2020 (pages 40 and 42 contain references to investment property)
<b>General Guidance Link</b>	
<a href="https://www.irba.co.za/guidance-for-ras/general-guidance/covid-19">https://www.irba.co.za/guidance-for-ras/general-guidance/covid-19</a>	March 2020
<a href="https://www.frc.org.uk/getattachment/ae0044e3-a7bf-4b75-8aa2-4e39e20f525b/Bulletin-Coronavirus-Guidance-December-2020.pdf">https://www.frc.org.uk/getattachment/ae0044e3-a7bf-4b75-8aa2-4e39e20f525b/Bulletin-Coronavirus-Guidance-December-2020.pdf</a>	Updated December 2020
<a href="https://www.frc.org.uk/about-the-frc/covid-19/covid-19-bulletin-march-2020">https://www.frc.org.uk/about-the-frc/covid-19/covid-19-bulletin-march-2020</a>	March 2020

Should you have any further queries, please do not hesitate to contact the [Standards Department](#).

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#### ***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.*