
INDEPENDENT REGULATORY BOARD FOR AUDITORS
COMMITTEE FOR AUDITING STANDARDS

Exposure Draft: Proposed SAAPS 3 (Revised), *Illustrative Reports*

Johannesburg / 21 September 2023

The Independent Regulatory Board for Auditors' (IRBA) Committee for Auditing Standards (CFAS) has approved, for issue, the [Exposure Draft: Proposed South African Auditing Practice Statement \(SAAPS\) 3 \(Revised\), *Illustrative Reports*](#) (proposed SAAPS 3 (Revised)). The SAAPS 3 Exposure Draft (ED) was approved for exposure in August 2023, for public comment by **30 November 2023**.

The proposed SAAPS 3 (Revised) provides practical assistance to registered auditors who report on financial statements both for compliance with the International Standards on Auditing (ISAs) or the International Standards on Review Engagements, as applicable; and for the legal and regulatory requirements applicable to auditors and auditor reporting in South Africa, in relation to the content and format of the auditor's report.

Scope of the Proposed Amendments

This proposed SAAPS 3 (Revised) contains significant proposed changes, especially for audits of Public Interest Entities. It has been amended to incorporate the [IRBA Rule on Enhanced Auditor Reporting for the Audit of Financial Statements of Public Interest Entities \(EAR Rule\)](#) into the illustrative reports. The EAR Rule was published together with [Staff Audit Practice Alert 9: IRBA Rule on Enhanced Auditor Reporting for the Audit of Financial Statements of Public Interest Entities](#), which provides non-authoritative guidance on how auditors may apply the EAR Rule.

The following amendments have also been incorporated into this proposed SAAPS 3 (Revised):

- Removal of the options in the Basis of Opinion paragraph that accommodated the different effective dates of Parts 1, 3, 4A and 4B of the IRBA Code of Professional Conduct for Registered Auditors, as the transitional period has passed;
- Implementation of the conforming and consequential amendments to ISA 700 (Revised), *Forming an Opinion and Reporting on Financial Statements*, arising from ISA 600 (Revised), *Special Considerations – Audits of Group Financial Statements (Including the Work of Component Auditors)* (ISA 600 (Revised)), effective for audits of financial statements for periods beginning on or after 15 December 2023; and
- Deletion of the Illustrative Auditor-General of South Africa (AGSA) Report (previously Illustrative Report 4 of Part A), as it is no longer aligned with the Auditor General's reporting prescriptions.

Proposed Effective Date

Depending on the comments received, the expectation is for the CFAS to approve and issue the final SAAPS in March 2024, with that being noted at the subsequent meeting of the IRBA Board.

The proposed effective date for SAAPS 3 (Revised) is for auditor's or independent reviewers' reports issued for audits or independent reviews of financial statements for periods ending on or after 15 December 2024, with early adoption permitted. This aligns with the effective dates of the EAR Rule and ISA 600 (Revised).

Therefore, early adoption of the proposed SAAPS 3 (Revised) will mean an early adoption of both the EAR Rule and ISA 600 (Revised). If the registered auditor does not intend to early adopt the EAR Rule and/or ISA 600 (Revised), it is recommended that they continue to use the extant [SAAPS 3, Illustrative Reports \(Revised May 2019\)](#), adapted as necessary, until the proposed SAAPS 3 (Revised) becomes effective.

Request for Comments

The CFAS welcomes comments from auditors and other interested parties on all matters that are addressed in the ED. It also seeks responses to the specific questions that are set out in Section 5 of the Explanatory Memorandum. Comments, in Word format, should be emailed to standards@irba.co.za. All comments will be considered a matter of public record.

Comments should be submitted to the IRBA by 30 November 2023.

To download the ED, visit the [IRBA website](#).

Should you have any queries regarding the above-noted amendments, please email standards@irba.co.za.

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.