
INDEPENDENT REGULATORY BOARD FOR AUDITORS

COMMITTEE FOR AUDITING STANDARDS

Exposure Draft: Proposed Guide for Registered Auditors (Revised), *Joint Audit Engagements*

Johannesburg / 29 November 2023

The Independent Regulatory Board for Auditors' (IRBA) Committee for Auditing Standards (CFAS) has approved, for issue, the [Exposure Draft: Proposed Guide for Registered Auditors \(Revised\), *Joint Audit Engagements*](#) (proposed Guide (Revised)). The Exposure Draft (ED) was approved for exposure in November 2023 for a 90-day period, for public comment by **29 February 2024**.

The CFAS Task Group that developed the proposed Guide (Revised) comprised technical staff representatives from auditing firms, the South African Institute of Chartered Accountants and the IRBA.

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

South African Guides are authoritative pronouncements and their authority is set out in the [Status and Authority of Auditing Pronouncements](#). However, guides do not impose requirements on auditors beyond those included in the International or South African Standards on Quality Control, Auditing, Review, Other Assurance and Related Services or South African regulatory requirements. Also, they do not change an auditor's responsibility to comply, in all material respects, with the requirements of the International or South African Standards or with South African regulatory requirements relevant to the audit, review, other assurance or related services engagement.

Accordingly, the auditor will have to exercise professional judgement to determine the extent to which any of the guidance provided in this proposed Guide (Revised) may be appropriate, in light of the requirements of the ISAs and the particular circumstances of the joint audit engagement.

Scope of the Proposed Amendments

The proposed Guide (Revised) contains significant proposed amendments regarding sources of information and/or procedures that a joint auditor may consider in satisfying themselves that there are sufficient appropriate systems of quality management (SOQM) in place at each firm that is party to the joint audit engagement. As a result, SOQM is addressed through the following:

- Introduction of a new attachment, Appendix 3, in the ED concerning topics and/or aspects a joint auditor may consider in gaining an understanding of another joint auditor's SOQM;
- Relevant requirements of the International Standard on Quality Management (ISQM) 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, form part of the ED;
- Requirements of ISA 220 (Revised), *Quality Management for an Audit of Financial Statements*, that are of relevance have been introduced into the ED; and
- Paragraph 45 of the ED has been updated to reference paragraph A30 of ISQM 2, *Engagement Quality Reviews*, regarding factors that may impact the nature and extent of the engagement quality reviewer's procedures for a specific engagement.

In addition, the following amendments have been incorporated into this proposed Guide (Revised):

- Updates for references to the IRBA Code of Professional Conduct for Registered Auditors (Revised April 2023); ISA 220 (Revised), paragraph A21A; and ISA 600 (Revised), *Special Considerations - Audit of Group Financial Statements (Including the Work of Component Auditors)*, paragraph A25.
- Paragraph 9 of the ED refers to South African firms performing joint audit engagements. The task group concluded that this adjustment would be a better reflection of the objective of the Auditing Profession Act 26 of 2005, as amended.
- All references to the IRBA's Mandatory Audit Firm Rotation Rule have been removed, as a result of the [Supreme Court of Appeal Judgment](#) setting aside the Rule in May 2023.

Proposed Effective Date

Depending on the comments received, the plan is that the CFAS will approve the final Guide in May 2024. Afterwards, it will be issued in that same month, with such approval and issue being noted at the subsequent meeting of the IRBA Board. Then, the final Guide (Revised) will be effective for audits of financial statements for periods beginning on or after 31 December 2024, with early adoption permitted.

Request for Comments

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

The submission deadline for comments to the IRBA is **29 February 2024**. To download the ED, visit the [IRBA website](#).

Should you have any other queries regarding the above-noted amendments 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; consider relevant international changes by monitoring developments by other auditing standard-setting bodies and sharing information, where requested; and promote and ensure the relevance of auditing pronouncements.