



**COMMENTS BY THE SOUTH AFRICAN INSTITUTE OF PROFESSIONAL ACCOUNTANTS**

**STATEMENTS OF MEMBERSHIP OBLIGATIONS 1-7 (REVISED)**

**SMO 1**

Whilst we support the changes envisaged we offer the following recommendations:

1. Paragraph 35 on page 24 refers to a cycle approach. The cycle of years for performing reviews may conflict with existing structures and standards in different jurisdictions. We therefore recommend that paragraphs 35 (a) and (b) be removed and paragraph 35 should read as follows:

“Jurisdictions that select a cycle approach shall take into consideration the quality and effectiveness of the internal inspection system as prescribed by any legislation or standard in that jurisdiction”.

**General comment**

The use of the term “audit” is limiting since there are other assurance procedures which a country can rely on eg an independent review. We recommend that the term “audit” be replaced by “assurance” which will include both the audit and the review.

**SMO 2**

We support the statement in full.

**SMO 3**

We support the statement in full.

**SMO 4**

We support the statement in full.

## **SMO 5**

We support the statement in full.

## **SMO 6**

Whilst we support the envisaged amendments we offer the following recommendations:

**1. Paragraph 15 on page 50**

It is recommended that this paragraph be removed as it is accepted standard practice.

**2. Paragraph 17 on page 50**

We recommend that the word “personnel” be replaced by “persons” as not all representatives on the disciplinary structures are employed by the organization.

**3. Paragraph 53 on page 56**

We recommend that IFAC relook at the wording of this paragraph. We recommend that “relevant qualifying professional accountancy organization” be replaced by “the other body”.

### **General comment**

The statement is too detailed and we recommend that the statement should give general guidelines with the possibility of a standard being developed to underpin the statement.

## **SMO 7**

We support the statement in full.