

REF#758017

10 January 2020

Submitted electronically at www.iaasb.org

Mr. Willie Botha
Technical Director
International Auditing and Assurance Standards Board (IAASB)
529 Fifth Avenue
New York
10017 USA

Dear Willie,

SAICA'S COMMENT LETTER ON THE IAASB'S EXPOSURE DRAFT, *PROPOSED CONFORMING AMENDMENTS TO THE IAASB INTERNATIONAL STANDARDS AS A RESULT OF THE REVISED IESBA CODE*

The South African Institute of Chartered Accountants (SAICA) is the home of Chartered Accountants in South Africa – we currently have over 45,000 members from various constituencies, including members in public practice ($\pm 30\%$), in business ($\pm 48\%$), in the public sector ($\pm 5\%$), in education ($\pm 2.0\%$) and other members ($\pm 15\%$). In meeting our objectives, our long-term professional interests are always in line with the public interest and responsible leadership. SAICA is currently the only professional accountancy organisation that has been accredited by the Audit Regulator in South Africa, the Independent Regulatory Board for Auditors (IRBA).

We welcome the opportunity to comment on the Exposure Draft, *Proposed Conforming Amendments to the IAASB International Standards as a Result of the Revised IESBA Code* (the Exposure Draft).

Our responses are included under the following sections:

- A. Response to specific questions in the Explanatory Memorandum.
- B. Other comments.

Please do not hesitate to contact us should you wish to discuss any of our comments. You are welcome to contact Duma Mkololo (dumam@saica.co.za) or Ciara Reintjes (ciarar@saica.co.za)

Yours sincerely

Signed electronically

Ciara Reintjes
Senior Executive: Audit and Assurance

A. RESPONSE TO SPECIFIC QUESTIONS IN THE EXPLANATORY MEMORANDUM

Question 1

Whether respondents believe the proposed limited amendments are sufficient to resolve actual or perceived inconsistencies between the IAASB's International Standards and the changes made by IESBA in issuing the revised IESBA Code

1. SAICA believes that the proposed limited amendments are sufficient to resolve actual or perceived inconsistencies between the IAASB's International Standards and the changes made by IESBA in issuing the revised IESBA Code.
2. SAICA supports the conforming amendments to the IAASB's International Standards intended to reflect structural changes to, and the applicability of the IESBA Code.
3. SAICA supports the conforming amendments to the IAASB's International Standards in light of the changes to the framework for addressing threats to compliance with the fundamental principles to the IESBA Code.
4. SAICA supports the conforming amendments to the IAASB's International Standards to update the title of the IESBA Code.
5. SAICA welcomes conforming amendments to the IAASB's International Standards intended to align the International Standards with terminology used in the IESBA Code.

Question 2

Whether respondents believe that the proposed effective date of approximately 90 days after the approval of the due process by the Public Interest Oversight Board is appropriate.

6. SAICA supports the proposed effective date that conforming amendments become effective approximately 90 days after the approval of the due process by the Public Interest Oversight Board based on the reasons noted below:
 - The revised IESBA Code is effective from 15 June 2019, requiring the hastening of the alignment between the IAASB's International Standards and the revised IESBA Code, which is in the best interest of the profession and public interest.
 - Based on the Exposure Draft, we believe that these conforming amendments are limited in nature and do not involve a re-consideration of the objectives, requirements and application material of the International Standards.
 - We agree that an extended effective date would unnecessarily delay the production of the IAASB Handbook of International Quality Control, Auditing, Review, Other Assurance, and Related Services Pronouncements.

B. OTHER COMMENTS

7. SAICA agrees with the IAASB that there are no conforming amendments necessary with respect to the paragraphs indicated as 'no changes identified' in the Exposure Draft.
8. SAICA agrees with the IAASB that the changes are not applicable with respect to the paragraphs indicated as 'N/A' in the Exposure Draft.
9. With respect to paragraph 4 of International Standard on Review Engagements (ISRE) 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*, SAICA agrees that changes to align to the fundamental principles highlighted in paragraph 110.1 A1 of the IESBA Code are necessary. However, SAICA supports the IAASB's view that even though general updates to this standard are needed to reference relevant ethical requirements in the same manner as the other standards, given that this standard has not been updated for conforming amendments in relation to other recent projects of the IAASB, it is proposed that no changes are made as it may give the appearance that the standard is up to date. To this end, SAICA suggests that the IAASB considers including a "health warning" to the users of ISRE 2410 that the standard has not been updated for conforming amendments in relation to other recent projects of the IAASB.