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4 April 2014

Technical Director
International Auditing and Assurance Standards Board
545 Fifth Avenue, 14th Floor
New York, New York 10017 USA

Electronic submission: <http://www.iaasb.org/>

Dear Sir

SAICA SUBMISSION ON IAASB'S PROPOSED STRATEGY AND WORK PROGRAM FOR 2015 -2016

In response to your request for comments on *the Proposed Strategy and Work Program for 2015 - 2016*, attached is the comment letter prepared by The South African Institute of Chartered Accountants (SAICA).

We thank you for the opportunity to provide comments on this document.

Please do not hesitate to contact us should you wish to discuss any of our comments.

Yours sincerely,

Mohammed Lorgat
Project Director – Assurance, Public Sector, Ethics and Members' Advice

PROPOSED STRATEGY FOR 2015 – 2016 – RESPONSE TO SPECIFIC QUESTIONS

37(a) Whether the strategic objectives identified are considered appropriate for the period 2015 – 2019

Response: We believe that the strategic objectives identified are appropriate for the period 2015 – 2019, however we request that IAASB should develop high quality standards acceptable by or that can be adopted by all countries. For example, ISA 610 (Revised 2013) is the one standard that is not accepted/adopted by all countries, specifically in relation to the new requirements and guidance that addresses *the auditor's responsibilities if using internal auditors to provide direct assistance under the direction, supervision, and review of external auditor for the purpose of the audit and for those jurisdictions that permit this.*

The aim should be to develop the high quality standards accepted/adopted and then interpreted and applied in the same way by all countries, and not to divide the auditing community.

37(b) Whether the factors included in Appendix 2 on page 19 represented a reasonable basis for IAASB to use in developing its Work Program beyond the Work Program 2015 – 2016

Response: The work programme should take cognisance of both: the need of direct and indirect users of audit services; and audit firms who require uniform standards to be developed for the audits to be consistent amongst industries as an example.

The programme focuses on new, more or extended audit requirements ignoring the fact that there is a lot of pressure on audit fees across the world. Audits can only be performed cheaper with less skilled staff or spending less time on the audit. We propose that guidance be provided to address this problem as including additional procedures will not solve the problem.

54(a) The approach taken to the development of the Work Program for 2015–2016, in particular the IAASB's decision to focus on fewer key projects towards the goal of their completion by 2017.

Response: We agree with the principle of less is more.

PROPOSED STRATEGY FOR 2015 – 2016 – RESPONSE TO SPECIFIC QUESTIONS

54(b) *The appropriateness of the topics chosen as the focus for the Work Program for 2015–2016 (see paragraph 4 of the Work Program and Table A on pages 26–29) in light of the strategic objectives set out in the IAASB's Strategy for 2015–2019.*

Response: Yes, we agree with the topics chosen, taking into consideration our comments under *point 37 (b)* of above.

The example on page 39 of the consultation paper regarding ISA 315, should be moved forward on the work program and should include implementation guidance. This will benefit a far bigger audience.

The focus should be on ISA 600 and ISA 320 as we believe that these standards will help auditors to be more effective and assist with the increased fees pressures.

54(c) *Whether there is an action(s) or project(s) that has not been included in the Work Program for 2015–2016 that you believe the IAASB should address during that period. For example, should any of the topics in Appendix 1 (on pages 39–41) be prioritized sooner? If so, which initiative(s) identified in Table A (on pages 26–29) do you believe should be replaced by this action(s) or project(s). Please provide an explanation of your views.*

Response: Refer to our response above.

54(d) *Whether there are alternative approaches for the IAASB to consider in order to enhance the IAASB's ability to address calls from stakeholders for IAASB efforts on a variety of important topics, in light of the constraints of available resources and the need for due process to be applied in the development or revision of standards.*

Response: We believe that the Regulators across the world should be educated on what the intention was when a specific standard was developed or the inclusion of specific paragraphs in the standards to avoid different interpretations.