

# Implications of the effective dates of the IRBA Code on the auditor's and assurance reports

April 2019

As the effective date for Parts 1 and 3 of the IRBA Code differs from that of Parts 4A and 4B, it will have an impact on how the IRBA Code is described in the auditor's and assurance reports.

## Revised IRBA Code

The IRBA communicated the release of the IRBA Code of Professional Conduct for Registered Auditors (**revised November 2018**) (**IRBA Code**) which have different effective dates affecting the auditor's and assurance reports.

The IRBA Code will have the following effective dates:

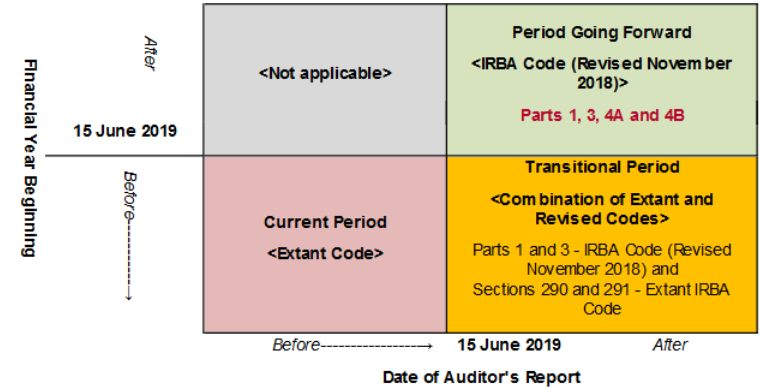
- ❖ Parts 1 and 3 will be effective **as of 15 June 2019**
- ❖ Part 4A relating to independence for audit and review engagements will be effective for audits and reviews of financial statements for **periods beginning on or after 15 June 2019**
- ❖ Part 4B relating to independence for assurance engagements will be effective for **periods beginning on or after 15 June 2019** (when covering periods), otherwise effective as of 15 June 2019.

As the effective dates for above is different, careful attention needs to be given to the implementation of the different parts of the IRBA Code and the impact thereof on the '**BASIS FOR OPINION**' included in the auditor and assurance reports.

There will thus be **3 different types** of audit reports that will need to be considered to address the above effective dates:

1. **Current period** – Auditor or assurance reports **issued before 15 June 2019** (Extant IRBA Code – As normally reported)
2. **Transitional period** – Auditor or assurance reports **issued on or after 15 June 2019** in respect of **financial periods beginning before or on 14 June 2019**
3. **Period going forward** – Auditor or assurance reports **issued after 15 June 2019** in respect of **financial periods beginning on or after 15 June 2019**

See illustration below regarding above:



## Examples

See below extracts for "**Basis for Opinion**" that will apply (except for Disclaimer opinion):  
(Example based on audit of consolidated set of financial statements of a listed entity)

### Current period

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements* section of our report. We are independent of the group in accordance with the Independent Regulatory Board for Auditors *Code of Professional Conduct for Registered Auditors (IRBA Code)* and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the International Ethics Standards Board for Accountants *Code of Ethics for Professional Accountants* (Parts A and B). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Implications of the effective dates of the IRBA Code on the auditor's and assurance reports

April 2019

As the effective date for Parts 1 and 3 of the IRBA Code differs from that of Parts 4A and 4B, it will have an impact on how the IRBA Code is described in the auditor's and assurance reports.

### *Transitional period*

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the company in accordance with the sections 290 and 291 of the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors (Revised January 2018)* (IRBA Code (Revised January 2018)), parts 1 and 3 of the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors (Revised November 2018)* (IRBA Code (Revised November 2018)) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code (Revised January 2018), the IRBA Code (Revised November 2018) and in accordance with other ethical requirements applicable to performing audits in South Africa. Sections 290 and 291 of the IRBA Code (Revised January 2018) are consistent with sections 290 and 291 of the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants*. Parts 1 and 3 of the IRBA Code (Revised November 2018) are consistent with parts 1 and 3 of the *International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards)*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Period Going Forward*

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the company in accordance with the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors (IRBA Code)* and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA

Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (Parts 1, 3, 4A and 4B). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Note: To ensure that the appropriate report is issued, all audit reports issued between June and September 2019 must be submitted to the Technical Department at [technical@nexia-sabt.co.za](mailto:technical@nexia-sabt.co.za) for review before signing the audit report**