
BOARD NOTICE RAADSKENNISGEWING

BOARD NOTICE 128 OF 2009

THE INDEPENDENT REGULATORY BOARD FOR AUDITORS (IRBA)

THE ADOPTION OF AUDITING PRONOUNCEMENTS AND CIRCULARS MADE UNDER THE PUBLIC ACCOUNTANTS' AND AUDITORS' ACT, 80 OF 1991 (NOW REPEALED) AND THE ADOPTION OF INTERNATIONAL STANDARDS ON AUDITING, ASSURANCE, AND ETHICS PRONOUNCEMENTS IN TERMS OF THE AUDITING PROFESSION ACT, 26 OF 2005 ("THE ACT")

Notice is hereby given, for general information, in accordance with the provisions of sections 4(1)(e) and 59 (8)(d) and (f) of the Auditing Profession Act 26 of 2005, of the following:

1. Historical background

1.1. Shortly prior to 1 January 2005 (that is, before the commencement of the Act), the Board passed a resolution which was given effect to in Circular B.1/2004 with effect from 1 January 2005 adopting the entire suite of auditing pronouncements issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC) for use in South Africa. The International pronouncements, which included practice statements (hereafter referred to as the IAASB Standards) which were adopted included:

- International Standards on Auditing (ISAs);
- International Standards on Review Engagements (ISREs);
- International Standards on Assurance Engagements (ISAEs);
- International Standards on Related Services (ISRSs);
- International Standards on Quality Control (ISQC); and
- The International Framework for Assurance Engagements.

1.2. In terms of sections 59(8)(d) and 59(8)(f) of the Act and by virtue of the circular referred to above (which was included in the Manual referred to in section 59(8)), all documents

listed in the publication known as "***Handbook of International Auditing, Assurance, and Ethics Pronouncements***", **2006 Edition**, ISBN 1-931949-52-2 (which formed the subject of the circular) are deemed to have been adopted by the Board with effect from 1 April 2006, being the effective date of the Auditing Profession Act, 2005.

1.3. Subsequent to 1 April 2006, being the effective date of the Auditing Profession Act, 2005, the Board, at various stages, adopted all the documents contained in the publication known as "***Handbook of International Auditing, Assurance, and Ethics Pronouncements***", **2007 Edition**, ISBN 1-931949-66-2 and subsequently all documents contained in the publication known as "***Handbook of International Auditing, Assurance, and Ethics Pronouncements***", **2008, Part 1 Edition**, ISBN 978-1-934779-06-4, (some of which would have replaced documents in the 2007 Edition) and which are effective until 14 December 2009; with the exception of the 2008: *International Standards on Review Engagements (ISRE)*, the *International Standards on Assurance Engagements (ISAE)* and the *International Standards on Related Services (ISRS)* which continue to be effective (subject to the conforming amendments to Paragraphs 15 and 18 of the International Standard on Review Engagements (*ISRE*) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" amended as a result of ISA 200, "Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with International Standards on Auditing") as these standards have not yet been revised in the clarity format. The conforming changes are shown in the Appendix on page 3 of the **2009 Handbook of International Standards on Auditing and Quality Control**.

1.4. By virtue of adopting the above, the Board deemed it to have been prescribed without publication of the entire books, and communicated the adoption to registered auditors, as well as making it available on the IRBA's website-www.irba.co.za.

2. Current Position

2.1. On 21 September 2009 the Board resolved to adopt, issue and prescribe in the Government Gazette, the following Standards contained in the publication known as ***“Handbook of International Standards on Auditing and Quality Control” 2009 Edition, ISBN 978-1-934779-92-7***, with effect from 15 December 2009, to replace and substitute the 2008 *International Standards on Auditing* and the *International Standard on Quality Control*, referred to in 1.3 above:

GLOSSARY OF TERMS (February 2009)

INTERNATIONAL STANDARDS ON QUALITY CONTROL (ISQCs)

International Standard on Quality Control (ISQC) 1, Quality Controls for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements

AUDITS OF HISTORICAL FINANCIAL INFORMATION

GENERAL PRINCIPLES AND RESPONSIBILITIES

- ISA 200, Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with International Standards on Auditing
- ISA 210, Agreeing the Terms of Audit Engagements
- ISA 220, Quality Control for an Audit of Financial Statements
- ISA 230, Audit Documentation
- ISA 240, The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements
- ISA 250, Consideration of Laws and Regulations in an Audit of Financial Statements
- ISA 260, Communication with Those Charged with Governance
- ISA 265, Communicating Deficiencies in Internal Control to Those Charged with Governance and Management

RISK ASSESSMENT AND RESPONSE TO ASSESSED RISKS

- ISA 300, Planning an Audit of Financial Statements
- ISA 315, Identifying and Assessing the Risks of Material Misstatement through Understanding the Entity and Its Environment
- ISA 320, Materiality in Planning and Performing an Audit
- ISA 330, The Auditor's Responses to Assessed Risks
- ISA 402, Audit Considerations Relating to an Entity Using a Service Organization
- ISA 450, Evaluation of Misstatements Identified during the Audit

AUDIT EVIDENCE

- ISA 500, Audit Evidence
- ISA 501, Audit Evidence—Specific Considerations for Selected Items
- ISA 505, External Confirmations
- ISA 510, Initial Audit Engagements—Opening Balances
- ISA 520, Analytical Procedures
- ISA 530, Audit Sampling
- ISA 540, Auditing Accounting Estimates, Including Fair Value Accounting Estimates and Related Disclosures
- ISA 550, Related Parties
- ISA 560, Subsequent Events
- ISA 570, Going Concern
- ISA 580, Written Representations

USING WORK OF OTHERS

- ISA 600, Special Considerations—Audits of Group Financial Statements (Including the Work of Component Auditors)
- ISA 610, Using the Work of Internal Auditors
- ISA 620, Using the Work of an Auditor's Expert

AUDIT CONCLUSIONS AND REPORTING

- ISA 700, Forming an Opinion and Reporting on Financial Statements

- ISA 705, Modifications to the Opinion in the Independent Auditor's Report
- ISA 706, Emphasis of Matter Paragraphs and Other Matter Paragraphs in the Independent Auditor's Report
- ISA 710, Comparative Information—Corresponding Figures and Comparative Financial Statements
- ISA 720, The Auditor's Responsibilities Relating to Other Information in Documents Containing Audited Financial Statements


SPECIALIZED AREAS

- ISA 800, Special Considerations—Audits of Financial Statements Prepared in Accordance with Special Purpose Frameworks
- ISA 805, Special Considerations—Audits of Single Financial Statements and Specific Elements, Accounts or Items of a Financial Statement
- ISA 810, Engagements to Report on Summary Financial Statements.

2.2.PDF formats of the 2008 and 2009 Handbooks are available for download from the IRBA's website - www.irba.co.za. On written request, these will also be available on CD free of charge.

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