



**INDEPENDENT REGULATORY BOARD FOR
AUDITORS**

COMMITTEE OF AUDITING STANDARDS

**Publication of the South African Auditing
Practice Statement 7, *Transparency Reports of
Firms that Audit Financial Statements of
Publicly Traded Entities***

Johannesburg / 22 November 2024

The Independent Regulatory Board for Auditors' (IRBA) Committee for Auditing Standards has approved the [South African Auditing Practice Statement \(SAAPS\) 7, *Transparency Reports of Firms that Audit Financial Statements of Publicly Traded Entities Audit Engagements*](#) (SAAPS 7) for publication.

The aim of SAAPS 7 is to assist firms that audit financial statements of publicly traded entities to achieve compliance with paragraphs 33(d)(ii) and A114 of the International Standard on Quality Management (ISQM) 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, and to conform with the regulatory requirement applicable to firms in South Africa, relating to the content and format of a firm's transparency report.

The conclusion of this final pronouncement followed a public consultation process that was launched on 14 March 2024.

Approach to this SAAPS

ISQM 1 and [IRBA Rule 2](#) require firms to communicate information about their quality management systems. This can be achieved through a transparency report that addresses the eight components of a system of quality management (SoQM), which are risk assessment; governance; ethics; client acceptance; engagement performance; resources; information and communication; as well as monitoring and remediation.

SAAPS 7 will guide a firm that is considering the eight components of its SoQM, in its preparation of a transparency report. This approach was followed because it is principles-based. Therefore, related aspects in ISQM 1 have been incorporated into this SAAPS, with references where appropriate.

To address relevance and usefulness, firms should consider the level of detail and the materiality of disclosures under SAAPS 7. Furthermore, transparency reports should be published annually and are to be accessible to external parties.

A video relating to the publication of SAAPS 7 can be viewed on the [IRBA webpage](#).

Effective Date

This SAAPS 7 is effective for transparency reports prepared and published on or after 15 December 2025, with early adoption permitted.

This aligns with the effective date of the [IRBA's Quality Management \(QM\) Rule 2 on Transparency Reports](#). Therefore, the early adoption of SAAPS 7 will equate to an early adoption of the QM Rule 2. Firms are encouraged to familiarise themselves with SAAPS 7 well ahead of its effective date, so that reporting systems, governance and quality control over the report can be established.

Imran Vanker
Director: Standards

About the IRBA

The objective of the IRBA is to endeavour to protect the financial interests of the South African public and international investors in South Africa through the effective and appropriate regulation of

audits conducted by registered auditors, in accordance with internationally recognised standards and processes.

The statutory responsibilities of the Committee for Auditing Standards are to assist the IRBA to develop, maintain, adopt, issue or prescribe auditing pronouncements; consider relevant international changes by monitoring developments by other auditing standard-setting bodies and sharing information, where requested; and promote and ensure the relevance of auditing pronouncements.





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