

Committee for Auditing Standards

**Due Process Policy for the Development, Adoption and Issue of
Quality Management, Auditing, Review, Other Assurance and
Related Services Pronouncements
(Revised November 2024)**

Independent Regulatory Board for Auditors
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This *Revised Due Process Policy for the Development, Adoption and Issue of Quality Management, Auditing, Review, Other Assurance and Related Services Pronouncements (Revised November 2024) (Revised Due Process Policy)* was prepared by the Committee for Auditing Standards (CFAS) of the Independent Regulatory Board for Auditors (IRBA) and approved for issue in November 2024.

This Revised Due Process Policy serves the public interest by facilitating an understanding of the CFAS' objectives and operating procedures in the development, adoption and issue of high-quality standards on quality management, auditing, review, other assurance and related services, as well as pronouncements developed by the CFAS that are relevant, internationally comparable and issued by the IRBA.

A free download of this Revised Due Process Policy is available in PDF format from the [IRBA website](#).

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**DUE PROCESS POLICY FOR THE DEVELOPMENT, ADOPTION AND ISSUE OF
QUALITY MANAGEMENT, AUDITING, REVIEW, OTHER ASSURANCE AND RELATED
SERVICES PRONOUNCEMENTS (REVISED NOVEMBER 2024)**

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INTRODUCTION

1. This *Due Process Policy for the Development, Adoption and Issue of Quality Management, Auditing, Review, Other Assurance and Related Services Pronouncements (Revised November 2024)* (Revised Due Process Policy) is issued to serve the public interest by facilitating an understanding of the objectives and operating procedures of the Committee for Auditing Standards (CFAS) in the development, adoption and issue of quality management, auditing, review, other assurance and related services pronouncements that are prescribed by the Independent Regulatory Board for Auditors (IRBA), and which are relevant and internationally comparable.

THE COMMITTEE FOR AUDITING STANDARDS

2. Sections 4(1)(c) and (e) of the Auditing Profession Act 26 of 2005, as amended (the APA), require the IRBA to prescribe standards of professional competence with which registered auditors must comply in performing their duties as auditors, and to prescribe auditing standards.
3. Section 20(2) of the APA establishes the CFAS as a permanent committee in terms of Section 22, which sets out the composition of the committee and its primary responsibilities. The composition and detailed responsibilities are embodied in paragraphs 11.3-11.6 of the IRBA Board Resolution dated June 2021, as amended from time to time (the Resolution). The Resolution sets out the “*Delegation of Powers and Assignment of Duties to the CFAS*” and effectively establishes the committee’s Terms of Reference.
4. Sections 22(2) and 22(3) of the APA set out the CFAS’ powers and duties, which are addressed in the Resolution.

Membership of the Committee for Auditing Standards

5. The composition of the CFAS is provided for in Section 22(1) of the APA and must consist, at least, of the following persons appointed by the IRBA:
 - a. Five registered auditors;
 - b. One person with experience of business;
 - c. An incumbent of the office of the Auditor-General, or a person nominated by that incumbent;
 - d. An incumbent of the office of the Executive Officer of the Financial Services Board (its successor in title being the Financial Sector Conduct Authority), or a person nominated by that incumbent;
 - e. One person with experience in the teaching of auditing at a university recognised or established under the Higher Education Act 101 of 1997;
 - f. One person nominated by any stock exchange licensed under the Financial Markets Act 19 of 2012;

to replace a nominated representative who has been absent from two meetings in a 12-month period.

Nominations Process

13. The nominations process that will be followed for filling vacancies, due to the expiration of the members' terms of appointment and/or casual vacancies, is outlined in the IRBA Protocol for [the] Appointment of Members to the IRBA Statutory Committees.

Technical Advisors

14. Each CFAS member may appoint one technical advisor, who may participate in discussions at the CFAS meetings, with the permission of the chairperson, but may not vote on any matter before the committee.

Public Observers

15. The CFAS usually holds quarterly statutory meetings to discuss the development of, and to approve or recommend the issuance of, auditing pronouncements. These meetings are open to the public. Public observers may participate in discussions, with the permission of the chairperson, but have no vote on any matter before the CFAS. Public observers may be requested to complete a [Public Observer's Form](#).

Subcommittees and Task Groups

16. The Resolution provides that the CFAS shall have the power to constitute subcommittees and task groups, if deemed necessary, to assist it in carrying out its functions and duties, and to appoint the members thereof.
17. Subcommittees have a continuing role and function and are established as CFAS "standing committees". The chairperson of a standing committee is to be appointed by the CFAS and should preferably be a CFAS member, or such other person regarded as having the necessary technical expertise. The standing committees (refer to Appendix A) may draw on the technical expertise of various individuals or regulators, as appropriate, that are appointed as members of these committees, but who are not necessarily members of the CFAS. Acting and temporary chairpersons may be appointed by subcommittees in consultation with the Secretariat; and the CFAS and the CFAS Steering Committee should be notified of such acting or temporary appointments.
18. The CFAS or standing committees may establish task groups to assist with specific projects and may include individuals with specialised knowledge, experience and skills, but who are not members of the CFAS or the standing committees.
 - a. Where task groups are established by the CFAS, the chairperson of each task group is accountable to the committee for projects undertaken by that task group; and
 - b. Where task groups are established by a standing committee, the chairperson of that committee is accountable to the CFAS for the projects of the task groups.

19. The chairperson and deputy chairperson of a task group may be chosen by the task group. The chairperson should preferably be a CFAS member, the chairperson of the relevant standing committee, or such other person, regard being had for the necessary technical expertise required for the projects to be undertaken.
 - a. The chairperson of a task group established by the CFAS is accountable to the CFAS; and
 - b. The chairperson of a task group established by a CFAS standing committee is accountable to that committee.

Voting

Quorum for CFAS meetings

20. A quorum for a CFAS meeting requires the presence, in person or virtually, of more than 50% of the members, including, where relevant, an alternate to a member.

Recommendation for approval for the issuing of standards

21. The approval of the IRBA Board is required for the issuing and prescribing of standards developed by the CFAS, and for the authoritative International Auditing and Assurance Standards Board (IAASB) International Standards (IAASB Standards) to be adopted and prescribed for use by registered auditors in South Africa.
22. Following the completion of this due process and consideration by the CFAS, committee members approve a recommendation to the IRBA Board for approval to issue and prescribe the relevant standards for use by registered auditors. The CFAS recommendation is usually achieved by consensus, but if not, the recommendation to the IRBA Board shall be put to a vote and this requires agreement by the majority of the members – either present in person at a committee meeting or participating virtually – for it to be recommended to the IRBA Board.
23. Dissenting or abstaining opinions will be recorded in the minutes of the CFAS meeting. Each member (or alternate), including the chairperson, has one vote. In the event of an equality of votes, the chairperson of the meeting has a casting vote, in addition to his/her deliberative vote.

Approval of exposure drafts, practice notes, practice statements and guides for issue

24. The CFAS may approve and issue the following pronouncements, with such approval and issue being noted at a subsequent meeting of the IRBA Board:
 - a. Exposure drafts developed by the IAASB or CFAS and issued for public comment;
 - b. Non-authoritative international practice notes issued by the IAASB, adopted for use in South Africa and issued as guidance for registered auditors; and
 - c. Pronouncements comprising practice statements and guides¹ developed by the CFAS and to be issued as guidance for registered auditors.

¹ Including Guides developed with the Auditor-General South Africa (AGSA) – or other accredited professional bodies – and issued jointly by the IRBA and the AGSA, or the IRBA and other accredited professional bodies.

25. Such CFAS approval follows a due process and is ordinarily achieved through a member consensus, but if not, shall be put to a vote and this requires the agreement of the majority of the CFAS members – either present in person at a committee meeting or participating virtually – for the pronouncement to be issued.
26. Dissenting and abstaining opinions will be recorded in the minutes of the CFAS meeting. Each member (or alternate), including the chairperson, has one vote. In the event of an equality of votes, the chairperson of the meeting has a casting vote, in addition to his/her deliberative vote.

Reporting

27. The CFAS is accountable to the IRBA Board and shall, through the Director Standards, provide feedback on its work and activities, in the manner determined by the Board.
28. The chairperson of the CFAS may, at the request of the Board, be required to attend a Board (or Board subcommittee) meeting to give feedback on any of the committee's activities.
29. Notwithstanding the above reporting obligations, recommendations of the CFAS shall be submitted to the Board, as and when the need arises.

PROCESS FOR THE ADOPTION AND DEVELOPMENT OF PRONOUNCEMENTS

30. The CFAS keeps abreast of global developments affecting the auditing profession. Sources that are monitored include, inter alia, the agendas of the (International) Stakeholder Advisory Council; the International Forum of Independent Audit Regulators – Standards Coordination Working Group; communications from the International Federation of Accountants (IFAC) regarding guidance or global developments that are of relevance to the auditing profession; national standard setters; and other relevant bodies in the standard-setting ecosystem. These developments include insights gained from the IRBA's regulatory activities and reports. Developments and trends identified inform the CFAS strategy, work programme, agendas and projects to be undertaken.

Adoption of International Pronouncements Developed by the IAASB

31. The CFAS monitors and tracks the strategy and standard-setting activities of the IAASB and its Consultative Groups and Task Forces by considering the content of the IAASB's agendas at its quarterly meetings.
32. Further, the CFAS contributes to the IAASB's standard-setting activities, when the opportunity arises, in the development of proposed quality management, auditing, review, other assurance and related services standards, providing insights from South Africa's experience in the implementation of the IAASB Standards. The IRBA's views (taking into account those of South African stakeholders) on surveys, consultation papers and exposure drafts issued by the IAASB are communicated through written submissions, outreach activities and other engagements.

Proposed International Pronouncements and Consultation Papers issued by the IAASB

33. The IAASB's proposed international pronouncements and consultation papers issued on exposure internationally are generally exposed almost simultaneously in South Africa. The IRBA issues a communication to stakeholders – such as, but not limited to, registered auditors, the IRBA Board and certain statutory committees of the IRBA – for all of the IAASB's proposed international pronouncements, requesting comments to be submitted to it approximately 14 days before these are due to the IAASB, or to submit them directly to the IAASB by the due date and then provide a copy thereof to the IRBA. Further additional South African-specific questions may be included in the communication, requesting input from stakeholders in comment letters to be submitted to the IRBA on:
- a. Any regulatory requirements that could affect the implementation of the proposals in South Africa;
 - b. Whether there are any proposals that need to be added for application locally; and, if so, what those additions should be and the reasoning behind them;
 - c. Whether there are any proposals that need to be deleted; and where respondents suggest the deletion of a requirement of the IAASB proposed Standard in its entirety, they should provide reasons for that and an alternative, to ensure that the objective of the deleted requirement will still be met;
 - d. Whether there is a necessity to eliminate any options (alternatives) provided for in the IAASB proposed Standard and the reasons thereof;
 - e. Whether any requirement, application and other explanatory material have to be amended in respect of where the IAASB proposed Standard recognises that different practices may apply in different jurisdictions; and
 - f. Any other identified matters that may be relevant for the South African market.
34. The reason for requesting input from stakeholders in respect of the abovementioned questions is explained in the communication circulated to them. The inclusion of South African-specific questions is for the IRBA to identify whether there is a possibility that compelling reasons may exist to modify the final IAASB Standard; and/or to obtain feedback on local-specific practices and how these impact the IAASB proposed Standard. Also, if it is determined that there is a need for South African-specific additions, deletions or other amendments (modifications) to be made to the final IAASB Standard, the process has to allow for the final modified Standard to be issued on a timely basis, to ensure that the effective date is, as far as possible, aligned to that of the final IAASB Standard.
35. The Secretariat, in addition to the abovementioned communication, may undertake consultation/outreach with key stakeholder groups. The level of that consultation/outreach will be determined in terms of the CFAS Consultation Framework.
36. The CFAS may establish a task group to prepare the IRBA comment letter on the proposed new or revised IAASB Standard and/or consultation paper, including South African-specific concerns, for submission to the IAASB.

IAASB Standards issued

37. The Public Interest Oversight Board oversees the work of the IAASB and its Standing Advisory Group, to ensure that authoritative pronouncements developed by the IAASB have followed a due process and are responsive to the public interest, prior to approving them for issue. The IAASB Standards comprise the authoritative pronouncements of the IAASB.
38. Following the issue of the final IAASB Standards, the relevant IRBA task group will consider:
- a. How the IRBA comments have been addressed in the final IAASB Standard issued and/or the IAASB Basis for Conclusions;
 - b. If there are reasons for the final IAASB Standard not to be adopted in South Africa;
 - c. The effective date for implementation thereof;
 - d. If any consequential amendments may need to be made to other IRBA pronouncements;
 - e. Other relevant due process and implementation issues; and
 - f. Previous comments it discussed and any issues raised by stakeholders during the local exposure period that were not addressed in the final IAASB Standard. Such issues may include identifying and/or determining whether there is a need for South African modifications to be made to the final IAASB Standard for adoption locally.
39. Circumstances may arise where a decision is made not to adopt a category of Standards issued by the IAASB. Such a decision will be based on whether the standard will meet the needs and interests of stakeholders, such as, but not limited to, registered auditors, preparers, users and regulators in South Africa.
40. The final IAASB Standards issued are usually adopted as is (without modification) in South Africa and limited modifications may be made,² if there are compelling reasons to do so. The considerations for determining whether or not there are compelling reasons to amend a final IAASB Standard are discussed in paragraphs 48-54. Limited modifications may be made only to new or revised IAASB Standards that the IAASB issues on exposure after the approval and the publication date of the Revised Due Process Policy (Revised November 2024).

Consideration of the final IAASB Standards issued for possible limited modifications to be made

41. The [IAASB Policy Position: Modifications to International Standards of the IAASB – A Guide for National Standard Setters that Adopt IAASB's International Standards but Find It Necessary to Make Limited Modifications \(July 2006\)](#) (IAASB's Policy Position) sets out the policy on what modifications a National Standard Setter (NSS) must comply with, to assert that the resulting national standards conform to the IAASB Standards.

² Paragraph 9 of the Revised Status and Authority of Quality Management, Auditing, Review, Other Assurance and Related Services Pronouncements (Revised November 2024).

42. The IAASB's Policy Position, which the CFAS endorses, states the following (as described in paragraphs 8 and 9 thereof):

i. For the purposes of conformity under this policy, the NSS shall limit additions to an International Standard to the following:

- a) National legal and regulatory requirements.*
- b) Other requirements or guidance that are not inconsistent with the current requirements or guidance in the International Standard.*

NSSs are encouraged to communicate additions falling within paragraph 8(b) to IAASB, for future consideration.

ii. For the purposes of conformity under this policy, the NSS shall limit deletions from, or other amendments to, an International Standard to the following:

- a) The elimination of options (alternatives) provided for in the International Standard.*
- b) Requirements or guidance, application of which law or regulation does not permit, or which require amendment to be consistent with law or regulation.*
- c) Requirements or guidance where the International Standard recognizes that different practices may apply in different jurisdictions and the NSS is in such a jurisdiction.*

In the case of paragraph ii(b) and (c), however, the objective of any deleted requirement must still be met. Consequently, it will be necessary for the NSS to replace the deleted requirement with an appropriate alternative that, in the opinion of the NSS, meets the test of the Preface to the International Standards on Quality Control, Auditing, Review, Other Assurance and Related Services for those exceptional circumstances when a professional accountant may judge it necessary to depart from a basic principle or essential procedure of an International Standard to achieve more effectively the objective of the engagement.

43. The scope of limited local modifications to be made, as set out below, adheres to the principles that are in the IAASB's Policy Position. This enables the IRBA to assert that the resulting standards conform to the final IAASB Standards, when making modifications thereto.

Scope of limited modifications to be made to the final IAASB Standards

44. South African additions to the final IAASB Standards are limited to requirements or application and other explanatory material³ in respect of existing and/or emerging principles and practices that are specific to South Africa *and* that are not inconsistent with the requirements or application and other explanatory material in the final IAASB Standards.

45. South African deletions from and/or amendments to a final IAASB Standard are limited to:

³ The IAASB's Policy Position reference to "guidance" refers to "application and other explanatory material" in the IAASB Standards.

- a. The elimination of options (alternatives) provided for in the final IAASB Standard.
 - b. Requirements or application and other explanatory material, which are not consistent/conflict with the requirements of the APA, that require an amendment to be consistent with this Act.
 - c. Requirements or application and other explanatory material where the final IAASB Standard recognises that different practices may apply in different jurisdictions, with South Africa being such a jurisdiction.
46. In the case of deleting a requirement under paragraphs 45(b) and (c), however, the objective of any deleted requirement must still be met. Thus, it will be necessary to replace the deleted requirement with an appropriate alternative that meets the test of the Preface of the IAASB Standards.

Considerations for determining whether there are compelling reasons to modify a final IAASB Standard

47. The relevant task group and the CFAS, in their determination of whether there are compelling reasons to modify a final IAASB Standard – meaning that there are convincing and conclusive reasons for such modification – will take into account the factors outlined in paragraphs 49 and 50 below.
48. In undertaking any modifications under paragraph 44 and/or paragraph 45, the relevant task group and the CFAS will determine whether the modification, if it is limited to the explanatory and application material of the IAASB Standard, could be made in an IRBA pronouncement – such as a South African Practice Statement or Guide – instead of the final IAASB Standard.
49. Without limitation, the relevant task group and the CFAS may consider the following factors in respect of all types of modifications permitted under paragraphs 44 and 45:
- a. If the modification being addressed has general application or is specific to a particular stakeholder group or sector;
 - b. If the final IAASB Standard is sufficient to lead registered auditors to the appropriate outcome, provided it is applied appropriately;
 - c. Whether further guidance is needed to clarify, explain or interpret the requirements of the final IAASB Standard; or
 - d. How promptly the guidance needs to be made available. Guidance would be urgently required if a significant issue needs to be addressed, or if support might be required for the implementation of the final IAASB Standard.
50. Modifications are considered for a matter:
- a. That was raised by key and/or multiple stakeholders during the local exposure process;
 - b. That was included in the IRBA comment letter and either not considered by the IAASB or deliberated on and not included in the final IAASB Standard, as the matter was perhaps deemed to be specific to South Africa;
 - c. That key stakeholders raised post the issue of the final IAASB Standard; and/or

- d. That the final IAASB Standard, in whole or part, is not consistent or conflicts with the requirements of the APA.
51. Additions to a final IAASB Standard that are within the scope of the matters envisaged in paragraph 44 are made only when:
- a. The addition⁴ cannot be effected by utilising another IRBA pronouncement (refer to paragraphs 48 and 49); and
 - b. The addition to be made to the final IAASB Standard results in a modified Standard that:
 - o Is clear and promotes consistent application by registered auditors in South Africa;
 - o Promotes improvement in the quality of the audit, review, assurance or related services engagement ([IAASB: A Framework for Audit Quality](#)); and
 - o Does not inadvertently change the meaning or effect of the final IAASB Standard.
52. The elimination of an option (alternative) is made only if:
- a. An option (alternative) is prohibited in terms of a requirement of the APA;
 - b. An option (alternative) is not appropriate for the South African environment; or
 - c. The elimination of an option is desirable for promoting consistent application locally.
53. Where the final IAASB Standard, in whole or part, is not consistent or conflicts with the requirements of the APA, a deletion and/or amendment is made to the final IAASB Standard, only if the modified Standard:
- a. Will result in compliance with the requirements of the APA; and
 - b. Does not result in lesser requirements than the final IAASB Standard.
54. Requirements or application and other explanatory material where the final IAASB Standard recognises that different practices may apply in different jurisdictions, with South Africa being such a jurisdiction, will be deleted/amended where necessary, only if:
- a. Clarification of the particular practice applied locally is necessary for the final IAASB Standard's application in South Africa; and
 - b. The deletion and/or amendment cannot be effected by utilising another IRBA pronouncement (refer to paragraphs 48 and 49).
55. In undertaking any modifications under paragraph 44 and/or paragraph 45, the relevant task group and the CFAS will consider the consequences of the modifications proposed, including:

⁴ For an addition that pertains to a new requirement, the relevant task group and the CFAS could explore whether that might be implemented through an alternative mechanism, such as issuing an IRBA Rule, rather than modifying the final IAASB Standard.

- a. Whether those modifications will positively impact the protection of the financial interests of the public; and
 - b. The additional work effort for registered auditors to comply with the modifications proposed.
56. As mentioned in paragraph 46, in the case of deleting a requirement under paragraphs 45(b) and (c), the objective of any deleted requirement must still be met. Consequently, it will be necessary for the relevant task group and the CFAS to consider the replacement of the deleted requirement with an appropriate alternative that meets the test of the Preface of the IAASB Standards.
57. The relevant task group and the CFAS will also consider whether the effective date of the modified Standard should be:
- a. Aligned to the effective date of the final IAASB Standard;
 - b. Aligned to the effective date of the final IAASB Standard, with the modifications becoming effective at a later stage; or
 - c. Later than the effective date of the final IAASB Standard.

Adoption of IAASB Standards in South Africa

No modifications made to the final IAASB Standards

58. Where no potential compelling reasons to make modifications to the final IAASB Standard are identified, or there are no possible implementation issues affecting its adoption in South Africa, an issues paper is prepared for CFAS' consideration, setting out the process followed and the relevant task group's consideration and recommendations.
59. If satisfied with the relevant task group's recommendations, CFAS members consider approving a recommendation to the IRBA Board for the adoption and approval of the final IAASB Standard for issue and prescription for registered auditors in South Africa.

Non-adoption of final IAASB Standards

60. Where there are possible issues (technical or legal) that may affect the adoption of a category of the final IAASB Standard in South Africa, an issues paper is prepared for CFAS' consideration, setting out the process followed and the relevant task group's consideration and recommendations. If satisfied with the relevant task group's recommendations, CFAS members consider approving a recommendation to the IRBA Board for the non-adoption of a category of the final IAASB Standard.

Modifications made to the final IAASB Standards

61. Where potential compelling reasons to make modifications to the final IAASB Standard are identified, the relevant task group prepares a project proposal for approval by the CFAS Steering Committee to proceed. The approved project proposal, which the CFAS notes, generally sets out:
- a. The South African issues identified;
 - b. The relevant task group's consideration of paragraphs 48-54;
 - c. The research conducted;

- d. Consequential amendments to other IRBA pronouncements;
 - e. The nature and scope of the modifications permitted under paragraphs 44 and 45 that are to be made;
 - f. How the project serves the CFAS Strategy;
 - g. The technical and other resources required for the project; and
 - h. The anticipated timeframe for the project.
62. The CFAS Steering Committee considers the project proposal, whether the criteria for making the modifications have been met, the priority and the available resources to work on the changes to be made to the final IAASB Standard. Then, it either supports or declines to support the project proposal. Alternatively, it refers the project proposal back to the relevant task group for a further consideration of the issues raised.
63. Once the CFAS Steering Committee approves the project proposal, the revision of the final IAASB Standard is included in the CFAS Work Programme, and the relevant task group commences with the project.

Development and approval of the modified Standard

64. Any proposed deletion from the final IAASB Standard should be clearly noted (i.e. strikethrough the affected copy); and any proposed amendment and/or addition should be plainly differentiated from the original text through the use of **grey shading** and South African prefixes to the paragraph numbers.
65. When the relevant task group has prepared the proposed modified Standard, it presents it to the CFAS for approval to issue on exposure for public comment, for 90 days from the date of issue, or such shorter period as the CFAS considers appropriate in the circumstances, but not less than 30 days. The CFAS will apply the following criteria in considering the appropriate exposure period (whether longer or shorter):
- a. The extent of the change that is being proposed;
 - b. The urgency of the matter;
 - c. The extent to which outreach may be required; and
 - d. The extent of the stakeholders impacted by the proposal.
66. At the close of the exposure period, the relevant task group analyses and considers all comments received on the proposed modifications and then:
- a. Recommends changes to the proposed modified Standard in response to the comments received;
 - b. Prepares an *analysis of the comments*, reflecting the proposed changes made and the basis for conclusions regarding the comments, together with its recommendation and responses; and
 - c. Reports to the CFAS, setting out the significant matters raised and the recommendations made for its consideration.
67. All comments received from the public exposure are uploaded to the IRBA website as a matter of public record.

68. The final modified Standard, together with the *basis for conclusions/analysis of comments* and the *Issues Paper*, is presented to the CFAS for its consideration and approval. The CFAS may then:
- a. Refer the proposed modified Standard back to the relevant task group for further consideration, research of specific aspects and additional changes proposed;
 - b. Approve the modified Standard, followed by a consideration to either endorse its issue or re-exposure (refer to paragraphs 64 and 65); or
 - c. If re-exposure is not required, approve it for recommendation to the IRBA Board for adoption and approval for issue and prescription for registered auditors in South Africa.
69. The IRBA staff conduct a final language, formatting and editorial review⁵, to ensure a consistent quality for the type and nature of the standard to be issued.
70. Any modifications made are communicated to the IAASB, for future consideration.
71. Subsequent changes to a modified Standard that may be of a formatting and/or editorial nature are not within the scope of this due process (that is, they do not need to be identified as “compelling reason” modifications).

International Practice Notes issued

72. When a non-authoritative IAASB International Practice Note is issued, it is considered at the CFAS meeting following its issue. The committee considers possible implementation issues that may affect adoption in South Africa and, if there are any, determines how they are to be addressed. Thereafter, it approves the International Practice Note for use by registered auditors in South Africa and communicates its issue. The adoption and issue are reported at the subsequent IRBA Board meeting for noting. Non-authoritative International Practice Notes are available for use on issue.

IAASB publication not included in the IAASB Handbooks

73. The IAASB may, from time to time, issue publications with varying titles, such as staff publications, Frequently Asked Questions, project updates, Basis for Conclusions and others. These publications do not form part of the *IAASB Handbooks of International Quality Management, Auditing, Review, Other Assurance, and Related Services Pronouncements* (IAASB Handbooks), and are also not considered as authoritative. This Due Process Policy envisages that the Secretariat will share such publications, where relevant, with the CFAS and/or registered auditors. The Director Standards will determine how such publications are further dealt with, on a case-by-case basis.

Copyright permission and communication of adoption

74. The IRBA applies for copyright permission from the IFAC (or any successor body) for new editions of the IAASB Handbooks that incorporate authoritative and non-authoritative pronouncements issued by the IAASB since the preceding editions of the IAASB Handbooks previously adopted. Then, the IRBA prescribes these pronouncements. Once

⁵ The drafting convention for the IAASB's International Standards will be followed.

it receives the copyright permission, the IRBA gazettes a Board Notice, formally adopting and prescribing the latest editions of the IAASB Handbooks and the South African modifications made for use by registered auditors locally.

75. Individual International Pronouncements issued by the IAASB in between issuing revised editions of the IAASB Handbooks are considered separately at CFAS meetings, following their issue (refer to paragraphs 33-71 and Appendix B). Thereafter, the CFAS recommends the International Pronouncement to the Board for approval to adopt and prescribe. Once approved, a communication is issued to advise registered auditors of the issue of the revised or new International Pronouncement and its adoption and prescription by the IRBA.
76. After the first local modification is made to an IAASB Standard, reference to the affected category of the South African modified Standards will include “(South Africa)” in the titles. For example, if a modification has been made to one or more International Standards of Auditing, the auditing framework in South Africa will thereafter be referred to as the “International Standards on Auditing (ISAs) (South Africa)”. As explained in paragraph 43, the IRBA’s compliance with the IAASB’s Policy Position enables it to assert that the resulting national standards conform to the final IAASB Standards. The titles of individual modified Standards will also include “(South Africa)”.

Pronouncements Developed by the CFAS⁶

77. When a need for the development of local guidance is identified, a project proposal is prepared for approval by the CFAS Steering Committee to proceed. The approved project proposal, which the CFAS notes, usually sets out:
 - a. The purpose of the pronouncement to be developed and its priority;
 - b. The research conducted and other similar guidance already developed globally (where relevant);
 - c. The nature of the pronouncement to be developed, namely, a standard, a practice statement or guide;
 - d. How the pronouncement to be developed serves the CFAS Strategy;
 - e. The technical and other resources required for the project; and
 - f. The anticipated timeframe for development.
78. The CFAS Steering Committee considers the project proposal, the priority and the available resources to work on the proposed pronouncement. Then, it either supports or declines to support the project proposal. Alternatively, it refers the project proposal back to the relevant standing committee/task group/secretariat for a further consideration of the issues raised or suggestions made.
79. Once the CFAS Steering Committee approves the project proposal, the pronouncement, comprising a standard, practice statement or guide, is included in the CFAS Work Programme and developed by the relevant standing committee or task group.

⁶ Revised Status and Authority of Quality Management, Auditing, Review, Other Assurance and Related Services Pronouncements (Revised November 2024).

80. When the task group has prepared the proposed standard, practice statement or guide, it presents it to the CFAS for approval to issue on exposure for public comment for 90 days from the date of issue, or such shorter period as the CFAS considers appropriate in the circumstances, but not less than 30 days. The CFAS will apply the following criteria in considering the appropriate exposure period (whether longer or shorter):
 - a. The extent of the change that is being proposed;
 - b. The urgency of the matter;
 - c. The extent to which outreach may be required; and
 - d. The extent of the stakeholders impacted by the proposal.
81. Once the exposure period is over, the relevant standing committee and/or task group will analyse and consider all comments received, and then:
 - a. Recommends changes to the proposed pronouncement in response to comments received;
 - b. Prepares an *analysis of the comments*, reflecting the proposed amendments and basis for conclusions regarding the comments received, together with the relevant standing committee or task group's recommendation and responses; and
 - c. Reports to the CFAS, setting out the significant matters raised and the recommendations made for consideration by the committee.
82. All comments received on the CFAS exposure drafts are uploaded to the IRBA website as a matter of public record, unless respondents request that these not be published.
83. The final pronouncement developed, comprising a standard, practice statement or guide, together with the *analysis of comments* and the *Issues Paper*, is presented to the CFAS by a representative of the standing committee and/or task group for consideration and approval. The CFAS may then:
 - a. Refer the proposed pronouncement back to the standing committee or task group for further consideration, research of specific aspects and additional changes proposed;
 - b. Approve the pronouncement, followed by a consideration to either endorse its issue or re-exposure (refer to paragraph 80);
 - c. If re-exposure is not required, approve it for recommendation to the IRBA Board for approval to issue the standard and determine the effective date for implementation; or
 - d. If re-exposure is not required, approve it, with a practice statement or guide, for issue by the IRBA and noting by the Board.
84. The IRBA staff conduct a final language, formatting and editorial review, to ensure a consistent quality for the type and nature of pronouncement to be issued. A *Basis for Conclusions* regarding significant matters is prepared for South African Standards developed by the CFAS.
85. The IRBA Board does not have to give prior consent for the approval and communication of a non-authoritative IAASB practice note issued, or the issue of a CFAS practice

statement, guide or exposure draft. Rather, all this is communicated to registered auditors and others, where relevant, by means of a communication that is simultaneously uploaded to the IRBA website and made available for downloading free of charge.

PROCESS FOR APPROVAL BY THE IRBA BOARD

86. The CFAS recommendation is submitted at an IRBA Board meeting, setting out:
 - a. The background to the authoritative IAASB's international pronouncement issued, including any South African modifications made, or the IRBA pronouncement comprising a standard developed by the CFAS for issue;
 - b. The due process followed in South Africa, and the motivation for the authoritative IAASB international pronouncement to be adopted/not adopted, including any local modifications made, or the IRBA pronouncement comprising a standard developed to be issued and prescribed for registered auditors locally; and
 - c. The proposed effective date of the relevant pronouncement.
87. All new pronouncements comprising standards, and any substantive changes to existing pronouncements revised, are issued under the authority of the IRBA Board.
88. The IRBA pronouncements comprising standards, approved by the Board for issue and prescribed for use by registered auditors from the effective date, are published by means of a communication and uploaded to the IRBA website.
89. Unless otherwise stated, registered auditors may apply an IAASB international pronouncement or IRBA pronouncement before the effective date specified therein.
90. All pronouncements issued are uploaded to the IRBA website and available for downloading free of charge.

DOCUMENTS DEVELOPED BY THE SECRETARIAT AND APPROVED BY THE IRBA CEO

91. The Secretariat, with the assistance of the CFAS, periodically prepares Staff Audit Practice Alerts (Practice Alert) that are issued with the authority of the IRBA CEO. These are to raise registered auditors' awareness of significant new or emerging issues by referring to existing requirements and application material; or to direct registered auditors' attention to relevant provisions of the IAASB, the International Ethics Standards Board for Accountants or IRBA auditing pronouncements, or relevant legislative requirements.
92. When a need for the development of a Practice Alert is identified, a project proposal is prepared for consideration by the CFAS Steering Committee and recommendation to the CEO for approval to proceed. The approved project proposal, which the CFAS notes, should set out:

- a. The purpose of the Practice Alert to be developed and its priority;
 - b. The research conducted and other similar guidance already developed globally (where relevant);
 - c. The nature of the Practice Alert;
 - d. How the Practice Alert to be developed serves the CFAS Strategy;
 - e. The technical and other resources required for the project; and
 - f. The anticipated timeframe for development.
93. The CEO considers the proposal, the priority and the available resources to work on the proposed Practice Alert and either supports or declines to support the proposal; or refers it back to the relevant standing committee or task group for a further consideration of the issues raised or suggestions made.
94. Once the CEO approves the proposal, the Practice Alert is included in the CFAS Work Programme and developed by the relevant standing committee or task group.
95. When the relevant standing committee or task group has drafted the Practice Alert, the following process applies:
- a. Consultation with the CFAS for comments on the Practice Alert;
 - b. The Director Standards reviews it; and
 - c. The CEO also reviews and then approves it.
96. The IRBA issues the Practice Alert to registered auditors and any other specified parties, and uploads it to its website.

APPENDIX A: STANDING COMMITTEES

The standing committees noted below have been established as the CFAS' subcommittees.

	Standing Committee	Main Functions
1.	CFAS Steering Committee	<ul style="list-style-type: none"> Guides the CFAS agenda for its meetings. Considers project proposals for approval.
2.	Public Sector Standing Committee	<ul style="list-style-type: none"> Identifies the need for, and the development of, joint pronouncements for registered auditors performing engagements in the public sector, in consultation with the Auditor-General South Africa, to enhance the quality of public sector audits and reporting. Deals with matters related to audits and assurance work undertaken in the public sector.
3.	Regulated Industries and Reports Standing Committee	<p>Develops pronouncements on:</p> <ul style="list-style-type: none"> Acceptable financial reporting standards applied in South Africa; Illustrative auditors' reports, for use in the private and public sectors; and Audit, review, other assurance and compliance reports that meet the specific needs and legislative requirements of various regulators and government departments.
4.	Sustainability Standing Committee	<ul style="list-style-type: none"> Develops and supports the development of high-quality assurance pronouncements that improve sustainability assurance engagement quality; Assesses the risks posed to the regulator, the registered auditor and the users of the assurance report arising from sustainability assurance engagements; and Plans and strengthens coordination with leading sustainability standards setters and regulators.

APPENDIX B: SIMPLIFIED ILLUSTRATION OF THE PROCESS FOR THE ADOPTION OF IAASB STANDARDS (INCLUDING THE POSSIBILITY OF SOUTH AFRICAN MODIFICATIONS)

