

Independent Regulatory Board for Auditors  
Director: Standards  
Building 2  
Greenstone Hill Office Park  
Emerald Boulevard  
Modderfontein

1 December 2023

Dear Mr Vanker

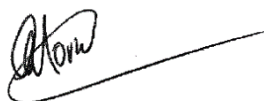
**Comments to the Exposure Draft of Proposed South African Auditing Practice Statement (SAAPS) 3 (Revised) (proposed SAAPS 3 (Revised)).**

Mazars South Africa is pleased to submit this comment letter in response to the request for comments on the proposed SAAPS 3 (Revised).

If you have any queries regarding the comments made or require any further information, please do not hesitate to contact Adiebah Moruck on 021 818 5000.

We thank you for your consideration of our comments.

Yours faithfully,



Adiebah Moruck  
Partner  
MAZARS

**Request for Specific Comments**

The CFAS seeks comments on the specific matters highlighted in the table below.

Question 1

Do you agree with the proposed amendments to illustrative report 1 and illustrative report 3 in Part A?

1. We agree with the proposed amendments to illustrative report 1 and illustrative report 3 in Part A.

Question 2

Do you agree with the new illustrative report 2 in Part A?

2. We agree with the new illustrative report 2 in Part A.

Question 3

Do you support the proposal to delete illustrative report 4, the Auditor-General of South Africa's (AGSA's) Report on a Complete Set of General Purpose Financial Statements, in Part A of extant Updated SAAPS 3 (Revised May 2019)?

3. We agree with the proposal to delete illustrative report 4, the Auditor-General of South Africa's (AGSA's) Report on a Complete Set of General Purpose Financial Statements, in Part A of extant Updated SAAPS 3 (Revised May 2019)

Question 4

Are the proposed amendments to the Notes in Part A sufficiently clear and comprehensive?

4. We believe that the proposed amendments to the Notes in Part A are sufficiently clear and comprehensive.

Question 5

Do you agree with the approach to only include introductory wording of the enhanced auditor reporting requirements?

5. We agree with the approach to only include introductory wording of the enhanced auditor reporting requirements.

Question 6

Do you agree with the proposed amendments to the relevant illustrative reports in Part B?

6. We agree with the proposed amendments to the relevant illustrative reports in Part B

Question 7

Are the illustrations in Parts A and B of the SAAPS complete, or is there a scenario that needs to be added? Please motivate why adding such an illustration will be beneficial.

7. We would like to suggest the inclusion of additional scenarios as noted below.
8. An illustrative report in a scenario where the audit opinion has a repeated qualification in relation to the completeness of fundraising income for a Non-Profit Company (NPC) as currently illustrated in report 21 in part B of SAAPS 3. The difference between the illustration we are requesting and the aforementioned illustrative report 21, is that we believe it would be beneficial to the user of the audit report if the basis for qualified opinion paragraph clearly states that the qualification is for both the current year and prior year. Illustrative wording for how to appropriately include both the current and prior year qualifications would be appreciated.
9. An illustrative report in a scenario for the subsequent year where the prior period audit report included a qualified opinion on the statement of financial position and a disclaimer of opinion on the financial performance and cash flows due to the inability to audit opening balances, i.e 'split opinion'.

This illustration would be beneficial as it would clarify the expected type of modification to the audit opinion in the subsequent year when a 'split' opinion was issued for an initial engagement. It would also provide further clarity on how long such a modification of an audit opinion will remain in the audit report.

Question 8

Do you agree with the proposed effective date of SAAPS 3 (Revised)?

10. We agree with the proposed effective date of SAAPS 3 (Revised).