

25 August 2017

Submitted electronically

<https://www.sec.gov/cgi-bin/ruling-comments>

Mr Brent Fields
Secretary
Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549-1090

Dear Mr Fields,

Comments on Release No. 34-81187; File No. PCAOB-2017-01, Notice of Filing of Proposed Rules on The Auditor's Report on an Audit of Financial Statements When the Auditor Expresses an Unqualified Opinion, and Departures from Unqualified Opinions and Other Reporting Circumstances, and Related Amendments to Auditing Standards

The Independent Regulatory Board for Auditors (IRBA) is both the audit regulator and national auditing standard setter in South Africa. Its statutory objectives include the protection of the public by regulating audits performed by registered auditors, and the promotion of investment and employment in the Republic.

We appreciate this opportunity to comment on the request for public comment from the Securities and Exchange Commission (SEC) on SEC Release No. 34-81187; File No. PCAOB-2017-01, *Notice of Filing of Proposed Rules on The Auditor's Report on an Audit of Financial Statements When the Auditor Expresses an Unqualified Opinion, and Departures from Unqualified Opinions and Other Reporting Circumstances, and Related Amendments to Auditing Standards* (proposed rule).

We support the objective of the proposed rule that will require auditors conducting audits under the PCAOB standards to, in addition to other enhancements, provide information on critical audit matters (CAM) in the auditor's report.

The proposed rule is relevant to South Africa and the IRBA. As background, on 1 January 2005 South Africa adopted the entire suite of auditing pronouncements issued by the International Auditing and Assurance Standards Board (IAASB) for use in South Africa. Thus, with the IRBA Board's approval, the new and revised Auditor Reporting standards, including the International Standard on Auditing (ISA) 701, *Communicating Key Audit Matters in the Independent Auditor's Report*, issued by the IAASB in January 2015 were

adopted for use by registered auditors in South Africa. Many South African companies are dual listed in the United States and South Africa. In South Africa, the market expects to see “key audit matters” communicated in the auditor’s report and from a comparability point of view would expect to see similar communication in the auditor’s reports of those companies that are dual listed in the United States and South Africa.

In South Africa, various resources have been developed to alert and support registered auditors regarding the new and revised auditor reporting standards, for example:

- Pronouncement issued by the IRBA:
 - [South African Auditing Practice Statement \(SAAPS\) 3 \(Revised November 2015\), Illustrative Reports](#)
- Articles published in the Accountancy SA magazine:
 - [Analysis: Focus on Key Audit Matters](#);
 - [Analysis: New Auditor's Report](#)
 - [Special Feature: The New Auditor's Report](#)
- A South African Institute of Chartered Accountants (SAICA) publication on the early adopters of the new and revised Auditor Reporting standards in South Africa:
 - [The New Auditor's Report: The Early Adopters in South Africa](#)

If further clarity is required on any of our comments, kindly e-mail us at [REDACTED]. Alternatively, phone us directly on [REDACTED].

Yours faithfully



Bernard Peter Agulhas

Chief Executive Officer