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## **AUDITS OF PUBLIC ENTITIES AND OTHER INSTITUTIONS NOT PERFORMED BY THE AGSA – SECTION 4(3) OF THE PAA**

### **Audits that the AGSA has opted not to perform – section 25(1)(a) of the PAA**

28. In terms of section 4(3)(a) and (b) of the PAA, the AGSA may audit and report on the accounts, financial statements and financial management of any public entity listed in the PFMA and any other institution not mentioned in section 4(1) of the PAA and which is:

- funded from the national revenue fund or a provincial revenue fund or by a municipality, or
- authorised in terms of any legislation to receive money for a public purpose.

29. In terms of section 25(1)(a) of the PAA, the AGSA opts not to perform the audits of any auditees within the ambit of section 4(3) of the PAA, which are not already being audited by the AGSA for the 2019-20 financial year, unless the auditee is advised otherwise before the start of that financial year.

30. The requirements for the procedural matters relating to the audits that the AGSA has opted not to perform in terms of section 4(3) of the PAA are contained in the Public Audit Act, 2004 (Act No. 25 of 2004): Regulations on Audits by Auditors in Private Practice which were issued on 1 April 2019. Annexures D and E of this directive should be used together with the implementation of these regulations.

## **AUDITEES FOR WHICH LEGISLATION IS NOT PRESCRIPTIVE IN RESPECT OF THE FINANCIAL STATEMENTS – SECTION 14(2)(b) OF THE PAA**

31. The financial statements of an auditee, as defined in section 1(1) of the PAA, that are not subject to the PFMA, the MFMA or any other legislation that is prescriptive in respect of the financial statements, must:

- be prepared in accordance with the Generally Recognised Accounting Practice (GRAP) reporting framework issued by the Accounting Standards Board (ASB)<sup>4</sup>
- comply with the PFMA requirements applicable to entities as they pertain to the information to be contained in the financial statements, as well as the period within which the financial statements are to be submitted for auditing.

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<sup>4</sup> <http://www.asb.co.za>