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Jurisdiction:	Zimbabwe
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Date	30 June 2025

The functions and purpose of the Collective investments schemes and Pension funds (internal and external) is to provide a crucial public interest purpose and although removed as strict Public Interest entity (PIE) the related entity umbrella accords it quasi- PIE status. An alternative suggestion is that PIEs can be –redefined to include pension funds and CIVs without the need to be subject to all the traditional PIE obligation for Auditing (modified exclusive PIE for certain industries) Overall, our view is that strict independence and ethical rules must govern these bodies. Although scheme failures have as yet not been attributed to lack of Auditor independence, the possibility does exist that it is for the very reason of compliance with independence requirements that no failure has been attributed to Auditors, hence the continued expectation that independence guidelines be enforced on all such engagements.

As envisaged by the code at R400.27, “Even if an audit client is not a publicly traded entity or does not have control over a related entity, that related entity might still need to be included in the auditor’s independence assessment. When the auditor knows or has reason to believe that a relationship or circumstance involving that related entity is relevant to the independence evaluation, the auditor must consider it when identifying, evaluating and addressing threats to independence”. We believe this must be the guiding principle rather than the determination and focus of such entities being a PIE or not.

Of particular importance is auditor independence from those with significant responsibilities related to the Scheme’s policies and operations, such as making investment decisions and managing financial records including those who are involved in the accounting and financial reporting.

The auditor and management of those investments schemes will have to evaluate whether certain interests, relationships, or circumstances between the auditor of an Investment Scheme and those Connected Parties pose any threats to the auditor’s independence. This can be done in a similar manner that is done for other audits, we thus posit that the independence requirements be as strict as possible and should not be derogated from.

Auditors should never be complacent as to their duties and responsibilities in respect of the fundamental principles and application of the conceptual framework and this includes independence requirements. Judgement will have to be used on each engagement to ensure that auditors are independent of the right groups of persons or influencers. Such judgement, its basis and rationale should be documented and be on file or record.

Our jurisdiction does classify pension funds and collective investment schemes as PIEs and we are guided by this stricter adoption over the one proposed by IESBA and thus the independence requirements that attach to PIEs is relevant.