



**INDEPENDENT REGULATORY BOARD FOR
AUDITORS**

EXECUTIVE DEPARTMENT

**Public Comments for proposed IRBA Fees with
Effect from 1 April 2025**

Johannesburg / 1 November 2024

Dear Registered Auditor

This letter serves to communicate to you our proposed fees increases for the 2025/2026 financial year. These increases, pending the final Board approval, are necessary to ensure that the Independent Regulatory Board for Auditors (IRBA) continues to deliver on its statutory mandate.

Section 8 of the Auditing Profession Act No. 26 of 2005, as amended, gives the IRBA the power to set fees that are payable to it, in respect of the performance of some of its legislated functions and other related services. In light of this, the Board carefully considered the proposed increases at its meeting on 29 October 2024, based on the factors that are highlighted below.

- **Budget:** The IRBA typically plans for a breakeven in its budget, as required by S53 of the Public Finance

Management Act. Therefore, the draft budget has been prepared in line with this statutory requirement.

- **National Treasury Grant Allocation:** The increase in the National Treasury grant allocation for the 2025/2026 financial year is projected to be 4.48%. That, however, is not sufficient to cover the rising costs associated with fulfilling the IRBA's mandate and ensuring the continued delivery of high-quality services.
- **Exclusion of Low-risk Assurance Fees:** In terms of a recent court judgement, the IRBA will no longer be allowed to bill for low-risk assurance fees. This has resulted in a significant reduction in our revenue base, necessitating an adjustment in the fee structure in order to maintain financial stability and operational efficiency.
- **Strategic Plan for 2026-2030 (subject to the Board and National Treasury's approval):** The strategy is focused on the three core pillars outlined below that have been identified as essential for promoting high-quality audits through innovation and adaptability. These pillars collectively support the overarching objective of fostering and upholding high audit quality and quality audits across the auditing profession, which is vital for ensuring confidence in the profession and maintaining its overall appeal.
 - **Thriving and Attractive Profession:** The emphasis is on fostering a thriving auditing profession, thereby enhancing the attractiveness and appeal of the profession; promoting adequate capacitation; enforcing effective, balanced ("right-touch") regulation; and promoting transformation within the profession.
 - **Impactful Stakeholder Collaboration:** This centres on building and maintaining confidence with stakeholders through effective stakeholder management; engaging in stakeholder forums;

fostering collaboration and partnerships with key stakeholders; conducting outreach initiatives; and creating innovation hubs to collaborate and support ongoing improvements and impact.

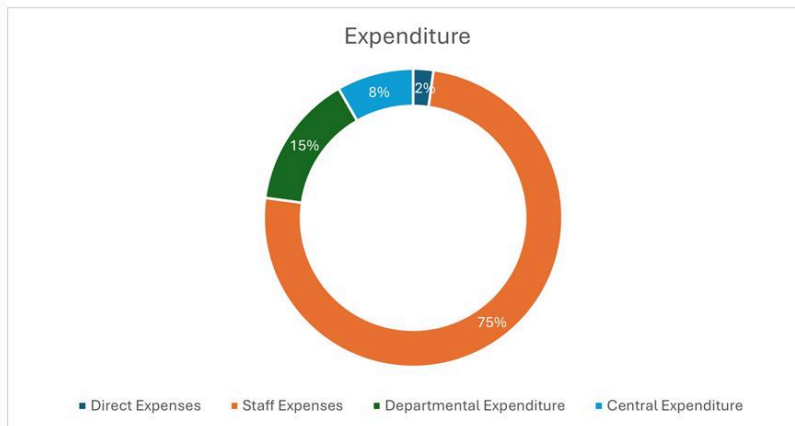
- **Organisational Development:** This final pillar focuses on internal innovation, growth and the sustainability of the organisation. The key areas include professional capacitation, as well as retaining and developing skills; embracing digital transformation and technological advancements; enhanced co-operation and co-ordination among departments; and ensuring the financial sustainability of the organisation.

Budget Overview

- **Income:** The total budgeted income for the IRBA in 2025/2026 is projected to be about R216,233 million, which is a decrease of 3.79% compared to the forecast for 2024/2025. This reduction is primarily due to the exclusion of low-risk assurance fees, which significantly impacts the total income. The National Treasury (NT) grant is expected to increase by 4.48%, contributing R49,545 million to the total income in 2025/2026.
- **Direct Expenditure:** For 2025/2026, this is budgeted at R4,750 million, reflecting a significant decrease of 79% from the previous year's forecast. This reduction is mainly attributed to lower enforcement costs that are directly related to the disciplinary hearing plan for the year. The total legal budget for 2025/2026 is R14,700 million and that will be funded from the accumulated reserves and the Contingency Fund – Disciplinary Cases. This budget is down from R21,969 million in 2024/2025.
- **Staff Expenditure:** This is projected to increase by 11.65% to R162,066 million in 2025/2026. The total cost to employer (CTE) is expected to rise by

R16,905 million and this includes the following:

- Provisions for general salary adjustments (6%) and the filling of vacancies. The vacancy factor has been maintained at 8% for budget purposes.
- Three new budgeted positions that will increase CTE by R3,856 million.
- **Departmental Expenditure:** This is budgeted at R31,447 million for 2025/2026, representing a slight decrease compared to the 2024/2025 forecast. The budget also includes provisions for recruitment costs, research and development, as well as professional subscriptions.
- **Central Expenditure:** This is projected to increase by 3.89% to R17,968 million in 2025/2026, driven by higher information technology related costs. The budget also includes provisions for computer software licenses, maintenance and support, as well as costs related to building rental and maintenance.



Consumer Price Index (CPI) Inflation Projection	
Recommended CPI per the NT Medium Term Expenditure Framework guideline for 2025/2026	2025/2026: 4.61% 2026/2027: 4.55% 2027/2028: 4.52%
CPI until July 2025, as reported by Stats SA	4.6%
CPI Assumption for the IRBA Budget	4.7%

This proposed budget will support the delivery of the IRBA’s operational and strategic plans. In view of that, the Board has proposed a 6% increase for the fees payable by registered auditors. This decision is based on the growing demands to protect the investing public, drive audit quality and promote the attractiveness and appeal of the auditing profession, while acknowledging the current financial challenges the profession and the economy face.

Invitation for Comments

The proposed fees can be downloaded [here](#). We value your input and encourage you to submit your written comments on these proposed fee increases for the Board's consideration.

Please send your feedback to board@irba.co.za by **17h00 on 2 December 2024**. Your comments will be considered in the final decision-making process.

Thank you for your understanding and continued support in safeguarding the public interest and promoting the value, confidence and appeal of the auditing profession in South Africa.

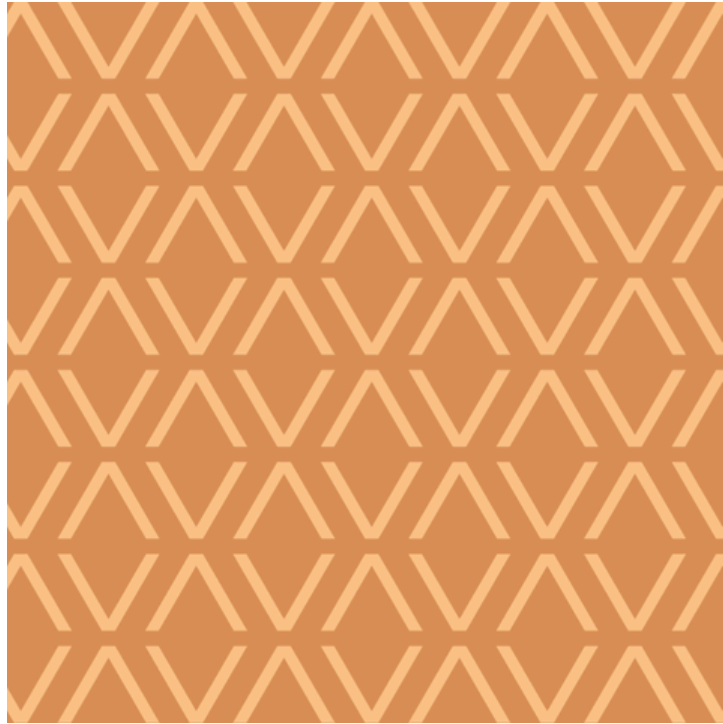
Best regards,

Imre Nagy
Chief Executive Officer

About the IRBA

The objective of the IRBA is to endeavour to protect the financial interests of the South African public and international investors in South Africa through the effective and appropriate regulation of audits conducted by registered auditors, in accordance with internationally recognised standards and processes.





Building 2 | Greenstone Hill Office Park | Emerald Boulevard |
Modderfontein

P.O. Box 8237 | Greenstone | 1616

+27 010 496 0600

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