

IRBA NEWS

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**THANK YOU,
IMRAN VANKER,
FOR YOUR DEDICATION
AND CONTRIBUTION
TO THE PROFESSION**

Your passion for audit and its critical role in safeguarding the integrity of corporate reporting, among others, will be part of your lasting legacy

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INTEGRITY | PUBLIC INTEREST | AUDIT QUALITY

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Imre Nagy
Chief Executive Officer

CEO'S PERSPECTIVE

IN HONOUR OF IMRAN VANKER, AN INSPIRATIONAL AND COMPASSIONATE THINKER

Coping with the sudden and tragic loss of my dear colleague of over a decade, Imran Vanker, is one of the most heart-wrenching experiences I have ever faced. It is still difficult to comprehend that such a fundamental part of the Independent Regulatory Board for Auditors (IRBA) for so long and a source of inspiration to many within the organisation and beyond is gone forever.

Without a doubt, everyone who had the privilege of knowing and working with Imran must have felt the same sorrow upon hearing the devastating news. He was larger than life itself – a proud father, a devoted family man and a true friend to many. He touched countless lives, interacting with everyone around him with genuine enthusiasm. He was always friendly, smiling and even joking at times. His deep empathy was remarkable – I will always remember how he cared about and regularly checked in with everyone.

Through his inspirational leadership and intellect, Imran has left an indelible legacy within the accountancy profession, the community and even internationally. His unwavering dedication and contributions to the field of auditing and standards were truly exceptional and have left a lasting impact on the industry. His passion for serving the public interest was unmatched and will be difficult to replicate.

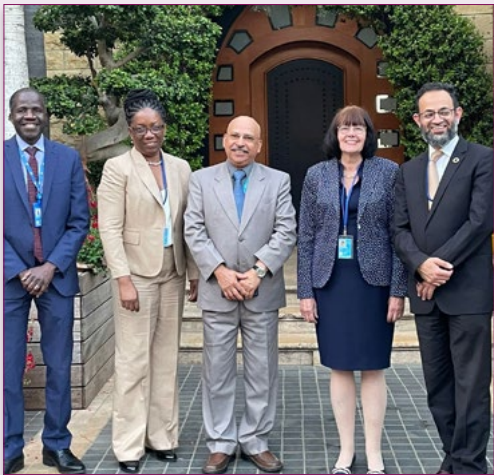
Imran's absence will indeed leave a profound void in our lives, but his legacy will endure in our memories. Let us cherish the good memories and never forget the exemplary standard he has set.

On behalf of the IRBA, I extend my deepest condolences and sympathies to his family, friends and colleagues.

May Imran and Sara's souls rest in peace.

Imre Nagy
Chief Executive Officer

FLASHBACK OF MEMORIES OVER THE YEARS



IN REMEMBRANCE OF A LIFE THAT LEFT AN INDELIBLE MARK

From Zine Mshengu, IRBA Board Member

It's still unbelievable to think that I will not be seeing Imran again in this life. But I am thankful I got the opportunity to cross paths with him and experience his authenticity, love, generosity, kindness and warmth.



Imran had an amazing ability to see potential in others that they didn't see in themselves, and help nurture that potential until it was more than just a seed in the ground, but had grown into a beautiful tree, spreading its branches as far as they could reach. The way Imran would encourage you and celebrate your successes, as if they were his own, was priceless. I count myself blessed to have had the opportunity to work with him, learn from him and share a few laughs with him.

Even though his days on this earth were short, I stand in awe when I look at how much he managed to pack into those days, as if he knew his time was limited. I am going to miss him dearly.

Thank you to his family for sharing him with us and I pray that the Almighty may envelop them in His love at this challenging time, give them strength and warm their hearts knowing that Imran loved and cherished them deeply.

Farewell, dear friend.

From Zakaria Rashid, Committee for Auditing Standards Chairperson

It is with much sadness and sense of loss that I write a few words to commemorate the memory of our dear Imran. He was a genius in this field, nurturing talent and inspiring action towards the betterment of assurance quality in South Africa. His commitment to continuous improvement saw many valuable projects being completed under his leadership, the content of which will continue to influence the industry and be used for many years to come.



Imran had a keen eye for the needs of the market, those projects and areas that would have a real impact. With his team, he brought novel solutions and innovative ways to address those areas requiring guidance, improvement and resolution.

As a person, he touched many with his kindness. He made time to keep in touch, to know something personal about each person he came into contact with and to welcome everyone attending each of our committee meetings or any other event. He was a host of note, his energy was infectious, inspiring the audience to volunteer their time and efforts, all while being an integral part of and supporting the various project items underway.

His utmost respect for independence of process and allowing for a collaborative approach will always be admired. He provided a sterling example of ethical conduct, a lived example of the Code of Conduct in practise.

I have always admired Imran's dedication to the field, his leadership skills, the mindfulness he practised and the undeniable presence he brought to a room.

My sincere and heartfelt condolences go out to all who knew Imran, especially the Standards Department, his IRBA colleagues and his family members.

The loss we feel is immeasurable. He is and will continue to be missed deeply.

From Shaun Davies, Committee for Auditor Ethics (CFAE) Chairperson

In my career, I have worked with many people that I admired and respected, but only a few who inspired so much confidence in what they were saying that you rarely had to think twice before knowing that you had the right answer on whatever you were considering. Imran was such a person, and that was already evident to me shortly after I started working with him as a member of the CFAE when he joined the IRBA.

I had the pleasure of working with Imran as a CFAE member for a decade, and as the Chairperson for four years. When he joined the IRBA's Standards team, I immediately saw that the staff was going to be in good hands.

Imran has been such a strong feature of the work of the CFAE and my relationship with the IRBA over so many years that I can't begin to contemplate what it will be like for me and the committee without him. Most discussions were not quite settled until you'd heard Imran's thoughts and wisdom on the issue. I was always amazed at the breadth of his knowledge on so many complex and technical matters and the insights that came from his vast experience.

The CFAE, the IRBA and many other organisations that benefitted from what Imran shared with them are going to miss his guiding hand and passion for a profession to which he gave so much. In my time as the CFAE Chairperson, I have realised how much support he gave to the person in my role and how much he appreciated the time that committee members gave to a cause for which he cared so much.

I will miss his warm and engaging personality and how he made everyone feel special and appreciated. My thoughts are with the IRBA team and Imran's family. We have all lost a great man, too soon.

From René Kenosi, former IRBA Board Chairperson



Though the lives of Imran and his beloved daughter, Sara, were tragically cut short, their impact on all of us has been immeasurable and will forever be cherished.

Imran was more than just a colleague to many of us – he was a leader, a mentor and, most importantly, a friend. His passion for his work was infectious and his commitment to excellence inspired us all. Whether he was dealing with audit standards or sharing a laugh during a Board meeting or on a telecon, Imran had a unique way of making everyone around him feel valued and respected. He was kind and humble, witty

and could tell you where to get off subtly, but drink tea with you immediately thereafter. He had a dry sense of humour, often followed by a contagious laugh.

During Board meetings, Imran would sit back (looking very relaxed and usually appearing to be indifferent to the discussions), listen and then respond with sound resolutions, often thinking outside the box and ending with a witty comment. That was Imran, always trying to make light of what could possibly be an otherwise difficult or awkward situation.

He and I stayed in touch after my term ended and we had quite a bit in common – our birthdays in January and during the pandemic, we each lost a parent and were able to “compare notes”. Again, Imran brought a sense of calm and a peaceful understanding during a very difficult time for me.

Beyond his professional achievements, what stood out most was his love for his family. Imran often spoke of them with such pride, joy and adoration. They were his world, light and greatest treasure. It was clear to anyone who knew him that being a father and husband were his most cherished roles.

As we mourn this profound loss, let us also celebrate the gift of having known Imran and Sara. Let us honor them by embracing their dedication, kindness and generosity to all who knew them, or managed to have had the pleasure of making their acquaintance.

To Imran’s family (Ayesha, Adam and Hawa), we stand with you in this time of grief. While we can never fill the void left behind, please know that Imran and Sara’s legacies will live on in all of us. They will forever remain in our hearts and minds.

Let us find comfort in the love you shared, the joy that Imran and Sarah brought, and the memories that will remain etched in our lives. And let us pledge to keep their spirits alive by supporting one another and treasuring the time we have.

May they rest in peace together, bound by the unbreakable bond of love that even tragedy cannot sever.

May Allah grant them Jannah.

From the Standards Department Team

Dear Imran, it never crossed my mind how soon we would have to say goodbye to you. I cannot imagine this team without you. You’ve been a beloved boss and inspirational mentor to all of us – your team. We can never dream as big as you did or have so much courage and faith in our own abilities. You’ve left a crater in our team and in our hearts, one that I doubt we could ever fill again. May you rest in peace and may God heal our broken souls in time. **Liezel**

Dear Imran, in the short 11 months we worked together, you made a profound impact on my life. Your guidance, kindness and unwavering support were invaluable, and I am deeply grateful for the time we shared. Your legacy will continue to inspire me, and I will always remember you with respect and admiration. Rest in peace. **Cathy**

Imran, it is with a heavy heart that we bid farewell to a truly remarkable leader, who touched the lives of everyone around him. Your inspirational spirit and unwavering belief in your team pushed us to strive for excellence – always celebrating milestones, no matter how small. You were a true people’s person, who left a lasting impression on everyone he met. You will be missed and may your soul rest in peace. **Zimasa**

Imran, your empathy was a beacon that illuminated every life you touched. You had an uncanny ability to connect with people on a profound level, always taking the time to learn about their stories and dreams. Your genuine care and concern for your colleagues created a warm and supportive work environment, one where we felt valued and inspired.

As a leader, you pushed us to our limits, demanding excellence in every project. Your unwavering belief in our capabilities propelled us to achieve heights we never thought possible. Your tough love, coupled with your unwavering support, shaped us into the professionals we are today.

The countless team celebrations we shared are a testament to your exceptional leadership. Your infectious laughter, insightful wisdom and unwavering positivity made every gathering a memorable experience.

The tragic loss of you and your beloved daughter, Sara, has left an irreplaceable void in our hearts. May you both rest in eternal peace, knowing that your legacy of kindness, compassion and leadership will continue to inspire us. **Ian**

With deep respect and a heavy heart, I pay tribute to Imran, my director and friend of more than 10 years. You had an incredible ability to inspire and empower everyone around you, always fostering collaboration, resilience and growth. Your leadership was rooted in empathy and integrity, and your unwavering support extended beyond the workplace, leaving a lasting impact on all who had the privilege of working with you. The legacy you created – marked by a relentless pursuit of excellence – will continue to guide us for years to come. The void left by your passing is immense, but your wisdom and compassion will always stay with us. May the Almighty grant you and your daughter, Sara, the highest status in heaven. Ameen. **Yussuf**

"Although it's difficult today to see beyond the sorrow, may looking back in memory help comfort you tomorrow." (Author unknown)

Dear Imran, I still can't make sense of the fact that you left us. You truly lived a life of service! You impacted so many lives through your work ethic, commitment to excellence, humility, kindness and generosity. You were a model to many and an embodiment of what it means to be a leader. I'm humbled and truly grateful to have worked under your leadership in the four months that I have been with the IRBA. I just wish it could have been a bit longer.

Your mentorship, guidance, patience and confidence in the team will continue to shape and direct us, both in our professional and personal lives. May you and Sara rest in peace. **Rudolf**



Imran Vanker was the epitome of passion, dedication and purpose. His infectious enthusiasm and deep connections with people left a lasting impression on everyone he met.

Imran's work ethic was unmatched, and his ability to inspire others to aim high often led people to believe in themselves in ways they hadn't before. He had a unique gift for making everyone he interacted with feel valued and heard, leaving a lasting impact through his magnanimous yet personal presence.

His beloved family – Ayesha, Adam, Sara and Hawa – were his greatest source of strength and motivation, always at the heart of his stories and achievements. He prioritised them above all else, showcasing the love and balance he held dear.

Gone but never forgotten – Imran’s legacy lives on in the lives he touched, the stories we share and the values he exemplified.

We will miss you, Imran; and know that you and Sara are finally resting in a better place, and thank you for teaching us to live with purpose and heart. **Saadiya**



As we celebrate and honour the memory of a man who touched so many lives, I find myself at a loss for words that could truly capture the depth of his character and the legacy he leaves behind. He was more than a boss, more than a friend – he was a beacon of inspiration and strength, someone whose presence made you believe in yourself even when you doubted your own abilities.

He was the kind of leader who didn’t just lead with authority but with compassion, kindness, dignity and unwavering encouragement. In me, he saw something I didn’t yet see in myself, and he gave me the courage to strive, grow and become better – not just as a professional, but as a person.

But what truly made him extraordinary was not just the inspiration he offered, but the pride he took in the people around him. I’ll never forget how his face lit up when I shared stories about my son. He saw in my son a reflection of hope and possibility, and he celebrated every small victory as if it was his own. He always told him how proud he was of him. He believed in the beauty of family and loved his family dearly. He believed in the importance of making the world a better place.

He taught me so much, about leadership, resilience and the importance of kindness. But perhaps the greatest lesson he left behind was this – greatness is not measured in titles or accolades, but by the lives you touch and the love you leave in your wake.

To say he will be missed feels like an understatement. His absence leaves a void that will never be filled, but his legacy will live on in every act of kindness we perform, in every dream we pursue and in every moment we choose to lift someone up instead of letting them fall.

To Imran, my boss, mentor and dear friend, thank you! Thank you for your constant support for me and my family, your unwavering faith in me, always challenging me to be better and reminding me of the things that truly matter. I hope to honour your memory by living the lessons you taught me and by striving to be the kind of person you believed I could be.

May you and Sara rest in peace. You will always be missed and never forgotten, Bhuti. **Thandeka (former team member)**

International Messages

Imran will be remembered not only for his many contributions to the auditing profession, but also for the warmth and goodwill he brought to all International Auditing and Assurance Standards Board (IAASB) discussions. Imran had a passion for serving the public interest – one that will be hard to replicate. **Tom Seidenstein, IAASB Chair**

Imran was a friend of the International Ethics Standards Board for Accountants (IESBA) and a passionate advocate for ethics and integrity in the accounting profession. His legacy of ethical leadership will continue to guide us, and his memory will remain a source of inspiration for all who strive to uphold the highest standards in our work. **Gabriela Figueiredo Dias, IESBA Chair**

Imran was such a wonderful person, with so much understanding and empathy for everyone he came into contact with. I know that I am a better person for having known Imran. He was a larger-than-life figure, and he will be deeply missed. **Willie Botha, IAASB Program and Technical Director**

Imran's untimely passing, alongside his beloved daughter, Sara, has left my team and the Independent Audit Advisory Committee family heartbroken. He was more than just a colleague; he was a vibrant soul who brought energy, brilliance and fun to every space he entered.

Working with Imran was always a pleasure. His daring nature and sharp intellect were complemented by an infectious social spirit that made him a joy to collaborate with. No challenge was too big for him, and his hard-working demeanor inspired everyone and kept us engaged. Imran's ability to work as a team leader was unmatched – he had a way of making every member feel valued and heard, fostering an environment of trust and co-operation.

Beyond his professional excellence, Imran was full of life. His laughter, determination and the warmth he radiated will forever remain in my heart. His unwavering attention to detail, without losing sight of the big picture, is a virtue I will always miss. I will also miss his hilarious storytelling skills and the stories he lavishly shared every time we met.

Imran, you will be deeply missed. May you and Sara rest in peace. **Moses Bamuwamye, Executive Secretary at the United Nations Independent Audit Advisory Committee**

A LIFE WELL LIVED



STANDARDS

A SNAPSHOT OF THE TOPICS COVERED

- Standards:
 - IRBA Board Announces Its Decision Not to Adopt the International Standard on Auditing (ISA) for Audits of Financial Statements of Less Complex Entities (LCE) (ISA for LCE).
 - IRBA Webinar – Inside a Small and Medium Practice: A Practitioner’s Day in Focus.
 - Health Warnings Related to ISA 600 (Revised) for Reports that Fall Outside of South African Auditing Practice Statement (SAAPS) 3.
 - Publication of the SAAPS 7, Transparency Reports of Firms that Audit Financial Statements of Publicly Traded Entities.
 - Call for the Nomination of Registered Auditors to Serve on the Committee for Auditing Standards.
 - CFAS Publishes Its Standard Setting Priorities.
 - IAASB Projects in Progress.
 - IAASB Publications.

- Ethics:
 - IRBA Code of Professional Conduct for Registered Auditors (Revised November 2024).
 - IESBA Projects in Progress.

IRBA BOARD ANNOUNCES ITS DECISION NOT TO ADOPT THE INTERNATIONAL STANDARD ON AUDITING FOR AUDITS OF FINANCIAL STATEMENTS OF LESS COMPLEX ENTITIES

On 29 October 2024, the IRBA Board approved a decision not to adopt the ISA for LCE. After extensive consultation and a thorough consideration of a recommendation of the Committee for Auditing Standards (CFAS), the Board decided not to adopt, issue or prescribe the ISA for LCE (and conforming amendments to other International Standards arising from the standard) for use by registered auditors (auditors) in South Africa.

The ISA for LCE, issued by the IAASB in December 2023, is a standalone standard designed to address the specific needs of audits for LCEs.

Prior to this decision, the IRBA, through the CFAS, undertook an extensive analysis that included seeking views from various stakeholders, to assess the possible outcomes of adopting the ISA for LCE. The feedback received highlighted several concerns/issues about the adoption of the standard in South Africa, and those include the following:

- a) Limited Benefits: The ISA for LCE does not significantly differ from the existing ISAs and also offers no substantial benefits in terms of efficiency, audit quality or profitability for practitioners.
- b) Stakeholder Concerns: There is a potential for reduced audit quality, marketplace confusion and the expectation of reduced audit fees, without a corresponding decrease in work effort.
- c) Implementation Challenges: The complexity of the standard’s authority section and the lack of clear guidance on transitioning between standards poses significant challenges.

- d) **Dual Methodologies:** The need for dual methodologies, along with the associated investment in resources, time and capital to create multiple sets of templates, methodologies and education programmes for different standards is a concern.
- e) **Two-tier Profession:** Different tiers could emerge, with a split between audit firms/ auditors that perform ISA audits and those that do LCE audits. This could impact the capabilities and career opportunities of auditors and staff who only perform LCE audits.
- f) **Recruitment Challenges:** There could be difficulties with recruiting trainees for audit firms that have a significant number of LCE audits, or an audit department dedicated to the audit of LCEs.

Similarly, these concerns and issues were also recorded in an outreach the South African Institute of Chartered Accountants conducted to evaluate the potential impact of adopting this standard. This outreach comprised roundtable discussions, surveys and feedback from a wide range of stakeholders, including practitioners, regulators and users of financial statements.

Therefore, the Board's decision not to adopt the ISA for LCE has been predicated on these concerns, issues and the deliberations of the CFAS.

The IRBA will continue to monitor international developments and engage with stakeholders to ensure that South African auditing standards remain relevant and of high quality.

IRBA WEBINAR – INSIDE A SMALL AND MEDIUM PRACTICE: A PRACTITIONER'S DAY IN FOCUS

The vital role that a sustainable and competent small and medium practice (SMP) sector plays in the local audit landscape, especially amid the increasing demand for quality audits, cannot be overemphasised. In fact, experts have identified small business development across all industries as being critical for improved economic growth and helping the country tackle the unemployment crisis.

While running an SMP firm could come with many unique challenges, it is through sharing best practices and strategies that owner-practitioners can start to fully realise the opportunities that exist for this sector. This viewpoint is what led the IRBA to host a webinar themed Inside a Small and Medium Practice: A Practitioner's Day in Focus in October 2024.

The discussions centred on the following topics:

- Strategies for balancing client management with business growth (presented by Coen Stokes, Chief Executive Officer (CEO) of the Beraca Group).
- Key IRBA inspection observations regarding audit quality at SMPs (presented by Melanie Bodha, Team Leader in the Inspections Department).
- Best practices for recruitment and retention (panel discussion with Emma Mashilwane, CEO of MASA Auditors, and Dr Tumeka Matshoba-Ramuedzisi, Chairperson at Ramuedzisi Chartered Accountants).
- Tips for crafting a cutting-edge technical team (presented by Delia Mc Lean, Technical Audit Director and CEO of Core Audit Incorporated).
- Understanding the impact of stress on practitioners and their teams (presented by Zuleka Jasper, CEO of Zuleka Coaching and Consulting Services).

Based on the interesting discussions and insights shared, a [webinar summary](#) is available. The recording of the webinar and the presentation slides are also accessible on the [IRBA website](#).

HEALTH WARNINGS RELATED TO ISA 600 (REVISED) FOR REPORTS THAT FALL OUTSIDE OF SAAPS 3

Following the IAASB's issue of ISA 600 (Revised), *Special Considerations – Audits of Group Financial Statements (Including the Work of Component Auditors)*, there was a conforming amendment to ISA 700 (Revised), *Forming an Opinion and Reporting on Financial Statements*, which had a consequential impact on the illustrative auditor's report where ISA 600 (Revised) is applicable. Therefore, the illustrative auditor's reports below have been identified on the IRBA website (i.e. IRBA Pronouncements) as requiring a conforming amendment (only where ISA 600 (Revised) is applicable):

- [Reports to the Prudential Authority and the Exchange Control Department](#); and
- [Insurance Reports](#).

These reports will be considered and updated together with other future CFAS projects. Until then, a health warning has been added to the relevant IRBA web page.

COMMITTEE FOR AUDITING STANDARDS

Publication of SAAPS 7, Transparency Reports of Firms that Audit Financial Statements of Publicly

The committee has approved [SAAPS 7, Transparency Reports of Firms that Audit Financial Statements of Publicly Traded Entities](#), for publication. The aim of this SAAPS is to assist firms that audit financial statements of publicly traded entities to achieve compliance with paragraphs 33(d)(ii) and A114 of the International Standard on *Quality Management (ISQM) 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, and to conform with the regulatory requirement applicable to firms in South Africa, relating to the content and format of a firm's transparency report.

The conclusion of this final pronouncement followed a public consultation process that was launched on 14 March 2024. To watch a recording of the publication of SAAPS 7, go to [Video: SAAPS 7 Publication](#).

Approach to this SAAPS

ISQM 1 and [IRBA Rule 2](#) require firms to communicate information about their quality management systems. This can be achieved through a transparency report that addresses the eight components of a system of quality management (SoQM), which are risk assessment; governance; ethics; client acceptance; engagement performance; resources; information and communication; as well as monitoring and remediation.

SAAPS 7 will guide a firm that is considering the eight components of its SoQM in its preparation of a transparency report. This approach was followed because it is principles-based. Therefore, related aspects in ISQM 1 have been incorporated into this SAAPS, with references where appropriate.

To address relevance and usefulness, firms should consider the level of detail and the materiality of disclosures under SAAPS 7. Furthermore, transparency reports should be published annually and made accessible to external parties.

Effective Date

SAAPS 7 is effective for transparency reports prepared and published on or after 15 December 2025, with early adoption permitted. This aligns with the effective date of the [IRBA's Quality Management \(QM\) Rule 2 on Transparency Reports](#). Therefore, the early adoption of SAAPS 7 will equate to an early adoption of the QM Rule 2. Firms are encouraged to familiarise

themselves with SAAPS 7 well ahead of its effective date, so that reporting systems, governance and quality control over the report can be established.

Call for the Nomination of Registered Auditors to Serve on the CFAS

This is an invitation to practitioners with relevant interest and experience in a small or medium practice to join the CFAS. This is an opportunity to serve the public interest and bring your perspectives and expertise to standard setting.

The CFAS was established in terms of Section 22 of the Auditing Profession Act 26 of 2005, as amended (APA). Detailed information that pertains to the committee can be found on the [IRBA website](#).

The functions of the CFAS are to assist the IRBA Board to:

- a) Develop, maintain, adopt, issue or prescribe auditing pronouncements;
- b) Consider relevant international changes by monitoring developments by other auditing standard-setting bodies and sharing information where requested; and
- c) Promote and ensure the relevance of auditing pronouncements.

The committee needs a minimum of 12 members, who must have experience and knowledge of external auditing as well as an understanding of the technical aspects of auditing standards and auditing standard setting. It meets at least four times a year and each member is appointed for a term of three years, which is renewable once. The appointment is remunerable at the rates determined from time to time. Members must attend all four meetings in Johannesburg, be prepared to put in about six hours of preparation for each meeting and participate on the committee's task groups, when necessary.

In terms of Section 22 of the APA, the CFAS must consist of the following members:

- a) Five registered auditors;
- b) One person with experience of business;
- c) A representative from the Auditor-General South Africa;
- d) A representative from the Financial Sector Conduct Authority;
- e) A person with experience of teaching auditing at a university;
- f) One person representing an exchange that is the holder of a stock exchange license issued under the Securities Services Act of 2004;
- g) A representative from the South African Revenue Service; and
- h) A representative from the South African Reserve Bank.

Two vacancies have opened up in the "registered auditors" category, and we are seeking applications and nominations to fill these positions. Do note that only IRBA-registered auditors, with experience in small and medium practices, will be considered.

To ensure that the CFAS is widely representative, we would welcome nominations of individuals who will advance the transformation of the industry. Overall, the evaluation criteria will include the following:

- Qualifications;
- Professional affiliations;
- Race;
- Gender;
- Geographical representation; and
- Skills and experience.

Nominated and eligible persons that meet the criteria, and who wish to be considered for appointment to the CFAS, are invited to submit their applications to:

The Chairperson
Nominations Committee
Independent Regulatory Board for Auditors
c/o Standards Department

The Nomination Form is available from the [IRBA website](#). Each applicant must complete and submit this form with a curriculum vitae that details their knowledge, experience and suitability as a committee member.

The closing date for applications is 8 January 2025. Please note that only successful applicants will be contacted.

For any further enquiries, please contact the Standards Department by emailing sadam@irba.co.za.

CFAS Publishes Its Standard Setting Priorities

The committee has approved the list of future projects that will be included in its work programme for the following two years. The CFAS assists the IRBA to develop, maintain, adopt, issue or prescribe both local and international auditing pronouncements, which include standards, practice statements, guides and reports.

On regular intervals, the committee seeks and receives numerous requests for projects. Then, it analyses these proposed projects using a prioritisation process and rates them based on, among others, public interest, the size of the industry and the law/regulation affected. Also, it considers the benefit of a potential project in enhancing audit quality and restoring confidence in the profession. Thank you to all those who responded to our recent [call for new projects for the CFAS Work Programme](#). This call specified that focus would be given to:

- The needs of small and medium practices;
- Technology and digital-related issues (e.g. crypto, blockchain and artificial intelligence); and
- Audit guidance in response to common inspection findings or trends.

The CFAS has now selected the following 14 projects, with work on them set to commence in 2025:

1. Adoption of the IAASB Revised Going Concern Standard;
2. Adoption of the IAASB Revised Fraud Standard;
3. Adoption of the IAASB Public Interest Entity (PIE) Changes to Standards (Track 1);
4. Adoption of the IAASB PIE Changes to Standards (Track 2);
5. Adoption of the IAASB Sustainability Standard;
6. Banks Act Reports – Regulation 46;
7. Collective Investment Schemes (Special Purpose Audit Report);
8. Enhanced Auditor Reporting Consequential Amendments to Industry Reports;
9. Medical Schemes Auditing Guide;
10. Modified Opinion Reporting Staff Alert;
11. Regulation 28 Pension Fund Guidance;
12. Regulation 28 Pension Fund Illustrative Reports;
13. Update to the Johannesburg Stock Exchange Guide; and
14. Staff Audit Practice Alert – Technology.

Request for Additional Information

All stakeholders are invited to share inputs or information on any of the above projects with the Standards Department (standards@irba.co.za).

INTERNATIONAL AUDITING AND ASSURANCE STANDARDS BOARD

IAASB Projects in Progress

- Sustainability Assurance;
- Fraud;
- Going Concern;
- Listed Entity and PIE (Track 2);
- Audit Evidence;
- Integrated Project – Risk Response Workstream; and
- Technology.

More information on these projects is available on the [IAASB website](#).

IAASB Publications

During the period under review, the IAASB issued the following:

- [IAASB Unveils New Technology Position to Shape the Future of Audit and Assurance Standards](#).
- [The IAASB's New Technology Position: 8 Actions to Embrace Technology and Innovation](#).

ETHICS

COMMITTEE FOR AUDITOR ETHICS

IRBA Code of Professional Conduct for Registered Auditors (Revised November 2024)

The IRBA draws the attention of all registered auditors to the publication of the [IRBA Code of Professional Conduct for Registered Auditors \(Revised November 2024\)](#) (the IRBA Code). This version includes previously gazetted amendments and revisions, with no changes to their effective dates. Specifically, this November 2024 edition now incorporates:

- The revisions relating to the definitions of a listed entity and public interest entity as well as technology. The revisions become effective for audits of financial statements for periods beginning on or after 15 December 2024; and
- Changes to the definitions of “audit client” and “group audit client” arising from the approved revision to the definition of a listed entity that become effective for audits of financial statements and group financial statements for periods beginning on or after 15 December 2024.

Implementation Materials

Registered auditors are reminded of the supporting implementation materials indicated below.

- [Microsoft Word – Overview of Code, 2024_Final](#)
- Revisions to the Definitions of Listed Entity and Public Interest Entity in the IRBA Code:
 - [Summary of Prohibitions Applicable to Audits of Public Interest Entities | Ethics Board](#)
 - [International Ethics Standards Board for Accountants Staff Q&A – Revisions to the Definitions of Listed Entity and Public Interest Entity in the Code | Ethics Board](#)
- Technology-related amendments to the IRBA Code:
 - [Applying the Code’s Conceptual Framework to Independence | Ethics Board](#)
 - [Ethical Leadership in a Digital Era: Applying the IESBA Code to Selected Technology-related Scenarios | Ethics Board](#)
- Changes to the definitions of “audit client” and “group audit client”:
 - [IESBA Staff QA - Engagement Team Group Audit Independence | Ethics Board](#)

Effective Date

This IRBA Code should be used along with subsequent amendments available on the [IRBA website](#). The effective dates of various provisions are communicated through Board Notices. Refer to the IRBA website for the most recent updates, to stay informed and ensure compliance.

Board Notice

A Board Notice to be included in the Government Gazette will announce the publication of the IRBA Code, pursuant to the provisions of Section 10(1)(a) of the APA.

Status of the Code

The IRBA Code is based on Parts 1, 3, 4A and 4B of the IESBA Code of Ethics for Professional Accountants (including International Independence Standards) published by the International Federation of Accountants (IFAC) in September 2024 and used with the permission of IFAC. South African adaptations and amendments to the IESBA Code are underlined and in italics in the IRBA Code.

The IRBA Code is applicable to all registered auditors. A contravention of, or failure to comply with, any requirements in the IRBA Code may be regarded as improper conduct within the ambit of Section 21 of the APA or the [IRBA Rules Regarding Improper Conduct](#). Therefore, such contravention may be investigated and, if appropriate, the registered auditor might be charged in terms of Section 48 of the APA.

INTERNATIONAL ETHICS STANDARDS BOARD FOR ACCOUNTANTS

IESBA Projects in Progress

- Sustainability;
- Use of Experts;
- Collective Investment Vehicles, Pension Funds, and Investment Company Complexes; and
- Firm Culture and Governance.

More information on these projects is available on the [IESBA website](#).

Should you have any further queries, please email standards@irba.co.za.

Standards Department

Telephone: (010) 496-0600

Email: standards@irba.co.za



Rebecca Motsepe
Director Legal

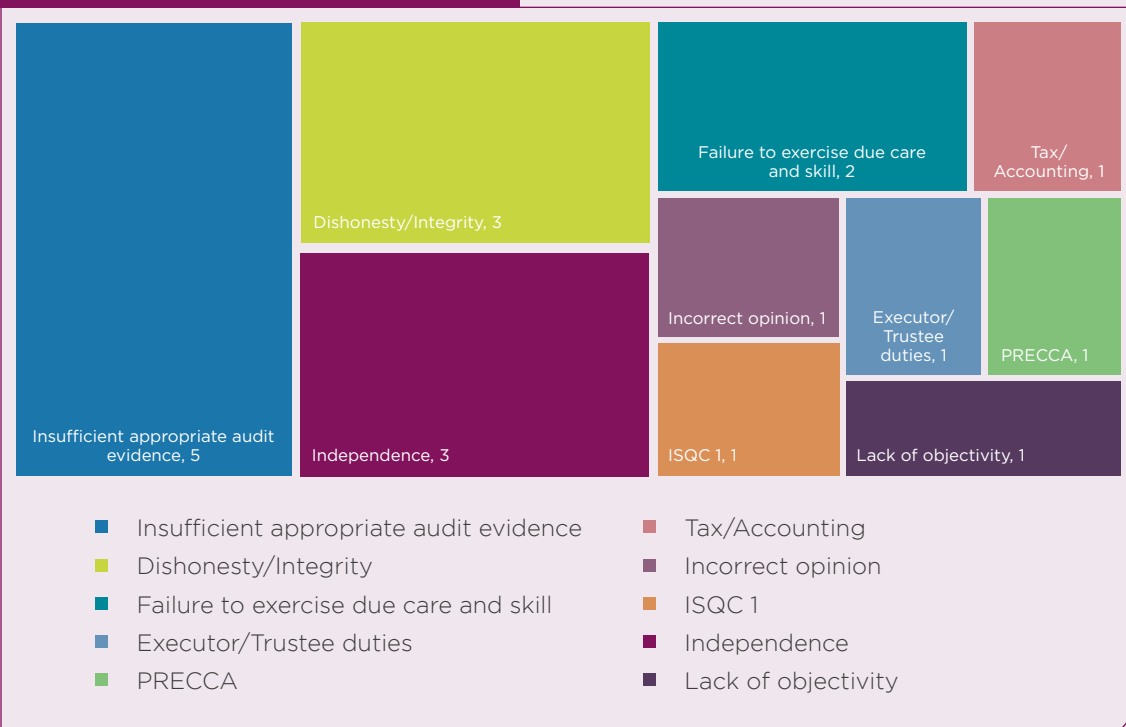
LEGAL

DISCIPLINARY COMMITTEE

Overview of the Matters Referred for Disciplinary Hearings

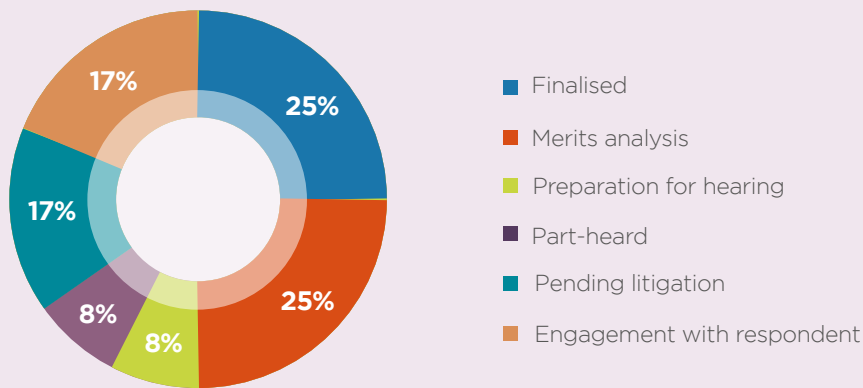
After the finalisation of three matters and the referral of four new ones in the current reporting period, there are a total of nine open matters that still have to be referred for disciplinary hearings. This represents a 25% decrease in the number of open matters from the previous quarter. These matters are at different stages of the disciplinary process. The graphics below outline the nature and status of all the open disciplinary matters.

OVERVIEW OF DISCIPLINARY CHARGES



Note: The current open matters involve 10 categories of improper conduct. The most common charge continues to be insufficient appropriate audit evidence. Other frequent charges include dishonesty and integrity issues, as well as independence-related infractions. These charges are then followed closely by cases involving failure to exercise due care and skill; incorrect audit opinion; quality management failures; tax/accounting breaches; breach of executor or trustee duties; lack of objectivity; and those related to infractions of the Prevention and Combatting of Corrupt Activities Act (PRECCA).

STATUS OF DISCIPLINARY MATTERS



Note: As reflected, 25% of the matters were finalised in the third quarter. Among the pending matters, 25% are undergoing merits analysis, 17% are pending litigation outcomes, with engagements between the parties ongoing in relation to another 17% of the matters. A further 8% of the matters remained part-heard following the commencement of hearings, while preparation for hearings is ongoing in respect of the other 8%.

Finalised Matters

During the period under review, as indicated above, three matters previously referred for disciplinary hearings were finalised. Charges were withdrawn in relation to one matter, while the other was finalised following a disciplinary hearing. The final matter was finalised through an admission of guilt process, subsequent to the respondent’s admission of guilt, prior to the hearing being convened.

Below is a summary of the finalised matters, wherein the respondents were found guilty.

IRBA vs David Ian Cathrall

Mr Cathrall, a former registered auditor, was charged with improper conduct, in relation to his audit of a certain client and its subsidiaries. The charges emanated from his failure to document considerations relevant to a discontinued operation; perform appropriate audit procedures to identify non-cash items in the statement of cash flow; and consider and/or document the impact of the misstatement on the audit opinion.

He pleaded guilty to the charge and was sanctioned a fine of R100 000. The committee also directed that the matter be referred to the South African Institute of Chartered Accountants’ (SAICA) Professional Conduct Committee, for its determination of Mr Cathrall’s fitness to continue to practice as a chartered accountant. No cost order was made, and the IRBA was directed to publish the particulars of the matter in specific terms.

IRBA vs Dr Willem Andries Augustinus Gouws

The Dr Gouws, who was at all material times an auditor registered with the IRBA, was charged with breaching various Rules Regarding Improper Conduct, following a forensic investigation, annual financial statement compilation and audit services rendered to a client and its related entities.

Specifically, the charges preferred against him were as a result of his failure to:

- a) Design or perform the necessary audit procedures and document consideration relevant to self-review and/or advocacy threats that could have arisen during the audit process, resulting in the failure to implement appropriate safeguards to mitigate any existing threats.

- b) Ensure that the financial statements he prepared complied with the International Financial Reporting Standards (IFRS) for Small and Medium-sized Entities.
- c) Document audit work performed, if any.
- d) Consider and/or document considerations in relation to reportable irregularities, particularly, whether his clients' failure to file various Annual Financial Statements within the six months period prescribed in the Companies Act constituted reportable irregularities, as contemplated in Section 45 of the Auditing Profession Act.
- e) Disclose audit engagements performed in the IRBA's Assurance Work Declaration.

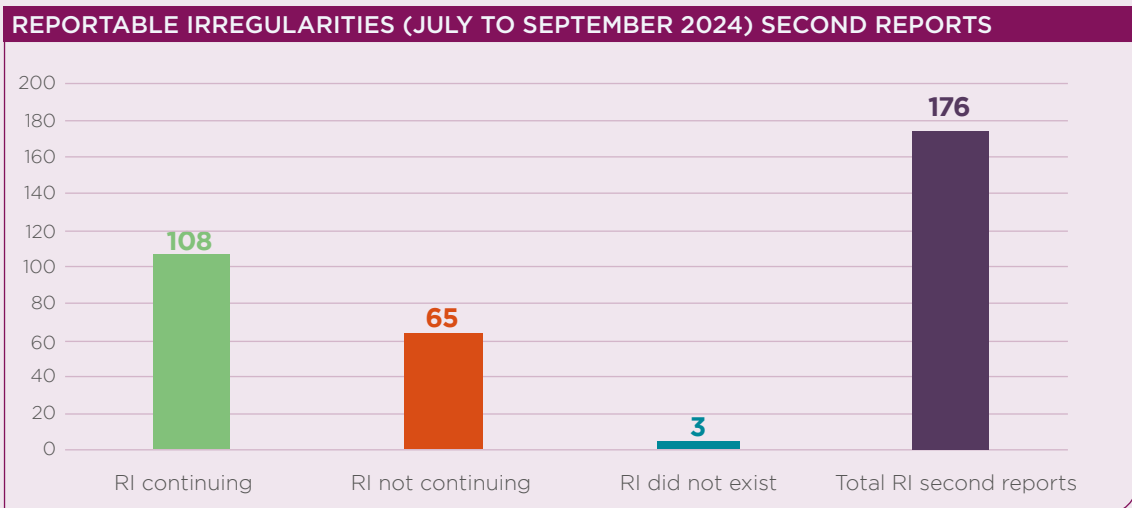
The matter was heard by the Disciplinary Hearing Panel on 15 and 16 October 2024, culminating in the respondent's admission of guilt and the imposition of a sanction of permanent disqualification from registration as an auditor. No cost order was imposed, in light of the fact that Dr Gouw has been declared insolvent by the Court.

Upcoming Hearings

The panel is scheduled to convene from 18-20 March 2025, to determine the charges of improper conduct preferred against a respondent, in respect of dishonesty, integrity and independence-related charges.

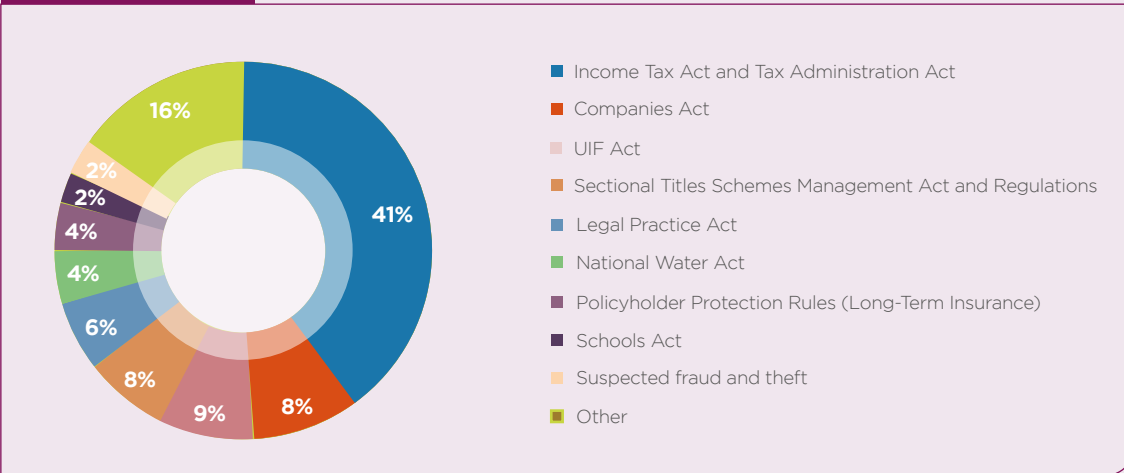
REPORTABLE IRREGULARITIES

The IRBA received and processed 176 first reportable irregularity (RI) reports and 176 corresponding second RI reports between July and September 2024. The RIs are reported quarterly in arrears. The nature of the 176 second reports received is highlighted in the graph below.



The chart below reflects the 108 continuing RIs received, categorised by nature.

CONTINUING RIs



Note: As depicted above, the top three types of reported contraventions related to the Income Tax Act and Tax Administration Act; the Unemployment Insurance Fund Act; and – jointly in third position – the Companies Act and its Regulations, together with the Sectional Titles Schemes Management Act and its Regulations.

There were also several RIs highlighting contraventions of the Legal Practice Act, the National Water Act and the Policyholder Protection Rules, as issued by the Financial Sector Conduct Authority, which are applicable to long-term insurance providers. Contraventions listed under “other” include, among others, contraventions of the Johannesburg Stock Exchange Listing Requirements and the Public Finance Management Act.

All second reports indicating continuing RIs were sent to the relevant regulators and/or authorities, in line with the provisions of the Auditing Profession Act 26 of 2005, as amended (APA), for further action.

A Significant Boost for Stakeholder Confidence in the Audit Product

One of the major initiatives undertaken this quarter has been the publication of the IRBA’s first-ever analysis of the nature of irregularities reported over a specific period and the measures taken to address them. Essentially, through the Reportable Irregularities Report 2022/2023, we have sought to enhance transparency; support co-ordinated regulatory efforts to tackle identified irregularities effectively; embolden registered auditors in their identification of reportable irregularities; and provide stakeholders with detailed observations on the nature of irregularities taking place within corporate South Africa.

The report is a five-year overview of RIs, with a detailed analysis on the 2022/2023 fiscal year. The focus on this particular financial year provided time for the relevant regulators we interacted with to initiate and/or finalise their own processes for the RIs referred to them. Also, that meant we could utilise the latest available data in our analysis, to make the overall study relevant to the current landscape.

In terms of Section 1 of the APA, an RI is any unlawful conduct committed by any person responsible for the management of an entity, which:

- a) Has caused or is likely to cause material financial loss to the entity or to any partner, member, shareholder, creditor or investor of the entity in respect of his/her dealings with that entity; or
- b) Is fraudulent, amounts to theft; or
- c) Represents a material breach of any fiduciary duty owed by such person to the entity or any partner, member, shareholder, creditor or investor of the entity under any law applying to the entity or the conduct or management thereof.

During the 2022/2023 reporting period, the IRBA received a total of 622 first RI reports from 213 auditors. Second reports were subsequently submitted, with 411 indicating irregularities of a continuing nature, 202 showing irregularities that were not continuing and nine noting that irregularities that were initially reported did not occur.

Some of the most notable irregularities reported during that period are those that relate to high-profile entities, such as Eskom Holdings SOC Limited and the Spar Group Limited. These cases attracted substantial media attention and are currently being investigated by the relevant regulators. The expectation with regard to any of the appropriate regulators is that they will consider the reports that auditors submit through the IRBA and, consistent with their regulatory processes and powers, investigate and/or ensure that action is taken against those responsible for the reported transgressions.

The report also highlights that the top nine industries from which more than 76% of all the continuing RI reports received originated were basic education, construction, welfare and non-profit organisations, manufacturing, property management, information and communications technology, agriculture, financial and legal. Also worth noting is that ongoing contraventions of the Companies Act 71 of 2008 and the Income Tax Act 58 of 1963 have consistently formed a substantial portion of all reported RIs. Fundamentally, the irregularities reported provide a snapshot of areas where regulatory oversight must be intensified, even though they do not represent an exhaustive study of compliance across corporate South Africa.

Registered auditors should note that the RI process is designed to empower them, in the quest to protect public interest, through the ability to challenge management and boards on irregularities uncovered during an independent audit of financial statements, which then supports effective governance. However, the Act recognises that the IRBA has no authority to take appropriate action against the management responsible for the reported irregularities; so, it obligates it to notify the appropriate regulator once it receives a follow-up report indicating that an RI is continuing. That then makes it that important for the relevant regulators to hold those that commit irregularities accountable.

The process that an auditor should follow to determine whether some identified conduct constitutes an irregularity includes asking the following questions:

- Was the conduct in question unlawful?
- Was the conduct perpetuated by any person responsible for the management of the entity?
- Has the conduct caused or is it likely to cause material financial loss to the entity or to any partner, member, shareholder, creditor or investor of the entity?
- Does the conduct constitute fraud or theft?
- Does the conduct represent a material breach of any fiduciary duty owed by management to the entity or any partner, member, shareholder, creditor or investor of the entity under any relevant law applicable to the entity or to the conduct of its management?

Ultimately, though the RI process is a vital whistleblowing mechanism for auditors, it is crucial to bear in mind that the responsibility for ensuring sound financial reporting extends to all professional accountants. With this report, therefore, we hope that auditors, audit committees, boards, investors and the public will find valuable insights into risk areas that necessitate increased scrutiny.

To access the entire report, please visit the IRBA [website](#).

REGISTRY

Overview of Registry Movements

As at the end of the second quarter, there were 3 490 registered auditors (RAs), following the registration of 38 RAs and the termination of 15. The chart below provides an overview of registry movements during the reporting period.

REGISTRY MOVEMENTS STATISTICS (Q1)



New Registrations and Re-registrations

Below are the names of the RAs who were entered into the register.

INDIVIDUALS NEWLY ADMITTED TO THE REGISTER OF THE IRBA	
Abdool-Carrim, Naeem	Lebopo, Kekgotleletse Milcanan Naphtali
Beer, Andrew Albertus	Liebenberg, Sue-Anne Patricia
Coetzee, Johannes Cornelius	Louw, Ruleen
Geldenhuys, Jakomina Maria	Lucas, Beanca
Gojela, Zanda Mzumilile	Mabaso, Hanyani Adrian
Jackson, Nicole Frances	Mahlobo, Sandile Sihle
Jako, Nomta	Maluleka, Victor Mhluri
Jassat, Saajid Ebrahim	Maree, Tanya Lizann
Kriel, Rolanda	Meyer, Hermanus Engelbrecht
Labuschagne, Heila	Mkansi, Anthony
Lacky, Akhona	Mkuqwana, Ncumisa
Lambat, Muhammed	Moyo, Trust

INDIVIDUALS NEWLY ADMITTED TO THE REGISTER OF THE IRBA (CONTINUED)

Rampersad, Sachin Akash	Van Der Westhuizen, Nadia
Rossouw, George Pierre	Van Vuuren, Desymond Jerry Desmond
Rossouw, Michael Thomas	Van Zyl, Reinhart
Senoamadi, Setena Joseph	Verryne, Tamryn Gail
Shaik Mohamed, Asif	Vincente De Kramer, Sandra
Swart, Pierre	

INDIVIDUALS RE-ADMITTED TO THE REGISTER OF THE IRBA

Craven, Anna Maria Susanna
Gibson, Tracey
Sphamandla Praise-God Phetha

RA Terminations

As indicated above, 15 RAs were removed from the register during the current reporting period. Below is a list those RAs and the reasons for their removal.

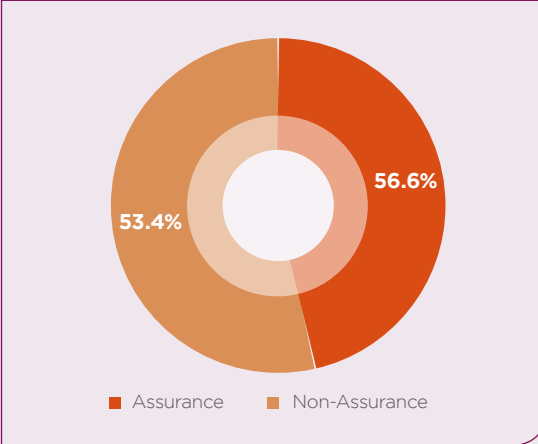
INDIVIDUALS REMOVED FROM THE REGISTER OF THE IRBA

Allison, Joline	Resigned
Arrow, Derek	Emigrated
Davies, Valerie Anne	Resigned
Heymans, Hendrik Bernardus	Emigrated
Jina, Neelan	Resigned
Moosa, Ashraf	Resigned
Muller, Philip Johan	Resigned
Olivier, Franco	Resigned
Pretorius, Nico	Resigned
Pulker, Jeffrey John	Cancellation (not in good standing)
Roberts, Bernadine	Resigned
Shipp, Darren Paul	Emigrated
Van Der Ryst, Karin	Resigned
Wittstock, Penelope Anne	Emigrated
Young, Amelia	Resigned

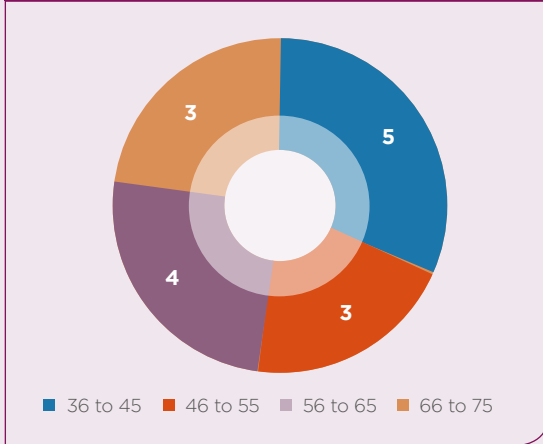
The most prevalent reason for removal from the register, as indicated in the table, appears to be RA resignations from audit firms.

The graphs below provide the age and assurance status split in respect of those RAs who were removed from the register, the majority of whom were between 36 and 45 years of age and not performing assurance work.

ASSURANCE STATUS



AGE AT TERMINATION



2024/2025 ANNUAL RENEWAL PROCESS

Registry is currently finalising, in line with the provisions of the APA, the cancellation of the registration of all RAs who have not yet submitted their 2024 Individual Annual Returns. Accordingly, RAs who have outstanding returns are urged to ensure the immediate submission thereof, to avoid being barred from practising as RAs.

Rebecca Motsepe

Director Legal

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Email: legal@irba.co.za



Jillian Bailey
Director Investigations

INVESTIGATIONS

The matters reported in this issue took place during the October to November 2024 period.

INVESTIGATING COMMITTEE

During this period, the committee met once and referred 23 matters to the Enforcement Committee.

ENFORCEMENT COMMITTEE

The committee met once during this period and concluded on 23 matters.

Decision Not to Charge

There were three matters finalised where the respondents were not charged with improper conduct. In two of these instances, the respondents were not found guilty of improper conduct; and in the other matter, there were no reasonable prospects of succeeding with a charge of improper conduct against the respondent.

Decision to Charge and Matters Finalised through an Admission of Guilt Process

There were 20 matters finalised by fines issued through an admission of guilt process.

Matter 1

The respondent, Mr Cornelis Van Niekerk, acted unprofessionally and brought the auditing profession in South Africa into disrepute when he was sanctioned by the United States of America's Securities and Exchange Commission for non-compliance with the Public Company Accounting Oversight Board (PCAOB) standards.

The respondent was sentenced to a fine of R200 000; no order as to costs; and publication by the IRBA of his name, the findings of the investigation and the sanction imposed. In addition, he was referred to the SAICA Professional Conduct Committee, to determine whether he meets the professional body's fit and proper requirements.

Matter 2

The respondent, Mr Stephen Darryn Shaw, failed to obtain sufficient appropriate audit evidence regarding the valuation of investment properties; and failed to appropriately address misstatements identified during the audit engagement.

The respondent was sentenced to a fine of R200 000, of which R100 000 has been suspended for five years, on condition that he is not found guilty of any improper conduct committed during the period of suspension; no order as to costs; and publication by the IRBA of his name, the findings of the investigation and the sanction imposed. Furthermore, the respondent must arrange and ensure that he and his staff members attend external training on the practical application of the Auditing Standards within 60 days of the imposition of the sentence, and must provide evidence of compliance to the IRBA.

Matter 3

The respondent, Mr Johannes Frederick Grobler, could not provide audit engagement files for audits performed; therefore, it could not be confirmed whether audit documentation was assembled in an audit file on a timely basis after the date of the auditor's report, whether sufficient appropriate audit evidence was obtained to support the audit opinion and whether safeguards were applied to possible threats to independence. In addition, there is no evidence that the respondent complied with the requirements of the International Standard on Related Services 4400 regarding a factual finding report he issued.

The respondent was sentenced on the two charges to a total fine of R350 000, of which R175 000 has been suspended for five years, on condition that he is not found guilty of any improper conduct committed during the period of suspension; no order as to costs; and publication by the IRBA of his name, the findings of the investigation and the sanction imposed. Furthermore, the respondent must arrange and ensure that he and his staff members attend external training on the practical application of the Auditing Standards within 60 days of the imposition of the sentence, and must provide evidence of compliance to the IRBA.

Matter 4

The respondent, Mr Cornelis Van Niekerk, acted unprofessionally and brought the auditing profession in South Africa into disrepute when he was sanctioned by the PCAOB for non-compliance with its standards.

The respondent was sentenced to a fine of R200 000; no order as to costs; and publication by the IRBA of his name, the findings of the investigation and the sanction imposed. In addition, he was referred to the SAICA Professional Conduct Committee for it to determine whether he meets the fit and proper requirements of SAICA.

Matter 5

The respondent, Mr Coenraad Hendrik Basson, acted unprofessionally and brought the auditing profession in South Africa into disrepute when he was sanctioned by the PCAOB for non-compliance with its standards.

The respondent was sentenced to a fine of R200 000, of which R100 000 has been suspended for three years, on condition that he is not found guilty of any improper conduct committed during the period of suspension; no order as to costs; and publication by the IRBA of his name, the findings of the investigation and the sanction imposed.

Matter 6

The respondent, KPMG Incorporated, acted unprofessionally and brought the auditing profession in South Africa into disrepute when the firm was sanctioned by the PCAOB for non-compliance with its standards.

The respondent was sentenced to a fine of R200 000; no order as to costs; and publication by the IRBA of the firm's name, the findings of the investigation and the sanction imposed.

Matter 7

The respondent failed to obtain sufficient appropriate audit evidence, as required by the ISAs, on various balances, transactions and disclosures, including the statement of cash flows. Furthermore, the respondent failed to report a reportable irregularity, as required by Section 45 of the Auditing Profession Act relating to non-compliance with the Value-Added Tax Act.

The respondent was sentenced on the five charges to a total fine of R750 000, of which R375 000 has been suspended for five years, on condition that the respondent is not found guilty of any improper conduct committed during the period of suspension; no order as to costs; and publication by the IRBA in general terms. Furthermore, the respondent must arrange and ensure that they and their staff attend external training on both the practical application of the Auditing Standards and Homeowner Association audit engagements within 60 days of the imposition of the sentence, and must provide evidence of compliance to the IRBA.

Matter 8

The matter was a referral from the Inspections Committee (INSCOM). The respondent, Mr Leonard de Vos, failed to identify that material non-cash items were included in the statement of cash flows. In addition, he failed to appropriately describe key audit matters in the audit report. Furthermore, he failed to obtain sufficient appropriate audit evidence, as required by the ISAs, regarding completeness of revenue and did not test the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements.

The respondent was sentenced on the two charges to a total fine of R400 000, of which R200 000 has been suspended for three years, on condition that he is not found guilty of any improper conduct committed during the period of suspension; no order as to costs; and publication by the IRBA of his name, the findings of the investigation and the sanction imposed. Furthermore, the respondent must arrange and ensure that he and his staff members attend external training on the practical application of the Auditing Standards within 60 days of the imposition of the sentence and must provide evidence of compliance to the IRBA.

Matter 9

The matter was a referral from the INSCOM. The respondent, Ernst & Young Incorporated, failed to comply with the IRBA Code and the ethical requirements of International Standard on Quality Control 1 relating to various findings pertaining to independence.

The respondent was sentenced to a fine of R200 000; no order as to costs; and publication by the IRBA of the firm's name, the findings of the investigation and the sanction imposed.

Matter 10

The respondent failed to identify that the compensation of key management personnel was not disclosed in the financial statements of the entity, which is a contravention of the IFRS for Small and Medium-sized Entities. Furthermore, the respondent failed to obtain sufficient appropriate audit evidence regarding compliance by the entity with the provisions of the Income Tax Act, which is a requirement of ISA 250.

The respondent was sentenced on the two charges to a total fine of R200 000, of which R100 000 has been suspended for three years, on condition that the respondent is not found guilty of any improper conduct committed during the period of suspension; no order as to costs; and publication by the IRBA in general terms.

Matter 11

The respondent's communication with a client of the audit firm was rude and unprofessional. The respondent was sentenced to a fine of R30 000, which has been suspended for three years, on condition that they are not found guilty of any improper conduct committed during the period of suspension; no order as to costs; and publication by the IRBA in general terms.

Matter 12

The matter was a referral from the INSCOM. The respondent, Mr Adam Craig Walden, failed to appropriately address material uncorrected misstatements identified during the assurance engagement.

The respondent was sentenced to a fine of R200 000; no order as to costs; and publication by the IRBA of his name, the findings of the investigation and the sanction imposed. In addition, he was referred to the SAICA Professional Conduct Committee, to determine whether he meets the professional body's fit and proper requirements.

Matter 13

The matter was a referral from the INSCOM. The respondent, Mr Kevin Shawn Hoff, failed to obtain sufficient appropriate audit evidence, as required by the ISAs, on various aspects of the audit, including non-current assets held for sale, deferred tax asset, goodwill, accounting estimates and unsecured loans.

The respondent was sentenced to a fine of R200 000, of which R100 000 has been suspended for five years, on condition that he is not found guilty of any improper conduct committed during the period of suspension; no order as to costs; and publication by the IRBA of his name, the findings of the investigation and the sanction imposed. Furthermore, the respondent must arrange and ensure that he and his staff members attend external training on both the practical application of Auditing Standards and the International Financial Reporting Standards within 60 days of the imposition of the sentence, and must provide evidence of compliance to the IRBA.

Matter 14

The engagement team compiled the financial statements of a body corporate that was also an audit client. The respondent failed to identify the self-review threat and put in place safeguards to address the threat.

The respondent was sentenced to a fine of R50 000, of which R25 000 has been suspended for three years, on condition that the respondent is not found guilty of any improper conduct committed during the period of suspension; no order as to costs; and publication by the IRBA in general terms.

Matter 15

The matter was a referral from the INSCOM. The respondent failed to identify that material non-cash items were included in the statement of cash flows.

The respondent was sentenced to a fine of R60 000, of which R30 000 has been suspended for three years, on condition that they are not found guilty of any improper conduct committed during the period of suspension; no order as to costs; and publication by the IRBA in general terms.

Matter 16

The respondent failed to comply with the IRBA Code as they, in their capacity as a non-executive director of the audit firm and a managing agent of the body corporate, failed to identify a conflict of interest. As a result, the respondent, failed to declare the conflict of interest and obtain consent to perform the professional services.

The respondent was sentenced to a fine of R50 000, of which R25 000 has been suspended for three years, on condition that they are not found guilty of any improper conduct committed during the period of suspension; no order as to costs; and publication by the IRBA in general terms.

Matter 17

The respondent failed to obtain sufficient appropriate audit evidence, as required by the ISAs, on trade and other receivables, levies received in advance, insurance proceeds, operating expenses and how the prior-year qualification was resolved in the current year. In addition, the respondent failed to act with professional competence and due care as they failed to identify that the preparer disclosed in the financial statements was incorrect. Furthermore, the respondent failed to identify the threats to independence and possible conflict of interest and to apply the appropriate safeguards to reduce the threats to an acceptable level.

The respondent was sentenced on the two charges to a total fine of R300 000, of which R150 000 has been suspended for three years, on condition that they are not found guilty of any improper conduct committed during the period of suspension; no order as to costs; and publication by the IRBA in general terms. Furthermore, the respondent must arrange and ensure that they and their staff attend external training on the practical application of Auditing Standards within 60 days of the imposition of the sentence, and must provide evidence of compliance to the IRBA.

Matter 18

The respondent, on conclusion of an investigation, issued an audit opinion without performing an audit in terms of the ISAs. In addition, the respondent failed to declare the audit in the audit firm's Annual Assurance Work Declaration submitted to the IRBA.

The respondent was sentenced on the two charges to a total fine of R400 000, of which R300 000 has been suspended for five years, on condition that they are not found guilty of any improper conduct committed during the period of suspension; no order as to costs; and publication by the IRBA in general terms.

Matter 19

The respondent failed to obtain sufficient appropriate audit evidence on various aspects of an attorneys' trust account audit and failed to report a trust shortage in the assurance report. Furthermore, there is no evidence that the respondent assembled engagement documentation in an engagement file on a timely basis after the date of the assurance report for the subsequent audit performed on the attorney's trust accounts. In addition, the respondent failed to declare the audits in the audit firm's Annual Assurance Work Declaration submitted to the IRBA.

The respondent was sentenced on the three charges to a total fine of R500 000, of which R250 000 has been suspended for five years, on condition that they are not found guilty of any improper conduct committed during the period of suspension; no order as to costs; and publication by the IRBA in general terms. Furthermore, the respondent must arrange and ensure that they and their staff attend external training on engagements on Legal Practitioner's Trust Accounts within 60 days of the imposition of the sentence, and must provide evidence of compliance to the IRBA.

Matter 20

The respondent failed to obtain sufficient appropriate audit evidence, as required by the ISAs, on various aspects of the audit, including risk assessment, laws and regulations, income, expenses and the statement of cash flows, for three consecutive years.

The respondent was sentenced on the three charges to a total fine of R600 000, of which R300 000 has been suspended for three years, on condition that they are not found guilty of any improper conduct committed during the period of suspension; no order as to costs; and publication by the IRBA in general terms. Furthermore, the respondent must arrange and ensure that they and their staff members attend external training on the practical application of the Auditing Standards within 60 days of the imposition of the sentence, and must provide evidence of compliance to the IRBA.

Decision to Charge and Matters Referred for a Disciplinary Hearing

No matters were referred to the Legal Department for disciplinary hearings.

Jillian Bailey

Director Investigations

Email: investigations@irba.co.za



Nadine Kater
Director Education and Transformation

EDUCATION AND TRANSFORMATION

DEVELOPMENTS WITHIN THE AUDIT DEVELOPMENT PROGRAMME (ADP)

For the year to date, there have been 14 new ADP registrations, no deregistration and 16 completions. The programme is the joint responsibility of the IRBA and the RA firms. It builds on the competence of a professional accountant and focuses on the competence required for a specialist role within the field of professional accountancy and auditing – that of an RA. The competencies obtained are structured in such a way that they strengthen audit quality on audit engagements; hence, firms should enrol their managers on the programme.

LATEST ADP STATS (1 April 2024 to 30 Sep 2024)	
Opening	556
Registrations	86
Completed	-63
De-registrations	-0
Total RCAs currently on the ADP	579

With regard to the Learner Management System (LMS), we are at the final stages of its completion, with the pilot phase set to be finalised by 31 January 2025. The LMS is a software application for the administration, documentation, tracking, reporting, automation and delivery of educational courses, as well as training, learning and development programmes. This will enhance the user experience on the ADP in an effective and efficient manner.

ADP Monitoring Inspections

Firm 1	GLK Auditors
Firm 2	Cara Mpako Inc.
Firm 3	Rosspienaar Chartered Accountants
Firm 4	Mazars – Cape Town
Firm 5	MMS Group
Firm 6	FA Cronje & Cronje Inc.
Firm 7	De Jager Boshoff Inc.
Firm 8	LDP – Stellenbosch
Firm 9	Moore – George
Firm 10	PKF – George
Firm 11	Advoca Auditing

The ADP firm monitoring visits are an integral part of the programme offering and are performed to assess the quality of the registered candidate auditors' (RCAs) training environment. In essence, RCAs need to obtain the right experience in a sound environment, with a high focus on and commitment to audit quality, for them to achieve the relevant competencies that will enable them to qualify as RAs. After a full year of implementation, since the new quality standards became effective, we continued to monitor firms' compliance with these standards.

In the third quarter of the 2024/2025 financial year, we conducted 11 ADP monitoring inspection visits.

PROFESSIONAL BODIES' MONITORING

Monitoring Policy Update

The drafting process for this policy is now in the final stage. Once completed, the policy will be reviewed by the relevant structures for input before its final approval by the Education and Training Committee (EDCOM). The policy is set to be effective for the 2025/2026 financial year. We look forward to its implementation and positive impact on the monitoring process over the five-year validity period.

South African Institute of Chartered Accountants

The IRBA has expressed concerns regarding the June 2024 Initial Test of Competence results and has engaged with SAICA to gain an understanding of its reflections and plans to support the repeat candidates. We, however, do wish all the 2024 Assessment of Professional Competence and the Initial Assessment of Competence cohort the very best of luck for their upcoming exams. We look forward to seeing the continued growth and success of future professionals in the auditing field.

Association of Chartered Certified Accountants South Africa

The professional body has submitted its monitoring report for the 2024 monitoring year. The Monitoring Committee will begin its evaluation of the submission, with the final monitoring report expected to be issued by the EDCOM in March 2025.

Other Professional Bodies

The South African Institute of Government Auditors (SAIGA) has submitted a letter of intent to the IRBA for its accreditation application, followed by its first accreditation submission. The Secretariat has reviewed the submission and provided feedback to SAIGA. Further updates will be shared as the engagements unfold.

TRANSFORMATION INITIATIVES AND CELEBRATIONS OF EXCELLENCE

During the period under review, the Education and Transformation Department had the privilege of recognising and awarding prizes to top performing audit students from various institutions, as part of the transformation activities. We congratulate all these students for their hard work and dedication. Below are lists of the top performers who were recognised for their efforts in auditing and related subjects during ceremonies that were held in November 2024.



Varsity College, Pretoria: Top auditing students get recognised.

Varsity College

Joshua Levey	Top Student Auditing II
Mieke Birkholtz	Top Student Auditing II



Walter Sisulu University: Auditing students are awarded for their hard work.

Walter Sisulu University

Oreatile Matlokotsi Ntombizintle Ngantweni Aphelele Mdletshe Pretty Jlengiwe Mathabela Sonwabile Thokozani Matshanda Lesego Bikobere Kabuye	Top Students in Business Ethics
Esethu Mthanjekwa Khanya Sinkxi Anathi Luningo Sibulela Damane Asanda Nwili Sakhisizwe Zulu	Top Students in Control of Financial Information Systems
Zizo Sweetness Magwanya Khanya Sinkxi Anathi Luningo Anathi Mvanyashe Sakhisizwe Zulu Sibulela Damane	Top Students in Auditing I
Unathi Jucwa Zimvo Masentse Liteboho Ndaba	Top Students in Auditing II

University of Limpopo

Bachelor of Accountancy	
MG Marobane	Business Ethics 2
TL Mosoane	Auditing 3
KP Vuma	Auditing 4
Bachelor of Commerce in Accountancy	
NJ Mashele	Business Ethics 2
LM Khoza	Auditing 2
TB Masemola	Auditing 3
SP Ngomane	Auditing 3
KKP Sibanda	Auditing 4

Bachelor of Commerce in Accountancy Honours	
MJ Molapo	Advanced Auditing
Postgraduate Diploma in Accountancy	
K Motlotsi	Applied Auditing

INTERACTIONS WITH UNIVERSITY STUDENTS

To encourage students to pursue a career in auditing, the IRBA regularly holds engagements at universities. These also give the organisation an opportunity to provide insights into developments in the auditing profession and share a practical understanding of auditing topics that are often quite theoretical.

During the quarter, the IRBA engaged with students at the following universities:

Date	University	Topic	Attendance
12 August 2024	University of Zululand	<ul style="list-style-type: none"> The role of the IRBA, the importance of Auditors in South Africa and developments in the Auditing profession Pursuing a career as an RA and the ADP 	30 Accounting and Auditing Students

The IRBA encourages audit firms to work with the universities and learning providers that are geographically closer to them, to engage with students and encourage interest in pursuing a career in auditing. That should also help them to share insights into what auditors do, the value of auditing and practical views on topics that students are studying.

ENGAGEMENTS WITH OTHER STAKEHOLDERS



Time to Share Perspectives: The panel discussion on attracting talent.

The Association for the Advancement of Black Accountants of Southern Africa (ABASA) successfully hosted its annual national convention from 5-8 November 2024 in the Eastern Cape. This flagship event attracts a diverse audience, including corporate and business members, global and local stakeholders, young professionals, academics and students from the accounting and finance sectors.

As a valued Memorandum of Understanding partner, the IRBA played a key role at the event. Nadine Kater, Director Education and Transformation, was a panellist during a discussion

on “Attracting Talent to the Accounting Sector in South Africa: Public and Private Sector Perspectives on Strengthening the Pipeline for Future Professionals.”

The discussions focused on the global landscape of enrolments in higher education, graduation rates and entry into the accounting profession. Strategies to overcome artificial barriers in the auditing profession and retain professionals were also explored. Other plenary sessions focused on the following:

- The Importance of Quality Basic Education and the Career Advancement Benefits of Choosing Mathematics in High School to Boost the Pipeline of Accountants in South Africa;
- The Critical Role of Policy and Legislation in Accelerating Black Economic Empowerment and Employment Equity in the South African Accounting Sector;
- Attracting Talent to the Accounting Sector: Public and Private Sector Perspectives on Strengthening the Pipeline for Future Professionals; and
- Leadership and Transformation in the Global Arena: Fostering Black Economic Empowerment and Gender Transformation in South Africa.

Furthermore, the convention provided a platform for organisations to showcase their offerings to the more than 200 attendees, including school learners, university students, trainee accountants and aspiring professionals. The IRBA engaged with participants, promoting the ADP and encouraging interest in the auditing profession.



Hopes for the Future: Learners got an opportunity to learn more about what the IRBA does.

Nadine Kater

Director Education and Transformation

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COMMUNICATIONS

To improve our communication with registered auditors and other stakeholders, a list of communiques shared via bulk email during the reporting period is set out below for easy access.

26 November 2024	IRBA Mourns the Sad Passing of Imran Vanker, Director: Standards
25 November 2024	CFAS publishes its standard setting priorities
22 November 2024	Call for the Nomination of Registered Auditors to Serve on the Committee for Auditing Standards
22 November 2024	Publication of the South African Auditing Practice Statement 7, Transparency Reports of Firms that Audit Financial Statements of Publicly Traded Entities
21 November 2024	IRBA Code of Professional Conduct for Registered Auditors (Revised November 2024)
15 November 2024	IRBA Issues Its First Reportable Irregularities Report in Efforts to Enhance Transparency and Bolster Stakeholder Confidence in the Audit Product
7 November 2024	IRBA Board Announces Its Decision Not to Adopt the International Standard on Auditing (ISA) for Audits of Financial Statements of Less Complex Entities (ISA for LCE)
6 November 2024	IRBA Webinar: Inside a Small and Medium Practice: A Practitioner's Day in Focus Webinar Summary, Recording and Presentation Slides Available
1 November 2024	Public Comments for proposed IRBA Fees with Effect from 1 April 2025
31 October 2024	Sustainability: The Big Picture
18 October 2024	IRBA News Issue 67 is Now Available on the Website
4 October 2024	Clean Audit Report Reflects the Sustainability and Relevance of the IRBA Amidst the Challenging Economic Landscape
2 October 2024	An Alert on the Latest Publications from the Legal Practitioners Fidelity Fund

