

## STRATEGIC FOCUS AREAS – 2023/2024

### STRATEGIC FOCUS AREA 1: AUDITING AND ETHICS STANDARDS

**Activities**

Projects that are aimed at restoring confidence in the auditing profession will be the main focus in the next year, and this will be done through standards-related activities. We will also continue to support our statutory committees to ensure that we develop and issue high-quality international and local ethics, auditing and assurance pronouncements.

STRATEGIC OBJECTIVE	To develop and maintain auditing and ethical standards that are internationally comparable					
Responsibility: Director Standards						
Measurable Objective	Output	Outcomes	Output Indicator	Performance Targets		
				2023/2024 Q3	Status for the Quarter Ended 31 December 2023	Status Year to Date
Standards and Guidance issued	Issued auditing pronouncements, illustrative audit reports and comment letters.	High-quality audits.	Percentage of target dates met for issuing audit pronouncements, illustrative audit reports and comment letters.	85% of target dates	Target: 85% Actual: 100% (2 out of 2) Achieved: Yes <i>Explanation for deviation: Project deliverables have exceeded expectations due to successful project management and public consultation processes.</i>	Annual Target: 85% Year to date target: 85% Year to date actual: 100% (7 out of 7) Achieved: Yes <i>Explanation for deviation: Project deliverables have exceeded expectations due to successful project management and public consultation processes.</i>

STRATEGIC OBJECTIVE	<b>To develop and maintain auditing and ethical standards that are internationally comparable</b> <b>Responsibility: Director Standards</b>					
Measurable Objective	Output	Outcomes	Output Indicator	Performance Targets		
				2023/2024 Q3	Status for the Quarter Ended 31 December 2023	Status Year to Date
To adopt and/or develop and issue additional guidance on ethical issues, based on the IRBA Code	Issued additional guidance on ethical issues, comment letters and Code amendments.	To provide auditors with a Code that is consistent with international Codes and one that enables the IRBA to take disciplinary action, where necessary.	Percentage of target dates met for issuing additional guidance on ethical issues, comment letters and Code amendments.	85% of target dates met	Target: 85% Actual: 0 Achieved: No <i>Explanation for deviation: No projects were planned to be completed in this quarter.</i>	Annual Target: 85% Year to date target: 85% Year to date actual: 100% (5 out of 5) Achieved: Yes <i>Explanation for deviation: Project deliverables have exceeded expectations due to successful project management and public consultation processes.</i>

## STRATEGIC FOCUS AREA 2: EDUCATION

### Activities

A major emphasis on increasing both the number of candidates registering on the Audit Development Programme (ADP) and those successfully completing it is what Education and Transformation continues to strive towards. It is also critical to keep on improving the quality of the ADP, with more focus on the transformation of the candidates that are registering on the programme.

STRATEGIC OBJECTIVE	Providing an appropriate framework for the education and training of properly qualified auditors Responsibility: Director Education and Transformation					
Measurable Objective	Output	Outcomes	Measurable Indicator	Performance Targets		
				2023/2024 Q3	Status for the Quarter Ended 31 December 2023	Status Year to Date
To monitor the environment in which the Audit Development Programme is offered	Monitoring reports.	To ensure that the environment is conducive to the development of audit competence.	The number of monitoring visits completed per annum.	10 visits	Target: 10 Actual: 14 Achieved: Yes  <i>Explanation for deviation: More monitoring visits were conducted in this quarter due to the 4th quarter being short and some firms are not available for ADP monitoring visits.</i>	Annual Target: 43 visits Year to date target: 33 Year to date actual: 40 Achieved: Yes

<b>STRATEGIC OBJECTIVE</b>	<p><b>To provide an appropriate framework for the education and training of properly qualified auditors and to establish processes, so that only competent candidates enter the auditing profession</b></p> <p><b>Responsibility: Director Education and Transformation</b></p>					
<b>Measurable Objective</b>	<b>Output</b>	<b>Outcomes</b>	<b>Measurable Indicator</b>	<b>Performance Targets</b>		
				<b>2023/2024 Q3</b>	<b>Status for the Quarter Ended 31 December 2023</b>	<b>Status Year to Date</b>
To monitor the programmes and institutional requirements of accredited professional bodies	Monitoring reports.	To ensure compliance with the Accreditation Model.	The number of Final Monitoring Reports to be submitted to the accredited professional body, within 10 working days after the EDCOM approval.	1 report submitted within the target date	Target: 1 (report submitted within the target date) Actual: 1 (report submitted within the target date) Achieved: Yes	Target: 1 (report submitted within the target date) Actual: 1 (report submitted within the target date) Achieved: Yes.
To contribute to the transformation of the profession	IRBA transformation initiatives.	To facilitate the transformation of the RA profession through targeted initiatives aimed at identifying and addressing barriers to transformation.	The number of IRBA transformation initiatives completed per annum.	2	Target: 2 Actual: 2 Achieved: Yes	Annual Target: 8 Year to date target: 6 Year to date actual: 6 Achieved: Yes

<b>STRATEGIC OBJECTIVE</b>	<b>To provide an appropriate framework for the education and training of properly qualified auditors and to establish processes, so that only competent candidates enter the auditing profession</b> <b>Responsibility: Director Education and Transformation</b>					
<b>Measurable Objective</b>	<b>Output</b>	<b>Outcomes</b>	<b>Measurable Indicator</b>	<b>Performance Targets</b>		
				<b>2023/2024</b>	<b>Status for the Quarter Ended</b>	<b>Status Year to Date</b>
				<b>Q3</b>	<b>31 December 2023</b>	
To monitor the CPD compliance of RAs and tax practitioners	Monitoring reports.	To ensure that RAs and/or tax practitioners are complying with the CPD Policy.	The number of CPD monitoring reports analysed per annum.	1 report	Target: 1 report Actual: 1 report Achieved: Yes	Annual Target: 1 report Year to date target: 1 report Year to date actual: 1 report Achieved: Yes

### STRATEGIC FOCUS AREA 3: INSPECTIONS

#### Activities

This year, the key focus areas included the following:

- A business process review, i.e. an as-is and needs analysis on technology, information technology (IT) workflow and data collection/analysis, to enhance effective operations that respond to the public expectation. This includes an optimal allocation of the Inspections Department capacity as well as focusing on the enhanced risk-based scope/coverage and reach in the 8<sup>th</sup> Inspections Cycle.
- Enhanced stakeholder awareness and targeted socialising of inspection outcomes and reports, e.g. concurrent publication and awareness of enhanced Audit Quality Indicators (AQI) and Public Inspections reports.
- Effective/productive hybrid (On-site and remote) inspections/remedial action including stakeholder interaction using virtual platforms.
- Effective succession planning within inspections, whereby inspectors are appointed to senior roles, as/when appropriate (with no impact on the approved budget or headcount).
- Design and implement International Standards on Quality Management (ISQMs) 1 and 2 firm inspection procedures.

STRATEGIC OBJECTIVE	To monitor registered auditors' compliance with professional standards					
	Responsibility: Director Inspections					
Measurable Objective	Output	Outcomes	Measurable Indicator	Performance Targets		
				2023/2024 Q3	Status for the Quarter Ended 31 December 2023	Status Year to Date
Risk-based inspections performed	Inspection reports.	Compliance of firms (including their individually registered auditors) with the auditing and ethics standards.	The number of planned inspections completed per annum.	27 inspections	Target: 27 inspections Actual: 27 inspections Achieved: Yes	Annual Target: 105 inspections Year to date target: 81 inspections Year to date actual: 81 inspections Achieved: Yes

## STRATEGIC FOCUS AREA 4: INVESTIGATIONS

### Activities

The expectation in the upcoming year is that investigations into certain high-profile/public interest entity matters will be completed, and that will be in line with the Board’s strategic objectives.

Pursuant to the IRBA’s five-year strategic plan, the Investigations Department will continue to participate in relevant international initiatives. This will entail networking with structures from other audit regulators, to continuously develop and implement new mechanisms of investigating and adjudicating alleged auditor improper conduct in tandem with global initiatives.

STRATEGIC OBJECTIVE	To investigate and take appropriate action against registered auditors in respect of improper conduct					
Responsibility: Director Investigations						
Measurable Objective	Output	Outcomes	Measurable Indicator	Performance Targets		
				2023/2024 Q3	Status for the Quarter Ended 31 December 2023	Status Year to Date
Completed investigations	Closed matters.	Taking appropriate action against registered auditors in respect of improper conduct.	The number of investigations completed per annum.	24 completed investigations	Target: 24 completed investigations Actual: 23 completed investigations Achieved: No  <i>Explanation for deviation:                      Response awaited from Respondent on matter tabled at Investigating Committee.</i>	Annual Target: 96 completed investigations Year to date target: 72 completed investigations Year to date actual: 71 completed investigations Achieved: No

## STRATEGIC FOCUS AREA 5: DISCIPLINARY

### Activities

#### Finalisation of Disciplinary Matters

The completion and the outcomes of a number of disciplinary matters are positive indications of our efforts to restore confidence in the auditing profession. These are also evidence of our commitment to take appropriate action against registered auditors for improper conduct. We are confident that the outcomes will serve as a deterrent to RAs from neglecting their duties to protect the financial interests of investors and the public at large and ultimately improve audit quality, while restoring confidence in both the profession and the regulator.

The implementation of the disciplinary strategy is a focus area for the current financial year.

The IRBA has successfully benchmarked its disciplinary processes against those of local and international regulators in a bid to ensure that its processes are aligned to best industry practices. To this end, a holistic review of current processes was undertaken, and a disciplinary processes strategy and implementation plan developed to aid the redesign of current processes.

With a focus on the implementation of the disciplinary strategy for this financial year, we will deliver on a number of projects that are aimed at ensuring the efficiency and effectiveness of disciplinary processes.

STRATEGIC OBJECTIVE	To take appropriate action against registered auditors in respect of improper conduct					
	Responsibility: Director Legal					
Measurable Objective	Output	Outcomes	Measurable Indicator	Performance Targets		
				2023/2024 Q3	Status for the Quarter Ended 31 December 2023	Status Year to Date
Planned disciplinary matters (matters) scheduled for hearings or finalised	Matters scheduled for hearings or finalised.	Errant auditors are appropriately disciplined.	Percentage of matters scheduled for hearings or finalised.	N/A (Annual target)	Target: N/A Actual: N/A Achieved: N/A	Annual Target: 85% of planned matters scheduled for hearings, in line with the approved hearing plan or finalised.  Year to date target: N/A  Year to date actual: 77% (presented for tracking purposes)  Achieved: N/A



## STRATEGIC FOCUS AREA 6: OPERATIONAL EFFECTIVENESS

### Activities

Compliance, accountability and proper management of revenue, expenditure, assets and liabilities are some of the important measures that the IRBA uses to assess its operational effectiveness. The measurable indicator of how well these measures are functioning is a clean auditor's report.

Over the past few years, we have had to look at finding alternative ways to supplement the funding we receive from our government grant, prescribed fees and levies from RAs and firms, as well as funds that may accrue to us from any other legal source.

STRATEGIC OBJECTIVE	To strengthen the IRBA's organisational capability, capacity and performance to deliver on its mandate in an economically efficient and effective manner, in accordance with the relevant regulatory frameworks					
Responsibility: Director Operations						
Measurable Objective	Output	Outcomes	Measurable Indicator	Performance Targets		
				2023/2024 Q3	Status for the Quarter Ended 31 December 2023	Status Year to Date
Reports from internal and external audits	Systems, policies and processes that ensure compliance, accountability and sound management of the revenue, expenditure, assets and liabilities.	Financial sustainability to deliver on the mandate.	A clean audit report regarding financials, compliance and performance information.	N/A	N/A	Annual Target: Clean audit report for the 2022/2023 financial year-end. Year to date target: Clean audit report for the 2022/2023 financial year-end Year to date actual: Clean audit report for the 2022/2023 financial year-end Achieved: Yes
Promote transformation through targeted procurement policies	Implementation of the Preferential Procurement Policy Framework.	Increased procurement and effective payments to promote empowered businesses.	Percentage of SMME payments effected within 30 days.	100%	Target: 100% Actual: 100% Achieved: Yes	Annual Target: 100%. Year to date target: 100% Year to date actual: 100% Achieved: Yes

STRATEGIC OBJECTIVE	<p>To strengthen the IRBA's organisational capability, capacity and performance to deliver on its mandate in an economically efficient and effective manner, in accordance with the relevant regulatory frameworks</p> <p>Responsibility: Director Operations</p>					
Measurable Objective	Output	Outcomes	Measurable Indicator	Performance Targets		
				2023/2024 Q3	Status for the Quarter Ended 31 December 2023	Status Year to Date
Promote transformation through targeted procurement policies	Implementation of the Preferential Procurement Policy Framework.	Increased procurement and effective payments to promote empowered businesses.	Percentage of contracts awarded to SMMEs and small businesses.	20%	Target: 20% Actual: 29% Achieved: Yes  <i>Explanation for deviation:            Increased procurement from SMME suppliers during the quarter.</i>	Annual Target: 20% Year to date target: 20% Year to date actual: 29%  Achieved: Yes  <i>Explanation for deviation:            Increased procurement from SMME suppliers.</i>
Promote transformation through targeted employment policies	Transformed workforce.	Transformation of management control, achieved according to the relevant B-BBEE codes.	Achievement of the management control score calculated according to the B-BBEE scorecard.  The maximum score attainable is 20.	17	Target: 17 Actual: 15.5 Achieved: No  <i>Explanation for the deviation:            The target was not met due to various vacancies.</i>	Annual Target: 17 Year to date target: 17 Year to date actual: 15.5  Achieved: No  <i>Explanation for the deviation:            The target was not met due to various vacancies.</i>

STRATEGIC OBJECTIVE	<p>To strengthen the IRBA's organisational capability, capacity and performance to deliver on its mandate in an economically efficient and effective manner, in accordance with the relevant regulatory frameworks</p> <p>Responsibility: Director Operations</p>					
Measurable Objective	Output	Outcomes	Measurable Indicator	Performance Targets		
				2023/2024 Q3	Status for the Quarter Ended 31 December 2023	Status Year to Date
Promote transformation through targeted employment policies	Transformed workforce.	Transformation of staff achieved according to the approved Employment Equity Plan.	Achievement of the employment equity target according to the approved Employment Equity Plan.	76% (or more) Black 22% (or less) White 2% Other (or less)	Target: 76% (or more) Black 22% (or less) White 2% Other (or less) Actual: 80% Black 18% White 2% Other Achieved: Yes Yes Yes	Annual Target: 77% (or more) Black 21% (or less) White 2% Other (or less) Year to date target: 76% (or more) Black 22% (or less) White 2% Other (or less) Year to date actual: 80% Black 18% White 2% Other Achieved: Yes Yes Yes