
INDEPENDENT REGULATORY BOARD FOR AUDITORS

COMPANIES ACT AND REGULATIONS

Johannesburg / 02 June 2011

The Companies Act, 71 of 2008, and the Companies Regulations, 2011, became effective on 1 May 2011. There is a requirement that private companies determine their public interest score in order to ascertain whether they are subject to audit or independent review.

Regulation 29(4)(a) states the following:

“An independent review of a company’s annual financial statements must be carried out in the case of a company whose public interest score for the particular year was at least 100, by a registered auditor, or a member in good standing of a professional body that has been accredited in terms of Section 33 of the Auditing Professions Act.”

The IRBA recently met with the Commissioner and Deputy Commissioner of the Companies and Intellectual Properties Commission to discuss how best to deal with the implications for the IRBA, arising from this regulation. At a principle level, we agreed on an approach which will deliver the desired results for all parties and that will be in the public interest, and we are hopeful to have completed discussions and processes by the end of July 2011.

The IRBA has appointed a consultant to drive the project from its side and will thereafter provide training to Registered Auditors once we have more definitive answers to some of the more frequently asked questions on this area. We believe that it is essential to follow a measured approach to this important piece of legislation and also that it is critical for auditors to have a full understanding of its impact.

Should you have any further questions regarding the IRBA’s approach, please do not hesitate to contact me. Tel: 087 940 8800 E-mail: executive@irba.co.za

Bernard Peter Agulhas
Chief Executive Officer

About the IRBA

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

*With effect from December 2010 the IRBA’s postal addresses have changed to:
PO Box 8237, Greenstone, 1616
Docex: DX008, Edenvale*