

FEES PAYABLE TO THE IRBA WITH EFFECT FROM 1 APRIL 2021

Johannesburg / 12 March 2021

Dear Registered Auditor

Section 8 of the Auditing Profession Act, No. 26 of 2005, gives the IRBA the power to determine fees payable to it, in respect of the performance of some of its legislated functions and any other services.

The IRBA fees for 2020/2021 were considered and approved by the IRBA Caretaker Board* at a recent meeting and will be effective from 1 April 2021. A copy of the approved fees is available and may be accessed through the link provided towards the end of this communication.

In approving the fee increases, the following factors were considered:

- The COVID-19 pandemic has resulted in a contracted economy, and citizens and organisations alike are experiencing the challenges of operating in a constrained economic context. The IRBA's operational requirements far exceed annual inflation; however, we take cognisance of the financial challenges that most of our registered auditors (RAs) have to cope with in the current economic climate.
- Against this backdrop, the IRBA has taken the decision to subsidise the increase in fees out of its limited accumulated reserves for the upcoming financial year. This has resulted in required projects being scaled down and expenses being moved into subsequent periods. However, do note that due to anticipated increases in future operational costs and capital expenditure, this practise will be unsustainable for subsequent financial years.
- While the IRBA would have wished to adopt a moratorium on fee increases for the financial year, this is not possible due to the sharp increase in IRBA's additional regulatory and oversight responsibilities. This is because of the increased number of high-profile disciplinary matters as well as matters to be investigated against RAs.
- In addition to the above, the IRBA has also embarked on a digital transformation journey, as highlighted in our approved Strategic Plan. The journey will focus on redefining business processes, enhancing human capital competencies and harnessing efficiencies to be gained from technology to strengthen our regulatory mandate. Investment in technology, to assist the IRBA to be future-fit, is included in the 2021/2022 budget, *albeit* to a limited extent. Therefore, this will need to be carried forward in upcoming years, and that will accordingly impact future budgets.

The IRBA carefully considered all relevant factors and its decision was based on the increasing demands to protect the investing public and restore confidence in the profession, while appreciating the current financial challenges faced by our RAs.

Click [here](#) to view the 2021 fee schedule.

*Persons appointed by the Minister of Finance, in terms of Section 12(6)(a) of the Auditing Profession Act, to assume the role and functions of the Board, pending the appointment of a Board in terms of Section 11 of the Act.

Imre Nagy

Acting 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.