

FEES PAYABLE TO THE IRBA WITH EFFECT FROM 1 APRIL 2022

Johannesburg / 28 March 2022

Section 8 of the Auditing Profession Act No. 26 of 2005, as amended, gives the Independent Regulatory Board for Auditors (IRBA) the power to determine the fees that are payable to the regulator, in respect of the performance of some of its legislated functions and other related services.

In light of this, increases to the IRBA fees for the 2022/2023 financial year were carefully considered and approved by the IRBA Board at its meeting on 28 January 2022. These increases will come into effect on 1 April 2022.

In approving these fee increases, the following factors were given due consideration:

- The allocation received from National Treasury (NT) for the next financial year has only increased by 2.4%, and this is below the inflation rate. Furthermore, according to the Medium-Term Expenditure Framework guidelines issued by NT, there will be no additional financial resources made available.
- In terms for the Public Finance Management Act, the IRBA may not budget for a deficit without prior approval from NT.
- During the budgeting process, revenue and costs were increased based on the inflation rate. In addition, allowance was made for the increase in capacity and enforcement-related costs, and that has been incorporated in the proposed budget. This move has also been necessary to support the IRBA's planned operational and strategic activities, without recording a deficit.
- After applying stringent cost containment measures, staff costs, enforcement costs and departmental expenditure were reduced by 17.6%. This, however, still resulted in a budget deficit.
- In view of the above, and in order to achieve a breakeven budget that will support the delivery of the IRBA's operational and strategic plans, the Board resolved to increase the fees payable by register auditors (RAs) by up to 8%.

In comparison to the proposed budget, the approved budget has been significantly reduced, to reach the required breakeven and limit increases to 8%. The reduction in costs, though, will have a significant impact on the IRBA's ability to execute the additional strategic focus areas and on the organisation's growth/expansion elements, as set out in the IRBA's refocused five-year strategy. However, this decision was undertaken with the understanding that in the current economic climate, the IRBA can equally not afford to pass higher increases onto RAs.

Therefore, the IRBA has carefully considered all the relevant factors, and its decision is 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.

Please click [here](#) to view the full 2022/2023 financial year fee schedule.

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.