



## INDEPENDENT REGULATORY BOARD FOR AUDITORS

### COMMITTEE FOR AUDITOR ETHICS

#### **Request for Comments: Proposed Revised IRBA Code of Professional Conduct for Registered Auditors with South African Enhancements to the Ethics and Independence Standards for Sustainability Assurance (Proposed Revised IRBA Code)**

Johannesburg / 6 June 2025

The Independent Regulatory Board for Auditors' (IRBA) Committee for Auditor Ethics (CFAE) has approved the [Proposed Revised IRBA Code of Professional Conduct for Registered Auditors, Incorporating Ethics Standards for Sustainability Assurance, including Independence Standards and the Standard on Using the Work of an External Expert, with the Necessary South African Enhancements \(Exposure Draft\)](#) for public comment by 8 August 2025.

This Exposure Draft forms part of the IRBA's due process to adopt and prescribe, for use by registered auditors in South Africa, the International Ethics Standards Board of Accountants' (IESBA) *International Ethics Standards for Sustainability Assurance (including International Independence Standards) and other related revisions to the Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code) (IESSA) and the *Using the Work of an External Expert*

*Standard*. It proposes South African enhancements to the IESBA's IESSA only.

## Background

The IRBA Code of Professional Conduct for Registered Auditors (Revised 2024) (IRBA Code) is based on Parts 1, 3, 4A and 4B of the IESBA Code published by the International Federation of Accountants (IFAC) in September 2024 and is used with the permission of IFAC. In the IRBA Code, South African adaptations and amendments to the IESBA Code are underlined and in italics. Additionally, the IRBA comments on all proposed amendments to the IESBA Code and considers final amendments to that Code for possible amendments to 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 Auditing Profession Act, No. 26 of 2005, as amended (APA) or the [IRBA Rules Regarding Improper Conduct](#). As a result, such contravention or failure to comply may be investigated and, if appropriate, the linked registered auditor might be charged in terms of Section 48 of the APA.

Since 2022, the IESBA has been engaged in a Sustainability Project, beginning with the approval of two project proposals related to sustainability reporting and assurance, and the use of experts in December of that year. The CFAE has monitored this project and contributed to the development of the IESSA and its associated amendments to the IESBA Code by commenting on the proposed changes, exposing those locally for integration into the IRBA Code, and reviewing the final amendments to assess potential South African enhancements to the IRBA Code.

## Proposed South African Enhancements

The proposed South African enhancements, as briefly highlighted below, are aimed at improving clarity, implementability and the consistent application of these ethics and independence standards, similar to those for financial statement audits.

### Scope of the Independence Standards in Part 5

Paragraph 5400.3(b) of the Exposure Draft prescribes that the independence standards in Part 5 apply only to sustainability assurance engagements where the sustainability information:

- Is reported in accordance with a general-purpose framework; and
- Is either:
  - Required by law or regulation; or
  - Publicly disclosed to support decision-making by investors or other users.

The proposed local enhancement confirms that a combination of general-purpose frameworks satisfies the objective of meeting the common information needs of a wide range of users through the inclusion of a South African application paragraph, 5400.3b A1 SA, to clarify that if any part of the framework is general-purpose, the scoping criterion is met.

### Implementation of Independence Provisions in Sections 5405 and 5406

Sections 5405 and 5406 introduce independence provisions specific to Group Sustainability Assurance Engagements and engagements involving another practitioner. To assist with the implementation of the international amendments, this proposed South African enhancement found value in referring to the diagrammatic illustrations in the IESSA Basis for Conclusions. The proposal includes these Appendices into the IRBA Code, suggesting they be added to the Appendix to the Independence Standards for Sustainability Assurance Engagements.

### Fee Disclosure Requirements When Performing Both Audit and Sustainability Assurance Engagements

Paragraph 5400.16(a) of the Exposure Draft prescribes that when a firm undertakes both the audit and the sustainability assurance engagement, the provisions of Part 4A shall apply in addition to those in Part 5. To facilitate the consistent practical application of paragraphs R410.31 and R5410.31 regarding fee disclosure categories and thereby enhance transparency, this proposed local enhancement introduces two new South

African-specific requirements in paragraphs **R410.31a SA** and **R5410.31a SA**.

### **Other Enhancements**

Alongside the proposed new requirements and application paragraphs, the Exposure Draft introduces consequential amendments to extant localisations in Section 321, Second Opinions, and Section 400, Applying the Conceptual Framework to Independence for Audit and Review Engagements. Additionally, certain adaptations have been made to ensure alignment with the extant IRBA Code.

### **Guide to Reading the Exposure Draft**

The Exposure Draft comprises the full IRBA Code text, which includes the IESSA and other related amendments, along with the Using the Work of an External Expert Standard for convenience. However, as its focus is on the proposed South African enhancements to the IESSA, respondents are requested to direct their attention and comments specifically to the proposed local enhancements, which are identified in mark-up, **underlined and in italics**. Sections of the Proposed Revised IRBA Code that are not impacted by the proposed South African enhancements have been greyed out. Input and feedback on these proposed local enhancements will assist the CFAE in finalising this specific area of consideration. The committee appreciates each respondent's co-operation and thoughtful engagement in this feedback process.

### **Board Notice**

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

### **Proposed Effective Date**

The CFAE will consider the comments received on this Exposure Draft in finalising the Proposed Revised IRBA Code and then work towards recommending the final pronouncement to the IRBA Board for approval.

Except for the provisions in sections 5405 and 5406 applicable to assurance work performed at value chain

components, these revisions to the IRBA Code will impact sustainability assurance engagements on sustainability information for periods beginning on or after 15 December 2026, or as at a specific date on or after 15 December 2026, and sustainability reporting-related engagements as of 15 December 2026.

The provisions in sections 5405 and 5406 applicable when assurance work is performed at a value chain component will be effective for sustainability assurance engagements on sustainability information for periods beginning on or after 1 July 2028, or as at a specific date on or after 1 July 2028. For sustainability assurance engagements on sustainability information for periods beginning on, or as at a specific date prior to, 1 July 2028 that involve assurance work performed at a value chain component, additional considerations have been detailed in the Exposure Draft.

The Exposure Draft also includes further transitional provisions. Early adoption of these provisions is permitted.

### **Other Considerations**

The CFAE and the Committee for Auditing Standards are co-ordinating efforts to recommend that the IRBA Board adopts the Revised IRBA Code with South African Enhancements to the Ethics and Independence Standards for Sustainability Assurance, subject to the completion of the due process with respect to the Exposure Draft, and the International Auditing and Assurance Standards Board's *International Standard on Sustainability Assurance 5000, General Requirements for Sustainability Assurance Engagements*. The Board is expected to consider these recommendations in the first quarter of 2026.

The IRBA remains committed to ensuring the effective and appropriate regulation of audits and assurance engagements in South Africa, taking into account the evolving landscape of sustainability reporting and assurance.

### **Request for Comments**

The CFAE welcomes comments on all matters that are addressed in the Exposure Draft. Comments are most

helpful when they refer to specific paragraphs, include the reasons for the observations and, where appropriate, make specific suggestions for any proposed changes to the wording.

The committee prefers respondents to address each specific request for comments, and support those views with detailed remarks, whether supportive or critical. Both types of comments are vital for a balanced perspective on the proposed amendments.

Respondents should email their feedback, in Word format, to [standards@irba.co.za](mailto:standards@irba.co.za). The deadline for submission is **8 August 2025**. All comments will be considered a matter of public record. To download the Exposure Draft, visit the [IRBA website](#).

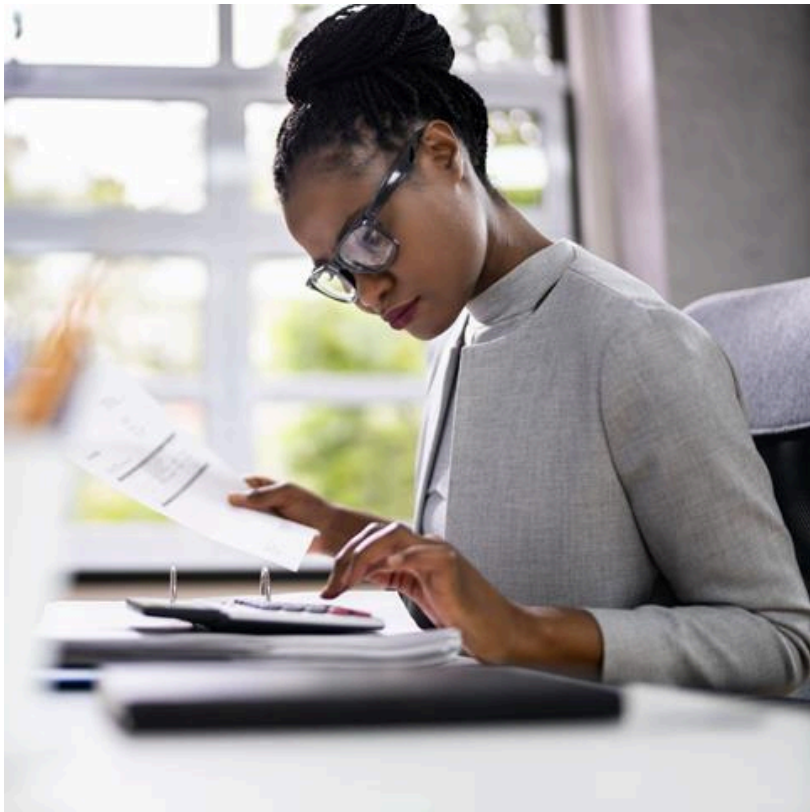
Should you have any queries, please email [standards@irba.co.za](mailto:standards@irba.co.za).

## **Standards Department**

### ***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.*

*The statutory responsibilities of the Committee for Auditor Ethics are to assist the IRBA to determine what constitutes improper conduct by registered auditors by developing rules and guidelines for professional ethics, including a code of professional conduct; interact on any matter relating to its functions and powers with professional bodies and any other body or organ of state with an interest in the auditing profession; and provide advice to registered auditors on matters of professional ethics and conduct.*





Building 2 | Greenstone Hill Office Park | Emerald Boulevard |  
Modderfontein

P.O. Box 8237 | Greenstone | 1616

+27 010 496 0600

**Disclaimer:** This information is intended only for the person or entity to which it is addressed and may contain private, confidential, proprietary and/or privileged material and be subject to confidentiality agreements. Any review, retransmission, dissemination, or any other use or taking of any action that is reliant upon this information, by persons or entities other than the intended recipient, is prohibited. If you received this in error, please contact the sender and delete the material from all storage media.

**Notice of Processing of Personal Information:** To ensure that you understand how we use and process your personal information, we request that you kindly download and read these [processing notices](#).

[Preferences](#) | [Unsubscribe](#)