
INDEPENDENT REGULATORY BOARD FOR AUDITORS
COMMITTEE FOR AUDITOR ETHICS

Quality Management-related Conforming Amendments to the IRBA Code of Professional Conduct (Revised November 2018)

Johannesburg / 10 June 2022

The Independent Regulatory Board for Auditors (IRBA) draws the attention of all registered auditors to the Quality Management-related Conforming Amendments to the *IRBA Code of Professional Conduct for Registered Auditors (Revised November 2018)* (IRBA Code).

Brief Context to the Quality Management-related Conforming Amendments

The International Auditing and Assurance Standards Board issued its suite of quality management standards in December 2020, and [the IRBA Board](#) adopted these in March 2021. This suite of standards comprises the following:

- [International Standard on Quality Management \(ISQM\) 1](#), *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*;
- [ISQM 2](#), *Engagement Quality Reviews*; and
- [International Standard on Auditing \(ISA\) 220 \(Revised\)](#), *Quality Management for an Audit of Financial Statements*.

These standards will be effective as of 15 December 2022.

As a result of the finalisation of these standards, the International Ethics Standards Board for Accountants (IESBA) considered it necessary to make the following Quality Management-related Conforming Amendments to the *IESBA Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code):

1. Where the IESBA Code refers to International Standard on Quality Control (ISQC) 1, as well as concepts and terminology in ISQC 1, replacing it with ISQM 1.
2. Where the revisions to the IESBA Code addressing the *Objectivity of an Engagement Quality Reviewer and Other Appropriate Reviewers* (EQR revisions), issued by the IESBA in January 2021 and [adopted by the IRBA Board](#) in August 2021, stem from concepts and terminology in ISQM 2, reflecting these in the *Glossary* to the IESBA Code.

The IRBA has adopted these Quality Management-related Conforming Amendments made to the IESBA Code and published in April 2022. This adoption followed their issue, in South Africa, of the proposed amendments on exposure for public comment via Government Gazette No. 45176 on 17 September 2021 (Board Notice 124 of 2021).

ISA 220-related Conforming Amendments to the IESBA Code

Registered auditors should, however, note that consequential and conforming changes to the IESBA Code that stem from ISA 220 (Revised), including changes to the definitions of the terms "engagement team" and "audit team", are excluded from the abovementioned Quality

Management-related Conforming Amendments. The ISA 220-related conforming amendments are being addressed through a separate IESBA project that is known as *Engagement Teams - Group Audits Independence*; therefore, they are subject to a separate due process. When the IESBA finalises its *Engagement Teams - Group Audits Independence* project, the IRBA Board will consider the ISA 220-related Conforming Amendments for adoption as part of the other *Engagement Teams - Group Audits Independence* amendments.

Effective Date

The Quality Management-related Conforming Amendments to the IRBA Code will be effective as of 15 December 2022.

A Board Notice will be released in the Government Gazette, advising on the publication of the amendments to the IRBA Code, pursuant to the provisions of Section 10(1)(a) of the Auditing Profession Act, as amended.

The amendments to the IRBA Code may be downloaded from the [IRBA website](#)

Should you have any queries regarding the above-noted amendments, please email standards@irba.co.za.

Imran Vanker

Director: Standards

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 CFAE 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; to 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 to provide advice to registered auditors on matters of professional ethics and conduct.