
INDEPENDENT REGULATORY BOARD FOR AUDITORS

COMMITTEE FOR AUDITOR ETHICS

Final Pronouncement: Technology-related Revisions to the IRBA Code of Professional Conduct for Registered Auditors

Johannesburg / 13 November 2023

The Independent Regulatory Board for Auditors (IRBA) draws the attention of all registered auditors to the [Final Pronouncement: Technology-related Revisions to the IRBA Code of Professional Conduct for Registered Auditors](#).

These technology-related revisions will guide the ethical mindset and behaviour of registered auditors, as they take advantage of the opportunities technology is creating and adapting to new technology. Developed to remain relevant and applicable in the ever-evolving landscape of technology transformation, the revisions apply to the use of any technology, including, to the extent possible, future technologies.

Significant Amendments

The approved amendments focus on several key areas, including:

- Professional Skills (Section 113);
- Confidentiality (Section 114);
- Complex Circumstances (Section 120);
- Use of Technology (Sections 300 and 320);
- Close Business Relationships (Section 520); and
- Hosting (Subsection 606).

These amendments highlight the importance of professional competence and due care as well as confidentiality, and also address complexity, particularly in the context of technology-related developments.

Key Changes and Practical Implications

- **Professional Competence and Due Care:** The revisions underscore the need for registered auditors to assess their competence to handle engagements, especially in the context of technology. This emphasises the importance of staying updated with technological advancements.
- **Confidentiality:** The amendments highlight the critical nature of maintaining confidentiality throughout the data collection process, and provide guidelines in

circumstances where authorisation to use or disclose confidential information may be required.

- **Complexity:** Registered auditors are now required to address inherent complexities in their professional services explicitly. This includes managing uncertainties, monitoring changes in facts and circumstances, in addition to investigating uncertain elements.
- **Use of Technology:** Registered auditors may have to adapt their policies and methodologies to identify and evaluate threats associated with technology use, and also improve their understanding of the impact on engagements.
- **Independence Standards:** Registered auditors may need to review and update their independence policies and processes, particularly in relation to technology-related non-assurance services provided to audit clients.

South African Adaptations and Amendments to the IRBA Code

Consistent with the extant IRBA Code of Professional Conduct for Registered Auditors (Revised April 2023) (IRBA Code), the reference to "professional accountant" and/or "accountant" in the amendments to the IRBA Final Pronouncement has been replaced with the term "registered auditor".

It should be noted that paragraphs **R113.4 SA**, **R300.5**, **300.5 A1 SA** and 300.5 A1, which contain South African Adaptations and Amendments, are not affected by these revisions and have been carried over from the extant IRBA Code without further amendments.

Effective Date

- Revisions to Parts 1 to 3 will be effective as of 15 December 2024.
- Revisions to Part 4A will be effective for audits and reviews of financial statements for periods beginning on or after 15 December 2024.
- The conforming and consequential amendments to Part 4B in relation to assurance engagements with respect to underlying subject matters covering periods of time will be effective for periods beginning on or after 15 December 2024; otherwise, these amendments will be effective as of 15 December 2024.

Early adoption is permitted.

Implementation Material

The following implementation material is available on the International Ethics Standards Board for Accountants' (IESBA) website:

- [IESBA Technology Webinar April 2022 - YouTube](#)
- [Exploring the IESBA Code: A Focus on Technology | IFAC](#)

- [Applying the Code's Conceptual Framework to Independence | Ethics Board | Practical Guidance for Auditors in Technology-related Scenarios](#)
- [Ethical Leadership in A Digital Era: Applying the IESBA Code to Selected Technology-Related Scenarios | Ethics Board](#)

Due Process

The adoption of these revisions to the IESBA Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), published in April 2023, follows the local issue of the Exposure Draft, *Proposed Technology-related Revisions to the Code (ED)* for public comment via Government Gazette No. 46088 on 25 March 2022 (Board Notice 229 of 2022).

A Board Notice will be released in the Government Gazette, advising on the publication of the revisions to the IRBA Code, pursuant to the provisions of Section 10(1)(a) of the Auditing Profession Act, as amended. Should you have any queries regarding the above-noted revisions, please email standards@irba.co.za.

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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; 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.