

## **FIRM CLASSIFICATION BY SIZE AND RACE**

### **Classification by size**

The IRBA classifies the size of firms by the number of partners only. Employees, even if they are Registered Auditors, are not included in our calculations.

The IRBA has determined the classifications of firms by number of partners as follows:

<b>Classification</b>	<b>Number of partners</b>
Large firms	20+
Medium firms	5 – 19
Small firms	2 – 4
Sole proprietors	1

### **Classification by race**

The IRBA classifies firms by race by the number of partners of each particular race in the firm. Employees, even if they are Registered Auditors, are not included in our determination of race classification.

The IRBA has determined the classification of firms by using the following categories:

- White
- Black – African
- Black – Indian
- Black – Coloured
- Black – Chinese

In the event of their being more black partners in the firm, even though the white partners may be the single largest group if calculated individually, the firm will show that the majority race is black.

For example, a firm has the following race composition:

- White – 20
- Black – African – 5
- Black – Indian – 9
- Black – Coloured – 4
- Black – Chinese – 4

Although the single largest race group is white, with 20 partners, the firm will be classified as Black – Indian because the total number of black partners is 22, and of these, the majority is Indian.

We believe that the above classifications fairly represent the size and race of firms registered with the IRBA.