

TO	REGISTERED AUDITORS
FROM	INDEPENDENT REGULATORY BOARD FOR AUDITORS
DATE	1 APRIL 2023
SUBJECT	INDIVIDUAL ANNUAL RENEWAL FOR THE PERIOD 1 APRIL 2023 TO 31 MARCH 2024

Dear Practitioner

A: IMPORTANT INFORMATION

The 2023 Individual Annual Return is available on the IRBA website for RAs to complete and submit.

The instructions on how to complete and submit your Annual Return are provided in the next section of this Explanatory Memorandum.

RAs may choose to pay their individual annual fees through the IRBA website. RAs may also then complete and submit their Individual Annual Returns at the same time.

However, we understand that there are firms who prefer to do a bulk payment for all the RAs linked to that firm and this remains an acceptable method of payment.

You will receive an invoice for your annual fees by email at the beginning of April 2023.

If you have not received your annual fee invoice by mid-April 2023, please contact invoices@irba.co.za.

You will not receive your Individual Annual Return document by email. Your Individual Annual Return is only available on the IRBA website.

The due date for both the submission of your Individual Annual Return and payment of your individual annual fee is 31 May 2023.

B: INSTRUCTIONS FOR SUBMISSION OF ANNUAL RETURN

1. Once you have logged in to the IRBA website, the dashboard page will open with your details.
2. From the three tabs on that page, select the Annual Renewal page.
3. Three options will come up, allowing you to view or print the Explanatory Memorandum, complete and submit the Individual Annual Return and pay the annual fees.
4. You can complete and submit your Individual Annual Return form without paying the annual fees through the website.
5. If you submit your Individual Annual Return form without paying the annual fees, please ensure that the fees are paid before the deadline.

6. If you wish to print a copy of your completed Individual Annual Return for your records, you may do so after you have submitted. Click on the “Annual Renewal” button again, select “Individual Annual Return form”, scroll to the bottom of the page and click on the “print” button.

C: REINSTATEMENT AND RE-REGISTRATION

If the IRBA terminates your registration because of non-payment of individual annual fees or non-submission of your complete Individual Annual Return, you may request reinstatement once you have paid a R5,355 administration fee plus payment of your annual fees and/or submission of your Annual Return.

If your registration is terminated for non-payment of annual fees, and you request reinstatement after cancellations for non-submission of Individual Annual Returns have been processed, you must submit your Individual Annual Return as well as pay your Individual annual fees and administration fee for reinstatement fee before your request for reinstatement will be considered.

You may only apply for reinstatement for the 2023 annual renewal year until **31 March 2023**.

No applications for re-registration will be processed until **1 April 2023**.

Reinstatement is not automatic. It is influenced by pending disciplinary investigations, payment of any outstanding amounts due to the IRBA, including but not limited to assurance fees and disciplinary fines, and submission of any outstanding documents including outstanding Assurance Work Declarations.

D: HOW TO SEND US YOUR PROOF OF PAYMENT

1. Pay through the IRBA website (this is our preference):

Payment may be made via Visa, MasterCard, Diners or American Express credit cards.

Credit card transactions will be acquired for the IRBA via Wirecard who are the approved payment gateway for Standard Bank. Wirecard uses the strictest form of encryption, name Secure Socket Layer 3 (SSL3) and no credit card details are stored on the website. Users may go to <https://www.wirecard.co.za/> to view their security certificate and security policy.

If you pay through the website, you do not need to send us your proof of payment.

2. Pay by EFT into our account and email your proof of payment to invoices@irba.co.za.

Please note the following if you pay by EFT:

- If you pay by EFT into our account, please use your RA registration number or invoice number as reference. The proof of payment must be emailed through to invoices@irba.co.za after payment with the RA registration number or invoice number clearly indicated.
- If you do not correctly reference your payment, we may not be able to allocate that payment to you.
- Please do not reference your payment with your firm’s practice number or your SAICA number.
- The IRBA does not accept cash payments.

E: HOW TO COMPLETE AND SUBMIT YOUR ANNUAL RETURN

Complete and submit your Individual Annual Return through our website.

You will receive an immediate automatic email confirming that your Annual Return has been submitted.

Your Annual Return will then be processed by us in the order in which it is received, our database will be updated, and you will receive a second automatic email confirming that your Annual Return has been received and updated.

Due to the volume of Annual Returns received, you will not receive the second automatic email immediately.

F: SPECIFIC INFORMATION REGARDING THE COMPLETION OF THE PUBLIC PRACTICE QUESTIONNAIRE

All RAs must complete this section, regardless of whether you are classified as assurance or non-assurance and regardless of whether you are linked to a firm or not.

To assist you with completing this section, the following information is provided:

1. Definition of public practice in the Auditing Profession Act, 26 of 2005:

“public practice” means the practice of a registered auditor who places professional services at the disposal of the public for reward.

2. Definition of professional activity in the Code of Professional Conduct:

“An activity requiring accountancy or related skills undertaken by a *registered auditor*, including:

- auditing, *review, other assurance and related services*;
- accounting;
- tax;
- management consulting; and

financial management.”

3. Definition of professional services in the Code of Professional Conduct:

“Professional activities performed for clients. These include, but are not limited to, the following:

(1) Audit, review, other assurance and related services:

- (i)** Financial statement audits and reviews, other assurance and related services such as regulatory reporting, sustainability, compliance and performance reporting; and
- (ii)** Preparation of financial statements in accordance with recognised financial reporting standards and applicable statutes;

(2) Accounting services;

- (i)** Preparation of accounting records;

(3) Company statutory services;

(4) Taxation services:

- (i)** Tax return preparation and submission;
- (ii)** Tax calculations for the purpose of preparing accounting entries;
- (iii)** Tax planning and other tax advisory services; and
- (iv)** Assistance in the resolution of tax disputes;

(5) Management consulting and advisory services:

- (i)** Accounting advisory and financial management advisory services; accounting support, conversion services for new and revised accounting standards, financial modelling and project management;
- (ii)** Business performance services; business effectiveness, people and change management, operational and business finance;

- (iii) Internal audit; risk and compliance services, review and monitoring of internal controls, risk management, compliance services, corporate governance and audit committee advisory services;
- (iv) Corporate finance service; mergers and acquisitions, valuations, infrastructure financing, debt and capital markets, due diligence reviews, transaction services and designated advisor services;
- (v) Corporate recovery services; liquidation and insolvency administration, curator bonis, administration of deceased estates, judicial management and trusteeships;
- (vi) Financial risk management services; actuarial services, banking and risk advisory, regulatory and compliance services, and technical accounting;
- (vii) Information technology (IT) advisory; security, privacy and continuity, enterprise resource planning; information system audit services, IT project advisory, governance and performance; and
- (viii) Forensic services; dispute advisory and resolution, ethics and integrity monitoring, fraud risk management, intellectual property and other investigations and regulatory compliance.”

3. What is assurance work?

The IRBA considers assurance work to include:

Category A – High risk audits and related assurance work

This refers to audits that are performed by RAs and firms that are required in terms of legislation or regulation. Currently these audits include:

- Audits required in terms of the Companies Act of 2008, of:
 - public companies;
 - state-owned enterprises;
 - private companies with a public interest score of 350 or more;
 - private companies with a public interest score of less than 350 but at least 100, if its annual financial statements were internally compiled; and
 - private companies with a public interest score below 350 and where the MOI was altered to include an audit requirement. Such an engagement is not considered to be a voluntary audit.
- Audits of banks and regulatory returns to the South African Reserve Bank in terms of the regulations to the Banks Act.
- Audits required per the South African Reserve Bank Act.
- Audits required by legislation under the Financial Services Conduct Authority of:
 - insurance companies;
 - collective investment schemes;
 - pension and retirement funds;
 - provident funds; and
 - any other audits required by the Financial Advisory and Intermediary Services Act (FAIS).
- Audits of medical schemes.
- Audits on behalf of the Auditor-General:
 - secondment of staff to assist the Auditor-General – no opinion is expressed and consequently these engagements should be excluded.
 - performance of an engagement under the supervision of the Auditor-General (so-called “contracted out” engagements). Although this audit opinion is signed by the Auditor-General, a substantial portion of the work is performed by the contracted firm. These engagements should be included.
 - audits performed and signed by a firm in terms of Section 4(3) of the Public Audit Act. These engagements should be included.
- Trust accounts for legal practitioners (including attorney trust accounts).
- Estate Agents (business and trust accounts).
- Audits of Co-operatives.

- Audits of non-profit organisations where the turnover is more than R50 million.
- Audits of all tertiary educational institutions.
- Audits required by the Sectional Titles Schemes Management Act, 2011, (as amended).
- Assurance work related to other regulatory returns in respect of any of the above audit clients.

Category C – Low risk assurance work, being all assurance work not already stated above and including:

- Voluntary audits by decision.
- Independent reviews required in terms of the Companies Act of 2008, as amended.
- Other assurance work.

G: HOW TO CHANGE YOUR STATUS FROM NON-ASSURANCE TO ASSURANCE

It is incumbent upon each RA to take the necessary steps in the event of an assurance status change, regardless of when in the year this change occurs.

Changes to assurance status may be made at any time during the year. Please do not wait until you submit your Individual Annual Return to inform the IRBA of a change in status.

If you wish to change your status from assurance to non-assurance, please either update your status in the Individual Annual Return or email registry@irba.co.za at any time during the year.

If you wish to change your status to assurance, please complete a **Form 6** (which you will find on the registry section of the IRBA website), and email the completed form together with any required supporting documentation to registry@irba.co.za.

Please note that if you change your status in your Individual Annual Return to assurance, your status will not automatically change to assurance on submission of your Individual Annual Return through our website.

Only on receipt of your completed **Form 6** will your request be assessed.

RAs may be required to attend an interview with the IRBA's Proficiency Assessment Panel. The scenarios in which this would be applicable are set out in **Form 6**.

If you are requested to attend an interview, an additional fee of R2,640 is payable for the year ending 31 March 2024.

If your registration status is assurance and you wish to change your assurance category, please email registry@irba.co.za with your request.

Please be aware that if you indicate that you are not currently performing assurance work in your Individual Annual Return, your status will automatically be changed to non-assurance in the IRBA's records.

Please also be aware that you must be linked to a firm registered with the IRBA in order to perform assurance work.

H: COMPLIANCE QUESTIONNAIRE IN TERMS OF THE FINANCIAL INTELLIGENCE CENTRE ACT 38 OF 2001 (FIC ACT)

Recent amendments to the FIC Act have added additional services to Schedule 1 which provides a listing of the types of services that are considered for the purpose of determining whether Accountable Institutions (AIs) classification would be appropriate to natural or juristic persons. Although assurance services are not included in the additional services added to Schedule 1, it is important to note that the listing contained therein has now been broadened through the addition of other types of services, institutions and/or businesses.

RAs are advised to consult the amended Schedules to ascertain whether any of the professional services they render qualify them for classification as AIs and thus, registration with the FIC. Resources such as Public Compliance Communication No. 06 (PCC 06) “Clarity on Item 2 of Schedule 1 of the FIC Act” and Draft PCC No. 6A “Guidance on Trust and Company Service Providers for the Purpose of Schedule 1 of the Financial Intelligence Centre Act, 2001 (Act 38 of 2001)” have been issued by the FIC and are available on the FIC and IRBA websites. RAs should refer to these and the other various Guidance Notes and PCCs as published on the FIC’s website at www.fic.gov.za to familiarise themselves with the requirements as any non-compliance could result in substantial penalties.

RAs who render services which might possibly fit within the ambit of the definition in Schedule 1, Item 2 of the FIC Act are also advised to consider the definitions in the Financial Advisory and Intermediary Services Act 37 of 2002.

Though the IRBA is no longer classified as a Supervisory Body in terms of the FIC Act, with effect from 19 December 2022, we will continue to support the Financial Intelligence Centre in its efforts to ensure that South Africa is able to demonstrate that it is addressing the strategic deficiencies in its Anti-Money Laundering/Terrorist Financing regime as identified – and to that end we will continue to monitor the number of RAs who are deemed to be AIs per the FIC Act.

All AIs must register on the FIC’s online reporting platform called goAML given that the FIC no longer accept any reports from accountable institutions unless such reports are submitted via their goAML platform, and RAs who are classified as AIs are advised to refer to the FIC’s website for guidance on the procedures to follow in order to register a profile thereon.

I: CPD DECLARATION

The IRBA’s CPD policy, which came into effect on 1 January 2020, is premised on the output-based approach combined with a minimum requirement of hours for ethics learning and development activities.

You may read the relevant communiqués and policy and procedures under the Education and Transformation guidance on the IRBA website at <https://www.irba.co.za/guidance-to-ras/education,-training-and-development/continuing-professional-development>

Please be aware that, with effect from the year starting 1 April 2022, failure to comply with the IRBA’s CPD policy and its requirements may result in the RA’s registration not being renewed.

This means that failure to comply with CPD requirements in the previous year i.e. 2022, will place the RA at risk of deregistration during the 2023 annual renewal process.

For any CPD related queries, please email cpdadmin@irba.co.za.

J: FIT AND PROPER

The Fit and Proper questionnaire also forms part of the registration and re-registration processes.

In terms of Section 37(2)(d) of the Auditing Profession Act, 26 of 2005, the need arose for a formal Fit and Proper questionnaire to assist the IRBA in determining whether an individual is a fit and proper person to practise the profession on entry into the profession, and in determining that the Registered Auditor remains a fit and proper person to practise the profession throughout the period of their registration with the IRBA. This has been prescribed.

The IRBA hopes that the questions that are asked in the Annual Return will prompt a certain level of introspection on the part of Registered Auditors and we ask that Registered Auditors are mindful of how they answer the questions.

K: UPDATING OF PERSONAL DETAILS

Please check your personal details on our website.

If any of your details are incorrect or incomplete, please correct or complete them in the space provided and submit your corrected details through our website.

If no changes are made to your personal details, the IRBA will assume that the records in the IRBA database are correct.

Certain details, such as ID numbers and firm composition, cannot be changed through the website. Please email registry@irba.co.za with any queries in this regard.

L: TAX PRACTITIONERS

On 5 January 2023, the President assented to Act 16 of 2022: Tax Administration Laws Amendment Act, 2022. The relevant Government Gazette No. 47827 is available at <https://www.sars.gov.za/legal-counsel/primary-legislation/amendment-acts/> for your ease of reference.

As evidenced by page 36 of the Government Gazette, Section 240A of the Tax Administration Act has been amended by the deletion of paragraph (a) in subsection (1). This, therefore, means that the IRBA is no longer a Recognised Controlling Body (RCB) in terms of the Tax Administration Act, and accordingly is no longer available for election as such by tax practitioners.

Notwithstanding the above, SARS agreed to a transitional period to enable tax practitioners who were registered with the IRBA as their RCB to elect and register with other qualifying RCBs.

The list of qualifying RCBs, from which tax practitioner may elect, is available on the SARS website at [Controlling Bodies for Tax Practitioners | South African Revenue Service \(sars.gov.za\)](https://www.sars.gov.za/controlling-bodies-for-tax-practitioners)

The transitional period ran until **31 March 2023**.

With effect from **1 April 2023** the IRBA will no longer be performing RCB functions. RAs who were tax practitioners with IRBA as their RCB will no longer reflect as tax practitioners in our records.

If you have not already registered with a new RCB, we remind you that prior to registering with other RCBs, practitioners will require written confirmation of the following from the IRBA:

1. Prior registration as a tax practitioner; and
2. Pending disciplinary proceedings against the practitioner.

The above confirmation letter may still be requested from the IRBA Registrations Department at registry@irba.co.za after 1 April 2023.

RA's are required to declare their personal tax compliance with SARS in their Individual Annual Return.

M: GOOD STANDING

The IRBA has noted a growing trend of non-compliance by RAs with the IRBA issued requirements and/or decisions, including sanctions imposed by IRBA statutory committees.

RA's are required to confirm their good standing with both the IRBA and SAICA in their Individual Annual Return.

A registered auditor is in good standing with the IRBA when he/she has complied with all their explicit obligations and the IRBA Rules; paid all fees and debts owing to the IRBA (or made arrangements to pay such debts), while not being subject to any form of sanction with which he/she has not complied or a suspension which has not been uplifted or a disciplinary order which has precluded his/her continued registration.

N: WHO TO CONTACT FOR QUERIES

For queries on payments, please contact the Accounts Department on invoices@irba.co.za.

For all other queries, please contact Registry on registry@irba.co.za. If we do not know the answer to your query, we will direct your query to the correct person within the IRBA.

If you experience any difficulties with the website interface, please email us at registry@irba.co.za and we will direct your query.