Inspection Process - Cycle 6

Pre-planning

- Firm's Annual Declaration
- Cycle Scope
- Annual Risk & Capacity Budget
- Annual Performance Plan
- Business Intelligence (BI) risk analysis and report
- Risk-based selections (Firm/File)
- Financial Reporting Inspection and report
- Risk-based selections (Component/ Focus areas)

Planning & Execution

- Scheduling of Firm or Engagement Inspections
- Complete information submitted to IRBA
- Performing inspections
- Preliminary
 Findings Report
- Discussion of findings and process
- Complete comments to IRBA in the specified time
- Anonymous evaluation of inspection
- Rigid internal Quality Review process
- Ongoing communication where necessary

Reporting and submission to INSCOM*

- Issue written report to RAs
- Anonymous reports submitted to INSCOM
- INSCOM meets 4 times a year
- INSCOM determines final results:
- Satisfactory
- UnsatisfactoryReinspection
- UnsatisfactoryInvestigation
- Conditional result
- Reconsideration process available

Remedial Action Process (RAP)

- General RAP -Require Root Cause Analysis and Action Plan (RCAAP)
- Specific RAP -Specific action might be required
- IRBA review RCAAP and engage where necessary
- Follow-up inspections after 12-18 months of result
- Enhanced communication channels with firm Leadership/ RAs
- Publish common findings and Annual Inspections Report
- Feedback to stakeholders

^{*} Inspection Committee established in terms of Section 20(2) of the Auditing Profession Act of 2005

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