



ANNUAL PERFORMANCE PLAN 2021/2022

EXECUTIVE AUTHORITY STATEMENT

The IRBA has commenced on a new chapter, with a refreshed strategy that has been shaped by the COVID-19 pandemic and audit failures. This has also provided an opportunity for a review of past actions, to restore confidence and credibility in the profession as well as to identify the priority areas that will help take the profession forward over the next few years.

Therefore, the IRBA continues to play a critical role in protecting the financial interests of the public.

The ensuing years, however, will provide significant challenges as we address the recessionary environment that is characterised by increased expenditure and declining revenue.

In order to address the contracted economy, we require the coordinated efforts of all stakeholders as we work towards a common purpose of rebuilding the profession. We are encouraged by the green shoots in the economy, particularly in the mining and manufacturing sectors.

I wish the acting CEO and management of the IRBA the very best in the journey of rebuilding trust in the profession over the next strategic period.

As the Executive Authority, I support this Annual Performance Plan and provide my shared commitment to ensuring its implementation.

Tito Mboweni

Minister of Finance

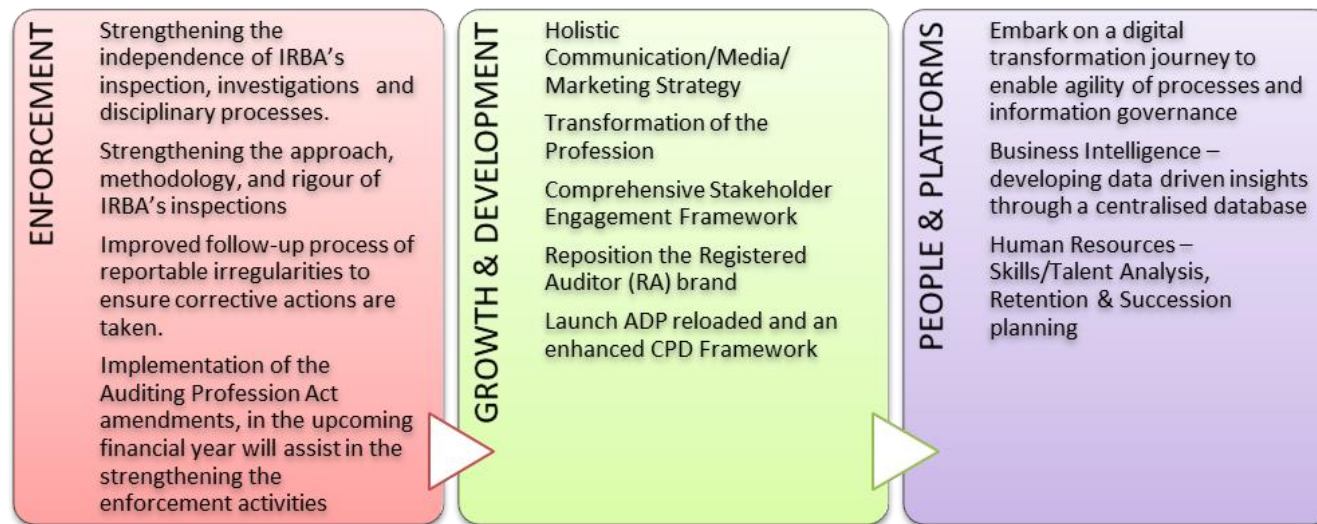
Executive Authority of the IRBA

ACCOUNTING AUTHORITY STATEMENT

The Annual Performance Plan (APP) indicates the annual priorities that are aimed at achieving the overall strategy as well as any updates and major changes to the Strategic Plan. The Caretaker Board, which is the IRBA's Accounting Authority, reviewed management's strategic planning process, with a specific focus on the following current realities:

- The need to perform a gap analysis of the broader financial ecosystem, with a specific focus on identifying areas that place pressure on the auditing profession.
- The need to perform a gap analysis of the auditing profession itself and implement measures to address significant gaps.
- We are living in a new normal – the pace of change has accelerated.
- Stakeholder needs and expectations have evolved.
- The impact of disruptive technology on the profession, including remote auditing.
- Recognition and responsiveness to the changes in public and stakeholder sentiments.
- The need for advanced technologies and the agility to sustain the value and relevance of the IRBA.
- Global economic crisis impacts, as a result of the COVID-19 pandemic, are likely to last for two to three years – potentially even longer for SA.
- Business failures could increase in the current economic environment, placing a further spotlight on the role of the auditor.

The Caretaker Board, together with the IRBA executives, have identified several priorities that they wish to address. These are aligned to the public and national interests and are aimed at ensuring the sustainability, credibility and relevance of the profession and confidence in the regulator. These include the following:



Additionally, the focus areas will be supplemented by the outcomes of the gap analyses performed on the financial ecosystem and the auditing profession.

The implementation of the Auditing Profession Act Amendments, once promulgated in the upcoming financial year, will assist in the strengthening of the enforcement activities and the independence of the IRBA.

In reviewing the IRBA's mandate, the management team focused on the redefinition of the vision and mission as follows:

Current Elements	Assumptions Affecting the Strategy	Do We Require Changes?	Proposed Change
VISION The IRBA vision is to remain an internationally recognised regulator of the auditing profession and evolve to be the regulator of other assurance and related services relevant to the South African environment. The IRBA's regulation is focused on the protection of the public's financial interests, while it recognises its role in creating an enabling environment in	<ul style="list-style-type: none"> Acceleration of 4IR. Audit quality. Stakeholder sentiments. Ethics: Corporate failures. 	Yes. We must be respected by the audit profession, all stakeholders in the financial value chain and the public. We will work constructively to restore the confidence of the general public and maintain the respect and trust of the industry.	To be a preeminent, respected internationally and locally recognised audit regulator, whose purpose is to protect the public interest and safeguard the integrity of the South African financial markets by creating an enabling environment in which auditors can deliver high-quality audits.

which auditors can deliver high-quality audits.			
MISSION Our mission 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 assurance conducted by registered assurance providers, in accordance with internationally recognised standards and processes.	<ul style="list-style-type: none"> • Growth and development. • Ethics. • Standards which are relevant to the South African dynamics. 	Yes. Re-create the registered auditor (RA) brand appeal to attract and retain more people to the RA profession (sustainability of the profession).	We endeavour to protect the financial interests of the investing community by creating and enhancing regulatory tools and principles to empower registered auditors to carry out their duties competently, independently and in good faith.

The redefinition of the vision and mission will create a renewed focus on the execution of our mandate.

Restoring Confidence 2.0

In response to corporate and audit failures, we will embark on performing a gap analysis in the broader financial ecosystem to identify factors that increase audit risk and then make recommendations to relevant stakeholders and decision-makers. Specifically, we will also perform a gap analysis on the auditing profession and implement measures to address significant gaps.

Part of the restoring confidence efforts will be to take ownership of the narrative about the IRBA and the profession through visible and transparent stakeholder engagement.

ACTING CHIEF EXECUTIVE OFFICER'S STATEMENT

Living in this era of COVID-19 allows one to reflect on how quickly and drastically circumstances can and have changed in these past few months. With regard to the IRBA, the following is worth noting:

- We are living in a new normal where the pace of change has accelerated. As such, it is imperative that we acknowledge the uncertainties and opportunities of this turbulent, uncertain, novel, ambiguous (TUNA) world.
- Being an organisation in transition, it is vital that we take cognisance of public and stakeholder sentiments regarding the audit profession.
- To balance enforcement with growth and development in the profession, evolving stakeholder business platforms (which are moving to the digital space) call for agility in the IRBA's processes.
- The acceleration of 4IR during the pandemic requires the IRBA to re-evaluate the effective use of technology.
- To facilitate remote working for IRBA staff, a redesign of the dynamic work policies will be necessary.
- The recovery of economies post the pandemic is expected to be long and arduous, thereby impacting the profitability and sustainability of public and private sector entities.

Against this backdrop of changes and uncertainties, we embarked on a strategy refresh to align our plans to the new realities and expectations, as necessitated by the impact of COVID-19 and ongoing audit failures. The realignment entails a review of the audit sector, our processes, people, platforms and our stakeholder engagement model. Out of this process, a fit-for-purpose IRBA will emerge to regulate the profession.

The role that the IRBA plays in protecting the financial interests of the public cannot be over-emphasised. In the approved Strategic Plan 2021-2025, the IRBA's strategic focus areas that contribute to the advancement of broader government priorities are articulated in the table below.

However, against the backdrop of revised assumptions (see above), these have been reprioritised and revised to reflect specific goals and objectives.

Revised strategic focus areas



In addition to the above, the following will be key focus areas during the period under review:

- Adequate Resourcing of the IRBA

Parallel to the strategy refresh process, a review of the IRBA's organisational structure and operating model is underway to ensure that we remain relevant and sustainable, with adequate financial and human capital.

- Enhancing Our Investigations Capacity

We currently have a backlog of investigation matters. This is due to the complexity of matters being investigated as well as a higher volume of complaints received for investigation. Criticism has been received regarding the length of time taken to finalise investigations into the alleged improper conduct of registered auditors.

We are committed to ensuring that we are adequately capacitated through filling vacancies and recruiting additional investigators to conduct these investigations within a reasonable timeframe.

- Auditing Profession Amendment Bill

The proposed amendments to the Auditing Profession Act are receiving momentum, with the assistance of National Treasury. The public hearing process was conducted in Parliament during October 2020. Significant progress has been made with the Auditing Profession Amendment Bill, as the approval process is nearing completion. During the last quarter of 2020, Parliament hosted two sessions: one on public consultations on the Bill and the second for National Treasury and the IRBA to respond to the issues raised during the public consultations. The Bill was then introduced and debated in the National Assembly on 2 December 2020 and was passed. It has been submitted to the National Council of Provinces for consideration.

The amendments will enhance the efficiency and effectiveness of the IRBA's investigating and disciplinary processes. Also, these amendments seek to strengthen the IRBA's independence from the profession; strengthen the reportable irregularities and registration processes; and address the management and sharing of information that is within the IRBA's control. All these are important areas in the restoration of confidence in both the IRBA and the profession.

- Resetting Relationships

Through our targeted engagements, we have heard our stakeholders who have expressed a need for a more collaborative regulator that will enable the formation of a cohesive voice for the profession to restore trust and confidence. While we are independent, it is imperative that we are also proactive in regulating the profession, balancing our mandate between enforcement and development, and creating a stakeholder engagement framework that will allow us to interact and proactively share pertinent information with all our stakeholders.

- Audit Reforms

The challenges facing the auditing profession call for an honest conversation, without fear or favour, on the reforms needed to rebuild trust in the profession. Through various engagements, we have identified certain red flags in some areas of the profession and are starting to work on these as a collective. Recent actions emerging from other countries also call for the South African market to commence its own discussions and considerations on some of the proposals that include the potential of separating the audit and advisory businesses of audit firms.

- Transformation of the Auditing Profession

Work has commenced on identifying transformation initiatives that will address the actual challenges and factors that impact transformation in the RA profession; that is, initiatives that will result in more impactful outcomes that go beyond only increasing awareness. These initiatives have been structured across the following areas of the RA career lifecycle:



We have also recognised that to effectively influence the advancement of transformation of the audit profession, raising awareness of the RA profession among Black trainees is not sufficient, as an initiative that will result in a shift in the transformation statistics. While it is an area that should continue to be focused on, in addition to these other activities, the IRBA should work on initiatives that influence other factors that can impact the transformation of the RA profession.

It is therefore emphasised that to effectively influence the advancement of transformation of the profession with regard to raising awareness of the RA profession, the audience of these initiatives should be broader than Black trainees and include Black students (school learners and university students) and Black managers.

- Repositioning the RA Brand

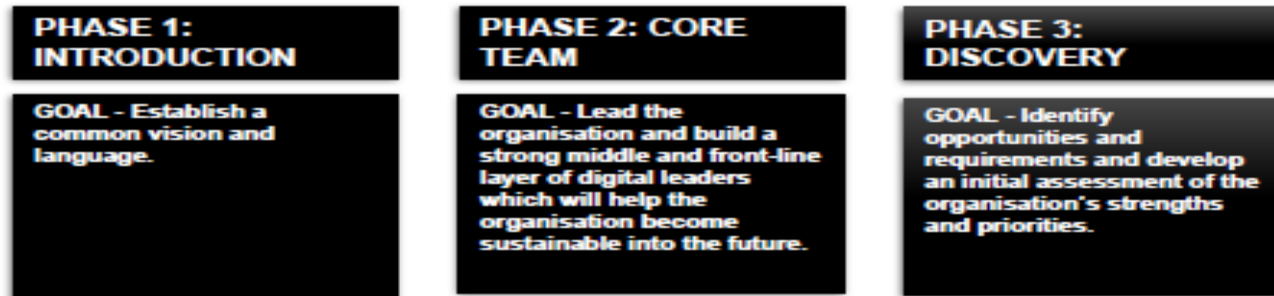
We have embarked on a very exciting project to reposition the RA brand. The RA profession has seen numerous scandals in recent years that have negatively impacted the brand perception as a desirable career choice. For the sustainability of the profession and to ensure that the best talent is attracted and retained by the RA profession, the IRBA needs to develop and implement a long-term brand and marketing strategy. This strategy will focus on educating the public on what an RA does and will work towards addressing the expectation gap that many have about the role of the auditor and the audit product.

Digital Transformation Journey

A foundational aspect of the IRBA's intention to be fit-for-purpose is the digitisation of our processes, which will partly help the organisation to stay relevant in an increasingly digital and disruptive environment.

Additional focus is on enabling the organisation to act swiftly and responsively, with regard to the opportunities and threats presented by a digital and disruptive environment, by equipping the organisation with the right competencies and, in the process, revitalising the culture.

The digital transformation phases and goals for the 2021/2022 financial year are:



The investment in technology will continue in future financial years, with Phases 4-7 of our transformation roadmap. While this will be a considerable expense, we believe that such an investment is critical for the IRBA to effectively fulfil its mandate.

The strategic refresh has created a renewed vigour in the organisation. The short-term focus will be on funding and human resources capacity, as we plan for a sustainable and more agile IRBA that is led by a resolute leadership.

Impact on the IRBA's Fees Levied

The necessary investment, due to the above strategic initiatives as well as the additional inspections, investigations and disciplinary expenses, has resulted in an operational budget with above-inflation adjustments. This would have resulted in an anticipated increase of 6% in annual fees.

However, the IRBA has recognised that in the current economic context, registered auditors would be unable to afford such an increase. As a result, projects have been scaled down and a subsidy has been provided against the annual fees. The subsidy has been achieved by utilising the limited accumulated reserves. Due to anticipated increases in future operational costs and capital expenditure, this practise will be unsustainable, though, for subsequent financial years.

Consequently, this has resulted in an effective 5% increase in fees in the 2021/2022 financial year.

OFFICIAL SIGN-OFF

It is hereby certified that this Annual Performance Plan:

- Was developed by the management of the IRBA under the guidance of the Caretaker Board, and that it also includes inputs from staff.
- Takes into account all the relevant policies, legislation and other mandates for which the IRBA is responsible.
- Accurately reflects the impact, outcomes and outputs that the IRBA will endeavour to achieve over the period 2021/2022.

R. Motsepe

Director: Legal

Signature:



N. Kater

Director: Education and Transformation

Signature:



I. Nagy

Director: Inspections

Signature:



J. Bailey

Director: Investigations

Signature:



I. Vanker


Director: Standards

Signature:




N. Naicker

Director: Operations (CFO)


Signature: 

I. Nagy

Acting Chief Executive Officer

Signature: 

Nonkululeko Gobodo*

Signature: 

Roy Andersen*

Signature: 

****Appointed as the Caretaker Board in terms of Section 12(6) of the Auditing Profession Act.***

SIGNED AND DATED 25 FEBRUARY 2021

Approved by:

Tito Mboweni

Minister of Finance

Executive Authority of the IRBA

Signature: _____

PART A: OUR MANDATE

1. Updates to the Relevant Legislative and Policy Mandates

The IRBA is a statutory body established in terms of the Auditing Profession Act, No. 26 of 2005, with its primary objective being to protect the investing public. It does so by regulating auditors through setting, monitoring and enforcing high-quality auditing standards and ethical behaviour.

As a Schedule 3A public entity, in terms of the Public Finance Management Act, the IRBA supports the State's policy outcomes; and the IRBA Strategic Plan demonstrates how the IRBA contributes to selected outcomes. The IRBA Strategic Plan is also aligned to the National Development Plan, and the IRBA has an important role to play on the road to government's desired destination.

2. Updates to Institutional Policies and Strategies

The strategy addresses the IRBA's mandate with reference to two programmes:

- **Programme 1:** The current mandate, which arises from the Auditing Profession Act 26 of 2005.
- **Programme 2:** The extended mandate, which consists of sub-programmes that are designed to coordinate specific interventions to address issues and challenges in the profession in the current economic environment and in response to government's priorities for economic growth. These proposed interventions for 2021-2025, referred to as our Institutional Responsibility, will allow the IRBA to contribute significant added value to the efforts of government to grow the economy, while also being critical success factors in support of delivering effectively on its own primary mandate.

Programme 1: Regulation of Auditors – Legislative Mandate

The IRBA was established in terms of Section 3 of the Auditing Profession Act, which came into effect on 1 April 2006. The objects of the Act, as set out in Section 2, are as follows:

- a) To protect the public in the Republic by regulating audits performed by registered auditors;
- b) To provide for the establishment of an Independent Regulatory Board for Auditors;
- c) To improve the development and maintenance of internationally comparable ethical standards and auditing standards for auditors that promote investment and, as a consequence, employment in South Africa;
- d) To set out measures to advance the implementation of appropriate standards of competence and good ethics in the auditing profession; and

- e) To provide for procedures for disciplinary action in respect of improper conduct.

Programme 2: Institutional Responsibility

The strategy is aimed at adequately responding to the changes in the market, as outlined in the situational analysis section of this document. The IRBA has a responsibility to respond to the concerns of its many and varied stakeholders, especially those who rely on the auditor's opinion that a company's accounts reflect fairly, as investment decisions are made based on the veracity of these opinions.

3. Internal Environment – Resource Constraints

The IRBA has considered the operational requirements for the achievement of the annual performance targets and prepared the budget accordingly.

The budget assumptions propose above-inflation increases to the revenue from IRBA fees and a careful management of expenses to achieve a breakeven position, while still fulfilling the mandate of the IRBA.

Disciplinary costs relating to high-profile matters represent a significant portion of the expenses. Any additional disciplinary actions will result in the use of the reserves of the IRBA.

Work is underway on a new funding model, to identify other sources of revenue. The IRBA has identified a number of strategic projects, including the digitisation of processes and 4IR readiness that will require additional funding.

Management has taken the actions listed below to increase revenue and cut down costs, while still achieving our strategic objectives in the 2021/2022 financial year:

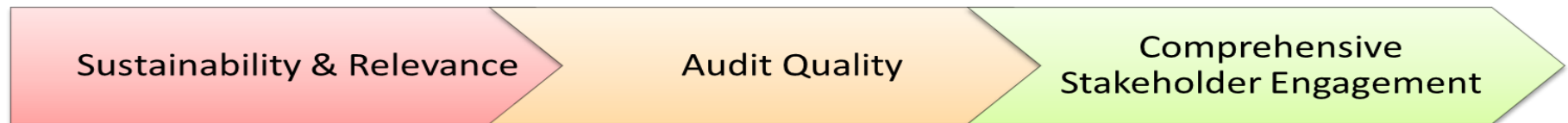
- All local flights will be booked on economy class and local car rentals have been limited to class A and class B vehicles.
- Local accommodation has been limited to only three- or four-star lodgings.
- Revenue from assurance and membership fees has been increased to bear the costs of the increased enforcement activities.

In addition, the COVID-19 lockdown has had a significant impact on the working practices, but we have been able to harness technology effectively. We will continue to follow these work practises, which include the remote attendance of meetings and a reduction in international and local travel.

PART B: OUR STRATEGIC FOCUS

1. Strategic Areas

In addition to its legislative mandate, and arising out of the situational analysis, the revised three focus areas (referred to as our Institutional Responsibility) for 2021-2025 are:



The IRBA's strategic focus is to protect the financial interests of the public by ensuring that only suitably qualified individuals are admitted to the auditing profession; and that registered auditors deliver services of the highest quality and adhere to the highest ethics standards.

2. Vision

To be a preeminent, respected internationally and locally recognised audit regulator, whose purpose is to protect the public interest and safeguard the integrity of the South African financial markets by creating an enabling environment in which auditors can deliver high-quality audits.

3. Mission

Our mission is to endeavour to protect the financial interests of the investing community by creating and enhancing regulatory tools and principles to empower registered auditors to carry out their duties competently, fearlessly and in good faith.

4. Values

As the overall custodian of the auditing profession in South Africa, the IRBA acknowledges the importance of the mandate assigned to it by Parliament, and all its registrants and staff subscribe to the following core values:

4.1 *Independence, Integrity and Objectivity*

It is imperative that we are not just independent of the auditing profession in our composition and membership, but also reflect independence in the perception of our key stakeholders through our actions and behaviour. Therefore, it is important that we act with integrity and objectivity in our deliberations, decisions and actions.

4.2 Commitment to Public Interest

We recognise the scope and extent of our mandate in respect of both the public and the profession, and undertake to execute and deliver on this mandate with diligence and commitment in terms of our vision.

4.3 Transparency and Accountability

As a public entity in the overall delivery structure of the South African government and a beneficiary of public funds, we promote transparency in our interactions with the relevant stakeholders and recognise our accountability to the Parliament of South Africa and the Minister of Finance as our Executive Authority.

5. Updated Situational Analysis

5(a) External Environment Analysis – Broad Impact

The emergence of COVID-19 and the resulting lockdowns have thrown the world into disarray, challenged the global order and upended accepted norms. The pandemic is creating vast challenges for governments, societies and economies on an unparalleled scale. The knock-on effects of the pandemic are seemingly endless and the remnants will leave scars for many years to come. Governments have implemented stimulus package plans, revised their budgets plans and introduced relief measures for citizens and businesses to help them stay afloat.

In essence, the policy responses to the COVID-19 pandemic shock call for astute leadership that has proper policy interventions, plans and foresight. As the global economy has been severely affected, South Africa has not be left unscathed. In fact, the pandemic has been a common global shock that has induced a synchronised global economic activity downturn.

South Africa's economy suffered a significant contraction during April, May and June, when the country operated under widespread lockdown restrictions in response to COVID-19.

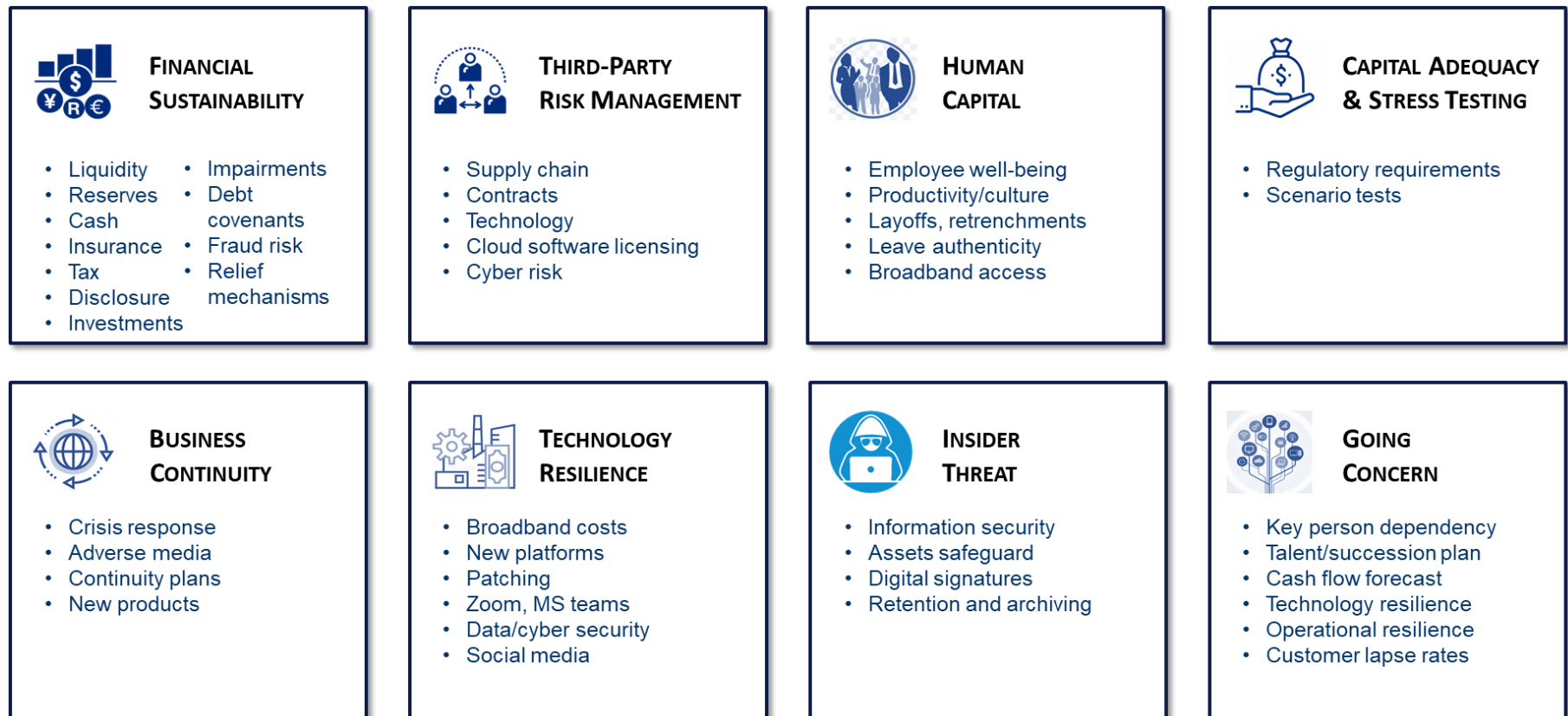
Overall, from a broad impact perspective, we have seen the following positives and negatives transpire:

- The health industry has been shocked into reality, with various impacts on the availability of beds, personal protective equipment, readiness, awareness campaigns, the public sector vs the private sector, costs, the availability of testing kits and regulations (essential services, lockdown).
- 4IR: This has certainly been fast-tracked, with the use of technology being enhanced, while remote online learning platforms and online shopping have become the new reality. However, in South Africa we must be awake to the fact that the digital divide remains and has been intensified during the pandemic.
- Market chaos: Economies have been shattered, with markets taking a dive, equities plummeting and the oil price (both Brent and

WTI) creating havoc across the markets, further debilitating any growth prospects.

- Industries: This particularly refers to the auto, retail, airline and hospitality industries that are fighting for survival due to reduced demand – not to mention the many SMEs that depend on economic activity to sustain their businesses.
- Social: Job security, among others, has been a major issue as people have been affected by retrenchments and layoffs. This has added to the negative emotions as it has worsened people's overall financial situations, leading to hunger, extreme poverty and social unrest.
- Services: The need for essential services, food, healthcare and other basic needs has been heightened.

5(b) Organisational Impact



Reflected above are the key areas (not exhaustive) within the organisational context that have been affected by the pandemic. Initially,

all organisations had to go live rapidly with their business continuity and operational resilience plans. Also, it has to be noted that the control environment is no longer confined to on-the-premise physical sites and infrastructure; it has expanded into the virtual world, into employee homes and the cloud. While each business is unique, the common challenges being experienced are:

- **People:** Employees working remotely, loss of jobs.
- **Processes:** Customers interacting online (vetting processes, KYC), supply chain disruptions during lockdown – limited logistics (understanding the dependency between primary, secondary and tertiary sectors is key).
- **Processes:** Policies on safeguarding company assets, remote working, transmission of data, assessing productivity, the wellbeing of customer-facing staff (workplace safety) and information security all require a redesign.
- **Platforms:** Organisations are grappling with new technologies to facilitate remote working, team meetings, governance meetings, a quick turnaround of new products/services, network access, the fast transmission of data, data encryption, cloud storage, etc.

Largely, from a control environment perspective (which has now expanded physically and virtually), organisations need to strengthen security, compliance, crisis plans, productivity and overall governance oversight. All these aspects have an impact on organisational sustainability and the going concern principle – from revenue to liquidity to capital adequacy, tax impact, impairments, potential vulnerability of debt covenants, post balance sheet events and succession planning, especially for key persons. It should also not be forgotten that the entire control environment and governance ecosystem become susceptible to fraud and cyber-crime.

The 2020 edition of Corruption Watch's Analysis of Corruption Trends (ACT) report, released in October 2020, demonstrates growing concerns about corruption levels in South Africa. The report indicates that 1 995 reports were filed during the period under review; and compared to the same period the previous year, this is an increase of more than 400 reports received.

In terms of corruption trends, maladministration (specifically the deliberate delaying of or disregard for legal and official government processes) accounts for 19% of all reports. This is followed by the misappropriation of resources at 14% – and this includes theft, misuse and abuse of and wasteful spending on state vehicles, equipment, time and funds. Procurement irregularities, also accounting for 14% of the reports, relate to the irregular awarding of tenders and the flouting of related processes. Bribery, extortion and employment irregularities each make up 13% of the total reports received.

Against this backdrop of new hurdles, the role of the auditor in protecting the public interest has never been more critical. Therefore, it is important for the IRBA to be future-ready, as a regulator, for an audit landscape that is rapidly changing.

PART C: MEASURING OUR PERFORMANCE

1. Budget Allocation

The expense allocation, per strategic focus area (sub-programme), is as follows:

	ACTUAL	ACTUAL	FORECAST	BUDGET	BUDGET	BUDGET
ACCOUNT DESCRIPTION	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024
DEPARTMENT: OPERATIONS						
INCOME	44 421 870	46 749 954	46 410 319	46 538 460	47 702 215	46 916 054
STAFF EXPENDITURE	10 724 289	11 975 439	12 015 306	13 422 537	14 849 076	15 412 732
DEPARTMENTAL EXPENDITURE	3 326 021	4 652 908	4 533 068	6 710 846	7 019 545	7 342 444
CENTRAL EXPENDITURE	13 871 526	14 579 500	15 142 137	14 033 028	13 388 259	13 812 975
TOTAL EXPENDITURE	27 921 836	31 207 847	31 690 511	34 166 411	35 256 880	36 568 151
NET INCOME/(EXPENSES)	16 500 033	15 542 106	14 719 808	12 372 049	12 445 335	10 347 903
DEPARTMENT: LEGAL						
INCOME	26 283 411	35 736 714	68 283 907	41 073 370	42 932 939	44 908 492
DIRECT COSTS	21 705 419	28 444 366	18 122 852	18 067 201	18 896 695	19 764 129
STAFF EXPENDITURE	9 573 517	9 259 815	12 537 297	14 617 340	15 343 843	16 063 197
DEPARTMENTAL EXPENDITURE	1 881 640	4 798 432	5 977 039	3 419 883	3 576 541	3 740 408
TOTAL EXPENDITURE	33 160 576	42 502 613	36 637 187	36 104 424	37 817 079	39 567 734
NET INCOME/(EXPENSES)	(6 877 165)	(6 765 899)	31 646 719	4 968 946	5 115 860	5 340 758
DEPARTMENT: EDUCATION AND TRANSFORMATION						
INCOME	8 831 485	13 782 800	11 836 726	12 545 770	12 732 784	13 328 531
DIRECT COSTS	676 357	673 001	1 177 928	1 716 400	1 795 354	1 877 941
STAFF EXPENDITURE	5 423 115	6 947 626	8 100 833	9 541 639	9 984 651	10 464 257
DEPARTMENTAL EXPENDITURE	734 941	778 577	1 318 370	1 424 078	1 488 696	1 556 285

	ACTUAL	ACTUAL	FORECAST	BUDGET	BUDGET	BUDGET
ACCOUNT DESCRIPTION	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024
TOTAL EXPENDITURE	6 834 414	8 399 204	10 597 130	12 682 117	13 268 701	13 898 483
NET INCOME/(EXPENSES)	1 997 071	5 383 596	1 239 596	(136 347)	(535 917)	(569 952)
DEPARTMENT: INSPECTIONS						
INCOME	37 682 872	59 110 940	59 969 971	58 650 400	62 844 350	68 814 200
STAFF EXPENDITURE	25 466 322	30 001 523	30 409 753	34 017 591	35 865 638	37 649 112
DEPARTMENTAL EXPENDITURE	1 577 894	1 985 430	720 735	1 129 773	1 180 276	1 233 100
TOTAL EXPENDITURE	27 044 216	31 986 953	31 130 488	35 147 364	37 045 914	38 882 212
NET INCOME/(EXPENSES)	10 638 656	27 123 987	28 839 483	23 503 036	25 798 436	29 931 988
DEPARTMENT: INVESTIGATIONS						
INCOME	2 210 000	3 075 000	4 040 000	5 080 000	5 313 680	5 558 109
DIRECT COSTS	437 059	1 980 319	2 565 206	3 738 000	3 909 948	4 089 805
STAFF EXPENDITURE	13 454 055	12 709 385	13 120 269	19 166 429	20 506 878	21 518 273
DEPARTMENTAL EXPENDITURE	680 207	499 902	472 612	617 170	644 547	673 181
TOTAL EXPENDITURE	14 571 320	15 189 607	16 158 088	23 521 599	25 061 373	26 281 259
NET INCOME/(EXPENSES)	(12 361 320)	(12 114 607)	(12 118 088)	(18 441 599)	(19 747 693)	(20 723 150)
DEPARTMENT: STANDARDS AND ETHICS						
INCOME	-	-	-	-	-	-
STAFF EXPENDITURE	9 769 396	10 652 325	10 245 438	10 948 722	11 397 951	12 081 076
DEPARTMENTAL EXPENDITURE	680 099	671 859	675 428	1 072 217	1 120 730	1 171 470
CENTRAL EXPENDITURE	16 458	-	63 350	100 000	104 600	109 412
TOTAL EXPENDITURE	10 465 954	11 324 183	10 984 215	12 120 939	12 623 281	13 361 958
NET INCOME/(EXPENSES)	(10 465 954)	(11 324 183)	(10 984 215)	(12 120 939)	(12 623 281)	(13 361 958)

	ACTUAL	ACTUAL	FORECAST	BUDGET	BUDGET	BUDGET
ACCOUNT DESCRIPTION	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024
DEPARTMENT: EXECUTIVE						
INCOME	46	-	-	-	-	-
STAFF EXPENDITURE	8 474 969	8 608 467	8 939 507	10 264 356	10 939 705	11 472 387
DEPARTMENTAL EXPENDITURE	2 676 086	2 768 815	2 782 122	2 111 044	2 214 308	2 322 839
CENTRAL EXPENDITURE	266 924	403 706	383 071	638 733	668 114	698 847
TOTAL EXPENDITURE	11 417 980	11 780 988	12 104 700	13 014 133	13 822 127	14 494 073
NET INCOME/(EXPENSES)	(11 417 933)	(11 780 988)	(12 104 700)	(13 014 133)	(13 822 127)	(14 494 073)
TOTAL IRBA						
GOVERNMENT GRANT	40 874 000	43 163 000	44 187 000	44 609 000	45 684 000	44 805 000
INCOME	78 555 684	115 292 407	146 353 923	119 279 000	125 841 968	134 720 386
DIRECT COSTS	22 818 835	31 097 686	21 865 986	23 521 601	24 601 997	25 731 875
STAFF EXPENDITURE	82 885 663	90 154 580	95 368 403	111 978 614	118 887 742	124 661 033
DEPARTMENTAL EXPENDITURE	11 556 889	16 155 923	16 479 373	16 485 011	17 244 643	18 039 727
CENTRAL EXPENDITURE	14 154 909	14 983 205	15 588 558	14 771 761	14 160 973	14 621 234
TOTAL EXPENDITURE	131 416 296	152 391 395	149 302 320	166 756 987	174 895 355	183 053 869
NET INCOME/(EXPENSES)	(11 986 612)	6 064 013	41 238 603	(2 868 987)	(3 369 387)	(3 528 483)
Transfers to/ from Accumulated Reserves	11 986 612	-6 064 013	-41 238 603	2 868 987	3 369 387	3 528 483
SURPLUS/(SHORTFALL)	-	-	-	-	-	-

Financial Position (Historical and Budgeted)

ACCOUNT DESCRIPTION	TOTAL ACTUAL 2019/20	TOTAL FORECAST 2020/21	TOTAL BUDGET 2021/22
ASSETS			
Non-current assets	5 789 805	4 370 674	9 043 450
Property, plant and equipment	3 785 894	2 814 797	2 886 394
Intangible assets	2 003 912	1 555 877	6 157 056
Non-current Restricted Cash	10 000 000	10 000 000	10 000 000
Current assets	32 430 282	71 135 001	63 058 721
Inventory	219 071	195 673	195 673
Trade receivables	3 685 436	3 490 567	3 490 567
Other receivables	434 327	328 231	328 231
Loans receivable	381 205	388 338	388 338
Restricted Cash	894 958	894 958	894 958
Bank and Cash	26 815 286	65 837 235	57 760 955
Total assets	48 220 087	85 505 676	82 102 172
RESERVES AND LIABILITIES			
Funds and reserves	38 034 832	79 285 290	76 507 356
Reserves	38 034 836	38 034 836	38 034 836
Accumulated surplus	(4)	41 250 454	38 472 520
LIABILITIES			
Non-current liabilities	833 947	251 652	0
Operating lease	833 947	251 652	0
Current liabilities	9 351 308	5 968 734	5 594 816
Trade and other payables	9 351 308	5 968 734	5 594 816
Net reserves and liabilities	48 220 087	85 505 676	82 102 172

The balance sheets indicate that the IRBA is in a strong asset position, with cash-backed reserves to pay off its liabilities.

2. Human Capital Requirements

The organisational structure, to support the achievement of the Annual Performance Plan, is indicated below.

DEPARTMENTS	CURRENT	VACANT	REQUIRED	REMOVED	FIXED TERM	TOTAL
EXECUTIVE	5	2	0	0	1	8
STANDARDS	8	0	0	0	0	8
INVESTIGATIONS	7	4	4	(2)	0	13
INSPECTIONS	24	2	0	0	0	26
EDUCATION & TRANSFORMATION	8	0	2	0	0	10
LEGAL	12	0	1	0	3	16
OPERATIONS	18	1	1	0	2	22
TOTAL	82	9	5	(2)	9	103

Some contract positions have been created to assist the Legal and Operations departments to increase the IRBA's overall operational focus.

PROGRAMME 1

STRATEGIC FOCUS AREA 1: AUDITING AND ETHICS STANDARDS

STRATEGIC OBJECTIVE	Developing and maintaining auditing and ethics standards which are internationally comparable					
Measurable Objective	Output	Outcomes	Output Indicator	Performance Targets		
				2021/2022	2022/2023	2023/2024
Standards and Guidance issued	Issued auditing pronouncements, illustrative auditor reports and comment letters.	High-quality audits.	Target dates met for issuing audit pronouncements, illustrative auditor reports and comment letters.	85% of target dates met	85% of target dates met	85% of target dates met
To adopt and/or develop and issue additional guidance on ethical issues, based on the IRBA Code	Issued additional guidance on ethical issues, comment letters and Code amendments.	To provide auditors with a Code that is consistent with international codes and one that enables the IRBA to take disciplinary action, where necessary.	Target dates met for issuing additional guidance on ethical issues, comment letters and Code amendments.	85% of target dates met	85% of target dates met	85% of target dates met

STRATEGIC FOCUS AREA 2: EDUCATION

STRATEGIC OBJECTIVE	Providing an appropriate framework for the education and training of properly qualified auditors					
Measurable Objective	Output	Outcomes	Output Indicator	Performance Targets		
				2021/2022	2022/2023	2023/2024
To monitor the environment in which the Audit Development Programme is offered	Monitoring reports.	To ensure that the environment is conducive to the development of audit competence.	The number of monitoring visits completed per annum.	42 visits	43 visits	45 visits
To monitor the programmes and institutional requirements of accredited professional bodies	Monitoring reports.	To ensure compliance with the Accreditation Model.	The number of final monitoring reports to be submitted to the accredited professional body, within 10 working days after EDCOM approval.	1 report	1 report	2 reports
To contribute to the transformation of the profession	IRBA transformation initiatives.	To facilitate the transformation of the RA profession through targeted initiatives aimed at identifying and addressing barriers to transformation.	The number of IRBA transformation initiatives completed per annum.	8 <i>(Focus initiatives per stakeholder group)</i>	8 <i>(Focus initiatives per stakeholder group)</i>	8 <i>(Focus initiatives per stakeholder group)</i>
To monitor the CPD compliance of RAs and tax practitioners	Monitoring reports.	To ensure that RAs and tax practitioners are complying with the CPD Policy.	The number of the CPD monitoring reports analysed per annum.	2 reports	2 reports	2 reports

STRATEGIC FOCUS AREA 3: INSPECTIONS

STRATEGIC OBJECTIVE	Monitor registered auditors' compliance with professional standards					
Measurable Objective	Output	Outcomes	Output Indicator	Performance Targets		
				2021/2022	2022/2023	2023/2024
Risk-based inspections performed	Inspection reports.	Compliance of firms (including their individually registered auditors) with the auditing and ethics standards.	The number of planned inspections completed per annum.	121 inspections	121 inspections	121 inspections

STRATEGIC FOCUS AREA 4: INVESTIGATIONS

STRATEGIC OBJECTIVE	To investigate and take appropriate action against registered auditors in respect of improper conduct					
Measurable Objective	Output	Outcomes	Output Indicator	Performance Targets		
				2021/2022	2022/2023	2023/2024
Completed investigations	Closed matters.	Taking appropriate action against registered auditors in respect of improper conduct.	The number of investigations completed per annum.	64 completed investigations	64 completed investigations	64 completed investigations

STRATEGIC FOCUS AREA 5: DISCIPLINARY

STRATEGIC OBJECTIVE	To take appropriate action against registered auditors in respect of improper conduct					
Measurable Objective	Output	Outcomes	Output Indicator	Performance Targets		
				2021/2022	2022/2023	2023/2024
Refining disciplinary processes to be more effective and efficient	Successful implementation of the revised disciplinary process strategy.	<p>Disciplinary processes concluded swiftly and costs effectively managed.</p> <p>Registered auditors deterred from non-compliance.</p> <p>Audit quality improved.</p> <p>Public trust in the profession and the Board restored.</p>	Disciplinary strategy approved and fully implemented in line with the plan.	Disciplinary strategy implemented in line with the plan.	<p>Disciplinary strategy implemented in line with the plan.</p> <p>Disciplinary matters scheduled for hearings in line with the approved plan.</p>	Disciplinary matters scheduled for hearings in line with the approved plan.

STRATEGIC FOCUS AREA 6: OPERATIONAL EFFECTIVENESS

STRATEGIC OBJECTIVE	To strengthen the IRBA's organisational capability, capacity and performance to deliver on its mandate in an economically efficient and effective manner, in accordance with the relevant regulatory frameworks					
Measurable Objective	Output	Outcomes	Output Indicator	Performance Targets		
				2021/2022	2022/2023	2023/2024
Reports from internal and external audits	Systems, policies and processes that ensure compliance, accountability and sound management of the revenue, expenditure, assets and liabilities.	Financial sustainability to deliver on the mandate.	A clean audit report regarding financial statements, compliance and performance information.	Clean audit report	Clean audit report	Clean audit report
Promote transformation through targeted procurement policies	Implementation of the preferential procurement policy framework.	Increased procurement and effective payments to promote empowered businesses.	Percentage of SMME payments effected within 30 days, in line with National Treasury's procurement strategy.	100%	100%	100%

STRATEGIC FOCUS AREA 6: OPERATIONAL EFFECTIVENESS (Continued)

STRATEGIC OBJECTIVE	To strengthen the IRBA's organisational capability, capacity and performance to deliver on its mandate in an economically, efficient and effective manner, in accordance with the relevant regulatory frameworks					
Measurable Objective	Output	Outcomes	Output Indicator	Performance Targets		
				2021/2022	2022/2023	2023/2024
Promote transformation through targeted procurement policies	Implementation of the preferential procurement policy framework.	Increased procurement and effective payments to promote empowered businesses.	Percentage of contracts awarded to SMMEs and small businesses.	14%	15%	15%
Promote transformation through targeted employment policies	A transformed workforce.	Transformation of management control, achieved according to the relevant B-BBEE codes.	Achievement of the score, calculated according to the B-BBEE scorecard. The maximum score is 20.	17	17	17
Promote transformation through targeted employment policies	Transformed workforce.	Transformation of staff achieved according to the approved Employment Equity Plan.	Achievement of the employment equity target, according to the approved Employment Equity Plan.	76% Black 23% White 1% Other	76% Black 23% White 1% Other	76% Black 23% White 1% Other
Align employees with goals and values of the IRBA	Engaged employees.	Engagement of employees, in line with predetermined targets.	Achievement of the employee engagement index.	70%	75%	80%

QUARTERLY PERFORMANCE OBJECTIVES FOR 2021/2022

STRATEGIC FOCUS AREA 1: AUDITING AND ETHICS STANDARDS

STRATEGIC OBJECTIVE	To develop and maintain auditing and ethical standards which are internationally comparable						
Measurable Objective	Output	Outcomes	Output Indicator	Performance Targets			
				Q1	Q2	Q3	Q4
Standards and Guidance issued	Issued auditing pronouncements, illustrative auditor reports and comment letters.	High-quality audits.	Target dates met for issuing audit pronouncements, illustrative audit reports and comment letters.	85% of target dates met	85% of target dates met	85% of target dates met	85% of target dates met
To adopt and/or develop and issue additional guidance on ethical issues, based on the IRBA Code	Issued additional guidance on ethical issues, comment letters and Code amendments.	To provide auditors with a Code that is consistent with international codes and one that enables the IRBA to take disciplinary action, where necessary.	Target dates met for issuing additional guidance on ethical issues, comment letters and Code amendments.	85% of target dates met	85% of target dates met	85% of target dates met	85% of target dates met

STRATEGIC FOCUS AREA 2: EDUCATION

STRATEGIC OBJECTIVE	To provide an appropriate framework for the education and training of properly qualified auditors and to establish processes so that only competent candidates enter the audit profession						
Measurable Objective	Output	Outcomes	Output Indicator	Performance Targets			
				Q1	Q2	Q3	Q4
To monitor the environment in which the Audit Development Programme is offered	Monitoring reports.	To ensure that the environment is conducive to the development of audit competence.	The number of monitoring visits completed per annum.	11 visits	11 visits	10 visits	10 visits
To monitor the programmes and institutional requirements of accredited professional bodies	Monitoring reports.	To ensure compliance with the Accreditation Model.	The number of final monitoring reports to be submitted to the accredited professional body, within 10 working days after EDCOM approval.	N/A	N/A	1 report submitted within the target date	N/A
To contribute to the transformation of the profession	IRBA transformation initiatives.	Increased awareness of the RA profession among transformation candidates.	The number of IRBA transformation initiatives completed per annum.	2	2	2	2
To monitor the CPD compliance of RAs and tax practitioners	Monitoring reports.	To ensure that RAs and tax practitioners are complying with the CPD Policy.	The number of the CPD monitoring reports analysed per annum.	N/A	1 report	N/A	1 report

STRATEGIC FOCUS AREA 3: INSPECTIONS

STRATEGIC OBJECTIVE	To monitor registered auditors' compliance with professional standards						
Measurable Objective	Output	Outcomes	Output Indicator	Performance Targets			
				Q1	Q2	Q3	Q4
Risk-based inspections performed	Inspection reports.	Compliance of firms (including their individually registered auditors) with the auditing and ethics standards.	The number of planned inspections completed per annum.	25 inspections	35 inspections	27 inspections	34 inspections

STRATEGIC FOCUS AREA 4: INVESTIGATIONS

STRATEGIC OBJECTIVE	To investigate and take appropriate action against registered auditors in respect of improper conduct						
Measurable Objective	Output	Outcomes	Output Indicator	Performance Targets			
				Q1	Q2	Q3	Q4
Completed investigations	Closed matters.	Taking appropriate action against registered auditors in respect of improper conduct.	The number of investigations completed per annum.	16 completed investigations	16 completed investigations	16 completed investigations	16 completed investigations

STRATEGIC FOCUS AREA 5: DISCIPLINARY

STRATEGIC OBJECTIVE	To take appropriate action against registered auditors in respect of improper conduct						
Measurable Objective	Output	Outcomes	Output Indicator	Performance Targets			
				Q1	Q2	Q3	Q4
Disciplinary strategy and implementation plan	The disciplinary strategy implementation plan implemented.	Disciplinary processes designed to be more effective and efficient.	Implemented disciplinary strategy.	N/A	N/A	N/A	The 2021/2022 disciplinary strategy implementation plan implemented.

STRATEGIC FOCUS AREA 6: OPERATIONAL EFFECTIVENESS

STRATEGIC OBJECTIVE	To strengthen the IRBA's organisational capability, capacity and performance to deliver on its mandate in an economically efficient and effective manner, in accordance with the relevant regulatory frameworks						
Measurable Objective	Output	Outcomes	Measurable Indicator	Performance Targets			
				Q1	Q2	Q3	Q4
Reports from internal and external audits	Systems, policies and processes that ensure compliance, accountability and sound management of the revenue, expenditure, assets and liabilities.	Financial sustainability to deliver on the mandate.	A clean audit report regarding financials, compliance and performance information.	N/A	Clean audit report	N/A	N/A

STRATEGIC OBJECTIVE	To strengthen the IRBA's organisational capability, capacity and performance to deliver on its mandate in an economically efficient and effective manner, in accordance with the relevant regulatory frameworks						
Measurable Objective	Output	Outcomes	Measurable Indicator	Performance Targets			
				Q1	Q2	Q3	Q4
Promote transformation through targeted procurement policies	Implementation of the preferential procurement policy framework.	Increased procurement and effective payments to promote empowered businesses.	Percentage of SMME payments effected within 30 days.	100%	100%	100%	100%
Promote transformation through targeted procurement policies	Implementation of the preferential procurement policy framework.	Increased procurement and effective payments to promote empowered businesses.	Percentage of contracts awarded to SMMEs and small businesses.	12%	12%	12%	12%
Promote transformation through targeted employment policies	Transformed workforce.	Transformation of management control achieved according to the relevant B-BBEE codes.	Achievement of the management control score calculated according to the B-BBEE scorecard. The maximum score attainable is 20.	17	17	17	17

STRATEGIC OBJECTIVE	To strengthen the IRBA's organisational capability, capacity and performance to deliver on its mandate in an economically efficient and effective manner, in accordance with the relevant regulatory frameworks						
Measurable Objective	Output	Outcomes	Measurable Indicator	Performance Targets			
				Q1	Q2	Q3	Q4
Promote transformation through targeted employment policies	Transformed workforce.	Transformation of staff achieved according to the approved Employment Equity Plan.	Achievement of the employment equity target according to the approved Employment Equity Plan.	76% Black 23% White 1% Other	76% Black 23% White 1% Other	76% Black 23% White 1% Other	76% Black 23% White 1% Other
Align employees with goals and values of the IRBA	Engaged employees.	Engagement of employees in line with predetermined targets.	Achievement of the employee engagement index.	70%	70%	70%	70%

UPDATED KEY RISKS

Outcome	Key Risk	Risk Mitigation
<p>Confidence and trust in the financial markets through high-quality audits and ethical behaviour, which will stimulate economic investment, create employment and protect the public.</p>	<p>Sustainability, relevance and reputation of the IRBA adversely affected by funding and human capital constraints, inability to adapt to technology demands and a decline in trust in the audit profession. In addition, the pending litigation matters and high-profile cases resulting in significant costs.</p>	<ul style="list-style-type: none"> • Invest and modernise the IRBA's IT infrastructure and systems, while enhancing our organisational and operational capacity to drive the efficiency and effectiveness of our operations. • Forge a closer relationship with ministries – Minister of Finance, in particular, and SCOF. • Submit a special request to National Treasury for the funding of digital transformation projects. • Sustainable funding model project.
	<p>Loss of confidence in the profession.</p>	<ul style="list-style-type: none"> • Develop a Digital Transformation Strategy – Electronic working papers/workflow/LMS/Registry. • Expand the Stakeholder Engagement Framework to build strategic alliances and leverage networks. • Develop a Comprehensive Communication, Marketing and Brand Strategy. • Develop an RA brand positioning manifesto. • Continued projects to improve audit quality. • Auditing Professions Act Amendments, MAFR and a disciplinary strategy implementation. • Restoring confidence projects. • Formally include the Remedial Action Process in the inspections process. • Issue Public Inspections Report and Audit Quality Indicator reports to communicate observations of inspections findings and possible root causes. Targeted socialisation of key messages to be embarked on. • CPD monitoring processes (random sample), as per the CPD Policy. • Audit Development Programme used as a tool to influence lifelong learning.

PUBLIC ENTITIES

Name of Public Entity	Mandate	Outcomes	Current Annual Budget (R'000)
Independent Regulatory Board for Auditors	To protect investors and the public interest.	Economic stimulation through trust in capital markets and financial reporting.	R164.m ¹

¹ Projected budget for 2022.

Part D: Technical Indicator Descriptions (TID)

Education and Transformation

INDICATOR TITLE	AUDIT DEVELOPMENT PROGRAMME (ADP): The number of monitoring visits completed.
Definition	To monitor the firm environment in which the ADP is offered.
Source of data	ADP monitoring visit reports and acknowledgement of monitoring visit letter from the firm.
Method of calculation/assessment	The number of ADP monitoring visit reports are an indication of the number of visits that have taken place. The total number of visits approved is indicated in the ADCOM minutes.
Means of verification	Proof of approval of signed-off monitoring visits by ADCOM, proof of signed-off reports by firms.
Assumptions	The ADP monitoring reports are reliable, valid and timely.
Disaggregation of beneficiaries (where applicable)	<ul style="list-style-type: none"> • Target for women: N/A. • Target for youth: N/A. • Target for people with disabilities: N/A.
Spatial transformation (where applicable)	<ul style="list-style-type: none"> • Reflect on the contribution to spatial transformation priorities: N/A. • Reflect on the spatial impact area: N/A.
Calculation type	Non-cumulative per quarter; cumulative for the annual target.
Reporting cycle	Quarterly
Desired performance	ADP monitoring visits are performed in terms of the number of monitoring visits approved by ADCOM.
Indicator responsibility	Director Education and Transformation
INDICATOR TITLE	MONITOR ACCREDITED PROFESSIONAL BODIES: The final annual set of monitoring reports to be submitted to the accredited professional body after EDCOM approval.
Definition	The final annual set of monitoring reports includes a report for the institutional requirements and each of the accredited programmes. These reports are an outcome of the monitoring of the accredited professional body.

Source of data	Final monitoring reports.
Method of calculation/assessment	A count of reports, as per reports dates – submission and receipt emails.
Means of verification	Proof of EDCOM approval of the Final Monitoring Reports, and proof of the email submission to the accredited professional body.
Assumptions	The final monitoring reports are reliable, valid and timely.
Disaggregation of beneficiaries (where applicable)	<ul style="list-style-type: none"> • Target for women: N/A. • Target for youth: N/A. • Target for people with disabilities: N/A.
Spatial transformation (where applicable)	<ul style="list-style-type: none"> • Reflect on the contribution to spatial transformation priorities: N/A. • Reflect on the spatial impact area: N/A.
Calculation type	Non-cumulative
Reporting cycle	Annual
Desired performance	The number of Final Monitoring Reports to be submitted annually to the accredited professional body after EDCOM approval.
Indicator responsibility	Director Education and Transformation
INDICATOR TITLE	TRANSFORMATION OF THE PROFESSION: The number of IRBA transformation initiatives completed.
Definition	Transformation initiatives are conducted to raise awareness of the RA profession with relevant stakeholders and transformation candidates.
Source of data	The transformation reports submitted to EDCOM.
Method of calculation/assessment	A simple count of IRBA transformation initiatives completed.
Means of verification	The transformation reports submitted to EDCOM.
Assumptions	The transformation reports are reliable, valid and timely.
Disaggregation of beneficiaries (where applicable)	<ul style="list-style-type: none"> • Target for women: N/A. • Target for youth: N/A. • Target for people with disabilities: N/A.

Spatial transformation (where applicable)	<ul style="list-style-type: none"> • Reflect on the contribution to spatial transformation priorities: N/A. • Reflect on the spatial impact area: N/A.
Calculation type	Non-cumulative per quarter; cumulative for the annual target.
Reporting cycle	Quarterly
Desired performance	Transformation initiatives are conducted to raise awareness of the RA profession.
Indicator responsibility	Director Education and Transformation
INDICATOR TITLE	CONTINUING PROFESSIONAL DEVELOPMENT: The CPD monitoring results reports.
Definition	The CPD reports reflect the result of monitoring RAs and Tax Practitioners' compliance with the CPD Policy.
Source of data	CPD monitoring reports.
Method of calculation/assessment	A count of the CPD monitoring reports.
Means of verification	CPD reports are submitted to EDCOM.
Assumptions	The CPD reports and data are reliable, valid and timely.
Disaggregation of beneficiaries (where applicable)	<ul style="list-style-type: none"> • Target for women: N/A. • Target for youth: N/A. • Target for people with disabilities: N/A.
Spatial transformation (where applicable)	<ul style="list-style-type: none"> • Reflect on the contribution to spatial transformation priorities: N/A. • Reflect on the spatial impact area: N/A.
Calculation type	Non-cumulative
Reporting cycle	Annual
Desired performance	CPD compliance is monitored annually.

Part D: Technical Indicator Descriptions (TID)

Standards

INDICATOR TITLE	AUDITING STANDARDS: Target dates met for issuing auditing pronouncements, audit reports and comment letters.
Definition	Standards and Guidance issued. Issued auditing pronouncements, illustrative auditor reports and comment letters.
Source of data	CFAS Project Timetable.
Method of calculation/assessment	(Target dates met for issuing audit pronouncements, illustrative auditor reports and comment letters, as per the CFAS Project timetable dates / total number of targets dates) x 100 = %.
Means of verification	Proof of approval of the plan by CFAS – the CFAS work programme is used as a measure to determine the “completed” documents.
Assumptions	The data stored in the plan is reliable, valid and timely.
Disaggregation of beneficiaries (where applicable)	<ul style="list-style-type: none"> • Target for women: N/A. • Target for youth: N/A. • Target for people with disabilities: N/A.
Spatial transformation (where applicable)	<ul style="list-style-type: none"> • Reflect on the contribution to spatial transformation priorities: N/A. • Reflect on the spatial impact area: N/A.
Calculation type	Quarterly
Reporting cycle	Quarterly
Desired performance	Projects are performed in terms of the plan.
Indicator responsibility	Director Standards
INDICATOR TITLE	AUDITOR ETHICS: Target dates met for issuing additional guidance on ethical issues, comment letters and Code amendments.
Definition	To adopt and/or develop and issue additional guidance on ethical issues, based

	<p>on the IRBA Code.</p> <p>Issued additional guidance on ethical issues, comment letters and Code amendments.</p>
Source of data	CFAE Project Timetable.
Method of calculation/assessment	(Target dates met for issuing guidance on ethical issues, comment letters and Code amendments, as per the CFAE Project timetable / total number of target dates) x 100 = %.
Means of verification	Proof of approval of the plan by CFAE – the CFAE work programme is used as a measure to determine the “completed” documents.
Assumptions	The data stored in the plan is reliable, valid and timely.
Disaggregation of beneficiaries (where applicable)	<ul style="list-style-type: none"> • Target for women: N/A. • Target for youth: N/A. • Target for people with disabilities: N/A.
Spatial transformation (where applicable)	<ul style="list-style-type: none"> • Reflect on the contribution to spatial transformation priorities: N/A. • Reflect on the spatial impact area: N/A.
Calculation type	Quarterly
Reporting cycle	Quarterly
Desired performance	Projects are performed in terms of the plan.
Indicator responsibility	Director Standards

Part D: Technical Indicator Descriptions (TID)

Inspections

INDICATOR TITLE	INSPECTIONS: The number of planned inspections completed per annum.
Definition	Risk-based inspections performed.
Source of data	Inspections plan.
Method of calculation/assessment	Actual inspections, per the booking schedule.
Means of verification	Proof of approval of the plan by INSCOM.
Assumptions	The data stored in the plan is reliable, valid and timely.
Disaggregation of beneficiaries (where applicable)	<ul style="list-style-type: none"> • Target for women: N/A. • Target for youth: N/A. • Target for people with disabilities: N/A.
Spatial transformation (where applicable)	<ul style="list-style-type: none"> • Reflect on the contribution to spatial transformation priorities: N/A. • Reflect on the spatial impact area: N/A.
Calculation type	Non-cumulative
Reporting cycle	Quarterly
Desired performance	Inspections are performed in terms of the plan.
Indicator responsibility	Director Inspections

Part D: Technical Indicator Descriptions (TID)

Investigations

INDICATOR TITLE	INVESTIGATIONS: The number of investigations completed per annum.
Definition	Investigations into the alleged improper conduct of registered auditors.
Source of data	Excel database of matters.
Method of calculation/assessment	Date order sorting of excel database, based on “date closed” column – a count of investigations completed in the period.
Means of verification	Minutes of the INVESCO and DAC meetings held during the period.
Assumptions	The data stored in the excel database is reliable.
Disaggregation of beneficiaries (where applicable)	<ul style="list-style-type: none"> • Target for women: N/A. • Target for youth: N/A. • Target for people with disabilities: N/A.
Spatial transformation (where applicable)	<ul style="list-style-type: none"> • Reflect on the contribution to spatial transformation priorities: N/A. • Reflect on the spatial impact area: N/A.
Calculation type	Non-cumulative
Reporting cycle	Quarterly
Desired performance	The target number of investigations completed per annum is achieved.
Indicator responsibility	Director Investigations

Part D: Technical Indicator Descriptions (TID)

Operations

INDICATOR TITLE	CLEAN AUDIT: A clean audit report regarding financials, compliance and performance information.
Definition	A clean audit report regarding financials, compliance and performance information.
Source of data	Audited annual financial statements.
Method of calculation/assessment	A simple count of the audit report and a review of an unqualified opinion.
Means of verification	Review of the signed audit report.
Assumptions	Internal controls remain effective.
Disaggregation of beneficiaries (where applicable)	<ul style="list-style-type: none"> • Target for women: N/A. • Target for youth: N/A. • Target for people with disabilities: N/A.
Spatial Transformation (where applicable)	<ul style="list-style-type: none"> • Reflect on the contribution to spatial transformation priorities: N/A. • Reflect on the spatial impact area: N/A.
Calculation type	Non-cumulative
Reporting cycle	Annually
Desired performance	Clean audit achieved.
Indicator responsibility	Director Operations
INDICATOR TITLE	TRANSFORMATION RELATING TO PROCUREMENT: Percentage of SMME payments effected within 30 days.
Definition	Increased procurement and effective payments to promote empowered businesses.
Source of data	Payments reports from the accounting system.
Method of calculation/assessment	(Payments made to service providers within 30 days of valid approved invoices being received / total number of invoices) x 100 = %.

Means of verification	Payment report reviewed and approved by Director Operations.
Assumptions	The data stored in the report is reliable, valid and timely.
Disaggregation of beneficiaries (where applicable)	<ul style="list-style-type: none"> • Target for women: N/A. • Target for youth: N/A. • Target for people with disabilities: N/A.
Spatial transformation (where applicable)	<ul style="list-style-type: none"> • Reflect on the contribution to spatial transformation priorities: N/A. • Reflect on the spatial impact area: N/A.
Calculation type	Non-cumulative
Reporting cycle	Quarterly
Desired performance	Payments made within 30 days.
Indicator responsibility	Director Operations
INDICATOR TITLE	TARGETED PROCUREMENT: Percentage of contracts awarded to SMMEs and small businesses.
Definition	Increased procurement and effective payments to promote empowered businesses.
Source of data	Payments report from the accounting system.
Method of calculation/assessment	$(\text{Payments made to empowered service providers} / \text{total number of payments made}) \times 100 = \%$.
Means of verification	Payment report reviewed and approved by Director Operations.
Assumptions	The data stored in the report is reliable, valid and timely.
Disaggregation of beneficiaries (where applicable)	<ul style="list-style-type: none"> • Target for women: N/A. • Target for youth: N/A. • Target for people with disabilities: N/A.
Spatial transformation (where applicable)	<ul style="list-style-type: none"> • Reflect on the contribution to spatial transformation priorities: N/A. • Reflect on the spatial impact area: N/A.
Calculation type	Cumulative

Reporting cycle	Quarterly
Desired performance	Contracts awarded to SMMEs and small businesses
Indicator responsibility	Director Operations
INDICATOR TITLE	TRANSFORMED WORKFORCE B-BBEE CODES: Achievement of the management control score calculated according to the B-BBEE scorecard.
Definition	Transformation of management control achieved according to the relevant B-BBEE codes and formulas.
Source of data	BEE123 reports.
Method of calculation/assessment	Calculation of the management control total in terms of the B-BBEE codes.
Means of verification	Management control report reviewed and approved by Director Operations.
Assumptions	The data stored in the report is reliable, valid and timely.
Disaggregation of beneficiaries (where applicable)	<ul style="list-style-type: none"> • Target for women: N/A. • Target for youth: N/A. • Target for people with disabilities: N/A.
Spatial transformation (where applicable)	<ul style="list-style-type: none"> • Reflect on the contribution to spatial transformation priorities: N/A. • Reflect on the spatial impact area: N/A.
Calculation type	Cumulative
Reporting cycle	Quarterly
Desired performance	Promote transformation through targeted employment policies.
Indicator Responsibility	Director Operations
INDICATOR TITLE	TRANSFORMED WORKFORCE – EMPLOYMENT EQUITY: Achievement of the employment equity target according to the approved Employment Equity Plan.
Definition	Transformation of staff achieved according to the approved Employment Equity Plan.
Source of data	HR Employment Equity Reports.

Method of calculation/assessment	Calculation of employment equity statistics.
Means of verification	Employment equity report reviewed and approved by Director Operations.
Assumptions	The data stored in the report is reliable, valid and timely.
Disaggregation of beneficiaries (where applicable)	<ul style="list-style-type: none"> • Target for women: N/A. • Target for youth: N/A. • Target for people with disabilities: N/A.
Spatial transformation (where applicable)	<ul style="list-style-type: none"> • Reflect on the contribution to spatial transformation priorities: N/A. • Reflect on the spatial impact area: N/A.
Calculation type	Cumulative
Reporting cycle	Quarterly
Desired performance	Targets achieved in terms of the employment equity report.
Indicator responsibility	Director Operations

Part D: Technical Indicator Descriptions (TID)

Disciplinary

INDICATOR TITLE	DISCIPLINARY PROCESSES: Approved disciplinary strategy fully implemented, in line with the implementation plan.
Definition	Disciplinary processes concluded swiftly and costs effectively managed.
Source of data	2021/2022 disciplinary strategy implementation plan. Report on the implementation of the disciplinary strategy.
Method of calculation/assessment	Review the disciplinary strategy implementation plan against the report on the implementation of the disciplinary strategy to ensure that all planned actions were delivered.
Means of verification	2021/2022 disciplinary strategy implementation plan. Report on the implementation of the disciplinary strategy approved by Board.
Assumptions	Disciplinary hearings designed to be conducted swiftly and costs effectively managed.
Disaggregation of beneficiaries (where applicable)	<ul style="list-style-type: none"> • Target for women: N/A. • Target for youth: N/A. • Target for people with disabilities: N/A.
Spatial transformation (where applicable)	<ul style="list-style-type: none"> • Reflect on the contribution to spatial transformation priorities: N/A. • Reflect on the spatial impact area: N/A.
Calculation type	Non-cumulative
Reporting cycle	Bi-annually
Desired performance	Disciplinary processes concluded swiftly and costs effectively managed.
Indicator responsibility	Director Legal