



ANNUAL PERFORMANCE PLAN 2022/2023

EXECUTIVE AUTHORITY STATEMENT

The IRBA has commenced a new chapter in its evolution, with a refreshed strategy shaped by developments in the industry, the COVID-19 pandemic, and recent evidence of audit failures. These developments have provided the body an opportunity to review past actions, to restore confidence and credibility in the profession, as well as to identify priority areas that will help take the accounting and auditing profession forward over the next few years.

Furthermore, the IRBA recognises that it has a critical role to play in protecting the financial interests of the public.

The coming years will present significant challenges. We find ourselves in a difficult economic environment characterised by increasing expenditure to address pressing socioeconomic priorities at a time of severely constrained revenue.

To address these challenges, the coordinated efforts of all stakeholders in society and the economy are critical, as we work towards a common purpose of rebuilding trust in the profession. We are encouraged by the progress being made to revive economic activity and restore the credibility and effectiveness of the economic policy.

I wish the Board, Acting CEO and management of the IRBA the very best in the journey of rebuilding trust in the profession.

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



Enoch Godongwana, 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 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 have discussions with stakeholders on the outcome of the 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.
- The new normal we are currently living in, wherein the pace of change is accelerating.
- Stakeholder needs and expectations that 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.
- The impact on the COVID-19 pandemic on the global economy.
- Business failures that could increase in the current economic environment, placing a further spotlight on the role of the auditor.

The Board, together with the IRBA management, identified several priorities it wishes 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. Additionally, the focus areas will be supplemented by the outcomes of the gaps identified in the financial ecosystem and the auditing profession.

Also, the implementation of the Auditing Profession Act Amendments, as promulgated, 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 set out below.

The IRBA Vision

To be a preeminent, internationally respected 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.

The IRBA Mission

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.

RESTORING CONFIDENCE 2.0

In response to corporate and audit failures, we have committed to perform a gap analysis of the broader financial ecosystem, to identify factors that have an impact on audit quality and then make recommendations to relevant stakeholders and decision-makers. In addition, we are also in the process of performing a gap analysis on the auditing profession and implementing measures to address significant gaps.

The sustainability of the IRBA is dependent on its financial and human capital to execute on its mandate. The increased volume of complaints and disciplinary matters, however, has placed a severe strain on both capitals. In this regard, the IRBA is committed, among other actions, to focusing on redefining business processes, harnessing the efficiencies to be gained from technology and looking at alternative funding models to ensure its sustainability.

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 engagements.



Three workstreams were created by management to lead projects in each of the above three focus areas, in terms of an overall project charter.

ACTING CHIEF EXECUTIVE OFFICER'S STATEMENT

As we continue to traverse this era of COVID-19, one continues to reflect on how quickly and drastically circumstances are changing. With regard to the IRBA, the following is worth noting:

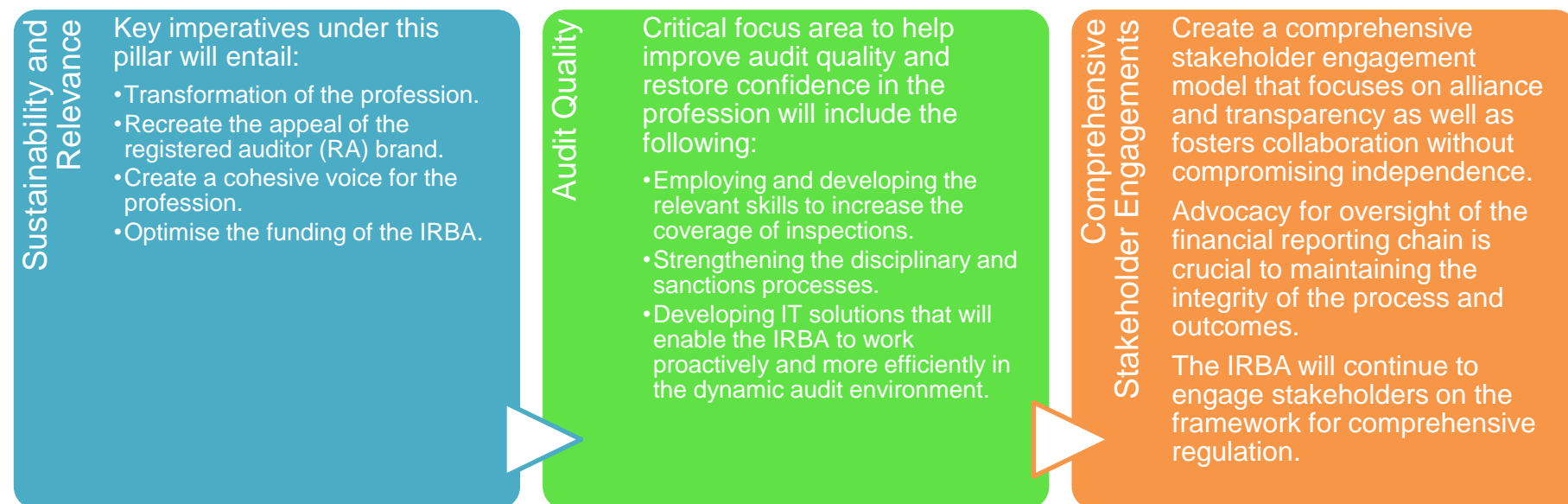
- We are living in a new normal in which the pace of change is speeding up. As such, it is imperative that we continue to acknowledge emerging uncertainties and opportunities.
- It is vital that we continue to take cognisance of public and stakeholder sentiments regarding the broader financial reporting and governance ecosystem, which includes the auditing 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 embrace the effective use of technology.
- To facilitate remote (hybrid) working practices for IRBA staff through dynamic work policies.
- The post-pandemic recovery of economies is expected to be long and arduous, thereby impacting the profitability and sustainability of public and private sector entities.

We continue to align our plans to the new realities and expectations, as necessitated by the impact of COVID-19 and ongoing audit failures. We further continue to enhance audit quality, our processes, people, platforms and our stakeholder engagement model in order to regulate the profession effectively.

The role that the IRBA plays in protecting the financial interests of the public cannot be overemphasised. In the approved Strategic Plan for 2021-2025, the IRBA's strategic focus areas that will contribute to the advancement of broader government priorities are articulated as depicted in the graphic below. However, against the backdrop of revised assumptions (see above), these have been reprioritised and revised to reflect specific goals and objectives.

Due to fiscal and economic constraints, the annual government grant allocation to the IRBA remains mostly static and does not increase, in line with inflation over the MTEF period. This adversely affects the IRBA's ability to fund its strategic operational growth, inflationary cost increases and further strategic imperatives.

Revised Strategic Focus Areas



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

- Enhancing our investigations and support of accountability

We currently have a backlog of investigation matters. This is due to the complexity of the 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.

To address this, we have doubled the number of investigators through a focused recruitment drive. With this increased number of investigators, we anticipate that we will soon be able to conduct investigations within a reasonable timeframe.

The IRBA will continue to support the process of accountability for professionals implicated in state capture and corruption, and we support initiatives by law enforcement agencies and other relevant authorities in taking appropriate action.

In terms of its five-year strategy, the IRBA remains committed to restoring confidence and rebuilding trust in the financial ecosystem. We intend to achieve this by working to improve audit quality; and engaging financial sector players on issues around reforms to the ecosystem relating to financial reporting, governance and, ultimately, audit quality.

The IRBA's strengthened enforcement powers will greatly assist the regulator in delivering effectively on its mandate.

- Auditing Profession Amendment Act

The amendments to the Auditing Profession Act 26 of 2005, through the Auditing Profession Amendment Act 5 of 2021, will enhance the efficiency and effectiveness of the IRBA's investigating and disciplinary processes. Also, they will 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.

We have expedited the implementation plan, with various activities having been prioritised to operationalise the amendments, which will lead us to the realisation of the above objectives.

- Resetting Relationships

Through our targeted engagements, we have heard our stakeholders who have expressed a need for a more collaborative and transparent 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 on the reforms needed to rebuild trust in the profession. Ongoing actions emerging from other countries also call for the South African market to continue 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

The IRBA facilitates the transformation of the auditing profession through initiatives that focus across the entire career cycle of an RA, as depicted below:



These initiatives include research into the factors that are affecting transformation of the profession; engagement and collaboration with key stakeholders across the pipeline, including transformation stakeholders such as ABASA; raising awareness of the RA

designation and the path to become an RA with students, trainees, the academic community and auditing firms; and monitoring the accredited professional bodies' contribution towards the transformation of the pipeline.

- 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 work towards addressing the expectation gap that many have about the role of the auditor and the audit product.

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 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; and
- Accurately reflects the impact, outcomes and outputs that the IRBA will endeavour to achieve over the period 2022/2023.

IRBA Management

R. Motsepe

Signature:



Director: Legal

N. Kater

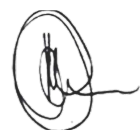
Signature:



Director: Education and Transformation

N. Gulwa

Signature:



Acting Director: Inspections

J. Bailey

Signature:



Director: Investigations

I. Vanker

Signature:



Director: Standards

M. Fourie

Signature:



Acting Director: Operations (CFO)

I. Nagy

Signature:



Acting Chief Executive Officer

For and on behalf of the Board

Fulvio Tonelli

Signature:



Chairperson

SIGNED AND DATED

Approved by:

Enoch Godongwana

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, as amended (APA), 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 regulator contributes to selected outcomes. The Strategic Plan is also aligned to the National Development Plan, as 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 the following two programmes:

- **Programme 1:** The current mandate, which arises from the APA.
- **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 APA, and 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 its 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 IRBA's mandate.

Disciplinary costs represent a significant portion of the expenses. Any additional disciplinary actions will result in the use of the IRBA's reserves.

Management has taken the actions listed below to increase revenue and cut down costs, while still achieving our strategic objectives in the 2022/2023 financial year:

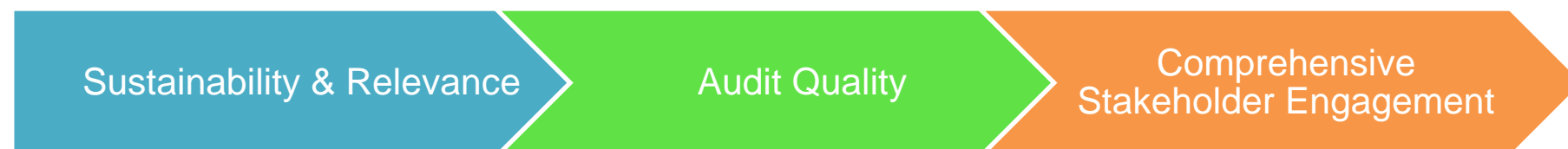
- All local flights will be booked on economy class and local car rentals have been limited to class A and class B vehicles.
- Local accommodation has been limited to only three- or four-star lodgings.
- Revenue from assurance fees has been increased to bear the costs of the increased enforcement activities.
- Committee meetings are held on virtual platforms, with usually only one in-person meeting scheduled per year, where applicable.
- The Disciplinary Strategy is aimed at using internal resources on certain matters to curb costs.

In addition, the COVID-19 lockdown has had a significant impact on work practices, but we have been able to harness technology effectively. We will continue to follow these work practices, 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, internationally respected 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

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.

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 we also 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 budget plans and introduced relief measures for citizens and businesses to help them stay afloat.

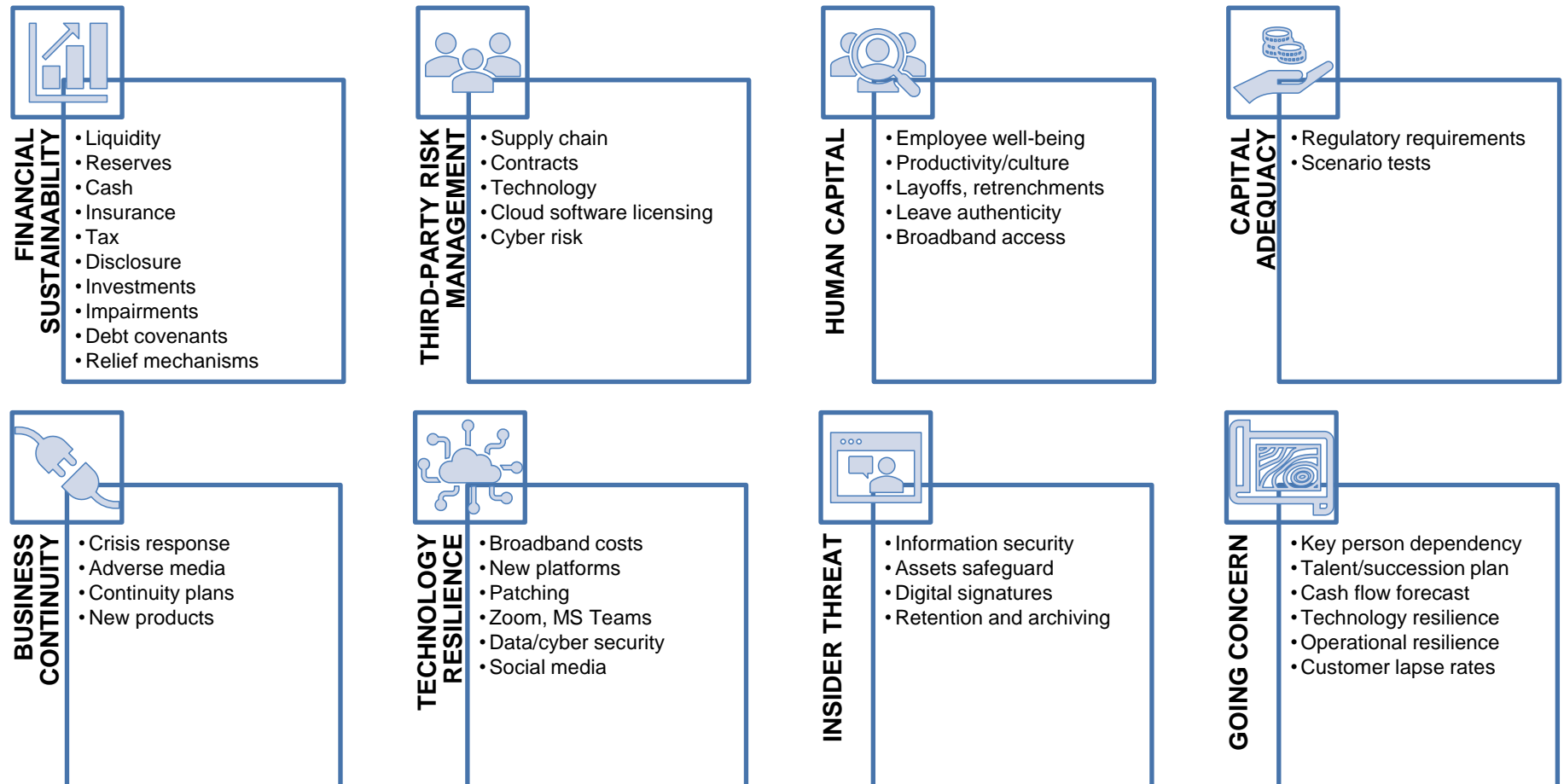
In essence, the response to the COVID-19 pandemic calls for astute leadership that has proper policy interventions, plans and foresight. As the global economy has been severely affected, South Africa has not been left unscathed. In fact, the pandemic has been a common global shock that has induced a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

South Africa's economy suffered a significant contraction during 2020/2021, 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 aware that the digital divide remains and has, in fact, been intensified during the pandemic.
- 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 SMMEs 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 should be noted that the control environment is no longer confined to on-the-premises physical sites and infrastructure; it has expanded into the virtual world, into employees'

homes and the cloud. While each business is unique, the common challenges being experienced are related to the following:

- **People:** Employees working remotely, loss of jobs, pay-cuts, salary freezes.
- **Processes:** Customers interacting online (vetting processes, know your client), supply chain disruptions during lockdown – limited logistics (understanding the dependency between primary, secondary and tertiary sectors is key).
- **Policies:** Policies on safeguarding company assets, remote working, transmission of data, assessing productivity, the well-being 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, 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 has become even more 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. It 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, as well as 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.

The IRBA's response to the challenges brought on by the pandemic has been as follows:

- **People:** Employees started working remotely, and the cost-of-living increases were approved.
- **Processes:** In line with the request from the President, suppliers continued to be paid for services, where possible.
- **Policies:** Policies/practices on safeguarding company assets, remote working, transmission of data, assessing productivity and information security were redesigned and implemented.
- **Platforms:** The IRBA moved seamlessly to online platforms, to facilitate remote working, team meetings and governance meetings,

with minimal interruptions to business processes.

PART C: MEASURING OUR PERFORMANCE

1. Budget Allocation

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

	ACTUAL (R)	ACTUAL (R)	FORECAST (R)	BUDGET (R)	BUDGET (R)	BUDGET (R)
ACCOUNT DESCRIPTION	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025
DEPARTMENT: OPERATIONS						
INCOME	46 749 954	46 915 891	48 223 209	49 018 997	49 345 407	51 565 874
STAFF EXPENDITURE	11 975 439	12 235 691	12 902 915	15 383 913	16 100 724	17 213 702
DEPARTMENTAL EXPENDITURE	4 652 908	4 637 220	6 933 811	6 704 364	7 012 766	7 335 353
CENTRAL EXPENDITURE	14 579 500	13 624 349	12 794 270	14 490 046	14 866 642	15 351 560
TOTAL EXPENDITURE	31 207 847	30 497 260	32 630 996	36 578 323	37 980 132	39 900 615
NET INCOME/(EXPENSES)	15 542 106	16 418 631	15 592 213	12 440 674	11 365 275	11 665 259
DEPARTMENT: LEGAL						
INCOME	35 736 714	68 523 126	40 237 472	44 918 409	46 853 676	49 015 558
DIRECT COSTS	28 444 366	16 485 261	12 059 953	13 233 164	13 841 889	14 478 616
STAFF EXPENDITURE	9 259 815	11 444 564	12 807 500	16 752 084	17 547 391	18 292 038
DEPARTMENTAL EXPENDITURE	4 798 432	5 943 921	2 769 402	2 738 935	2 863 920	2 994 649
TOTAL EXPENDITURE	42 502 613	33 873 745	27 710 814	32 724 183	34 253 200	35 765 303
NET INCOME/(EXPENSES)	(6 765 899)	34 649 380	12 526 658	12 194 226	12 600 476	13 250 255
DEPARTMENT: EDUCATION AND TRANSFORMATION						
INCOME	13 782 800	11 567 565	13 178 524	13 544 020	13 307 595	13 928 555
DIRECT COSTS	673 001	722 741	1 265 815	1 375 200	1 438 459	1 504 629
STAFF EXPENDITURE	6 947 626	8 436 450	9 316 106	11 627 907	12 191 981	12 738 760
DEPARTMENTAL EXPENDITURE	778 577	776 268	1 020 685	1 690 598	1 767 506	1 847 951
TOTAL EXPENDITURE	8 399 204	9 935 459	11 602 606	14 693 705	15 397 946	16 091 340

	ACTUAL (R)	ACTUAL (R)	FORECAST (R)	BUDGET (R)	BUDGET (R)	BUDGET (R)
ACCOUNT DESCRIPTION	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025
NET INCOME/(EXPENSES)	5 383 596	1 632 106	1 575 918	(1 149 685)	(2 090 351)	(2 162 785)
DEPARTMENT: INSPECTIONS						
INCOME	59 110 940	58 427 627	59 381 760	69 907 592	77 317 863	83 309 176
STAFF EXPENDITURE	30 001 523	31 190 053	35 349 178	40 567 055	43 116 784	46 073 331
DEPARTMENTAL EXPENDITURE	1 985 430	553 328	746 768	1 242 276	1 298 037	1 356 359
TOTAL EXPENDITURE	31 986 953	31 743 381	36 095 946	41 809 331	44 414 821	47 429 690
NET INCOME/(EXPENSES)	27 123 987	26 684 246	23 285 814	28 098 261	32 903 043	35 879 486
DEPARTMENT: INVESTIGATIONS						
INCOME	3 075 000	7 044 999	4 215 000	5 270 000	5 512 420	5 765 992
DIRECT COSTS	1 980 319	1 931 939	3 509 286	4 037 000	4 222 702	4 416 946
STAFF EXPENDITURE	12 709 385	12 602 343	17 777 009	21 798 407	23 111 421	24 713 063
DEPARTMENTAL EXPENDITURE	499 902	701 768	604 633	891 193	931 173	972 993
TOTAL EXPENDITURE	15 189 607	15 236 050	21 890 929	26 726 600	28 265 296	30 103 002
NET INCOME/(EXPENSES)	(12 114 607)	(8 191 051)	(17 675 929)	(21 456 600)	(22 752 876)	(24 337 010)
DEPARTMENT: STANDARDS						
INCOME	-	-	-	-	-	-
STAFF EXPENDITURE	10 652 325	10 530 296	11 408 500	12 299 330	13 179 759	14 242 411
DEPARTMENTAL EXPENDITURE	671 859	579 447	884 959	1 416 330	1 480 695	1 548 020
CENTRAL EXPENDITURE	-	-	10 650	100 000	104 600	109 412
TOTAL EXPENDITURE	11 324 183	11 109 743	12 304 109	13 815 660	14 765 054	15 899 843
NET INCOME/(EXPENSES)	(11 324 183)	(11 109 743)	(12 304 109)	(13 815 660)	(14 765 054)	(15 899 843)

	ACTUAL (R)	ACTUAL (R)	FORECAST (R)	BUDGET (R)	BUDGET (R)	BUDGET (R)
ACCOUNT DESCRIPTION	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025
DEPARTMENT: EXECUTIVE						
INCOME	-	(382)	-	-	-	-
STAFF EXPENDITURE	8 608 467	12 876 024	6 351 355	12 391 679	13 154 857	14 094 518
DEPARTMENTAL EXPENDITURE	2 768 815	4 421 255	2 269 420	3 179 537	3 331 614	3 491 198
CENTRAL EXPENDITURE	403 706	176 041	638 733	740 000	774 040	809 645
TOTAL EXPENDITURE	11 780 988	17 473 320	9 259 508	16 311 216	17 260 511	18 395 361
NET INCOME/(EXPENSES)	(11 780 988)	(17 473 702)	(9 259 508)	(16 311 216)	(17 260 511)	(18 395 361)
TOTAL: IRBA						
GOVERNMENT GRANT	43 163 000	44 187 000	44 609 000	45 684 000	45 857 000	47 917 000
INCOME	115 292 407	148 291 827	120 626 965	136 975 018	146 479 961	155 668 155
DIRECT COSTS	31 097 686	19 139 941	16 835 054	18 645 364	19 503 050	20 400 191
STAFF EXPENDITURE	90 154 580	99 315 422	105 912 562	130 820 375	138 402 917	147 367 823
DEPARTMENTAL EXPENDITURE	16 155 923	17 613 207	15 229 677	17 863 233	18 685 711	19 546 523
CENTRAL EXPENDITURE	14 983 205	13 800 390	13 517 613	15 330 046	15 745 282	16 270 617
TOTAL EXPENDITURE	152 391 395	149 868 959	151 494 907	182 659 018	192 336 960	203 585 154
NET INCOME/(EXPENSES)	6 064 013	42 609 867	13 741 059	-	-	-
Transfers to/from Accumulated Reserves	(6 064 013)	(42 609 867)	(13 741 059)	-	-	-
SURPLUS/(SHORTFALL)	-	-	-	-	-	-

Financial Position (Historical and Budgeted)

ACCOUNT DESCRIPTION	TOTAL ACTUAL 2020/2021 (R)	TOTAL FORECAST 2021/2022 (R)	TOTAL BUDGET 2022/2023 (R)
ASSETS			
Non-current Assets	4 427 049	5 451 924	10 344 475
Property, plant and equipment	2 693 040	4 102 559	4 585 486
Intangible assets	1 734 009	1 349 365	5 758 989
Non-current Restricted Cash	10 000 000	10 000 000	10 000 000
Current Assets	80 261 855	87 943 984	83 543 822
Inventory	206 910	169 256	169 256
Trade receivables	4 880 921	3 490 567	3 490 567
Other receivables	370 920	233 261	233 261
Loans receivable	305 018	278 536	278 536
Restricted cash	889 919	889 919	889 919
Bank and cash	73 608 166	82 882 445	78 482 283
Total assets	94 688 904	103 395 907	103 888 297
RESERVES AND LIABILITIES			
Funds and Reserves	80 644 699	94 385 763	94 385 756
Reserves	38 034 836	38 034 836	38 034 836
Accumulated surplus	42 609 863	56 350 927	56 350 920
LIABILITIES			
Non-current Liabilities	0	3 415 328	3 530 433
Operating lease	0	3 415 328	3 530 433
Current Liabilities	14 044 205	5 594 817	5 972 108
Trade and other payables	14 044 205	5 594 817	5 972 108
Net Reserves and Liabilities	94 688 904	103 395 907	103 888 297

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	12	1	0	0	0	13
INSPECTIONS	25	1	0	0	0	26
EDUCATION & TRANSFORMATION	10	0	0	0	0	10
LEGAL	12	1	1	0	2	16
OPERATIONS	18	2	1	(1)	0	20
TOTAL	90	7	2	(1)	3	101

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							
				Audited/Actual Performance			Year to date December 2021	Planned Performance Current Year	MTEF Period		
				2018/2019	2019/2020	2020/2021	2021/2022	2021/2022	2022/2023	2023/2024	2024/2025
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.	Target: 16 project target dates achieved Actual: 16 projects target dates met Achieved: 100%	Target: 16 Actual: 16 Achieved: 100%	100% of target dates achieved. Target: 10 Actual: 10 Achieved: Yes	85% of target dates met.	85% of target dates met	85% of target dates met	85% of target dates met	85% of target dates met

STRATEGIC OBJECTIVE	Developing and maintaining auditing and ethics standards which are internationally comparable										
Measurable Objective	Output	Outcomes	Output Indicator	Performance Targets							
				Audited/Actual Performance			Year to date December 2021	Planned Performance Current Year	MTEF Period		
				2018/2019	2019/2020	2020/2021	2021/2022	2021/2022	2022/2023	2023/2024	2024/2025
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.	Target: 10 projects target dates achieved Actual: 10 projects target dates met Achieved: 100%	Target: 6 Actual: 6 Achieved: 100%	100% of target dates achieved. Target: 6 Actual: 6 Achieved: Yes	85% of target dates met.	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	Providing an appropriate framework for the education and training of properly qualified auditors										
Measurable Objective	Output	Outcomes	Output Indicator	Performance Targets							
				Audited/Actual Performance			Year to date December 2021	Planned Performance Current Year	MTEF Period		
				2018/2019	2019/2020	2020/2021	2021/2022	2021/2022	2022/2023	2023/2024	2024/2025
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.	Target: 48 Actual: 44 Achieved: Yes	Target: 40 Actual: 42 Achieved: Yes	Target: 40 Actual: 44 Achieved: Yes	Target: 32 Actual: 37 Achieved: Yes	42 visits	43 visits	44 visits	45 visits

STRATEGIC OBJECTIVE	Providing an appropriate framework for the education and training of properly qualified auditors										
Measurable Objective	Output	Outcomes	Output Indicator	Performance Targets							
				Audited/Actual Performance			Year to date December 2021	Planned Performance Current Year	MTEF Period		
				2018/2019	2019/2020	2020/2021	2021/2022	2021/2022	2022/2023	2023/2024	2024/2025
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.	Achieved: 100%	Target: 1 set of final monitoring reports to be submitted 10 working days after EDCOM's third quarterly meeting. Actual: 1 set of final monitoring reports submitted six (6) working days after EDCOM's third quarterly meeting. Achieved: Yes	Target: Final Monitoring Reports (FMRs) submitted within 10 working days of EDCOM's Q3 meeting, which was on 19 November 2020, while the target date was 3 December 2020. Actual: FMRs were submitted to the South African Institute of Chartered Accountants (SAICA) on 3 December 2020. Achieved: Yes	Target: 1 report submitted within the target date. Actual: FMRs were submitted to SAICA on 8 December 2021. Achieved: Yes	1 report	1 report	2 reports	2 reports

STRATEGIC OBJECTIVE	Providing an appropriate framework for the education and training of properly qualified auditors										
Measurable Objective	Output	Outcomes	Output Indicator	Performance Targets							
				Audited/Actual Performance			Year to date December 2021	Planned Performance Current Year	MTEF Period		
				2018/2019	2019/2020	2020/2021	2021/2022	2021/2022	2022/2023	2023/2024	2024/2025
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.	N/A	Target: 4 Actual: 20 Achieved: Yes Explanation for the deviation: The overachievement is due to more effective co-ordination between monitoring visits and the transformation initiatives. This co-ordination presented additional opportunities for transformation initiatives.	Target: 6 Actual: 17 Achieved: Yes Explanation for the deviation: Synergies created with the ADP Reloaded projects and greater engagement with transformation stakeholders presented opportunities for additional initiatives.	Target: 6 Actual: 8 Achieved: Yes Explanation for deviation: There were additional opportunities to engage with stakeholder based on the ADP Reloaded workshops.	8 (Focus initiatives per stakeholder group)	8 (Focus initiatives per stakeholder group)	8 (Focus initiatives per stakeholder group)	8 (Focus initiatives per stakeholder group)

STRATEGIC OBJECTIVE	Providing an appropriate framework for the education and training of properly qualified auditors										
Measurable Objective	Output	Outcomes	Output Indicator	Performance Targets							
				Audited/Actual Performance			Year to date December 2021	Planned Performance Current Year	MTEF Period		
				2018/2019	2019/2020	2020/2021	2021/2022	2021/2022	2022/2023	2023/2024	2024/2025
To monitor Continuing Professional Development (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	N/A	Target: 2 Actual: 2 Achieved: Yes	Target: 1 Actual: 1 Achieved: Yes	2 reports	1 report	1 report	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							
				Audited/Actual Performance			Year to date December 2021	Planned Performance Current Year	MTEF Period		
				2018/2019	2019/2020	2020/2021	2021/2022	2021/2022	2022/2023	2023/2024	2024/2025
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.	Target: 126 Inspections. Actual: 112 Inspections performed. Achieved: 89% adherence to the Inspection Plan Explanation: The percentage achievement is due to a number of smaller inspections conducted at smaller firms to cover risks in that area.	Target: 133 inspections Actual: 136 inspections Achieved: Yes Explanation for the deviation: Three additional inspections were performed during the year than initially planned.	Target: 128 inspections Actual: 125 inspections performed Achieved: No Explanation for the deviation: The target was based on a pre-COVID-19 scenario. The national lockdown adversely affected the Inspections Department's capacity and timeframes during the first two quarters. It similarly had an adverse impact on the firms' ability to access and submit information, causing delays and rescheduling of a number of planned inspections.	Target: 87 inspections Actual: 91 inspections Achieved: Yes Explanation for the deviation: The selection of component audits within larger groups were related to separate engagement partners, resulting in separate inspections being performed. In addition, inspections were scheduled due to the recommendation of the Enforcement Committee (ENCOM). These inspections required less time than the standard allocation to the previously planned inspections as they related to smaller engagements, that is, non-group type entities.	121 inspections	117 inspections	117 inspections	117 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							
				Audited/Actual Performance			Year to date December 2021	Planned Performance Current Year	MTEF Period		
				2018/2019	2019/2020	2020/2021	2021/2022	2021/2022	2022/2023	2023/2024	2024/2025
Completed investigations	Closed matters.	Taking appropriate action against registered auditors in respect of improper conduct.	The number of investigations completed per annum.	Target: 70 of 87 matters Actual: 54 of 87 matters Not achieved: 62% of matters closed within 18 months. Explanation: The target was not achieved due to prioritising the high-profile public interest matters that are more complex to investigate. Action Plan: Recruit more investigators when we receive funding to do so.	Target: 71 Actual: 56 [23 high-profile/public interest entity matters and 33 other matters] Achieved: No Explanation for the deviation: Eighteen (18) matters planned had not yet been closed*; one (1) matter was withdrawn; and four (4) matters not planned were closed. *Most of these have already been tabled at the Investigating Committee (INVESCO).	Target as per plan: 91 Actual as per plan: 34 (9 high-profile/public interest matters and 25 other matters) Actual but not in plan: 28 (16 high-profile/public interest matters and 12 other matters) Achieved: No Explanation for the deviation: With respect to the plan, 34 matters were completed, 17 were not proceeded with, and 18 matters planned have been tabled before INVESCO and will be completed in the next financial year. The remaining 22 planned matters were not addressed in this financial year due to insufficient available resources. Furthermore, 28 matters that were not in the plan were also completed in this financial year. Of these, 12 matters were from the previous financial year and were completed in the current year, and there were 16 additional matters allocated and completed in the current year due to a change in resource allocation.	Target: 48 completed investigations Actual: 32 completed investigations Achieved: No Explanation: No ENCOM meeting held in the first quarter as the Board was only appointed with effect from 8 June 2021.	64 completed investigations	96 completed investigations	96 completed investigations	96 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							
				Audited/Actual Performance			Year to date December 2021	Planned Performance Current Year	MTEF Period		
				2018/2019	2019/2020	2020/2021	2021/2022	2021/2022	2022/2023	2023/2024	2024/2025
Refining disciplinary processes to be more effective and efficient	Successful implementation of the revised disciplinary process strategy.	Disciplinary processes concluded swiftly and costs effectively managed. Registered auditors deterred from non-compliance. Audit quality improved. Public trust in the profession and the Board restored.	Disciplinary strategy approved and fully implemented in line with the approved plan.	N/A	N/A	Target: Development and adoption of a disciplinary strategy and an implementation plan. Actual: A disciplinary strategy and an implementation plan developed. Achieved: Yes	N/A	Disciplinary strategy implemented in line with the plan.	Disciplinary strategy implemented in line with the 2022/2023 implementation plan.	Disciplinary matters scheduled for hearings in line with the approved hearing plan.	Disciplinary matters scheduled for hearings in line with the approved hearing 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							
				Audited/Actual Performance			Year to date December 2021	Planned Performance Current Year	MTEF Period		
				2018/2019	2019/2020	2020/2021	2021/2022	2021/2022	2022/2023	2023/2024	2024/2025
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.	Target: Clean audit report Actual: Clean audit report Achieved: 100%	Target: Clean audit report Actual: Clean audit report Achieved: Yes, clean audit report	Target: Clean audit report Actual: Clean audit report Achieved: Yes	Target: Clean audit report Actual: Non-compliance finding on SCM Achieved: No <i>Explanation for deviation: A material finding was raised on the non-compliance by management to prevent the reoccurrence of irregular</i>	Clean audit report	Clean audit report for the 2021/2022 financial year-end	Clean audit report for the 2022/2023 financial year-end	Clean audit report for the 2023/2024 financial year-end

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							
				Audited/Actual Performance			Year to date December 2021	Planned Performance Current Year	MTEF Period		
				2018/2019	2019/2020	2020/2021	2021/2022	2021/2022	2022/2023	2023/2024	2024/2025
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.	Target: 90% Actual: 91.68% Achieved: 91.68% payments within 30 days Explanation: The target achieved is in line with the actual.	Target: 95% Actual: 95.13% Achieved: Yes Explanation for the deviation: Improved internal efficiencies for the collection of outstanding invoices resulted in improved payment turnaround times.	Target: 97% Actual: 97% Achieved: Yes	Target: 100% Actual: 96.29% Achieved: No Explanation for deviation: Due to the ill health of an employee some invoices were not submitted on time for payment. The process has now been improved to avoid situations where employees are not available.	100%	100%	100%	100%

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							
				Audited/Actual Performance			Year to date December 2021	Planned Performance Current Year	MTEF Period		
				2018/2019	2019/2020	2020/2021	2021/2022	2021/2022	2022/2023	2023/2024	2024/2025
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.	N/A	Target: 12% Actual: 18% Achieved: Yes Explanation for the deviation: Supply Chain Management implemented additional internal efficiencies to source goods and services from SMME service providers.	Target: 12% Actual: 27% Achieved: Yes Explanation for the deviation: During the year, Supply Chain Management implemented additional internal efficiencies to source goods and services from SMME service providers.	Target: 12% Actual: 26.94% Achieved: Yes Explanation for deviation: During the first quarter SCM implemented additional internal efficiencies to source goods and services from SMME service providers.	14%	20%	23%	25%

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							
				Audited/Actual Performance			Year to date December 2021	Planned Performance Current Year	MTEF Period		
				2018/2019	2019/2020	2020/2021	2021/2022	2021/2022	2022/2023	2023/2024	2024/2025
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.	Target: 15.00 Actual: 15.13 Achieved: 15.13 scored out of a possible 20 Explanation: The target achieved is in line with the target of 15 for the year.	Target: 16 Actual: 15.96 Achieved: No Explanation for the deviation: Even though all those appointed during the period were employment equity candidates, the target was not achieved.	Target: 16 Actual: 17 Achieved: Yes	Target: 17 Actual: 14.79 Achieved: No Explanation for deviation: The target was not met due to the CEO vacancy.	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	Output Indicator	Performance Targets							
				Audited/Actual Performance			Year to date December 2021	Planned Performance Current Year	MTEF Period		
				2018/2019	2019/2020	2020/2021	2021/2022	2021/2022	2022/2023	2023/2024	2024/2025
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.	N/A	Target: 70% Black 29% White 1% Other Actual: 70% Black 29% White 1% Other Achieved: Yes Yes Yes	Target: 73% Black 26% White 1% Other Actual: 76% Black 22% White 2% Other Achieved: Yes, as the higher actual is in line with the EE Plan that recommends having more Blacks. Yes, if considering that the EE Plan stipulates that there should be less Whites. No, as the actual is higher than what is the desired target, as further explained below. Explanation for the deviation: It has been challenging to identify suitable candidates for certain positions. Consequently, non-South African candidates were appointed after an exhaustive process was followed.	Target: 76% Black 23% White 1% Other Actual: Black - 78% White - 21% Other - 1% Achieved: Black - Yes (Expected outcome is 76% or more) White - Yes (Expected outcome is 23% or less) Other - Yes	76% Black 23% White 1% Other	77% (or more) Black 21% (or less) White 2% Other	77% (or more) Black 21% (or less) White 2% Other	77% (or more) Black 21% (or less) White 2% Other

QUARTERLY PERFORMANCE OBJECTIVES FOR 2022/2023

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	11 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 the Education and Transformation Committee (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.	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.	2	2	2	2

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 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	N/A

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.	24 completed investigations	24 completed investigations	24 completed investigations	24 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	Disciplinary strategy implemented in line with the 2022/2023 implementation 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	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 for the 2021/2022 financial year-end	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.	20%	20%	20%	20%
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
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% (or more) Black 22% (or less) White 2% Other	76% (or more) Black 22% (or less) White 2% Other	76% (or more) Black 22% (or less) White 2% Other	77% (or more) Black 21% (or less) White 2% Other

UPDATED KEY RISKS

Outcome	Key Risk	Risk Mitigation
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.	Sustainability, relevance and reputation of the IRBA adversely affected by funding constraints.	<ul style="list-style-type: none"> Develop a sustainable funding model in consultation with stakeholders. Develop a value proposition to make the RA designation more attractive.
	Sustainability, relevance and reputation of the IRBA adversely affected by human capital constraints.	<ul style="list-style-type: none"> Develop a succession plan framework to address staff retention and development needs. Conduct organisation-wide benchmarking of salaries and conditions of employment. Obtain National Treasury approval to utilise annually approved retained surpluses for additional short-term human resource capacity.
	Operational capability, capacity and performance ineffective due to governance structures.	<ul style="list-style-type: none"> Priority given to fill vacancies at executive management level. Review the current fees for Board and other committees.
	Loss of confidence in the profession and the regulator.	<ul style="list-style-type: none"> Conduct research on transparency reporting by audit firms. Update the stakeholder engagement plan, with a positive focus on the value of the auditing profession. Revise the Competency Framework for registered auditors. Implement projects under the Restoring Confidence Strategy (RC2.0). Frequent engagement with accredited professional bodies on the monitoring outcomes. Complete the assessment of the accreditation application of a second professional body. Implement positive messaging in the media, as well as branding and marketing actions to increase visibility, among others. Implement amendments to the APA. Further enhancements of the risk-based inspections process (Cycle 8 Strategy).

	Ineffective regulator: Proactiveness and responsiveness of the IRBA as a regulator.	<ul style="list-style-type: none"> • Develop a strategy to facilitate the sharing and integration of information with other regulators (comprehensive/joint regulation).
	Auditing profession not representative of the demographics of South Africa to be influential.	<ul style="list-style-type: none"> • Develop and execute on the comprehensive transformation strategy. • Engagement with accredited bodies on their initiatives.

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.	R183m ¹

¹ Projected budget for 2023.

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 the monitoring visit letter from the firm.
Method of calculation/assessment	<p>The number of ADP monitoring visit reports is an indication of the number of visits that have taken place.</p> <p>The total number of visits approved is indicated in the Audit Development Committee (ADCOM) minutes.</p> <p>Count the number of ADP monitoring visit reports completed.</p>
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 number of final monitoring reports to be submitted to the accredited professional body, within 10 working days after the Education and Transformation Committee (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	To facilitate the transformation of the RA profession through targeted initiatives aimed at identifying and addressing barriers to transformation.
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 number of the CPD monitoring reports analysed per annum.
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	Cumulative
Reporting cycle	Quarterly
Desired performance	CPD compliance is monitored annually.
Indicator responsibility	Director Education and Transformation

Part D: Technical Indicator Descriptions (TID)

Standards

INDICATOR TITLE	AUDITING STANDARDS: Percentage of 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	Committee for Auditing Standards (CFAS) Project Timetable.
Method of calculation/assessment	(The number of 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	Cumulative
Reporting cycle	Quarterly
Desired performance	Projects are performed in terms of the plan.
Indicator responsibility	Director Standards

INDICATOR TITLE	AUDITOR ETHICS: Percentage of 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 on the IRBA Code. Issued additional guidance on ethical issues, comment letters and Code amendments.
Source of data	Committee for Auditor Ethics (CFAE) Project Timetable.
Method of calculation/assessment	(The number of 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	Cumulative
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	Count the number of actual inspections, per the booking schedule.
Means of verification	Proof of approval of the plan by the Inspections Committee.
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	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 the Excel database, based on “date closed” column – a count of investigations completed in the period.
Means of verification	The number of investigations in the minutes of the Investigating Committee and the Enforcement Committee 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	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 for the 2021/2022 financial year-end.
Means of verification	A 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	Payment reports from the accounting system.
Method of calculation/assessment	$(1 - \text{Value of payments made to SMME service providers after 30 days} / \text{value of total payments made to SMME service providers}) \times 100 = \%$.
Means of verification	Payment reports reviewed and approved by the Director Operations.
Assumptions	The data stored in the reports 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 – Year to date
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	Payment reports from the accounting system.
Method of calculation/assessment	$(\text{Value of payments made to empowered service providers} / \text{total value of payments made}) \times 100 = \%$.
Means of verification	Payment reports reviewed and approved by the Director Operations.
Assumptions	The data stored in the reports 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 – Year to date
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. The maximum score attainable is 20.
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 the 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 – Year to date
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	Number of each designated group (Black, White, Other) divided by the number of total employees x 100 = %.
Means of verification	Employment equity statistics report reviewed and approved by the 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 – Year to date
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: Implemented disciplinary strategy.
Definition	Disciplinary processes concluded swiftly, and costs managed effectively.
Source of data	The 2022/2023 disciplinary strategy implementation plan. Report on the implementation of the disciplinary strategy.
Method of calculation/assessment	Count the number of implemented disciplinary strategies.
Means of verification	The 2022/2023 disciplinary strategy implementation plan. Report on the implementation of the disciplinary strategy approved by the Board.
Assumptions	Disciplinary hearings designed to be conducted swiftly and costs managed effectively.
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	Disciplinary processes concluded swiftly, and costs managed effectively.
Indicator responsibility	Director Legal