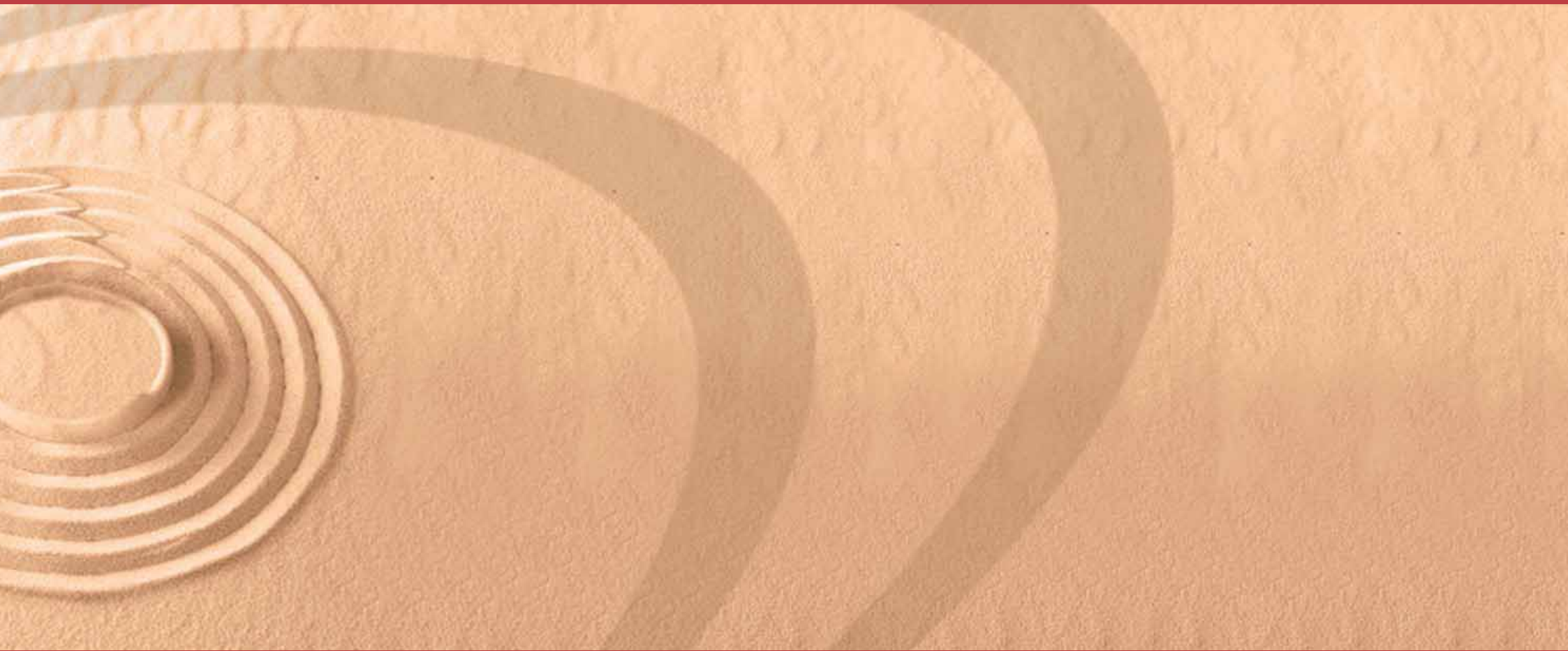


2015 Integrated Report



Value Creation

The IRBA creates value through its role as the responsible, proactive, regulator of the auditing profession in South Africa, and protector of confidence in the sustainability of the system through reliance by the public on reports by registered auditors who ascribe to the core values of independence, integrity and objectivity.



The IRBA Mission

To protect the financial interest of the South African public as well as those of local and international investors through the effective and appropriate regulation of auditors, in accordance with internationally and locally recognised standards, codes and laws.

To do so, the IRBA must create an enabling environment to allow suitably qualified auditors to enter and remain in the profession.



A RESPONSIBLE, PROACTIVE, REGULATOR



Vision

To be an internationally recognised, comprehensive and independent regulator of the accounting and auditing profession in South Africa.



Strategic Focus

To protect the financial interests of the South African 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.

Highlights for the year

No.
1

For the sixth consecutive year, South Africa maintains its number one ranking for strength of auditing and reporting standards in the World Economic Forum Global Competitiveness Survey for 2014/2015.

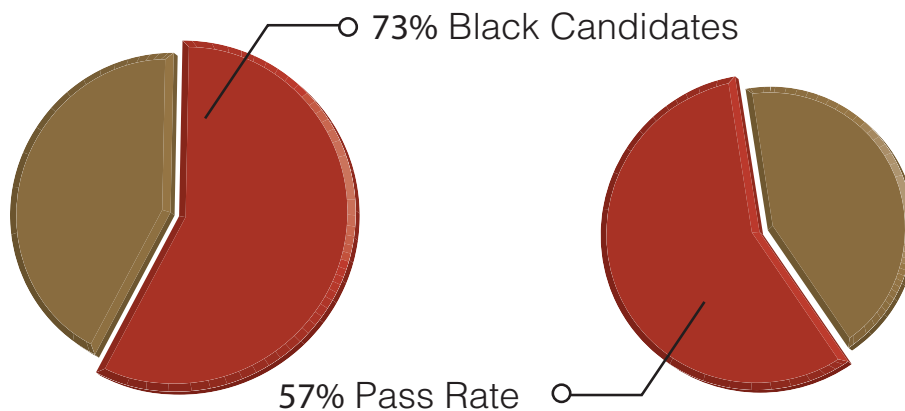
The IRBA introduces remedial action process to support registered auditors post inspections.

The IRBA hosts a second round of workshops on ethics

The IRBA gets approval of the South African Qualification Authority (SAQA) for the registered auditors designation

The IRBA achieves clean audit report for the fifth consecutive year.

Final Public Practice Examination



In November 2014, 724 candidates wrote the final Professional Practice Examination. Of those, 531 were black and 301 of them passed with an overall pass rate of 57%.

The Auditing Profession Amendment Act, enacted by the President of South Africa in May 2015, provides for the commencement of the Audit Development Programme which replaces the Public Practice Examination, with a specialist programme for candidate registered auditors to become registered auditors.

The IRBA led the International Integrated Reporting Council's research which incorporated the following Discussion Papers published for public comment in July 2014:

- Assurance on <IR > An Introduction to the Discussion, and
- Assurance on <IR > An Exploration of Issues.

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A RESPONSIBLE, PROACTIVE, REGULATOR

IRBA VALUE CREATION
SUSTAINABLE INTO THE FUTURE



The IRBA's value creation process may result in an increase, decrease or transformation of the capitals depending on its business activities and outputs in the short, medium and long term

SIX CAPITALS
(RESOURCES):

Financial

Manufactured¹

Intellectual²

Human³

Social And Relationship⁴

Natural⁵

EXTERNAL ENVIRONMENT



KEY STAKEHOLDERS



RISKS AND OPPORTUNITIES

1 Buildings and equipment, including IT resources
 2 This Includes the Auditing Profession Act, 2005 – the legislative mandate, licences; staff's technical skills and knowledge; and standards and ethics codes; and operating procedures and protocols.
 3 This includes motivation and the ability to lead, manage and collaborate with stakeholders
 4 Key stakeholders relationships, institutions and intangibles - brand & reputation
 5 All renewable & non-renewable environmental resources

About the report

This report is aligned with the best practices in integrated reporting. It is prepared in accordance with the International Integrated Reporting Council (IIRC) International <IR> Framework published by the IIRC in December 2013. It also takes into account further guidance from the King III Report on Corporate Governance for South Africa.

The IRBA's approach to integrated reporting

The Independent Regulatory Board for Auditors ("IRBA") is pleased to publish its third Integrated Report. The report aims to be of benefit as a concise communication to all stakeholders, locally and internationally who are interested in the IRBA's sustainability and ability to create value over time.

It reflects how the IRBA's strategy, governance, performance, prospects and its ability to create value are affected by its resources as well as the internal and external environment. It focuses on qualitative and quantitative items that are material to the IRBA's operations and strategic objectives.

The question of what is "material" has been determined by the Board in consultation with the Audit and Risk Management Committee (ARMCO), the Management Committee (MANCO), and key stakeholders. This process took into consideration the IRBA's strategic objectives, risk assessments and the interactions between the functions comprising its value chain (refer to page 13 for more information regarding the determination of material items).

The CEO and MANCO gave guidance in the preparation of this report, and also ensured that it is aligned with other reporting processes. They report on the process to the ARMCO.

Reporting boundary

The IRBA is a statutory body established in terms of the Auditing Profession Act ("APA"), 2005 (Act 26 of 2005) and is also classified as a Schedule 3A public entity in terms of the Public Finance Management Act, 1999 (Act 1 of 1999). The integrated report reviews the IRBA's performance for the year from 1 April 2014 to 31 March 2015. The principle of materiality has been applied in determining the content and extent of disclosure in the integrated report. For full details and statutory disclosures, reference should be made to the 2015 Annual Report of the IRBA which can be found on www.irba.co.za

This report examines the IRBA's performance in relation to its strategic objectives taking into account the environment in which the IRBA operates, its long-term goals, the risks that may prevent it from achieving those goals and the measures put in place to mitigate these risks (refer the IRBA's value chain on page 28 for more detail on its functions and operations).

The Outlook section contains forward looking statements, up to the date of publication of the report, based solely on the views and considerations of the Board and MANCO. These statements involve risk and uncertainty as they relate to possible events and future circumstances. Factors that could cause actual results to differ from those in the forward looking statements include, but are not limited to: global and national economic conditions, the regulatory environment, availability of funding, changes in the mandate and the state of the auditing profession.

Board responsibility and approval statement

The Board, assisted by its Audit and Risk Management Committee, acknowledges its responsibility in ensuring the completeness and integrity of this report. The Board members applied their collective thinking to the preparation and presentation of this report and have concluded that it addresses all material issues, is presented in accordance with the International <IR> Framework, and is pursuant to the recommendations and further guidance of the King III Report on Corporate Governance.

On 29 July 2015 the Board approved the report taking into consideration the completeness of the material items it deals with and the reliability of data and information presented, in line with the combined assurance process followed.

Signed by the Chairman and duly authorised by the Board

A handwritten signature in black ink, appearing to read 'Rene Kenosi', is positioned above the printed name and title.

Rene Kenosi
Chairman

Governance

How the IRBA's governance structure creates value

This section takes the reader through the value our Board members and executive directors add in achieving the IRBA's strategy and objectives and how they performed against their key performance indicators.

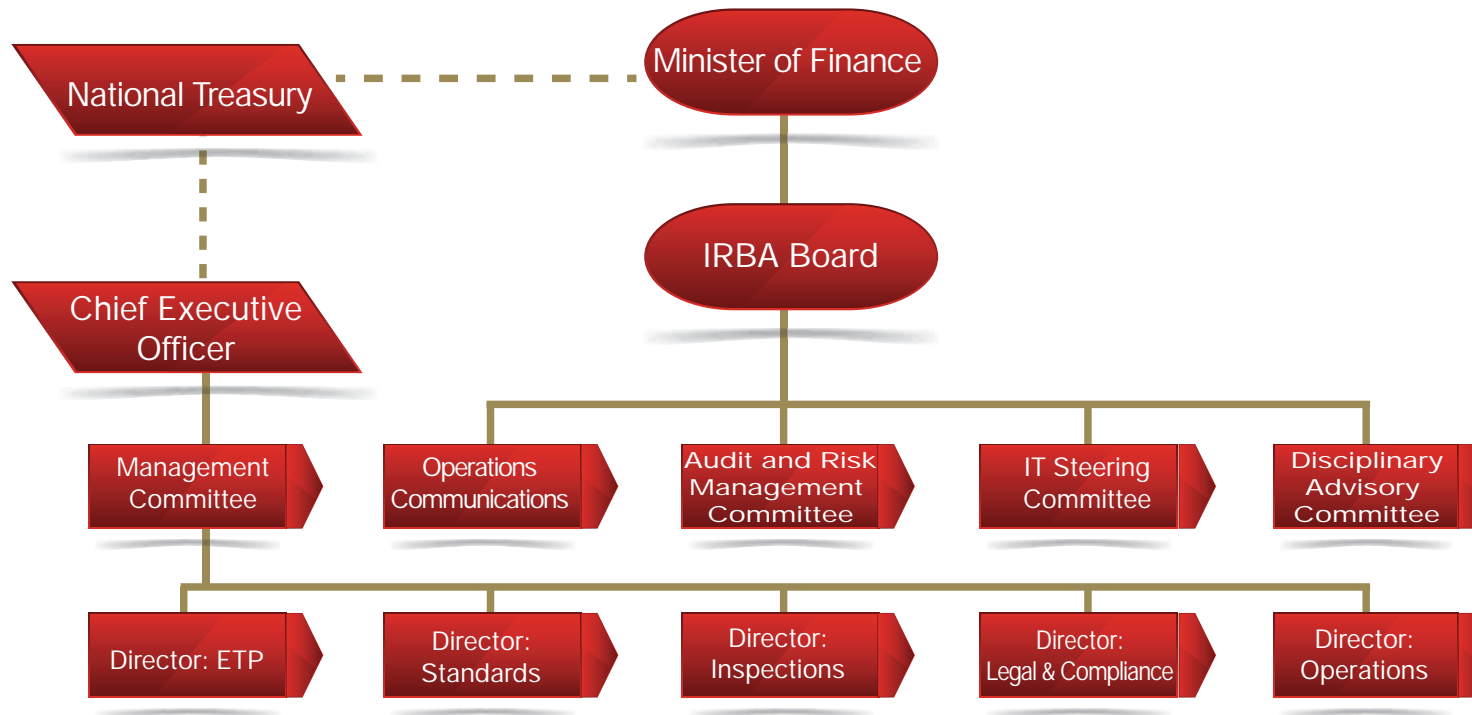


Diagram 1: The IRBA governance structure

The role of the Board

The Board is the designated accounting authority that governs the Independent Regulatory Board for Auditors (IRBA) in accordance with the provisions of the Auditing Profession Act (APA), the Public Finance Management Act, 1999 (PFMA) and good corporate governance principles. It exercises its functions in accordance with the APA. The IRBA continuously assesses the extent to which it applies the best practice recommendations of King III as indicated on page 28 of the Annual Report. No material issues were identified to suggest flaws in governance.

Board members are appointed by the Minister of Finance (the Minister) for a period of two years, after which they can be reappointed for one more term. All members are non-executive members and they comprise, competent persons who could include registered auditors, with the knowledge and expertise needed, to effectively manage and guide the activities of the regulator. A new Board was appointed with effect from 01 April 2015 and it consists of eight members. The role of the chairman and that of the are separate, with a clear division of responsibilities to ensure a balance of power and authority between them. The chairman has no executive functions. The Board met six times during the period under review.

Responsibility

The Board is responsible for overseeing the preparation, integrity and fair presentation of the financial statements and related information as included in the annual report. It also has ultimate responsibility for ensuring that adequate accounting records and effective systems of internal control are maintained. To enable the Board to meet its responsibilities, the IRBA employs adequately trained and skilled personnel to implement and maintain the accounting records and systems of control in line with the requirements of the PFMA and Treasury regulations. The following committees, which operate in accordance with the terms of reference approved by the Board, assist in the execution of its duties.

Disciplinary Advisory Committee

In terms of the APA, the Investigating Committee (INVESCO) investigates all complaints and then makes recommendations to the Board on whether to charge a practitioner with unprofessional conduct. The Board has delegated this function to the DAC, which met seven times during the period under review. This committee consisted of three Board members, one of whom was a registered auditor. The DAC, which functions independently from INVESCO and the Disciplinary Committee (DISCOM), reports directly to the Board. The DAC meets about three weeks after each INVESCO meeting and considers all matters in which INVESCO has made a recommendation upon the finalisation of its investigation. The DAC will not contradict a recommendation but rather refer a matter back to INVESCO if it does not agree with the recommendation.

Audit and Risk Management Committee

The objective of the committee is to assist the Board with safeguarding assets, maintaining effective and efficient internal controls, reviewing the financial information and overseeing the preparation of the annual financial statements. The external auditors have unrestricted access to committee members.

The committee is also responsible for risk management. It ensures that identified risks are

monitored and appropriate measures are devised and implemented to manage such risks. The committee met five times to review, inter alia, matters arising from internal risk analysis, the external audit plan and budget, matters arising from the completed audit, and the fair presentation of the financial statements presented to the Board.

Operations Committee

The objective of this committee, which met six times this year, is to assist the Board with human resources related issues: namely the annual review of the performance and remuneration of the CEO; recommendations on performance bonuses; assessing staff benefit plans and reviewing changes to the personnel policies of the Board; monitoring trends for remuneration; reviewing succession plans for senior management; and reviewing the overall results of staff performance appraisals.

This committee also deals with the nominations process which includes receiving nominations for appointments to all IRBA committees. After consideration, it makes recommendations to the Board. The committee oversees the removal of committee members for non-performance or other contraventions, as well as the filling of vacancies on any Board and statutory committees.

On an operational level the committee is responsible for considering the operational requirements of the organisation, including IT, human resources, and cash resources. Lastly, the committee is responsible for considering quarterly reports from departments and taking any measures they consider necessary for the proper performance and exercise of their functions or duties to achieve the objectives of the APA.

IT Steering Committee

The objective of the IT Steering Committee, which met three times during this period, is to assist the Board with IT governance issues, including recommending the IRBA policy in relation to IT, reviewing IT project development plans and researching strategic IT issues.

The IRBA Board (during the year under review)



Willem Hendrik Gabriel van der Linde

B Juris LLB, Advocate and Senior Counsel of the Supreme Court of South Africa

Chairman of the Board

Appointed 1 April 2011

Meetings attended: Board 6/6

Willem van der Linde, SC graduated from the University of Port Elizabeth with B.luris and LLB. He was admitted to the Johannesburg Bar in 1983, became a junior counsel in 1984 and a Senior Counsel in 1996. He has served on various committees including the Advocates Group 621 as group leader, of the Johannesburg Bar Council and the General Council of the Bar of South Africa, as chairman. He has been acting judge of the High Court (South and North Gauteng Divisions) and an arbitrator in various commercial arbitrations.

His practice currently focuses on professional negligence, insurance, corporate, construction, and general commercial litigation as well as arbitration. He has been involved in many high profile cases, including being a private prosecutor on behalf of the state, and also counsel for the provincial government in disputes surrounding the Gautrain construction.



Yunus Goolam Hoosen Suleman

B Compt (Hons), CA(SA), RA

Deputy chairman of the Board and member of the Disciplinary Advisory Committee

Appointed 1 April 2011

Meetings attended: Board 4/6, DAC 7/7

Directorships: Chairman: KPMG, Dormell Properties (385 Pty) Ltd and: Enactus South Africa

Yunus Suleman CA (SA) is the chairman of KPMG in South Africa and Africa.

He has more than 33 years' experience in the accounting and auditing profession, which includes serving on the board of ENACTUS (formerly Students in Free enterprise), including as chairman.

He is also a member of Business Leadership South Africa (BLSA) and serves on the BLSA working group, driving the role of business in implementing the National Development Plan.

He has extensive experience as a trusted business advisor to listed clients in the telecommunications, oil and gas, retail and media sectors.



Mohamed Iqbal Khan

B Compt (Hons), CA (SA)

Chairman of the Operations Committee

Appointed 1 April 2011

Meetings attended: Board 4/6, OPSCOM 4/4

Directorships: House of Monatic Group, Sea Harvest Incorporated

Mohamed Iqbal Khan CA (SA) graduated from the University of South Africa with B Compt Honours and became a chartered accountant in 1993. His vast working experience includes working for BDO Spencer Steward (where he served his articles), South African Airways, Ernst & Young, Brimstone Investment Corporation and Old Mutual Investment Group South Africa where he is currently chief operating officer.

His experience includes serving on the boards of the University of Western Cape, House of Monatic, Sea Harvest Corporation, Lion of Africa Assurance and Old Mutual Investment Group. He has been a non –executive director at Cricket South Africa.



Professor Lindelwa Yvonne Majova-Songca

Senior teacher's diploma, BCompt (Hons), MBA, CA(SA), RA

Member of Disciplinary Advisory Committee.

Appointed 1 April 2011

Meetings attended: Board 5/6, DAC 5/7

Directorships: Capraway; MasengViljoen Inc.; Trustee: Jongilizwe Trust for Jongilizwe School of Traditional Leaders; SGB member: Hudson Park High School; and E. C. Liquor Board

Professor Lindelwa Majova-Songca CA (SA) worked for various organisations, including NkonkiSizweNtsaluba as an audit clerk and the Office of the Auditor-General as an audit manager. She joined the University of Fort Hare as a senior lecturer and currently holds the position of head of the Department of Accounting. She was promoted to associate professor in January 2012.

Her experience includes being an executive member of the Border Kei District Association of SAICA, a member of AHA (Heads of Accounting Department of Accredited Universities), a trustee of the Jongilizwe College of Traditional Leaders Trust, a council Member of Nelson Mandela Museum, a member of the Audit Committee at Nelson Mandela Museum, a director at MasengViljoen Inc and a member of council at the University of Fort Hare.



René Aloise Kenosi

B Compt (Hons), CA(SA)

Member of the Operations Committee, Audit and Risk Management Committee and IT Steering Committee.

Appointed 1 April 2013

Meetings attended: Board 6/6, OPSCOM 4/4, ARMCO 3/4, IT Steercom 2/3

Directorships: Bridging Concepts Financial Services (Pty) Ltd; Dikago Development CC

Rene Kenosi CA (SA) is currently a director of Bridging Concepts Financial Services (Pty) Ltd providing internal audit, risk management, corporate training, B-BBEE and management consulting services. She has served on various audit committees including those of ICASA, LGSETA, Metrobus, Dr Kenneth Kaunda District Municipality, City of Matlosana, South African Micro Apex Fund (SAMAF), Metropolitan Trading Company (Pty) Ltd, CIPC and Services Seta.

She also served on the boards of PUSH (Persevere Until Something Happens), a non-profit organisation, and Small Enterprise Development Agency. Her career spans over a number of years in various positions which range from internal auditor to senior manager.



Pule Mothibe

B Com Dip Acc, CA(SA), RA

Member of the Operations Committee

Appointed 1 April 2013

Meetings attended: Board 6/6, OPSCOM 3/4

Directorships: PwC Inc. and PwC Combined Systems (Pty) Ltd

Pule Mothibe CA (SA), RA, is currently a partner/director at PwC. He was appointed to the PwC executive in August 2011 and as deputy regional senior partner and as human capital leader for PwC South Market Area in August 2012.

He started his career with Coopers & Lybrand in 1993 and became manager for business assurance services in 1997. He also worked for Kagiso Financial Services/NM Rothschild & Sons, servicing clients such as BAE systems, Metropolitan, Spornet, Transnet and Portnet.

He is also a member of the Black Management Forum and the Association for the Advancement of Black Accountants in South Africa.

His achievements include being a member of the National Gambling Board Audit Committee, past governing board member of PwC, serving on the Partner Admissions Committee of PwC and a part-time accounting and taxation lecturer at the University of the North West.



Cynthia Mbili

MCom, CA (SA), RA

Chairman of the Audit and Risk Management Committee and chairman of the IT Steering Committee

Appointed 1 April 2011

Meetings attended: Board 5/6, ARMCO 4/4, IT Steercom 3/3

Directorships: Sizwe Ntsaluba Gobodo (SNG), Azuze Poultry Products

Cynthia N. Mbili is a CA (SA) and an RA who also holds an M Com, International Accounting from the University of Johannesburg. She is a JSE Ltd accredited IFRS advisor since 2008 and also a member of the JSE FRIP Financial Reporting Investigation Panel.

She has experience as a SAICA Accounting Practices Committee (APC) member preparing technical responses to the exposure drafts and discussion papers issued by the International Accounting Standards Board.



Professor Alexander van der Watt

B Com (Hons) M Com CA(SA)

Member of the Disciplinary Advisory Committee, Audit and Risk Management Committee and the IT Steering Committee

Appointed 1 April 2013

Meetings attended: Board 5/6, DAC 6/7, ARMCO 3/4, IT Steercom 2/3

Directorships: South African Institute of Chartered Accountants, Department of Accountancy (University of Johannesburg), Thuthuka Bursary Fund Thuthuka Education Upliftment Fund, Accounting Professional Training (Pty) Ltd and Accounting Education (Pty) Ltd.

Alexander van der Watt is an associate professor at the University of Johannesburg and he holds a masters degree in financial management.

Alex previously served as a member of the main board of the South African Institute of Chartered Accountants (SAICA).

He also serves on the Initial Professional Development Committee of SAICA and the Education Committee of the IRBA. He is passionate about the transformation of the accounting and auditing profession and serves as a trustee of the Thuthuka Bursary Fund and also as a director of the Thuthuka Education Upliftment Fund.

Alex has presented at various conferences and has been published in accredited and non-accredited publications. He co-authored three books: Dynamic Auditing (B Marx, A van der Watt, and P Bourne); Applied questions on Auditing (B Marx, A van der Watt, M van Staden) and Fundamentals of auditing (B Marx, A van der Watt, N Schonfeldt).



Michael Sass

CA(SA)

Ministerial Representative to the Board

Appointed 30 October 2013

National Treasury: Accountant General Meetings attended: Board 5/6

Michael Sass' active participation in the board meetings has greatly improved communications between the IRBA and National Treasury, with valuable insights provided regarding the Minister of Finance's views on financial and other matters dealt with by the IRBA.

Michael has also facilitated the process for the Minister's amendments to the Auditing Profession Act 2006, to provide for candidate registered auditors (CRAs) and the commencement of the Audit Development Programme.

The amendment recognises auditing as an area of specialisation by ensuring that all (CRAs) have demonstrated professional audit competence on the job and operated at managerial levels within a public practice environment, before being registered by the IRBA as RAs.

The IRBA Executive

The organisation operates through an executive that consists of the CEO and directors.



Bernard Peter Agulhas

CA(SA)

CEO

Appointed June 2003

Expertise:

Strategic leadership, leads stakeholder engagement, transformation, technical, corporate governance, public sector, international and finance.

SA member of the International Forum of Independent Audit Regulators (IFIAR), chairman of the IFIAR Standards Coordination Working Group and member of the IFIAR Investor & Other Stakeholders Working Group; member of Task Force on IAASB projects; and technical advisor to SA members on the IFAC IAASB and IPSASB (previously PSC).

Previously Director: Standards at the IRBA and has extensive experience in global audit regulation, global auditing as well as assurance standard setting and implementation in both the private and the public sectors.



Willemina Hendrika de Jager

CA(SA), ACMA

Director: Operations

Appointed May 2009

Expertise:

Leads the finance, operations, IT management, human capital development, budgetary and risk management and logistical support for all functions of the IRBA.

Extensive experience in the implementation of the PFMA and National Treasury regulations aimed at meeting budgetary and reporting requirements. Extensive experience in risk management and corporate governance.



Imre Nagy

CA(SA), RA

Director: Inspections

Appointed February 2013

Expertise:

Leads the IRBA's inspections function. Significant contribution to risk management and the development of a process for collecting business intelligence to facilitate the IRBA's proactive response as audit regulator; facilitating inspections of high risk audit firms and engagements. Responsible for the statutory inspections committee.

Member of the IFIAR Inspections Workshop Working Group, actively contributing to and implementing global best practice in the inspection and regulation of auditors.

Extensive audit experience as a former audit partner in a large audit firm, in audit and assurance engagements in both private and public sectors.



Laine Katzin

M.Ed Educational Psychology

Director: Education, Training and Professional Development

Appointed August 2009

Expertise:

Leads the education training and CPD function. Responsible for the statutory EDCOM and member/previous technical adviser on the IAESB. Expert in educational frameworks for auditing and accounting professionals.

Development of accreditation models and monitoring of accredited Institutes. Monitoring CPD of RAs.

Extensive stakeholder engagement in the development of the Academic Development Programme for Candidate RAs and related legislative amendments.



Patricia Jane O'Connor

BA, LLB

Director: Legal

Appointed June 1986

Expertise:

Leads the registration, investigation and enforcement functions. Responsible for registration of RAs and the maintenance of an accurate register.

Extensive experience in and responsible for investigations into complaints against auditors and disciplinary enforcement functions.

Responsible for the statutory Investigations and Disciplinary committees.

Extensive experience in dealing with legislative developments relating to the auditing profession and interface with government



Imran Vanker

CA(SA), RA

Director: Standards

Appointed May 2014

Expertise:

Leads the audit and assurance standard setting, professional ethics and reportable irregularities functions of the IRBA.

Previously chairman of the CFAS - PSSC involved in developing joint guidance with the AGSA for private sector auditors auditing in the public sector.

Extensive experience as national leader internal operations and audit, at the AGSA. Significant experience in strategic management, stakeholder engagement, transformation and staff development.

Executive responsible for audits of global government entities for several years while based in United Nations offices of the AGSA.



Sandy van Esch

CA(SA)

Director: Standards

Date joined IRBA August 2009

Date retired 31 May 2014

Expertise:

Led the audit and assurance standard setting, professional ethics and reportable irregularities functions of the IRBA.

Extensive experience in the development of auditing and assurance standards and codes of professional conduct for RAs during the past 20 years.

Contributed regularly to the development of international auditing, assurance and ethics standards by the IAASB and IESBA.

Contributed to multiple stakeholder engagements to facilitate the development of local implementation guidance to meet regulatory requirements for audit and assurance.

SA representative on the IAASB <IR> task force of the IAASB and led the research on the development of assurance on <IR>.

Combined Assurance

The Board has derived assurance from the following sources in determining that the Integrated Report addresses all material issues, and is presented in accordance with the International <IR> Framework and related further guidance from the King III Report on Corporate Governance.

Risk Management

The Board has committed the IRBA to a process of risk management that is aligned to the principles of good corporate governance, as supported by the PFMA. It has delegated certain aspects of its authority that pertain to risk management to the Audit & Risk Management Committee (ARMCO). A Risk Management Strategy, incorporating a Fraud Prevention Plan, is in place. Given the dynamic environment within which the IRBA operates, the effectiveness and relevance of these plans are assessed on a regular basis. Risks identified as significant to the IRBA are periodically evaluated and the risk management plan is reviewed accordingly.

Internal Controls

In line with the PFMA and King III, the internal auditors provides ARMCO and management with assurance that the internal controls are appropriate and effective. This is achieved by means of a risk management process, as well as the identification of corrective actions and suggested enhancements to the controls and processes. The system of internal control applied by the IRBA over financial risk and risk management is effective, efficient and transparent. ARMCO confirms this on an annual basis, and has again confirmed this for the year under review.

Internal Audit

The IRBA appointed Business Innovation Group as internal auditors for the year under review. ARMCO approved a four-year rolling internal audit plan following the appointment. Internal audit therefore performs the activities as per the plan and tables progress reports at ARMCO meetings. Significant risks identified are monitored on a continuous basis. ARMCO also facilitated a risk workshop at which risk management best practices, processes & policies, and risk management frameworks were discussed.

External Audit

The Auditor-General South Africa (AGSA) is the external auditor of the IRBA. The AGSA provides an independent assessment of the IRBA's systems of internal financial control and expresses an independent opinion on the IRBA's financial statements, compliance with laws and regulations and its performance information. The AGSA's plan is reviewed by ARMCO to ensure that significant areas of concern are covered, without infringing on the AGSA's independence and right to audit. ARMCO members also met independently with the AGSA, without management, to ensure that there were not unresolved issues.

Assurance on the 2015 Integrated Report

The Board obtained assurance on the 2015 <IR> through the Combined Assurance Approach, which is the one applied in arriving at overall assurance on the Annual Report.

Strategic Plan and Budget

The IRBA Management prepares the business plan, strategic plan and budget for Board consideration and approval. The strategic plan and budget are duly submitted to National Treasury for consideration and approval. Quarterly reports, including management accounts, performance information and PFMA compliance reports are submitted to National Treasury as per the requirements of the PFMA and Treasury regulations, following approval by the Board.

Human Resource Management

The IRBA ensures that it complies with employment legislation, i.e. the Labour Relations Act (Act 66 of 1995), the Basic Conditions of Employment Act (Act 75 of 1997), the Employment Equity Act (Act 55 of 1998), the Skills Development Act (Act 97 of 1998), the Occupational Health and Safety Act (Act 181 of 1993) and various human resources codes of best practice. To ensure on-going communication with staff members, the CEO holds monthly staff meetings to provide feedback to staff on relevant matters. The IRBA has a manual of human resource policies and practices that is reviewed on a regular basis, and presented to the Board at predetermined intervals.

Remuneration and incentives

Annually the IRBA considers market related information on remuneration and incentives and employs its best endeavours to align these to the IRBA policies, within budgetary constraints, to keep staff motivated and productive.

Reward strategy

To ensure that competent employees are recruited and retained, a reward strategy was put in place, including graded job profiles. This enables the IRBA to benchmark remuneration for all positions. By aligning remuneration rewards with the market, individuals are motivated to perform in line with our value proposition and creation, and sufficient levels of equity within the organisation are also ensured.

Performance management

The IRBA implemented a performance management system that links performance to rewards, and is aligned with its strategic objectives. Key management is instrumental in determining a performance management strategy that is in line with the IRBA's value proposition, and remuneration may be influenced by the strategy.

How our governance supports our value creation

Governance area	Link to value creation
Our Board, and statutory committees and their composition	Our Board and statutory committees function in keeping with our legislative mandate, and their diverse composition ensures an appropriate balance between the interests of the profession and the public. The IRBA also continuously considers that all its structures are representative so as to ensure that inputs reflect the diversity of the SA population. The OPSCOM monitors the membership of committees through a protocol that was approved by the Board.
Policies, practices and other governance processes	Our strategic plan informs our policies and philosophy in delivering on our mandate. Policies are reviewed on a periodic basis and inputs are obtained from staff before those policies are approved by the Board. The IRBA's policies and practices must result in an organisation whose reputation for the highest governance principles and practices should set an example for the profession and relevant stakeholders.
Remuneration and incentives	Our reward strategy and performance management motivate our staff to perform in a professional manner, which will enable us to achieve our goals and objectives in addition to setting an example for the rest of the country.

The background of the slide is a close-up photograph of sand. On the left side, there are several concentric, circular ripples in the sand, resembling a stone dropped in water. To the right of these ripples, there are long, soft shadows cast by an unseen object, creating a sense of depth and light. The overall color palette is warm, consisting of various shades of beige, tan, and light brown.

Overview of the IRBA and external environment

Overview of the IRBA and external environment

What does the IRBA do and what are the circumstances under which it operates?

Legislation and other mandates

The IRBA was established on 1 April 2006 in terms of section 3 of the Auditing Profession Act, 2005, (Act No. 26 of 2005) (the Act), replacing our predecessor body, the Public Accountants' and Auditors' Board established in 1951. Its ability to continue creating value in its regulation of the auditing profession in South Africa under different political regimes, demonstrates resilience, adaptability to its changing roles and sustainability of core functions over the long term. The objectives as set out in section 2 of the Act are as follows:

- To provide for the establishment of an Independent Regulatory Board for Auditors.
- To protect the public in the Republic by regulating audits performed by registered auditors.
- To improve the development and maintenance of internationally comparable ethics standards and auditing standards for auditors that promote investment and as a consequence employment in South Africa.
- To set out measures to advance the implementation of appropriate standards of competence and good ethics in the auditing profession.
- To provide for procedures for disciplinary action in respect of improper conduct.

Amendments to the Act have been approved by Parliament (Government Gazette General Notice 38119 of 24 October 2014) and signed into law by the President. These amendments comprise changes to the IRBA's mandate in respect of providing for the regulation of candidate registered auditors, and updated references to the Companies Act, 2008, in the Act.

Transparency and accountability

The IRBA is a Schedule 3A public entity in terms of the PFMA, and as such it is accountable to the Parliament of South Africa. The Minister of Finance serves as our Executive Authority, in the overall delivery structure of the South African government. As a beneficiary of public funds, we promote transparency in our interactions with the relevant stakeholders.

As an independent audit regulator we also recognise our responsibility to support the implementation of relevant objectives in government's National Development Plan⁶ subject to the necessary capacity and financial resources being secured.

⁶ National Development Plan 2030, titled "Our Future – Make it work".

Strategic Overview⁷

Our Strategic Focus

Our 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.

In line with our legislative mandate, the IRBA objectives are therefore to create the framework and principles that contribute to the protection of the public which relies on the services of RAs, and to support RAs who carry out their duties competently, fearlessly and in good faith. Furthermore, we strive to create an enabling environment that allows audit firms to grow and contribute to the protection of the public.

Regulatory Philosophy

Our philosophy is to regulate the auditing profession in the best interest of the public as well as the local and international investor community, and at the same time recognise the importance of a sustainable and viable auditing profession in South Africa.

We adopt a "Prudential Approach" to regulation, which implies having an agreed set of principles and values supported by well developed and internationally recognised standards, clear laws and regulations.

Implementing Our Strategy

The development of the Competency Framework for auditors and the accreditation of the professional institute, SAICA ensure that only suitably qualified individuals register as RAs. The Audit Development Programme (ADP), which replaces the Public Practice Examination (PPE) to prepare CRAs, commenced in 2015. The ADP is a period of specialisation undertaken by professional accountants who want to become RAs. The IRBA also contributes to, and influences, developments in international standards for the education and continuing professional development of accountants and auditors.

To ensure that high standards are established and maintained by the auditing profession, the IRBA continues to participate in, and influence structures that are responsible for setting international auditing and assurance standards and codes of professional ethics, as well as the development of local implementation guidance for auditors to meet regulatory reporting requirements of government and other regulators.

⁷ Extracts from the Strategic Plan for 2016 - 2021

The IRBA also contributes to developments in global best practices for audit regulators, with regard to inspections and monitoring of compliance with the standards and codes for auditors and their firms.

The integrity and completeness of the register of RAs is vital for the IRBA to meet its statutory responsibilities. The register maintained by the Legal Department, which is also responsible for investigating allegations of improper conduct and enforcing appropriate disciplinary action against auditors.

The IRBA's Goal

The IRBA's goal is to help create an ethical, value-driven financial sector that encourages investment, creates confidence in the financial markets and promotes sound financial practices. This is implemented through its various functions, supported by the relevant statutory committees.

Below are examples of how the IRBA's success in implementing its mandate and achieving its goals has been recognised by government:

- SARS has acknowledged the IRBA as a Recognised Controlling Body for registered auditors who are also registered tax practitioners; and
- The Department of Trade and Industry (DTI) requested the IRBA to regulate B-BBEE approved registered auditors (BARs) who are authorised to perform assurance engagements and issue B-BBEE certificates.
- The IRBA is a designated Supervisory Body in terms of the Financial Intelligence Centre Act (FICA), supporting the Financial Intelligence Centre with the supervision of RAs who are also accountable institutions as defined in the FICA.

The IRBA 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 its registrants and staff ascribe to the core values of: independence, integrity and objectivity; commitment, transparency and accountability.

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. It is therefore important that we act with integrity and objectivity in our deliberations, decisions and actions.

Commitment

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.

Sustainability Strategy

The IRBA's objective with our sustainability strategy is to continue to conduct our audit regulation activities in an environmentally sensitive manner. Our focus areas are summarised below:

Transformation External	<p><i>Transformation in the auditing profession:</i></p> <ul style="list-style-type: none">• The IRBA continues to play an active role in maintaining its commitment to the transformation of the auditing profession in a way that is sustainable, credible and of benefit to its stakeholders.• The IRBA is a founding member of the Thuthuka Bursary Trust, SAICA's initiative to transform the CA(SA) profession. It is also a signatory to the Chartered Accountancy Profession Sector Code. The success of these initiatives is critical for the transformation of the auditing profession as the CA (SA) qualification provides the pipeline for entrants to the auditing profession. <p><i>Regulatory oversight:</i></p> <ul style="list-style-type: none">• The DTI approached the IRBA and requested it to regulate the B-BBEE Verification Industry, providing it with the opportunity to have a direct impact on government's transformation policies. While the DTI's legislation has already been amended, the IRBA's mandate in the APA will also require an amendment. The IRBA will only proceed with its additional responsibilities once the Minister of Finance has determined that it has the necessary capacity and resources to deliver on the extended mandate.• Guidance has been issued for B-BBEE approved registered auditors (BARs) performing such assurance engagements. Frequently Asked Questions assist BARs in evaluating ethical conflicts in such engagements. The inspection and monitoring of BARs, as well as investigations into allegations of unprofessional conduct are performed by the IRBA. <p><i>Suppliers:</i></p> <ul style="list-style-type: none">• We comply with National Treasury's preferential procurement requirements and have obtained our own B-BBEE verification certificate. Whilst limited in contributing towards B-BBEE due to our government ownership and funding regulations under the PFMA, we have recently achieved a procurement recognition level of 100%. The IRBA continues to strive to improve its B-BBEE score and we are considering other areas that might assist us to achieve a better score.• The IRBA's procurement policy is focused on broadening the base of the South African economy by promoting affirmative procurement policies and ensuring that small and medium suppliers are paid within 30 days.
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Human Resources	<p>Recruitment</p> <p>As an independent regulator, the IRBA's most valuable asset is its staff. We are committed to achieving our employment equity targets by:</p> <ul style="list-style-type: none"> • Incorporating the premium approach in our recruitment and selection policy. • Having an Employment Equity Forum that consists of eight staff members who represent all areas of employment equity, and are involved in the recruitment process in order to ensure compliance with the policy to ensure fairness and transparency. • Implementing recruitment changes for the professionally qualified level, which includes CAs (SA) and employment equity employees who represent scarce skills and earn much higher salaries in the private sectors. • Assisting staff members who are furthering their studies by offering study loans, assistance with their studies, mentoring and study leave. <p>Reward and retention</p> <p>The IRBA recognises that reward is a business issue and not just a human resources issue, as it has a direct impact on operational expenditure, culture, employee behaviour and ultimately the sustainability of the regulator. The objectives of the IRBA's reward programme are to assist it to:</p> <ul style="list-style-type: none"> • Compete for talent in an increasingly competitive labour market. • Retain competent employees who enhance business performance. • Motivate individual and team performance to drive stakeholder value for the IRBA. • Achieve most effective returns (employee productivity) for total employee cost. <p>Work life balance</p> <p>Regular Wellness Days are arranged for staff, providing access to a variety of health service providers and advisors. The IRBA also provides HIV/AIDS awareness sessions and counselling support services which include those dealing with other stress related situations. Periodic sessions on personal financial planning and money-management are also arranged to assist staff.</p>
Sustainable environment	<p>The IRBA recognises that its operations have a direct impact on the environment through the consumption of energy and other resources in its daily activities. The IRBA aims to preserve the environment and limit its impact by minimising waste and reducing carbon emissions. Its sustainability principles and brief descriptions of practices that have been implemented are set out below.</p>
Economic performance	<p>Sound financial performance is a cornerstone of sustainable development. The IRBA supports job creation, through payments to government, suppliers and employees. As an independent audit regulator, our financial sustainability is affected by government's decision to continue allocating grants at an appropriate level that will enable the IRBA to maintain its independence.</p> <p>The IRBA's remaining income is derived from exchange transactions for services provided, which ensures our independence as an audit regulator. On-going efforts are being made to establish alternative funding models to ensure the IRBA's independence and long-term sustainability.</p>

Sustainability practices

To achieve our strategic objectives we focus on specific practices:

- **Staff:** Educating and training our staff in sustainability matters and raising awareness of sustainable development.
- **Procurement:** Making our suppliers aware of our sustainability policy and including sustainability requirements in tender specifications.
- **Legislation:** Complying with all relevant legislation, regulations and codes of good practice on sustainability issues and, in the absence of legislation, observing best practices.
- **Meetings:** The activities of the many statutory committees result in a significant number of meetings being held. Conference call and video conferencing facilities have been made available in meeting rooms and they are being used increasingly.
- **Travel:** Staff is encouraged to limit physical travel where alternatives are available and practical. Staff members are required to travel around South Africa in the course of their work demands and stakeholder engagements. Our participation in international committees necessitates international flights for a limited number of meetings, while other participation is conducted through international conference calls.
 - ↓ Flight bookings are centralised to obtain the best prices and ensure the most efficient use to limit the extent of carbon emissions.
 - ↓ Regular checks and services are performed in accordance with manufacturers' prescribed intervals to ensure that the IRBA vehicles perform at optimal efficiency and also to minimise carbon emissions.
 - ↓ Staff using their own vehicles when travelling to firms for inspections and attending meetings with stakeholders, are reimbursed for their travel expenses.
- **Purchasing equipment and consuming resources:** We minimise our use of paper and other office consumables, through for example double sided printing where feasible, and identifying opportunities to reduce waste.
 - ↓ We shredded and recycled 12 865 kgs of paper during the year under review, preventing a significant amount of carbon dioxide from being emitted into the atmosphere. Equally we save energy, water and oil, while reducing the burden on landfills.
- ↓ We participate in numerous recycling initiatives, including one for toner cartridges, whereby all cash received for recycled cartridges is donated to Child Welfare South Africa. Redundant computers are evaluated by the executive committee for disposal to staff at a nominal value, or for donation to schools or training institutions. Recycling bins are provided in the building for use by all staff.
- ↓ The office park in which we are located also has a waste sorting facility whereby office waste, including light bulbs and tubes, is safely sorted and recycled. The body corporate is looking at exploring rainwater harvesting and solar energy alternatives for the future, and we will support these initiatives.
- **Electricity and water:** Given the current energy crisis, we are concentrating on power-saving initiatives. Our office building uses energy management systems and energy efficient lighting to minimise the use of electricity. A diesel generator has been installed to ensure basic electricity supply during load shedding. Water is primarily consumed for personal and hygienic purposes. Bottled water is no longer supplied for meetings, but jugs of fresh water are made available, substantially reducing the disposal of plastic waste. Regular maintenance ensures minimal wastage. Electricity and water usage is monitored monthly against budgets and prior-year use and variances are followed up.
- **Air-conditioning systems:** These are maintained by outsourced technicians who have implemented a preventative maintenance programme. Staff members are required to switch off air conditioners in their respective office areas at the end of the day and implementation is monitored daily at close of business. Programmed temperature controls are activated to ensure the efficient use of air conditioners to facilitate an optimal work environment.
- **Legislation and best practice:** Quarterly OHS (occupational health & safety) inspections are conducted and at the last one an overall rating of 99% was achieved.
- **CSI:** We continue with our formalised approach to corporate social responsibility and involvement with charitable organisations. The IRBA recently established a Social Responsibility Committee, which presents proposals to the Management Committee for projects that could result in general upliftment of communities. Such projects include The Thembalani Care Centre, Arebaokeng Hospice and the Santa Shoebox project. Other local organisations also received donations from individual staff members during the period under review.

How value is created over time

Our external environment

Various factors affect our external environment, directly or indirectly affecting our ability to create value in the short, medium and long term. These factors include:

The legitimate needs, interests and expectations of our stakeholders

In the execution of our mandate we are generally led by the legitimate needs, interests and expectations of our stakeholders. Changes in their legitimate needs, interests and expectations affect our ability to create value that is useful and relevant to them.

Scale of the profession, demographic shifts and local economy

The number of registered auditors and our country's demographics, size and local economic climate directly influence our value creation and, indirectly, our annual financial resources as reflected in the section on Strategy and Resource Allocation.

Government policy

Policy decisions such as monetary and fiscal policy, national budgets, and development plans directly affect our annual financial resources. They may also have an effect on other indirect external factors and our ability to create value. For example, the legitimate needs of our stakeholders may change due to new legislation.

Global economy

Global economic crises often result in reporting and audit failures in both the public and private sectors translating into new economic prerogatives for governments, which often introduce more regulation. The recent financial crisis resulted in regulators, standard setters and oversight authorities responding by increasing regulation to strengthen auditor independence. Among these are enhanced auditor reporting requirements issued early in 2015. The Committee for Auditing Standards (CFAS) is expected to support auditors by updating the illustrative reports that take account of the new reporting requirements and local regulatory requirements.

Resource pressures

Globally there is increasing demand for public sector service delivery, while resources are coming more under pressure. With increasing regulation in our profession, we are sensitive to utilising our limited resources optimally. Furthermore, as other stakeholders' confidence in the IRBA increases, we are approached more often to assist and support other structures and initiatives that are aligned with government's common objectives.

Technological changes

Technological innovations such as online banking confirmations, have necessitated the development and issuing of implementation guidance for auditors to enable them to deal with the possible effects of these changes on their audit approach and security systems. Today's digital technology also affects our resource utilisation, communication and security. These changes pose new risks to auditors and can affect the planning and performance of their audits.

Knowledge

We recognise that, mainly due to the evolution of digital technology and social media, our stakeholders are well-informed because information is readily available. We are therefore aware that the needs, interests and expectations of our stakeholders change rapidly due to the unrestricted availability of information. This also means that we are expected to be at the forefront of new knowledge and be in a position to respond to requests for such information.

International trends in regulating the profession

Because we adopt global standards, our activities are affected by both international standard-setters and regulators. While they significantly influence our work programme, we also consider local conditions and circumstances in the development of implementation guidance. At the same time, we continue to meet our responsibility to influence and contribute to the projects of these standard-setters and audit regulators.

Legislative changes

There are increasing demands for assurance from various industries and these have to be regulated for the protection of the public. These needs are often addressed by legislative changes which may have a material impact on the auditing profession. As the custodian of the profession, we are responsive to these legislative changes by engaging with the relevant stakeholders to facilitate processes to address their impacts.

Governance practices

We are responsive to initiatives such as the King III Report on Corporate Governance, the Companies Act, 2008, the Public Finance Management Act, the International Integrated Reporting Council's projects on the International <IR> Framework, and the International Auditing and Assurance Board's initiatives to assess the demand for assurance on integrated reporting. Our role is to contribute to the assurance debate and the development of guidance, as appropriate, as well as participate proactively in the projects of the relevant committees.

- **Political environment**

South Africa has a volatile political environment, with fraud and corruption becoming increasingly evident in both the public and private sectors. We remain sensitive to involvement by others in the outcomes of audits as we seek to retain our independence from the profession. We need to continuously assess any contribution we can make to respond to identified shortcomings in the system, from both a guidance and regulatory perspective.

- **Regulation of related professions**

As we are responsible for only regulating the audit profession, we need to be aware of the services provided by other accountants. We are also responsible to the public to influence recommendations that will ensure that any service offered in the public interest remains reliable and that the public's interests are protected at all times. It is expected that the National Treasury will commence with the implementation of the recommendations in the World Bank Report of the Observance of Standards and Codes - Accounting and Auditing for the establishment of a comprehensive regulator for the accounting profession in South Africa. The expected role of the IRBA in this initiative must still be confirmed.

- **Transformation**

Transformation remains a challenge in the auditing profession but we have projects that are aimed at gradually changing this. We collaborate with stakeholders such as the audit profession, SAICA and the Auditor-General on projects that address transformation. The Stakeholder section reflects our initiatives during the past year.

Value created through relationships with key stakeholders

The Management of Stakeholder relations is an integral part of the IRBA's business. We rely on stakeholders, both internally and externally to implement our mandate. The value that is derived from our relationships can be seen through the various linkages with our stakeholders. Our role as an independent audit regulator is central to the various stakeholders with which our respective functions interact.

The role of the IRBA, as set out in the Act, drives the value creation for various levels of stakeholders and the economy of the country directly and indirectly. The IRBA, through its activities and regulation of the auditing profession, has an effect on the reliability and sustainability of the South African economy, which in turn promotes investments and job creation.

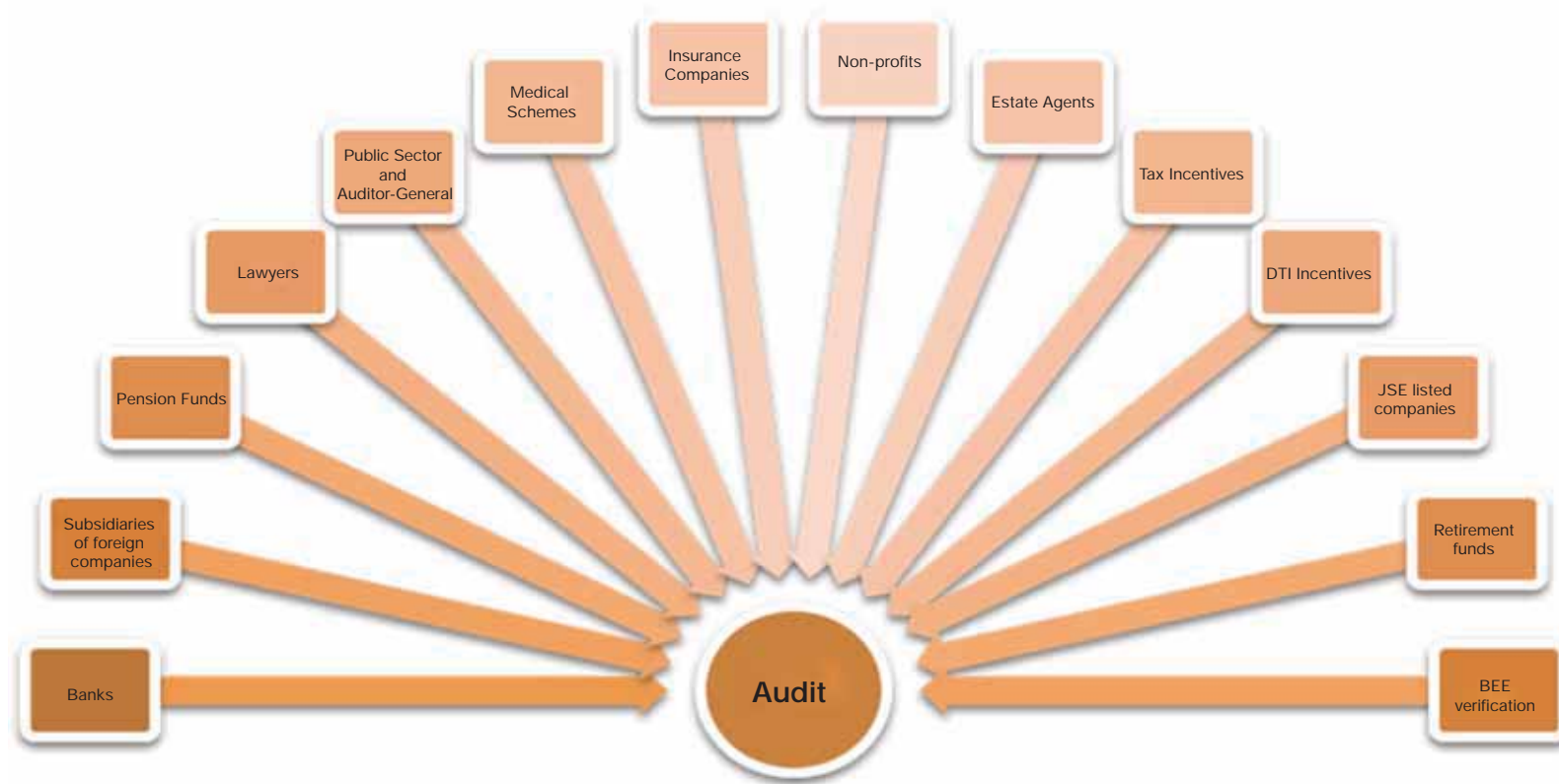


Diagram 2: The central role of audit in the economy

The value created by the IRBA is achieved through relationships between its various functions (including the executive, the various departments and their respective statutory committees) and other relevant stakeholders. The table below shows the broad range of stakeholders with which the IRBA engages, the nature of those relationships, the frequency of engagements, the risks being addressed and issues dealt with.

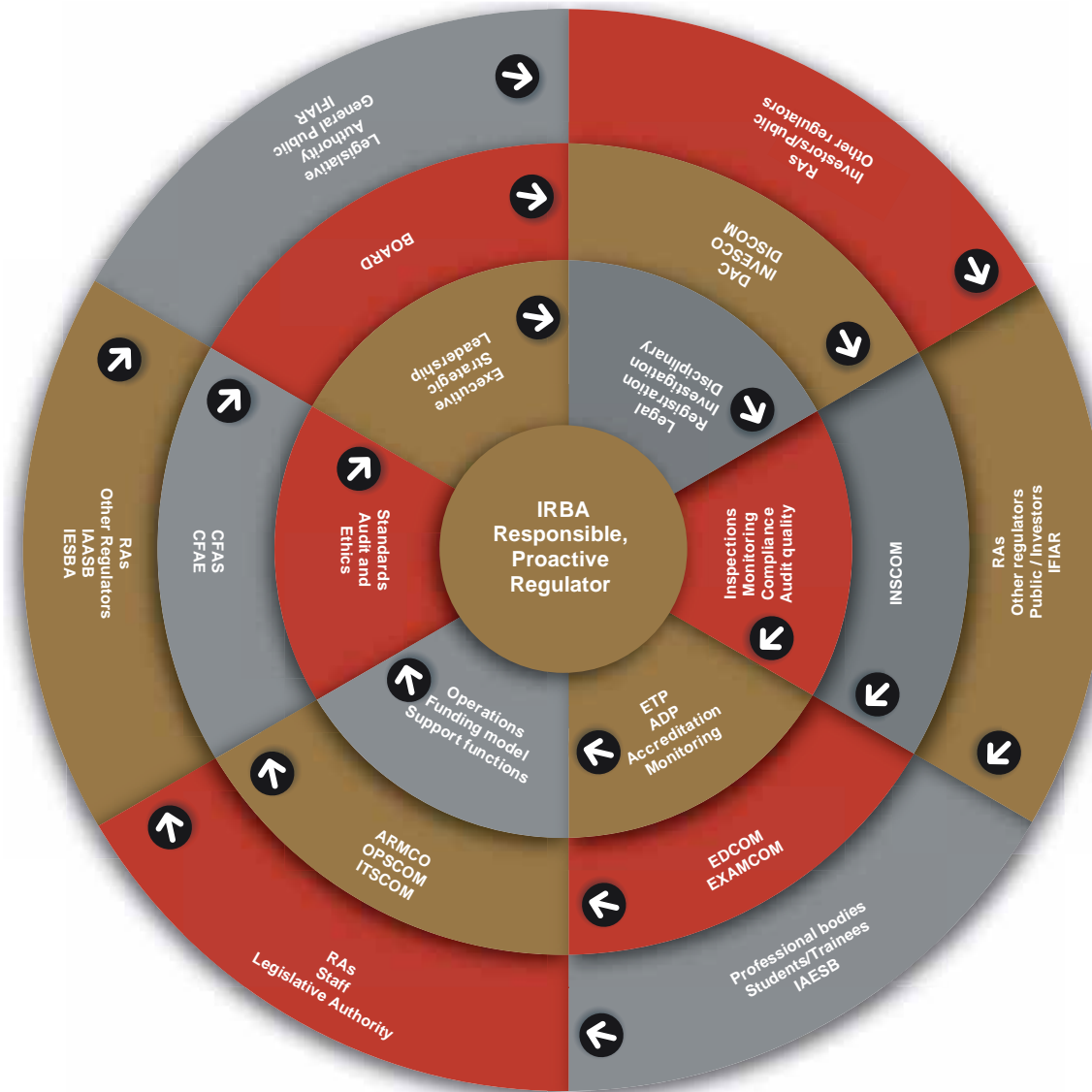


Diagram 3: Relationship with stakeholders

Stakeholder group	Why we engage them	What we need from them	What they need from us	What the risks are if the needs are not met	How we engage them and the frequency	Issues raised / responses
Legislative Authority (Parliament Minister of Finance National Treasury)	<ul style="list-style-type: none"> Oversight of the IRBA's mandate. 	<ul style="list-style-type: none"> Support in implementing the IRBA mandate. 	<ul style="list-style-type: none"> Implement mandate Economic stimulation Build investor confidence 	<ul style="list-style-type: none"> Inadequate funding Inability to deliver on mandate Independence perceived as compromised 	<ul style="list-style-type: none"> Annual Report. Annual performance plan. Quarterly Returns and MTEF Regular meetings with National Treasury. 	<ul style="list-style-type: none"> Mandate creep Budgets and performance objectives Funding requirements
Registered Auditors and Audit Firms	<ul style="list-style-type: none"> Ensure an ethical, competent and globally respected profession. 	<ul style="list-style-type: none"> Compliance with standards and ethics – maintain CPD Training contracts for trainees (new RCA) Support transformation in the profession 	<ul style="list-style-type: none"> Requirements for registration High quality Audit and Ethics Pronouncements Monitor compliance Investigations and sanctions to maintain independence and credibility of the profession 	<ul style="list-style-type: none"> Unregulated profession Place high standing and credibility of the profession at risk. 	<ul style="list-style-type: none"> IRBA News Communiqués Workshops Consultative meetings Participation in Statutory Committees IRBA information sessions 	<ul style="list-style-type: none"> Balanced regulation Guidance for the profession
Auditor-General South Africa	Contribute to quality audits in the public sector.	<ul style="list-style-type: none"> Understand public protection in public sector audits. Protect audit quality 	<ul style="list-style-type: none"> Collaboration on technical audit and assurance issues Public protection 	<ul style="list-style-type: none"> Risk of audit failures in public sector engagements performed by RAs Reputation of the RA profession affected negatively 	<ul style="list-style-type: none"> Consultative meetings Participation in relevant statutory Committees Inspections – periodically undertaken 	<ul style="list-style-type: none"> Public protectionJoint guidance issued for RAs Comments on international standards reflect public sector considerations.
International Standard Setting Bodies (IAASB, IESBA, IAESB, IAASB - CAG)	Influence the development of international standards	<ul style="list-style-type: none"> Development of internationally accepted quality auditing, ethics, education and inspection standards. 	<ul style="list-style-type: none"> Expertise in technical areas Submission of comments on exposure drafts and discussion papers Facilitate adoption implementation and monitoring of new standards. 	<ul style="list-style-type: none"> Quality of pronouncements issued may be inappropriate for our jurisdiction. Local implementation guidance may be required. 	<ul style="list-style-type: none"> Consultative meetings Conferences Representation in IFIAR and IFAC committees and participation in task groups. 	<ul style="list-style-type: none"> Influence international standards Recognition of South African expertise Technical knowledge

Stakeholder group	Why we engage them	What we need from them	What they need from us	What the risks are if the needs are not met	How we engage them and the frequency	Issues raised / responses
International Audit Regulators (IFIAR)	Share knowledge, benchmark and collaborate	<ul style="list-style-type: none"> Recognition of the IRBA as an effective audit regulator. Internationally aligned regulation Comprehensive approach to regulation and enforcement. Expectations for developments in global auditing standards 	<ul style="list-style-type: none"> Shared expertise and weaknesses identified. Participation in international meetings and workshops on audit regulation. Views on developments in global auditing standards. 	<ul style="list-style-type: none"> In effective inspection processes and compliance monitoring. Proactive response not achieved. 	<ul style="list-style-type: none"> Regular meetings and workshops. Conference calls Representation in relevant committees 	<ul style="list-style-type: none"> Good governance in audit regulation. International recognition. International collaboration.
Accredited Professional Bodies SAICA	<ul style="list-style-type: none"> Source of the pipe-line for registered auditors. Setting competency requirements. Monitoring accreditation compliance. 	<ul style="list-style-type: none"> Compliance with accreditation requirements CPD for RAs and technical communications. Potential RAs. Transformation 	<ul style="list-style-type: none"> Accreditation and monitoring Technical knowledge and advice Influencing and issuing of education, ethics and assurance standards 	<ul style="list-style-type: none"> Too few CAs(SA) choose to register as RAs Knowledge, skills and competencies inappropriate for RAs Transformation in the CA(SA) and auditing profession remains a challenge 	<ul style="list-style-type: none"> Consultative meetings Quarterly IRBA News IRBA website Monitoring committee Reciprocity in representation on IRBA statutory committees & SAICA ethics and industry committees 	<ul style="list-style-type: none"> Monitoring compliance with accreditation model Recovery of trainee fees Transformation of the profession
Students (Universities, audit firms and SETAs)	<ul style="list-style-type: none"> Inform academics, SETA's and individuals about the potential of becoming an RA Inform them of ADP and RCA - career opportunities and study choices. Recruitment and retention as RAs. 	<ul style="list-style-type: none"> Increase in the number of those seeking a career as a RA Increase in the number of trainees registering as RCAs for the audit specialisation. 	<ul style="list-style-type: none"> Encouragement and support Partnerships with SETAs on audit programmes 	<ul style="list-style-type: none"> Lower growth in audit Lack of transformation 	<ul style="list-style-type: none"> Career days Workshops 	<ul style="list-style-type: none"> Awareness of the Registered Auditor designation. ADP and Registered Candidate Auditor
Professional Bodies driving transformation (ABASA, AWCA)	<ul style="list-style-type: none"> Drive transformation of the profession. 	<ul style="list-style-type: none"> Role of the IRBA in transformation 	<ul style="list-style-type: none"> Transformation of the auditing profession. Developments and initiatives - ADP. 	<ul style="list-style-type: none"> Slow pace of transformation of auditing profession. Negative perceptions. 	<ul style="list-style-type: none"> Consultative meetings Participation in conferences and seminars 	<ul style="list-style-type: none"> Transformation of the profession

Stakeholder group	Why we engage them	What we need from them	What they need from us	What the risks are if the needs are not met	How we engage them and the frequency	Issues raised / responses
Other Local Regulators, Enforcement Agencies	<ul style="list-style-type: none"> Share knowledge, benchmark and collaborate on mandates and enforcement. 	<ul style="list-style-type: none"> Collaboration. Partnerships 	<ul style="list-style-type: none"> Expertise and guidance Information on investigations and disciplinary actions Communication of RIs reported 	<ul style="list-style-type: none"> Ineffective monitoring Regulations that are difficult to implement or enforce Enforcement not achieved. RIs not reported timeously 	<ul style="list-style-type: none"> Consultative meetings Roundtable discussions Quarterly IRBA News Communication of RIs. 	<ul style="list-style-type: none"> Good governance International recognition Local and international collaborations
Government (Various departments and ministries).	<ul style="list-style-type: none"> Share technical knowledge and assistance Monitor regulatory developments affecting RAs. Communicate RIs 	<ul style="list-style-type: none"> Technical knowledge sharing Implementation of legislation Responses to RIs reported 	<ul style="list-style-type: none"> Expertise and guidance Comments on draft legislation Agreement on audit and reporting requirements for RAs 	<ul style="list-style-type: none"> Legislative non-compliance In effective regulations 	<ul style="list-style-type: none"> Consultative meetings Comments submitted on draft legislation Representation on statutory committees 	<ul style="list-style-type: none"> Clear guidance on technical information Shared information
Media Local and international media	<ul style="list-style-type: none"> Create awareness of IRBA mandate and branding. Address public concerns regarding the auditing profession. 	<ul style="list-style-type: none"> Accessibility Understanding of the auditing profession Communication of IRBA views Understand public concerns. 	<ul style="list-style-type: none"> Credible and timeous information. Public protection 	<ul style="list-style-type: none"> Inaccurate media reports Brand reputation Ill-informed public and undue expectations of the profession Negative public perception of the profession 	<ul style="list-style-type: none"> Media statements Press releases Interviews IRBA News 	<ul style="list-style-type: none"> Proactive communication on matters affecting the public Education and awareness of the IRBA mandate Improve public perception and expectations of the auditing profession
Staff	<ul style="list-style-type: none"> Consistent and professional service orientation 	<ul style="list-style-type: none"> Pride in the organisation Active and professional engagement in representing the IRBA 	<ul style="list-style-type: none"> On-going communication and consultation. Ability to raise concerns and address expectations. Equity in remuneration and training opportunities 	<ul style="list-style-type: none"> Low productivity Lack of commitment to the mandate 	<ul style="list-style-type: none"> Regular staff meetings Wellness days, counselling and support Employment Equity Committee IRBA News 	<ul style="list-style-type: none"> Informed on all issues affecting their wellbeing. Active engagement on, and contribution to, the mandate and values.
Regional Partners	<ul style="list-style-type: none"> Encourage good governance on the continent Encourage independent audit regulation 	<ul style="list-style-type: none"> Understand challenges and support requests for assistance in implementation of good governance and independent audit regulation in the region. 	<ul style="list-style-type: none"> Share expertise in technical areas and standard setting Assistance with process for establishing independent audit regulators 	<ul style="list-style-type: none"> Non-aligned profession on the continent Delays in implementing audit regulation. 	<ul style="list-style-type: none"> Consultative meetings Participation in conferences and seminars 	<ul style="list-style-type: none"> Good corporate governance Importance of establishment of independent audit regulation

Business model

The current model is as follows

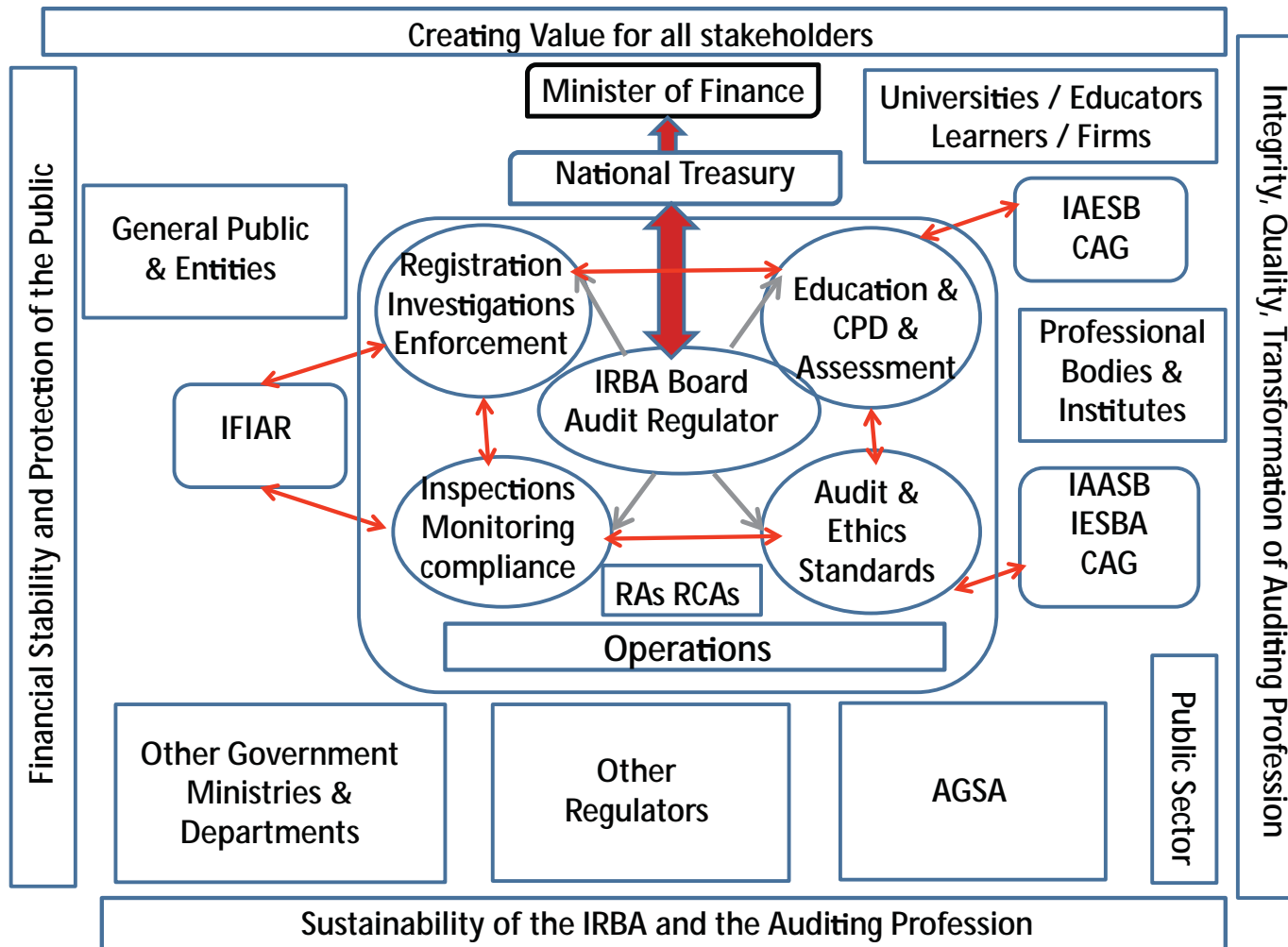


Diagram 4: Business Model

Risks and opportunities

Specific risks and opportunities that affect the IRBA's ability to create value over the short, medium and long term and how it is dealing with them

	Risk	Risk event (description)	Objective to which risk is linked	Root causes of the risk	Consequences of the risk	Mitigating action plans
1	Sustainability of the IRBA	Ineffective relationship and communication between the Board / management and the National Treasury.	Strengthening the IRBA's organisational capability, capacity and performance to deliver in an effective, efficient and economical (EEE) manner, in accordance with regulatory frameworks	<ul style="list-style-type: none"> Lack of appreciation / understanding of the role and relevance of the IRBA. Insufficient productive interaction between the IRBA and Treasury. National Treasury's understanding of the operational requirements and therefore lack of funding requirements provided by government. 	<ul style="list-style-type: none"> Inability to deliver on the present mandate. Failure to effect the legislative changes to respond timeously to changing requirements. Loss of international standing and international investor confidence. 	<ol style="list-style-type: none"> Forge a closer relationship with ministries (Minister of Finance in particular) and officials having decision-making responsibilities in government. Improved relationship management by the Board with government. Exploring alternative controlling models for similar public entities. Education outreach.
2	Demands from other stakeholders on IRBA's capacity	Negative impact on current capacity due to increased external demands by other local and international regulators, government and stakeholders without a corresponding increase in capacity resources and funding.	Strengthening the IRBA's organisational capability, capacity and performance to deliver in an effective, efficient and economical manner, in accordance with regulatory frameworks	<ul style="list-style-type: none"> Increased and complex demand for data by international and local oversight bodies, for example the EU Commission Adequacy Assessment, the FAOA Survey Equivalence Assessment, the IOSCO Financial Sector Assessment Program, and the FATF Mutual Evaluation follow-up report. Senior management input required by third parties on IRBA processes for completion of information, attendance of workshops and meetings, giving advice and guidance. IRBA seen as an internationally recognised standard setter and regulator. 	<ul style="list-style-type: none"> Burn-out of existing staff. Diverting resources from delivery of core mandate. 	<ol style="list-style-type: none"> Consider the impact of increased demands on existing mandate Increase capacity. Prioritise functions.

	Risk	Risk event (description)	Objective to which risk is linked	Root causes of the risk	Consequences of the risk	Mitigating action plans
3	Constraints on capacity required	Inadequate number/ scarcity of suitably qualified and experienced technical staff to recruit and retain. Failure to address capacity needs to deliver on current mandate and new expectations.	Strengthening the IRBA's organisational capability, capacity and performance to deliver in an EEE manner, in accordance with regulatory frameworks.	<ul style="list-style-type: none"> Specialised skills not available at an affordable price. IRBA not in a position to compete with private sector salaries. Insufficient black senior staff. Additional demands from other regulators. Insufficient succession planning. Loss of key staff due to scarcity and inadequate income to pay comparative salaries. 	<ul style="list-style-type: none"> Hampered delivery of IRBA mandate and additional requests. Burn-out of existing staff. Lack of business continuity and loss of intellectual capital. Impaired service delivery. 	<ol style="list-style-type: none"> Develop a succession plan. Leadership identification and mentorship of these leaders. Consider a different funding model (to boost required resources). Funding of the required capacity budget. Further improvement of the performance appraisal system. Remuneration changes to match financial market related salaries, instead of general market salaries.
4	Regulatory capture (independence)	Undue influence by those regulated.	Developing and maintaining auditing and ethics standards that are internationally comparable. Robust inspections and investigations.	<ul style="list-style-type: none"> Lack of independence. Conflicts of interest. IRBA not recognised by international regulators. Current legislative requirements. Auditors on IRBA structures. 	<ul style="list-style-type: none"> Decisions taken that are not necessarily in the public interest. Ineffective regulation. Loss of achieved international ranking and recognition. Additional costs for local audit firms. 	<ol style="list-style-type: none"> Revisit composition of committees. Develop protocol for of appointing committee members. Increase capacity within the IRBA to rely less on certain committees, e.g. INSCOM and INVESCO. Changes to legislation
5	Change in mandate	Changes to the IRBA mandate as a result of changes to current and other legislation for example B-BBEE, Tax Administrators and the report on Observance of Standards and Codes (ROSC).	Strengthening the IRBA's organisational capability, capacity and performance to deliver in an effective, efficient and economical manner, in accordance with regulatory frameworks	<ul style="list-style-type: none"> IRBA being approached to regulate other industries without commitment from departments regarding capacity and funding. Not all risks taken into account when considering additional responsibilities. 	<ul style="list-style-type: none"> IRBA cannot deliver on the additional requirements due to lack of funds. Expectations are created that cannot be met. Threat to delivery on existing mandate. 	<ol style="list-style-type: none"> Impact assessment of increased regulatory mandate. Preparing business plan, including risks and how they will be addressed, for each new regulatory request and agree to funding and capacity between National Treasury and relevant government department before acceptance or implementation. Provide staff with sufficient guidance regarding any additional responsibilities. Ensure MOAs are in place, where relevant. Continuous evaluation of emerging risks and development of appropriate responses.

Strategy and Resource Allocation

This section explains how the IRBA's business model allocates resources, capitals and inputs to the various departments / functions to enable the outputs and outcomes for each strategic focus area to continue creating value and achieving their strategic objectives.

The capitals input to achieve the strategic objectives cover the following:

- *Financial* resources are provided by National Treasury, registration fees from trainees and the auditing profession, investment income and technical workshops. The operations function manages human resources as well as, financial and logistical support, (including IT), to the organisation and its departments. It also ensures the integrity of contractual and financial information and reporting. Human resource policies address recruitment and employment matters. The graphs on page 47-49 provide an indication of the financial resources allocated to each of the functional areas.
- The *manufactured capital* comprises the IRBA offices, which are leased premises. They are built on environmentally green principles, are centrally located in Modderfontein, and accommodate all the staff. The natural capital consumed is what is required for the daily maintenance of the offices and staff activities, including travel locally and internationally, which is reflected more fully in the section dealing with *sustainability practices*.
- The nature of the output from the individual departments requires employees who are highly skilled professionals, with the *intellectual technical expertise and experience* essential for the IRBA to deliver on its mandate.
- The *stakeholder* section reflects the nature, extent and importance of *relationships* and interactions between the various departments and the stakeholders (internal and external). This contributes to the management of risks and threats and the IRBA uses such opportunities to achieve and communicate the *value created*.

This section also identifies our short, medium and long-term strategic objectives, and how we measure their achievements.

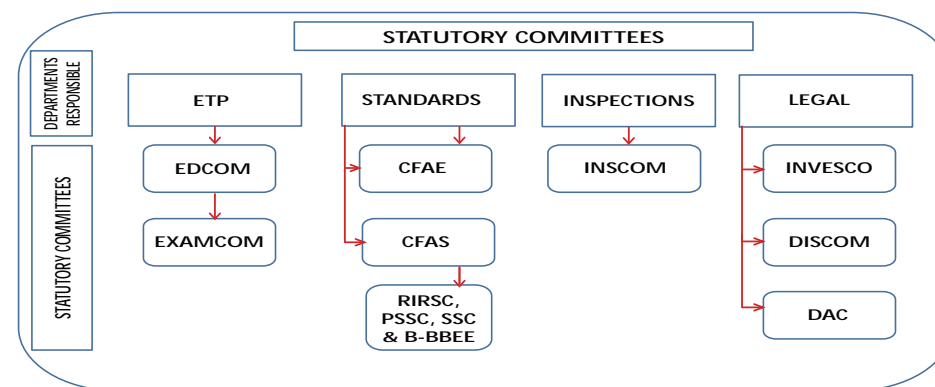
It also describes the linkage between our strategy and resource allocation plans.

This section reflects the linkage between:

- The input to the six strategic focus areas;
- The strategic outputs and outcomes/value creation, by the various departments/functions; and
- The risks and threats addressed and opportunities that enabled the value creation (refer to the 2015 Performance report in the Annual Report pages 16 - 21).

Statutory Committees

The following statutory committees provide resources that assist the Board in the performance of its statutory functions:



- EDCOM: Education, Training & Professional Development Committee;
- MCOM: Education, Training and Professional Development Monitoring Committee;
- CFAS: Committee for Auditing Standards;
- CFAE: Committee for Auditor Ethics;
- INSCOM: Inspections Committee;
- INVESCO: Investigations Committee;
- DISCOM: Disciplinary Committee;
- DAC: Disciplinary Advisory Committee (a Board sub-committee).

Each statutory committee has its terms of reference and may appoint sub committees to assist with particular projects. The chairman of each statutory committee reports periodically on its activities at a Board meeting. Refer to the Annual Report (pages 36 - 50) for comprehensive feedback from each statutory committee chairman regarding its activities, outputs, performance and achievement of its strategic objectives. The statutory committee members assist by providing additional resources and technical expertise to the relevant departments responsible for delivering on department's strategic objectives.

Department: Education, Training & Professional Development

Committees: Education, Training & Professional Development Committee (EDCOM), Monitoring Committee (MCOM)

Strategic focus area: Education, training & professional development

Strategic objective: Providing an appropriate framework for the education and training of properly qualified auditors

Output	Risks and threats addressed and opportunities for creating value	Outcomes: Value created
<p>Established an internationally comparable Competency Framework processes so that only competent candidates enter the audit profession.</p>	<ul style="list-style-type: none"> IRBA has a long established competency framework implemented by SAICA and required for the accreditation of participating Universities offering the CA(SA) qualifications. Challenge in maintaining relevance of competency requirements in the changing education global business and IT environment. Well established CPD requirements for RAs and monitoring by the IRBA ensure continuing quality of services. 	<ul style="list-style-type: none"> Competence is established and assessed at entry to the auditing profession. Enhances public confidence through registering competent individuals Consistency with international best practice and standards to develop professional skills and competencies. Newly launched ADP Programme responds to the competency framework and will accommodate developments in future.
<p>Amendments to the APA to accommodate the ADP from 2015 and the registration of Candidate RAs were approved by Parliament in March 2015.</p> <p>Projects and activities to raise awareness of the ADP with each aspect of the model exposed for comment, and professional bodies, firms and universities have been consulted.</p>	<ul style="list-style-type: none"> New delivery model – ADP for CRAs -and assessment of professional competence. Amendments to the Act approved in March 2015 enable timeous implementation of the ADP. Consistency with international best practice to develop relevant professional skills and competencies. 	<ul style="list-style-type: none"> Successful completion of scheduled projects to communicate changes to SAICA, universities, firms and trainees. New specialist training programme created to develop professional skills and audit quality, as well as encourage recruitment, retention and the transformation of the auditing profession.

Output	Risks and threats addressed and opportunities for creating value	Outcomes: Value created
<p>Monitored the programmes and institutional requirements of accredited professional bodies and issued monitoring reports. The Institutional requirements and the following recognised programmes were monitored during the period under review:</p> <ul style="list-style-type: none"> • The Academic Programme • The Core Assessment Programme • The Training Programme • The Education Programme. <p>SAICA is currently the only accredited professional body in the country.</p> <p>It is important that the IRBA continues to consider the accreditation of other professional bodies, which should create the necessary competition to maintain the highest standards.</p>	<ul style="list-style-type: none"> • Failure by SAICA to comply with accreditation requirements exposes the IRBA to risk in placing reliance on a single provider of the pipeline for RAs. • A need to consider alternative strategies in the event of accreditation requirements not being met. • Provision to be made for the accreditation of other professional bodies of accountants in South Africa despite of challenges with limited resources presently available. 	<ul style="list-style-type: none"> • Enhance public reliance on the work of the auditing profession.
<p>To present a successful support programme, that meets the needs of black candidates who have previously been unsuccessful in their Public Practice Examination so as to improve the candidates' chances of success.</p> <p>FASSET (the SETA for finance, accounting, management consulting of other financial services) provided the IRBA with funding for this support programme.</p>	<ul style="list-style-type: none"> • The final PPE for repeat candidates was written in November 2014. It will be replaced by the ADP, which it is hoped will improve the recruited and retention of transformation candidates in the auditing profession. 	<ul style="list-style-type: none"> • Transformation initiative offering educational support to repeat PPE black candidates, to help increase the number of potential black RAs. • 63% of black repeating candidates who participated in the support programme were successful in the 2014 PPE compared with the overall pass rate of 57% of black candidates.
<p>Promote transformation and raise awareness of the audit profession.</p> <p>Complete projects and activities that raises awareness and promote transformation in the auditing profession</p>	<ul style="list-style-type: none"> • Challenges with recruitment and retention of black CAs (SA) who register as RAs. • Auditing profession finds it difficult to compete with business opportunities and rewards offered to newly qualified black CAs (SA). • IRBA is undertaking research into impediments to recruitment and retention of transformation candidates in the auditing profession. • While transformation projects are ongoing it is too early to assess their impact; and their success is dependent on individuals and circumstances beyond the control of the IRBA. 	<ul style="list-style-type: none"> • Successful completion of scheduled projects and communication with stakeholders regarding the ADP, which it is hoped will result in improved recruitment and retention of black candidates by auditing firms.
<p>Continuing participation in the International Accounting Education Standards Board (IAESB) of IFAC by providing input on new guidance and initiatives on the IAESB's work programme.</p> <p>IRBA is part of the task force that is revising competencies for auditors, in addition to competencies expected of accountants. This is in line with the IRBA's view that auditors are specialist accountants.</p>	<ul style="list-style-type: none"> • IRBA nominees serve on the IAESB in the following capacities: <ul style="list-style-type: none"> • Member of the IAESB CAG, • Member of the IAESB Task Group revising the IES 8 for specialist professional competency skills for auditors. 	<ul style="list-style-type: none"> • Participation in international standard-setting and regulatory activities; contribution to the development of skills relevant for auditors in the ever-changing global business and IT environment. • ADP innovation influencing international practices and professional competency frameworks in the standards for specialist professional accounting areas being developed by the IAESB

Department: Standards

Committee for Auditing Standards (CFAS) and its Sub-Committees

Strategic focus area: Auditing and ethics standards

Strategic objective: To develop and maintain internationally auditing and ethics standards

Output	Risks and threats addressed and opportunities for creating value	Outcomes: Value created
<p>Auditing pronouncements adopted or developed and issued provide internationally comparable guidance for auditors to perform high-quality audits and assurance engagements.</p> <p>CFAS has established several standing sub committees to assist in dealing with the demand for the development of technical guidance, and the wide range of standard setting projects undertaken. These include the:</p> <p>CFAS Steering Sub committee</p> <p>Guides the CFAS agenda and priorities, and also considers proposals for new projects</p> <p>CFAS Regulated Industries & Reports Standing Committee (RIRSC)</p> <p>Maintains liaison with industry regulators and government departments to provide guidance to auditors in the implementation of international standards on audit, review and other assurance engagements by developing illustrative auditor's reports for specific regulated industries and regulatory requirements.</p> <p>CFAS Public Sector Standing Committee (PSSC)</p> <p>Develops guidance jointly with the Auditor-General - South Africa, to assist registered auditors in understanding and meeting the additional requirements when performing audits in the public sector.</p> <p>CFAS Sustainability Standing Committee (SSC)</p> <p>Develops guidance for auditors performing sustainability assurance engagements to enhance the quality of assurance reporting; contributes to thought leadership initiatives on integrated reporting; conducts research into evolving demands for assurance on integrated reports.</p> <p>CFAS B-BBEE Advisory Committee (BAC)</p> <p>Develops standards and guidance for B-BBEE approved registered auditors when providing assurance services and issuing B-BBEE verification certificates in compliance with the B-BBEE Act, the Generic B-BBEE Codes of Good Practice and relevant sector codes.</p>	<ul style="list-style-type: none"> Regulatory capture – independence may be compromised in standard setting. Potential mandate creep by other regulators and government departments seeking assistance from the IRBA in regulation of other assurance areas and development of guidance for auditors. Increased regulatory demands on RAs that may not be possible to meet. South Africa's number one ranking out of 140+ countries by the World Economic Forum for the past six years for its accounting and auditing standards facilitates stakeholder communications. Uncertainty regarding the regulation of the B-BBEE industry. 	<ul style="list-style-type: none"> IRBA remains alert to indications of undue influence and has clear policies with regard to a balance in the appointment, and rotation of members serving on statutory committees. Providing public confidence through high-quality standards that are internationally comparable. Keep abreast of legislative and other industry developments; monitor regulatory developments affecting the auditing profession; implementation guidance developed; illustrative auditor's reports prepared to meet SA regulatory requirements. Engagement with relevant stakeholders to communicate impact and influence appropriate changes; CFAS submits comments and assists with technical advice for other government departments and regulators relating to implications of proposed regulations for auditors; IRBA seeks to establish trust and confidence with other regulators and government departments to inform their decisions. South Africa's number one ranking by the World Economic Forum, provides respect and international recognition for the contribution to the development of international auditing standards. Promoting liaison and consistency between the private and public sectors and providing guidance to registered auditors auditing in the public sector.

Output	Risks and threats addressed and opportunities for creating value	Outcomes: Value created
<p>As a founding member of the National Standard Setters Committee of the International Audit & Assurance Standards Board (IAASB) the CFAS chairman and Director: Standards participate annually in IAASB projects by providing input on new guidance and initiatives on the IAASB's work programme.</p> <p>Roundtable discussions were held during the year on the IAASB's proposed New of Revised International Standards on Auditing set to transform the auditor's report. The CFAS will consider what implementation guidance is needed to assist auditors with reporting in accordance with the standards.</p> <p>The CFAS continued to provide comments on all IAASB international exposure drafts and discussion papers.</p>	<ul style="list-style-type: none"> Annual IAASB's NSS meeting creates the opportunity for sharing jurisdictional developments with auditing and assurance standard-setters from other countries which also face global developments and constant changes in regulatory requirements in their jurisdictions. Provides an opportunity for the IAASB to give feedback on its projects and emerging issues that are being dealt with. CFAS member representing the JSE Ltd Stock Exchange has served two terms as the chairman of the IAASB CAG enabling a high level of input to global standard-setting initiatives. 	<ul style="list-style-type: none"> Awareness of global developments and opportunity to influence international standard setting and contribute to research in new and evolving areas. Consultation with the auditing profession to ensure the CFAS is aware of which local perspectives to include for balanced and informed comments that are submitted to the IAASB. Participation in international standard setting ensures that international pronouncements are adopted and local ones that are developed and issued remain internationally comparable.
<p><i>The International Integrated Reporting Council (IIRC)</i></p> <p><i>Project on Assurance on Integrated Reports</i></p> <p>The chairman and members of the SSC led an IIRC international research project into the issues and challenges of providing assurance on the evolving integrated reports prepared in accordance with the IIRC's International <IR> Framework issued in December 2013. The outcome was publication, in July 2014 for public comment by 1 December 2014, of two discussion papers: Assurance on <IR> <i>An Introduction to the Discussion</i> and Assurance on <IR> <i>An Exploration of Issues</i>.</p>	<ul style="list-style-type: none"> The IRC in South Africa made the country the first to issue a discussion paper on integrated reporting and, following the King III Report on Corporate Governance and amendments to the JSE Listings Requirements for listed companies to prepare an integrated report, viewed as a thought leader in development. The IAASB established an Integrated Reporting Working Group to understand the demand for, and explore the implications for the IAASB of possible guidance on assurance engagements on integrated reports. 	<ul style="list-style-type: none"> The former Director: Standards has been appointed to represent the IRBA on the IAASB <i>Integrated Reporting Working Group</i> and to assist with research and further developments. Developments will be monitored and further involvement of the CFAS may arise as the research progresses.

Committee for Auditor Ethics (CFAE)

Strategic focus area: Auditing and ethics standards

Strategic objective: To develop and maintain internationally comparable auditing and ethics standards

Output	Risks and threats addressed and opportunities for creating value	Outcomes: Value created
<p>The CFAE is responsible for the adoption or development and issuing of a Code of Ethics with which registered auditors are required to comply. Ad-hoc sub committees are established periodically for specific projects.</p> <p>It also develops and issues additional guidance on ethical issues based on the IRBA <i>Code of Professional Conduct for Registered Auditors</i>, effective from 1 January 2011.</p> <p>The CFAE continued to focus its activities on the implementation of the code and the identification of trends in unethical behaviours identified by the Legal and Inspections departments.</p> <p>Support is provided to the Legal Department on the interpretation of relevant sections of the code in investigations regarding alleged unethical behaviour by registered auditors.</p> <p><i>CFAE Steering Committee</i></p> <p>This committee guides the agenda for CFAE meetings, and considers proposals and priorities for new project inclusions in the CFAE work programme.</p>	<ul style="list-style-type: none"> • The IRBA's <i>Code of Professional Conduct for Registered Auditors</i> has presented implementation challenges for auditors and their firms. • CFAE remains aware of risks arising from the current political and business environment in South Africa as well as trends in reported threats to auditors' independence. • Implementation of the more comprehensive independence and auditor rotation requirements and recognition of conflicts of interest are not always understood or applied appropriately. Failure to document independence considerations in audit engagement files. • The basis for investigation of allegations of improper conduct has become more complicated requiring staff that has a working knowledge of the application of the auditing standards and the code. 	<ul style="list-style-type: none"> • <i>Code of Professional Conduct for Registered Auditors</i> enables the IRBA to investigate allegations of improper conduct and determine the appropriate action to be taken. • Enhancing confidence for the public and other regulators through high quality ethics standards that provide a comprehensive basis for the IRBA to investigate allegations of improper conduct. • Provides a sound framework for auditors when identifying and communicating corruption and fraud in the private and public sectors.
<p><i>Broad-Based Black Economic Empowerment</i></p> <p>FAQs were developed and issued during 2014 to provide guidance for B-BBEE approved RAs regarding the application of the IRBA Code and in particular, the independence requirements applicable to such assurance engagements.</p>	<ul style="list-style-type: none"> • Identified emerging trends in unethical behaviour by B-BBEE approved RAs providing B-BBEE verification certificates and potential reputational risk for the auditing profession. • Impact of uncertainties regarding the regulation of the B-BBEE verification industry and the implementation of the new B-BBEE Codes by B-BBEE approved auditors and reputational risk for the auditing profession. 	<ul style="list-style-type: none"> • FAQ's provide guidance to B-BBEE approved auditors on the application of the code to B-BBEE assurance engagements to address emerging unethical practices and achieve consistency in the application of ethical requirements in the code. • Communiqués issued dealing with uncertainties regarding the changing regulation of the B-BBEE verification industry.

<p><i>Public Interest Task Group</i></p> <p>The Public Interest Task Group monitors global developments regarding auditor independence and its impact on public interest. The group engaged with various regulators to discuss the implications prior to issuing any proposed amendments for public comment.</p> <p>An exposure draft with <i>proposed amendments to the</i> Definition of Public Interest Entities was issued by the CFAE in March 2015 for public comment by May 2015.</p>	<ul style="list-style-type: none"> • Inconsistent interpretation of the definition of public interest entity in the code is leading to a failure to comply with the prohibitions on services provided to audit or review clients. • Further confusion with previous definitions of public interest entities for purposes of Inspections and cross reference in the APA to the Companies Act definition of public companies which has been amended to reflect criteria for a public interest score. 	<ul style="list-style-type: none"> • Exposure draft issued in March 2015, with proposed amendments to the definition of <i>public interest entity</i> to clarify the requirements and ensure consistency in its application by auditors. • Ensure auditors comply with the relevant code prohibitions that are applicable to audit engagements of public interest entities.
<p><i>Ethics Workshops</i></p> <p>Ethics Workshops were again presented for auditors around the country in 2014 and these meetings were well attended.</p>	<ul style="list-style-type: none"> • Auditors seek guidance on implementation of the code. 	<ul style="list-style-type: none"> • Providing support to the profession on the implementation of the code and also a source of CPD for auditors.
<p><i>Participation in the International Ethics Standards Board for Accountants</i></p> <p>The CFAE chairman and Director: Standards participate annually in the International Ethics Standards Board for Accountants (IESBA) National Standard Setters' meeting and contribute to projects affecting the IESBA Code of Ethics for Professional Accountants (the IESBA Code) by providing input on proposed changes and initiatives included on the IESBA's work programme.</p> <p>The CFAE continued to provide comments on all IESBA international exposure drafts and discussion papers.</p>	<ul style="list-style-type: none"> • Annual IESBA NSS meeting creates the opportunity to share jurisdictional developments with the ethics standard setters from other countries, many of whom face similar global developments and constant changes in regulatory requirements. • Provides the IESBA with an opportunity to give feedback on its projects. 	<ul style="list-style-type: none"> • Consultations with other regulators and the auditing profession ensure the CFAE is aware of local views and submits balanced and informed comments to the IESBA. • Implications of changes to the IESBA Code of Ethics are considered carefully by the CFAE before being approved for adoption by the IRBA.

Department: Inspections

Inspections Committee

Strategic focus area: Inspections

Strategic objective: Monitor registered auditors' compliance with professional standards

Output	Risks and Threats addressed and Opportunities for creating value	Outcomes: Value created
<p><i>Risk-based approach to inspections</i></p> <p>The risk-based approach to inspections involves gathering intelligence on high risk sectors, types of transactions and even individual firms that have been identified as high-risk. The approach focuses on firm inspections and engagement inspections.</p> <p>The objective of a firm inspection is to monitor compliance by firms to current standards of quality control, while the objective of an engagement inspection is to monitor compliance by individual RAs with appropriate levels of professional standards in the performance of audits.</p> <p>The IRBA has also changed its basis of recovery fees for inspections so as to strengthen its independence from the profession.</p>	<ul style="list-style-type: none"> • Robust risk-based inspections approach requires experienced professionals. Difficulties with the recruitment and retention of skilled individuals remain a challenge. • Possible failure by inspectors to identify / respond to critical assurance failures. • Inspection findings identify recurring deficiencies and the need for a root cause analysis by firms to remedy. • Basis for investigation of allegations of improper conduct has become more complicated, requiring staff with a working knowledge of the application of the auditing standards and the Code of Professional Conduct For Registered Auditors. • Level of funding by government and limited alternative sources not enabling the IRBA to be financially independent of the auditing profession; and this reflects negatively on the IRBA when seeking recognition by other international audit regulators. 	<ul style="list-style-type: none"> • Recognition of the IRBA as a respected and effective independent audit regulator. • Protection of the South African public by regulating audits performed by registered auditors and their firms. • Promote the integrity of the auditing profession through conducting inspections and setting out requirements for RAs and their firms to analyse and address the root causes of findings.
<p><i>Inspections Committee</i></p> <p>Findings are reported to the individual RA responsible for the engagement selected and the audit firm for firm inspections. The RA and the firm are required to report to the Inspections Committee on how the findings will be addressed. The report should include a root cause analysis by the audit firm.</p> <p>Findings from inspections are also reported quarterly, on an anonymous basis, along with a root cause analysis and emerging trends, to the Inspections Committee who is responsible for determining the final result of an inspection. These final results are based on pre-determined criteria that are applicable to the inspection cycle.</p>	<ul style="list-style-type: none"> • Regulatory capture – independence may be perceived as compromised unless the committee is truly independent. • Requests to extend the regulatory mandate of the IRBA threaten the capacity of the Inspections Department to achieve the required number of inspections needed. • The MOA with the DTI for B-BBEE approved registered auditors to issue B-BBEE verification certificates necessitated the recruitment of resources and the development of a new inspections process. • Challenges in obtaining additional funding for an extended mandate from the relevant government departments. 	<ul style="list-style-type: none"> • The IRBA remains alert to indications of undue influence and has clear policies with regard to a balance in the appointment, and rotation of, members serving on statutory committees. • Keep abreast of legislative and other industry developments and monitor regulatory developments affecting the auditing profession; provide input to proposals that may extend the IRBA inspections mandate. • Additional resources employed and an inspection process for B-BBEE assurance engagements developed.

Output	Risks and Threats addressed and Opportunities for creating value	Outcomes: Value created
<p><i>Participation in international regulation</i></p> <p>The IRBA is a founding member of the International Federation of Independent Audit Regulators (IFIAR), which meets on a regular basis to share global best practices and developments in audit inspections and regulation.</p> <p>IFIAR has established a Standards Co-ordination Working Group (SCWG) sub-committee that comments on the implementation of requirements in the IAASB auditing standards, the IESBA Code of Ethics and proposed amendments. The IAASB chairman and technical director meet with IFIAR, when requested, to discuss issues arising.</p> <p>IFIAR also brings actual and perceived deficiencies in standards to the attention of the standard setters, while taking into consideration jurisdictional differences.</p>	<ul style="list-style-type: none"> • Participation enables the inspection processes of the IRBA to be critically evaluated and updated where necessary, to incorporate global best practices. • Input from the SCWG ensures awareness by the IAASB and IESBA of concerns regarding the impact of such requirements on inspections by international audit regulators. 	<ul style="list-style-type: none"> • Monitoring periodic changes to the inspections process, enables greater reliance by the public on inspection findings provides early detection of likely audit failures and identifies high risk firms and engagements. • Critical consideration of requirements in standards to identify potential risks for audit failures ensures relevance of the inspections approach.

Department: Legal

Investigating Committee (INVESCO) / Disciplinary Advisory Committee (DAC) and Disciplinary Committee (DISCOM)

Strategic focus area: Registrations, investigations and disciplinary

Strategic objectives: To register auditors who meet the requirements; undertake investigations; and institute appropriate action against registered auditors (RAs) who face charges of improper conduct.

Output	Risks and threats addressed and opportunities for creating value	Outcomes: Value created
<p>Registration of RAs</p> <p>First registration and re-registration of individual RA's who meet registration requirements.</p> <p>First registration and re-registration of individual B-BBEE approved RA's who meet registration requirements.</p> <p>Annual registration renewal of individual RA's and B-BBEE approved RA's who meet renewal requirements.</p>	<ul style="list-style-type: none"> Adherence to individual registration policies and procedures. Timeous update and integrity of the register of RAs maintained at all times. RA's register available on the IRBA website for searches by the general public. Processes established to facilitate monitoring by other regulators, e.g. the JSE Ltd and CIPC. IRBA is recognised by SARS as a Recognised Controlling Body (RCB) for RA's who are Registered Tax Practitioners (RTP's). 	<ul style="list-style-type: none"> Only those who meet the registration requirements are registered. Integrity of the register of RAs maintained. Public access to RAs register on IRBA website can corroborate valid registration of individual RAs and firms and contact details electronically. Other regulators regularly corroborate status of appointed RA's as being currently registered by the IRBA. Enhance public confidence in the auditing profession that the IRBA as the audit regulator will respond to complaints of improper conduct by RAs who are registered tax practitioners.
<p>Complaints against investigations of RA</p> <p>The investigations and disciplinary processes are specified in the Disciplinary Rules, which set out the legal process and the respective responsibilities of INVESCO, the DAC and the DISCOM, supported by staff in the Legal Department.</p> <p>An investigation is initiated once a complaint is received either from an external party or from within the IRBA. Externally originated complaints could be lodged by a member of the public, referred by a court or an other regulator.</p> <p>Internally originated complaints are raised by the IRBA itself, such as those arising out of the inspection process, or where investigations are as a result of information that has come to the IRBA's attention.</p> <p>According to the Disciplinary Rules complaints lodged with the IRBA have to be on an affidavit, which should describe the complaint clearly.</p> <p>Once a complaint is received and it is verified that the respondent is an RA, the complaint is then perused by one of the department's investigators to ascertain if further information is needed from either the complainant, or the respondent.</p>	<ul style="list-style-type: none"> Requests to extend the regulatory mandate of the IRBA threaten the capacity of the Legal Department to deal with investigations of complaints requiring staff having specialised knowledge. Fail to identify/respond timeously to critical assurance failures. 	<ul style="list-style-type: none"> Enhance public confidence through robust regulation that: <ul style="list-style-type: none"> ↓ Protects the South African public by regulating audits performed by RAs. ↓ Promotes transparency and integrity of the auditing profession through conducting investigations in response to complaints received. Highly skilled and experienced individuals are required to prepare charges and identify contraventions of the IRBA Code and Auditing Pronouncements complained of.

Output	Risks and threats addressed and opportunities for creating value	Outcomes: Value created
<p>Investigations Committee (INVESCO)</p> <p>After a preliminary investigation has taken place, the Director: Legal must decide in terms of section 48(1) whether to refer the matter to INVESCO. Most cases will be referred and INVESCO must then investigate the matter in terms of section 48(3).</p> <p>INVESCO makes recommendations arising from its investigations and deliberations to the DAC for appropriate action to be taken in accordance with the Disciplinary Rules. This includes a non-prosecution, a consent order or referral for a full hearing</p>	<ul style="list-style-type: none"> Regulatory capture – where committee may not, or may not be perceived to be independent. Investigators must have appropriate technical expertise, experience and a working knowledge of the relevant Auditing Pronouncements and IRBA Code relevant to the complaint being investigated. INVESCO recommendations are appropriate in the context of the improper conduct complaint and the results of investigations are undertaken. Committee members must be independent and have appropriate technical expertise, experience and a working knowledge of the relevant Auditing Pronouncements and IRBA Code. 	<ul style="list-style-type: none"> The IRBA remains alert to any indications of undue influence and has clear policies with regard to a balance in the appointment, and rotation of, members serving on statutory committees. The public relies on the knowledge and experience of the investigators and evidence presented to INVESCO members to ensure improper conduct is correctly identified and whether there is a disciplinary matter for the RA to answer. Members are required to recuse themselves from matters considered by INVESCO if there is a possible conflict of interest.
<p>Disciplinary Advisory Committee (DAC)</p> <p>The DAC considers the recommendations from INVESCO and either accepts or refers them back to INVESCO for further investigation.</p> <p>Disciplinary Committee (DISCOM)</p> <p>Where the DAC accepts an INVESCO recommendation for a referral to disciplinary hearings, the matter is referred to the DISCOM.</p> <p>Outcomes of disciplinary hearings are reported to the Minister via the Board, registrants and the public through IRBA News.</p>	<ul style="list-style-type: none"> Regulatory capture – where committee may not, or may not be perceived to be independent. Failure of investigation and disciplinary processes. Reputational risk for the IRBA with negative perceptions of the effectiveness of its enforcement processes as well as exposure to adverse media attention. 	<ul style="list-style-type: none"> The IRBA remains alert to indications of undue influence and has clear policies with regard to a balance in the appointment, and rotation of, members serving on statutory committees. The DAC is a subcommittee comprising of Board members and it provides independent oversight over INVESCO recommendations. This ensures a robust enforcement process to address alleged improper conduct by the auditor/s. DISCOM members must be independent to provide the necessary confidence in the system . Public interest is protected through proper sanctioning and the publication of names where required.

Department: Executive

Strategic focus area: Corporate governance and stakeholder relationships

Strategic objective: Developing and maintaining corporate and stakeholder relationships to enhance performance, accountability and public confidence; and

Output	Risks and threats addressed and opportunities for creating value	Outcomes: Value created
Annual stakeholder relationship strategy completed, approved and implemented (refer to diagram 3 and Table of Stakeholder Relationships on page 24.	<ul style="list-style-type: none"> • Potential mandate creep. • Demands from external stakeholders. • Capacity constraints. • Regulatory capture. 	<ul style="list-style-type: none"> • Informed and improved communication and co-operation with a wide range of stakeholders. • Create awareness of the independence of the IRBA in regulating the profession.
Register maintained to monitor compliance with legislation and governance principles.	<ul style="list-style-type: none"> • The frequency of regulatory changes that the IRBA is unaware of, though these may affect the regulator. Internal processes may not detect non-compliance by the IRBA. 	<ul style="list-style-type: none"> • Regulatory universe impacting the IRBA has been established and maintained to minimise the risk of non-compliance. • Regular review of processes ensure compliance is maintained through accountability to the Board. • The IRBA as a regulator is recognised as a compliant entity that applies sound corporate governance principles.

Department: Operations

Strategic focus area: Operational effectiveness

Strategic objective: Strengthening the IRBA's organisational capability, capacity and performance to deliver on its mandate in an economical, efficient and effective manner, in accordance with the relevant regulatory frameworks

Output	Risks and threats addressed and opportunities for creating value	Outcomes: Value created
<p>Sustainable source of revenue secured to fund operations in accordance with the IRBA's mandate.</p> <p>Funding/income received equals the expenses adherence to financial discipline.</p> <p>Maximum utilisation of resources: systems, policies and processes established to ensure compliance, accountability and sound management of revenue, expenditure, assets and liabilities.</p>	<ul style="list-style-type: none"> • Capacity constraints – scarcity of suitably qualified technical staff to recruit and retain. Remuneration levels are not competitive. • Potential mandate creep – increased capacity and resources needed – and support from government restricted. • IT & communication systems obsolescence – potential loss of data and critical information. • Increased legislative compliance required. 	<ul style="list-style-type: none"> • Funding/income received ensures a sustainable source of revenue to fund operations in accordance with the IRBA's mandate and continuing financial sustainability to deliver on mandate. • IT services outsourced to ensure continuity with in-house support and maintenance services. Back-up and data recovery processes in place. • Potential mandate creep – a new funding model and resources needed to expand capacity for increased regulatory responsibilities (refer to the Future Outlook section).

Output	Risks and threats addressed and opportunities for creating value	Outcomes: Value created
<p>Employment equity targets achieved for transformation of staff.</p> <p>Recruitment and appointments made in line with employment equity legislative requirements.</p>		<ul style="list-style-type: none"> Implementation of the employment equity plan resulting in a transformed organisation

Key Inputs relating to Capitals

The IRBA's most important resource is human capital. It is therefore crucial to ensure that appointed staff members are of the right calibre. The IRBA follows a robust process in recruiting employees, within the limitations referred to under the Human Resources section in the report.

In the past few years, we also improved the performance management system in consultation with staff, and although this remains an area where there will always be scope for further changes, it is currently achieving the objectives of an incentive system.

Salaries are benchmarked against recognised surveys and a robust process is followed to approve all remuneration through the Board, including the CEO's salary and bonus.

The IRBA is currently funded through government grants, auditors' registration fees and inspection fees. New models aimed at making the regulator a self-funding organisation while it strengthens its independence from the profession are under consideration.

IT systems play a major role in supporting the organisation's administrative processes so it can deliver on its mandate. While some challenges were experienced in the past year, the establishment of the ICT Steering Committee greatly supported the management of any potential risks related to IT systems.

The building, which is under a seven year lease is still proving sufficient in housing the current staff, provided there will not be any major changes in the IRBA's mandate which could result from proposed amendments to the APA and other interventions. The IRBA is considering other proposals should it be decided that the current lease will not be renewed. Various external factors will influence the final decision and it is therefore important that options are researched timeously.

Key Outcomes

The IRBA's key outcomes are ensuring:

- An audit profession that delivers high-quality audits in terms of world-class standards, complies with the IRBA's Code of Professional Conduct and acts in the public interest.
- A public that has the necessary confidence in the IRBA to regulate the audit profession in terms of best practices in regulation to enable reliance on the services of an auditor.





Future outlook

Future outlook

The challenges and uncertainties the IRBA is likely to encounter in pursuing its strategy, and the potential implications for its business model and future performance

On 21 July 2014, Minister of Finance, Nhlanhla Nene, stated the following during his budget vote speech in the National Assembly:

“During this year, the Office of the Accountant General will put forward plans to strengthen the regulatory environment in the audit and accounting industry. This will be done by taking into account the recommendations of the Report on the Observance of Standards & Codes (ROSC) done by the World Bank. ”

Based on the above, it is understood that the IRBA will be playing a pivotal role in achieving the Minister's objective of implementing a more comprehensive regulatory model and the proposed extended mandate is included as part of the IRBA's outlook and strategy.



Diagram 5: Current versus proposed extended mandate

Proposed Future Structure

The IRBA operates in the following functional and structural environment, with five strategic functions and two supporting functions.

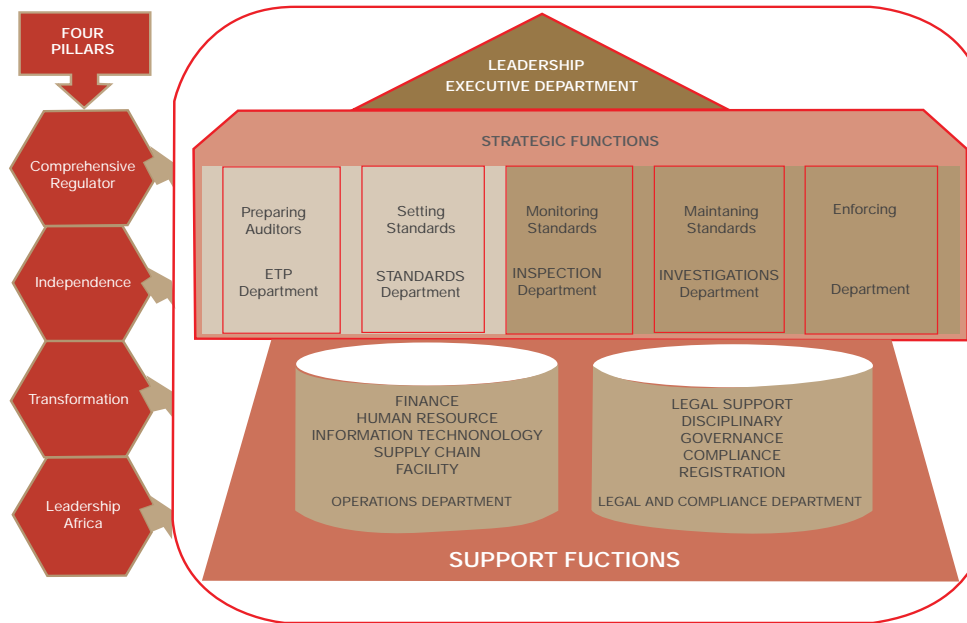


Diagram 6: Proposed Future Mandate

The four pillars of the IRBA are influenced by the new vision and the proposed extended mandate reflected in the diagram above.

Creating sustainable value

Given the challenges in attracting talent to the auditing profession, it has become important for the IRBA to have a value proposition for registered auditors, while simultaneously protecting the public. Although, the IRBA does not have to get involved in areas that are reserved for the Institute, it has become necessary for it to become a regulator that is seen as adding value, in addition to what it contributes to ensuring credible financial markets.

In terms of the IRBA's new strategy, emphasis will be placed on exploring different dimensions to become a comprehensive, multi-disciplinary, and value adding regulator locally and internationally. Areas that have been identified as adding value include:

- Training in areas that have a direct impact on auditors and audits, for example this could entail training in the Companies Act; the Consumer Protection Act; the Code of Ethics; and B-BBEE legislation and codes.
- Building capacity to provide more guidance on new legislation and regulatory developments.
- Responding to auditors' needs, for example, where legislation has unintended consequences in its practical implementation.
- Raising awareness of the IRBA's protection of the public (value-add to public).
- Becoming a comprehensive regulator by expanding its offering to include the regulation of Professional Accountancy Organisations (PAO) and a multi-disciplinary, value-adding regulator to the public and the state.
- Further strengthening the independence and transparency of the IRBA and that of its RAs.
- Contributing to the enhancement of independent audit regulation internationally.
- Promoting transformation as an embedded and underlying consideration in the accounting and auditing profession in our country.

Government will, however, need to support the IRBA in respect of capacity and resources, as the current capitals, even with the required experience and institutional intelligence, will not be able to be extended to accommodate any further expectations.

Our external environment

Although there should be a balance between over-regulation and self-regulation, there seems to be a trend towards increased oversight and supervision. The most recent financial crisis has, as in the past, put the role of the auditor under scrutiny. Similarly, there is increasing concern about other professionals who also provide services that are similar to those provided by auditors, such as taxation, accounting and financial services practitioners.

This trend is expected to continue in the current environment where corruption and poor governance require external intervention and drastic measures to combat undesirable practices.

Our perception is that finances will be further reigned in, and the IRBA will have to consider how else it could fund its activities to continue to deliver on its mandate. This will become more important as expectations for regulators to protect the public against unscrupulous professionals grow. Professionals are also affected by the financial crisis, and with more regulation, they might not find the environment sufficiently enabling for them to perform high quality audits.

The current education system, in general, might continue to place a strain on our already limited resources, and the aforementioned challenges could make the auditing profession less attractive to new entrants.

How the future may affect us

While the IRBA might be expected to implement more robust oversight strategies, it might also be expected to become involved in the oversight of other disciplines. Any potential increase in our mandate will need to be carefully considered, as more responsibilities will require additional resources and capacity, which may be accompanied by additional risks.

With the current state of corruption and fraud in the country, the IRBA will also need to continuously consider the appropriate space in which it can contribute to combatting these undesirable practices.

Any further responsibilities will place a strain on the current resources unless capacity is increased. As the profession will also be expected to continue supporting the economy it is important that the current challenges in the education system, in general, be addressed.

The IRBA therefore needs to carefully consider the balance between offering support to others and its available capacity.

How we are equipped to respond

The IRBA has about 64 years' of experience in the regulation of auditors, and standard-setting. Furthermore, its participation on international structures ensures that it remains at the forefront of developments in standard-setting and audit regulation.

Having been ranked number one position for its auditing and reporting standards for six consecutive years, according to the World Economic Forum's annual ratings, it is also ideally placed to continue to instil the required confidence in investors that our financial markets are reliable.

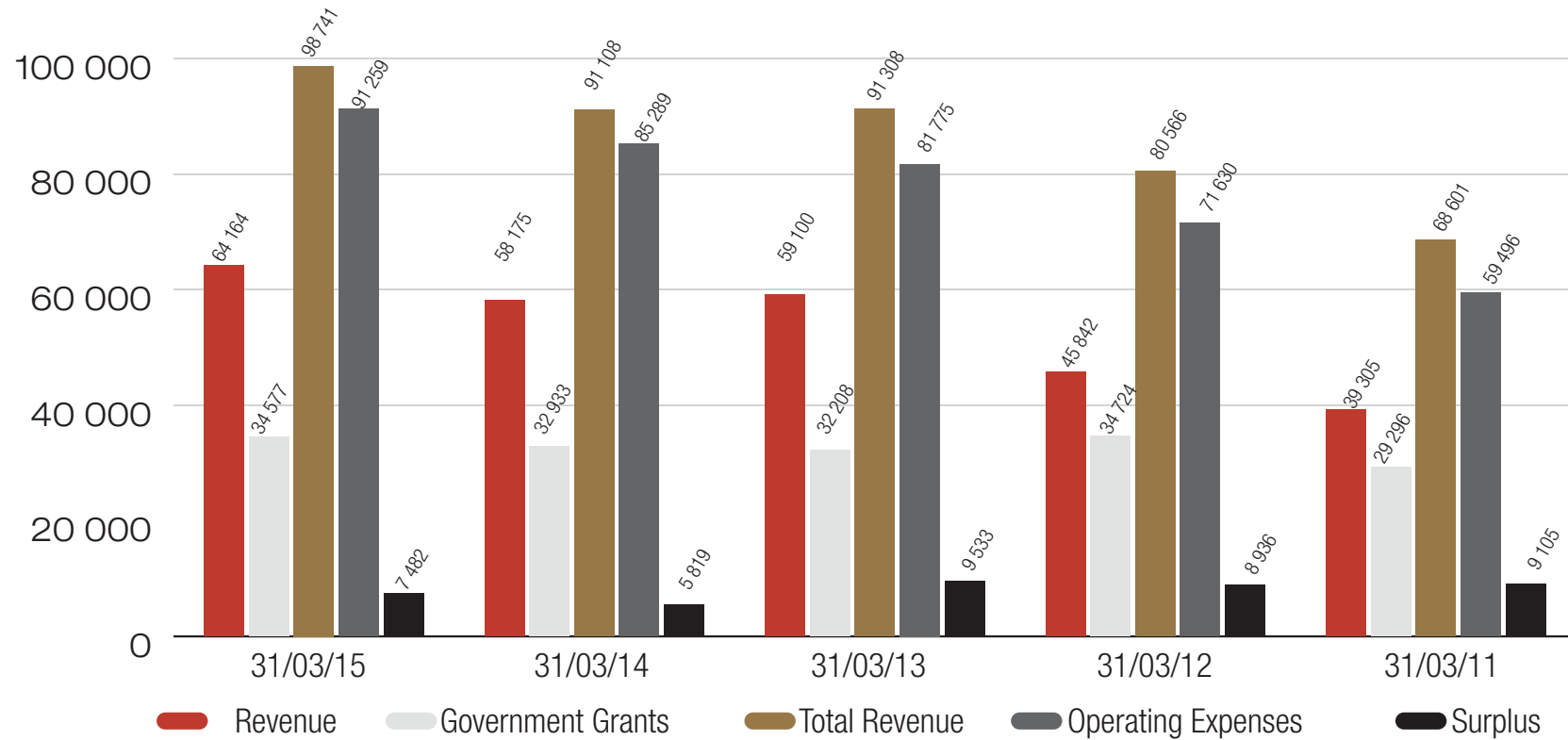
Basis of preparation and presentation

The Board has determined that all matters material to an understanding of how the IRBA creates value have been dealt with in this <IR> Report.

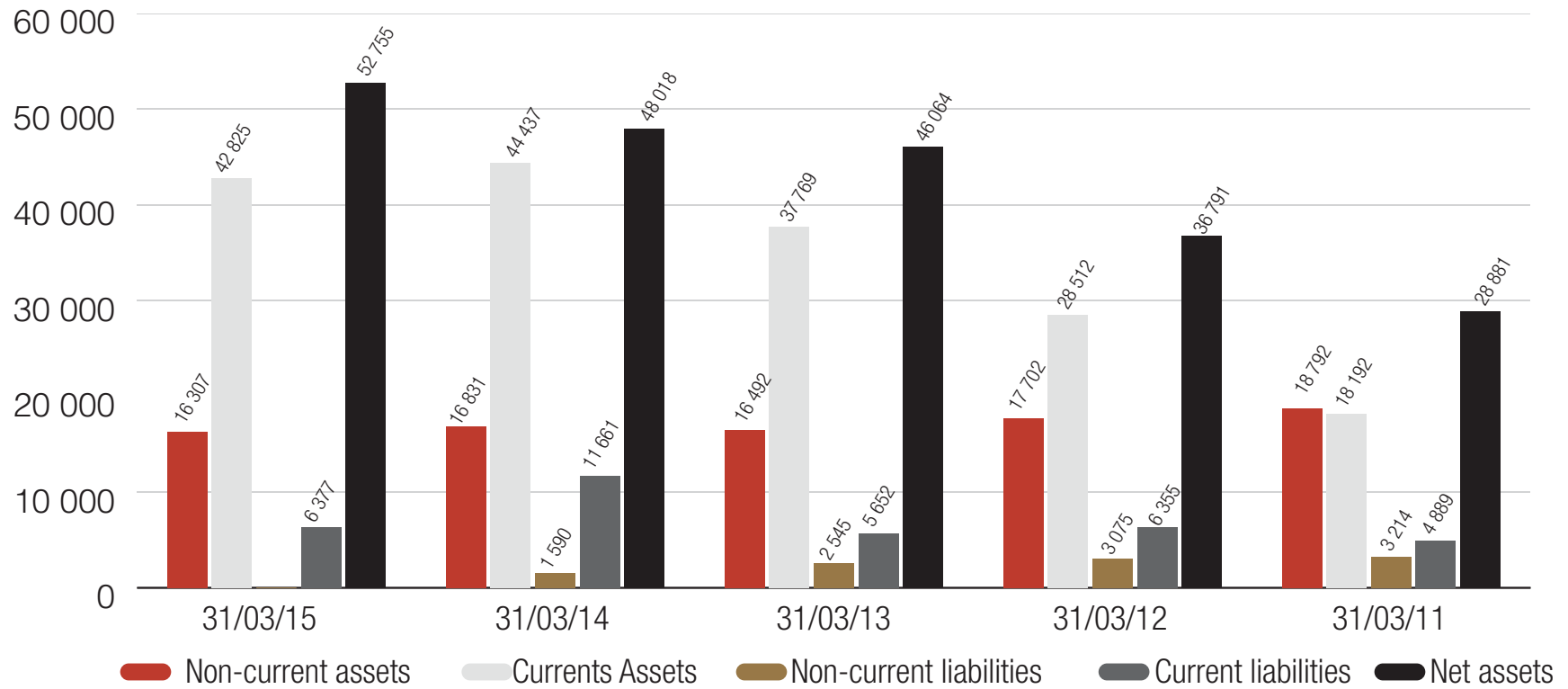
Appendices

Relevant extracts from the 2015 Annual Report: Summarised Financial Statements

Financial Performance

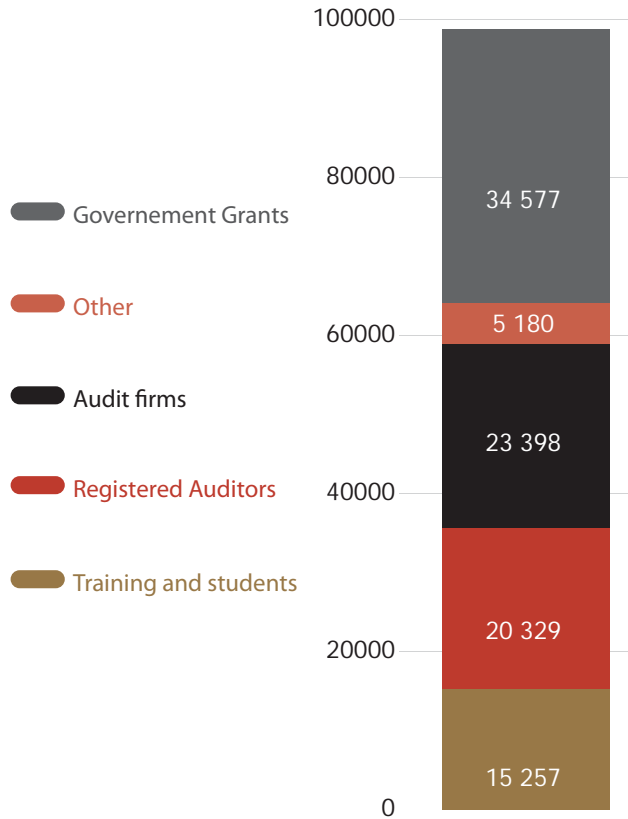


Financial Position

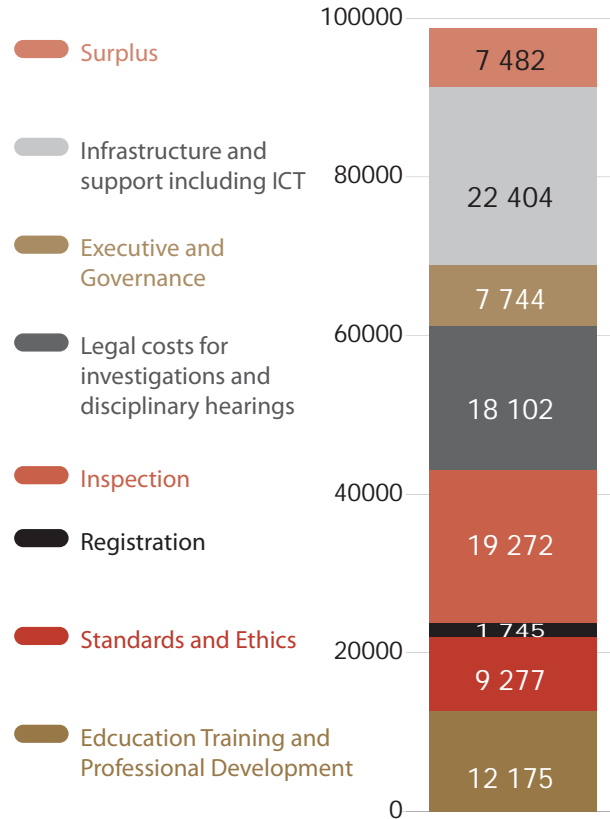


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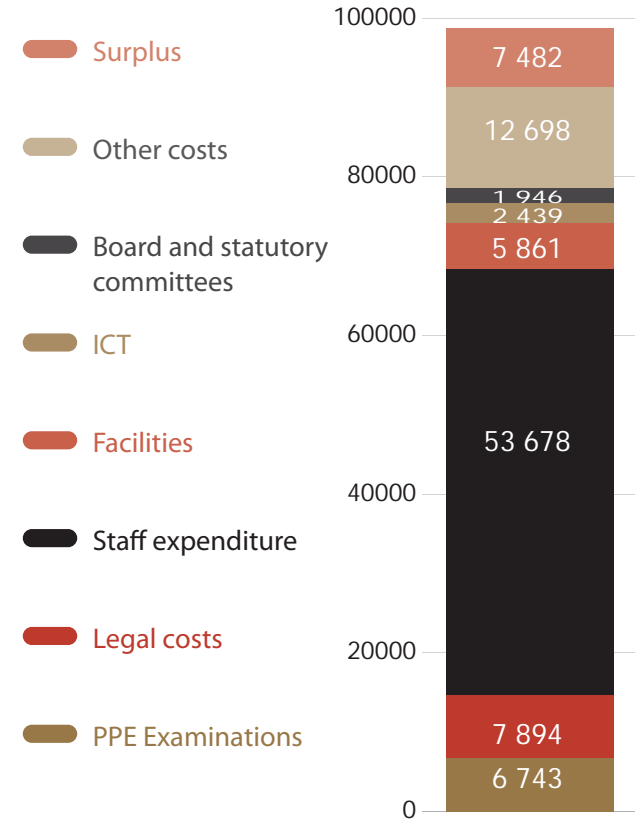
Income Sources



Functions



Activities



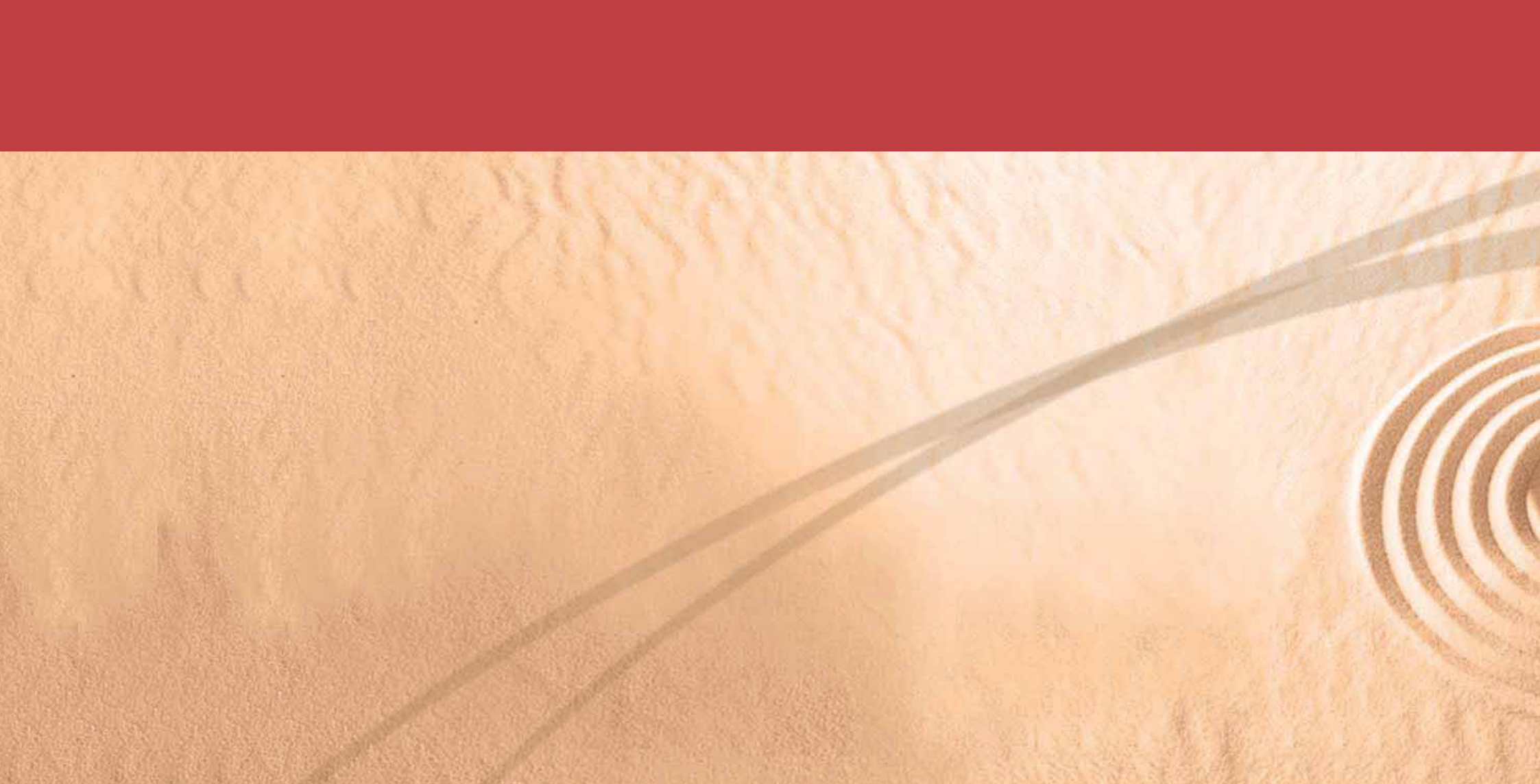
Significant features summary

	2015	2014	2013	2012	2011
Activity indicators (numbers)					
Number of registered auditors					
Registered auditors at year end	4311	4281	4306	4258	4375
New registrations for the period	276	219	306	296	229
Trainee accountants registered for the period	5440	2722	3128	2672	3574
Entrants to the Public Practice Examination (PPE)	724	2768	2288	2054	1952
Reportable Irregularities (RIs) received					
Total RIs received (first reports)	1123	611	710	814	806
Second reports - continuing	630	338	459	491	468
Second reports - not continuing	482	261	247	312	328
Second reports - did not exist	11	12	3	11	7
Second reports - other	0	0	0	0	3
Second reports - overdue	0	0	1	0	0
Disciplinary matters					
Investigations initiated	100	68	85	87	94
Investigation matters disposed of	67	68	65	62	59
Disciplinary committee hearings	4	11	6	5	2
Inspections performed					
Firms	37	34	22	38	22
Engagements	384	348	440	625	640

	2015	2014	2013	2012	2011
Financial Indicators (R)					
Government grant	34 577 000	32 933 000	32 208 000	34 724 000	29 296 000
Total income	64 163 724	58 174 781	59 099 883	44 849 330	39 324 594
Expenses	91 258 715	85 288 924	81 775 158	71 663 206	59 515 377
Surplus	7 482 009	5 818 857	9 532 725	7 910 124	9 105 217
Accumulated surplus surrendered to National Revenue Fund	(2 745 000)	(2 621 000)	-	-	-
Accumulated surplus to be surrendered to National Revenue Fund	-	(1 244 000)	-	-	-
Surplus/(deficit) after movement in reserves	4 765 108	4 145 940	6 486 464	819 429	7 344 852

Acronyms and Abbreviations

ADP	Audit Development Programme	INVESCO	Investigating Committee
AGSA	Auditor-General South Africa	IRBA	The Independent Regulatory Board for Auditors
APA / The Act	Auditing Profession Act, 2005, Act No. 26 of 2005	IRC	Integrated Reporting Council (South Africa)
ARMCO	Audit & Risk Management Committee	King III	King Report on Corporate Governance for South Africa
BAC	B-BBEE Advisory Committee	MFRC	Micro Finance Regulatory Council
B-BBEE	Broad-Based Black Economic Empowerment	PFMA	Public Finance Management Act
CA(SA)	Chartered Accountant (South Africa)	PPE	Public Practice Examination
CAG	IAASB Consultative Advisory Group	PSSC	Public Sector Standing Committee
CFAE	Committee for Auditor Ethics	RA	Registered Auditor
CFAS	Committee for Auditing Standards	RCA	Registered Candidate Auditor
CPD	Continuing Professional Development	SAICA	South African Institute of Chartered Accountants
DAC	Disciplinary Advisory Committee	SCWG	(IFIAR) Standards Coordination Working Group
DISCO	Disciplinary Committee	SSC	Sustainability Standing Committee
DTI	Department of Trade & Industry	WEF	World Economic Forum
EDCOM	Education, Training & Professional Development Committee		
FASSET	The SETA for finance, accounting, management consulting & other financial services		
IAASB	International Audit & Assurance Standards Board		
IAESB	International Accounting Education Standards Board		
IFIAR	International Forum of Independent Audit Regulators		
ICT	Information Communication Technology		
IESBA	International Ethics Standards Board for Accountants		
IFAC	International Federation of Accountants		
IIRC	International Integrated Reporting Council		
INSCOM	Inspection Committee		



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