



## LET'S DIVERSIFY THE PROFESSION

For the country's economic growth, a proper training programme will help expand the pool of skilled and competent auditors

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In August, and to coincide with Women's Month, the IRBA hosted its first outreach to young female Audit Development Programme (ADP) prospects, registered candidate auditors (RCAs) and registered auditors (RAs). The event, hosted at the IRBA offices, gave directors and staff the opportunity to interact with females in the auditing profession and hear their views on the ADP.

Recent events have highlighted the importance of diversity when we seek alternative views, opinions and recommendations – and this must apply equally to the profile of registered auditors (RAs) in South Africa. The profession remains white male dominated; and while racial transformation is governed by black economic empowerment targets, I strongly believe that transformation is about gender too.

During our engagement, we identified a number of misunderstandings among prospective auditors with regard to: what the ADP entails; when newly qualified professional accountants should commence on the programme; and what should be achieved once they have completed the ADP.

The first misconception that arose in our discussions at the event was around when to register for the ADP. We were surprised to hear that many of the young professionals believe that you should only register when you are going to be appointed as a or promoted to partner. However, while qualifying as a professional accountant means one can perform the associated tasks and roles, this does not imply that they have the appropriate expertise and experience to undertake a statutory audit and assume all the professional responsibilities of an RA.

As from 2014, chartered accountants who have completed their training contracts, both at an auditing firm and in commerce, write the same Assessment of Professional Competence (APC) exam. While this exam includes topics on the assessment of assurance, it is different from the Public Practice Examination (PPE) that was a specialised auditing exam. This is why the requirement of 18 months on-the-job specialised training forms the core of the ADP for audit specialisation, and should take place as early as possible in the career of a prospective auditor.

This period of relevant audit development is necessary to develop the competence of a professional accountant to a point that is appropriate to be an RA. During this period, the capabilities already consolidated during the professional body training contract are further refined and developed, as the prospective RA hones audit skills while overseeing trainees at supervisory and managerial levels.

The IRBA recommends that RCAs should register for the ADP soon after obtaining their professional accountant qualification. This should be after the successful completion of a training contract and the APC.

Without completing the ADP requirements, a professional accountant cannot register as an RA. Through following the structured ADP Framework, the prospective auditor takes on more responsibilities

and is exposed to the full cycle of the audit, with the support of the oversight registered auditor (ORA). During this time, both technical and non-technical competencies are developed under the guidance of the ORA and documented as part of the Portfolio of Evidence.

The second misconception was that the ADP is not required when one has completed their professional body training contract at an auditing firm. On the contrary, the training contract is designed for one to attain only the competencies needed to achieve the professional accountant status. The ADP, on the other hand, is a step beyond the training contract. It is a period of specialisation undertaken by professional accountants who want to become RAs. It provides a context wherein the consolidated capabilities developed during the training contract can be refined in a more complex learning environment and in performing roles more senior to those undertaken during the training contract.

Therefore, tasks must increase in complexity and level of responsibility as the RCA progresses through the ADP. The RCA will undertake more responsibility for those aspects of the audit engagement that pose a greater risk to the firm, the client and other stakeholders. By the end of the ADP, RCAs are expected to have acquired and demonstrated competence to a level expected of an RA.

A further misconception is that the additional requirements to complete the ADP and register as an RA are a "burden". However, for those professional accountants who want to further their career and remain in the auditing profession, completing the ADP would equip them with structured and formalised means to obtain the required skills and competencies to be an RA.

That brings us to the last misconception, which is that the competencies required to be a registered auditor are the same as those needed to be a chartered accountant. This, however, is not true as without the necessary audit experience and specialisation, it is not possible to be eligible to register as an RA.

The unfortunate consequence of the combined effect of these misconceptions is that certain professionals we talked to were already doing work and gaining relevant experience that could have contributed to their 18-month programme. Also, these professionals were taking on responsibilities and tasks that would otherwise have been considered as forming part of a structured programme of audit development, had they been registered on the ADP.

For the benefit of those recently qualified professional accountants who express an interest in audit specialisation, it is imperative that audit firms offering the ADP get those prospective candidates registered on the ADP as soon as possible. That way, the firms will ensure that all specialised training is properly and adequately structured and recorded.

The profession has been under scrutiny and pressure with regard to matters of audit quality. So, it is imperative that firms apply the ADP properly, take responsibility for developing audit skills and ensure

that prospective RAs are trained appropriately through a structured programme.

A delayed ADP registration while one is working on audits as a manager, sometimes for years, would result in a deferred registration as an RA. Also, it could mean that the specialised development up until that point does not meet the minimum requirements. The implication for the individual then is that it would take longer to achieve the RA designation, in addition to possibly being required to once again demonstrate specific competencies within a structured framework.

Lastly, it is important to emphasise that the role of ORAs in training and developing future auditors is key. While it is a different approach from that used in the past, we believe that the hands-on, active mentoring by ORAs will produce future auditors who meet the competency requirements.

As the ADP is the joint responsibility of the IRBA and the firms, we encourage ORAs to engage with the IRBA so as to understand the programme requirements fully. That way, we can increase the pool of skilled and competent auditors, who are much needed at the moment. Also, it is imperative that this pool be diversified in terms of race and gender. Such skilled and competent auditors will make the audit profession the sought-after career it used to be, especially for those young professionals who aspire to protect the public interest and contribute to our economic growth.



*Bernard Peter Agulhas*  
**Chief Executive Officer**



## THE FOLLOWING TOPICS ARE DISCUSSED IN THIS ISSUE:

- Standards:
  - Audit Quality Indicators (AQIs).
  - SAAPS 4 (Revised 2019), Letters of Specific Inquiry to the Entity's External Legal Practitioner Regarding Litigation and Claims Involving the Entity.
  - Alert: Two-and-a-half months left before the effective date of ISA 540 (Revised), Auditing Accounting Estimates and Related Disclosures.
  - Engagements on Legal Practitioners' Trust Accounts.
  - Illustrative Auditor's Report for Engagements on the Compliance of the Attorneys' Trust Accounts.
  - Minor editorial amendments made post-issue to the South African Auditing Practice Statement (SAAPS) 3 (Revised May 2019), Illustrative Reports.
  - Guide for Registered Auditors: Auditing in the Public Sector (Revised August 2019).
  - IAASB projects in progress.
  - Compliance with the Companies Act – CIPC launches a checklist.
- Ethics:
  - Proposed amendments to the IRBA Code of Professional Conduct relating to registered candidate auditors.
  - IESBA proposes changes to Promote Role and Mindset Expectations of Professional Accountants.
  - IESBA launches the eCode.
  - IESBA projects in progress.

## AUDIT QUALITY INDICATORS (AQIs)

The IRBA continues to analyse submissions of the information that was received from JSE-accredited audit firms earlier in the year; and it plans to publish a report regarding the AQIs. In addition, the IRBA has prepared guidance for audit committees, in the form of a pamphlet, on the use of AQIs. The pamphlet will be issued to audit committees and others through an appropriate platform.

For further information on AQIs, refer to the following two Accountancy SA articles:

- Audit Quality Indicators: Promoting Transparency; and
- Audit Quality: The Global Quest for the Best Indicators.

Registered auditors are referred to the [IRBA webpage](#) dedicated to AQIs for further resources regarding this topic.

## COMMITTEE FOR AUDITING STANDARDS (CFAS)

### South African Auditing Practice Statement (SAAPS) 4 (Revised 2019), Letters of Specific Inquiry to the Entity's External Legal Practitioner Regarding Litigation and Claims Involving the Entity

The CFAS, at its meeting on 21 August 2019, approved the issuing of South African Auditing Practice Statement (SAAPS) 4, *Letters of Specific Inquiry to the Entity's External Legal Practitioner Regarding Litigation and Claims Involving the Entity*, for use by registered auditors. SAAPS 4 (Revised 2019) was issued on 29 August 2019.

SAAPS 4 (Revised 2019) is aimed at providing practical guidance to a registered auditor who is required to seek direct communication with the entity's external legal practitioner, in line with paragraph 10 of the International Standard on Auditing (ISA) 501, *Audit Evidence – Specific Considerations for Selected Items* (ISA 501).

The revised SAAPS has been updated for the following:

- Name change;
- Amendments to the Illustrative Letter of Specific Inquiry to the Entity's External Legal Practitioner regarding Litigation and Claims Involving the Entity;
- Amendments to the illustrative letter to align it with ISA 501; and
- Amendments to reflect terminology that is understood in South Africa.

SAAPS 4 (Revised 2019) is effective for letters of specific inquiry requested on or after 1 September 2019. It is available for downloading in both PDF and Word formats on the [IRBA website](#).

### Alert: Two-and-a-half Months Left Before the Effective Date of ISA 540 (Revised), Auditing Accounting Estimates and Related Disclosures

Auditors are reminded that the International Standard on Auditing (ISA) 540 (Revised), *Auditing Accounting Estimates and Related Disclosures*, is effective for audits of financial statements for periods beginning on or after 15 December 2019.

As previously communicated by the IRBA on [8 November 2018](#) and [5 February 2019](#), respectively:

- The International Auditing and Assurance Standards Board (IAASB) issued ISA 540 (Revised) on 3 October 2018.
- At its meeting on 6 November 2018, the IRBA Board approved ISA 540 (Revised) for adoption, issue and prescription for use by registered auditors in South Africa.
- ISA 540 (Revised) becomes effective for financial statement audits for periods beginning on or after 15 December 2019. Early adoption of ISA 540 (Revised) is permissible and is encouraged by the IRBA.
- ISA 540 (Revised) may be downloaded from the [IRBA website](#).

The [ISA 540 \(Revised\) Implementation](#) project page has been added to the IAASB website as a repository for implementation

support materials. It contains links to useful materials and will continue to be updated. Please visit the ISA 540 (*Revised Implementation*) project page regularly to check whether any new implementation support has been issued by the ISA 540 (Revised) Implementation Working Group.

## Engagements on Legal Practitioners' Trust Accounts

Work is progressing on the revision of the *Revised Guide for Registered Auditors: Engagements on Legal Practitioners' Trust Accounts* (the proposed Revised Guide).

The proposed Revised Guide will be updated for:

- The Legal Practice Act, No. 28 of 2014 (LPA), that replaced the Attorneys Act 53 of 1979 in its entirety;
- The South African Legal Practice Council Rules made under the authority of Sections 95(1), 95(3) and 109(2) of the LPA that replaced the Uniform Rules; and
- Other issues identified by the Task Group.

The plan is to issue the proposed Revised Guide on exposure during the latter part of this year.

## Illustrative Auditor's Report for Engagements on the Compliance of the Attorneys' Trust Accounts with the Attorneys Act and the Rules for the Attorneys' Profession, as well as the Legal Practice Act and Legal Practice Council Rules

Registered auditors' attention is drawn to the illustrative reasonable assurance auditor's report issued by the Legal Practice Council (LPC) for use by registered auditors (auditors) when reporting on attorneys' trust accounts. Auditors are alerted to the fact that the IRBA's CFAS was not involved in developing and approving this illustrative auditor's report for use by auditors.

The LPA was enacted on 22 September 2014 (Government Gazette No. 38022). With the exception of certain chapters of the Act, the LPA was implemented on 1 November 2018 (Government Gazette No. 42003) and it replaced the Attorneys Act 53, 1979 (the AA), in its entirety (with some exclusions).

The final South African LPC Rules, made under the authority of Sections 95(1), 95(3) and 109(2) of the LPA, were gazetted on 20 July 2018 (Government Gazette No. 41781).

The implementation of the LPA and the LPC Rules on 1 November 2018 has resulted in auditors having two sets of criteria against which to evaluate the underlying subject matter. These criteria are the AA and the Rules for the Attorneys' Profession (Uniform Rules), up to 31 October 2018, and the LPA and the LPC Rules from 1 November 2018 to the relevant year-end.

As a transitional arrangement, the LPC has issued the illustrative reasonable assurance auditor's report, which requires the auditor to report on compliance with the related sections of both the AA and the Uniform Rules, as well as the LPA and the LPC Rules for their respective periods.

The illustrative auditor's report is available in PDF format and may be downloaded from the [LPC website](#).

## CFAS REGULATED INDUSTRIES AND REPORTS STANDING COMMITTEE (RIRSC)

### Minor Editorial Amendments Made Post-Issue to the South African Auditing Practice Statement (SAAPS) 3 (Revised May 2019), Illustrative Reports

The CFAS approved the issue of the South African Auditing Practice Statement (SAAPS) 3 (Revised May 2019), *Illustrative Reports*, (SAAPS 3 (Revised May 2019)), for use by auditors in May 2019.

SAAPS 3 (Revised May 2019) was issued on 30 May 2019. Then the Secretariat was alerted to minor errors in illustrative auditor's reports 15 and 16 contained in SAAPS 3 (Revised May 2019). The errors were corrected, and the updated version of the SAAPS was uploaded to the IRBA website on 3 June 2019. **Auditors are urged to check that they are using the version that is on the website.**

This SAAPS is available in PDF and Word formats, and may be downloaded from the [IRBA website](#).

## CFAS PUBLIC SECTOR STANDING COMMITTEE (PSSC)

### Guide for Registered Auditors: Auditing in the Public Sector (Revised August 2019)

The CFAS, at its meeting on 21 August 2019, approved the issue of the *Guide for Registered Auditors: Auditing in the Public Sector (Revised August 2019)* (this Revised Guide) for use by auditors.

This Revised Guide was approved by the CFAS for joint publication with the Auditor-General of South Africa (AGSA) to help improve the understanding and enhance the performance of quality public sector audits by auditors in public practice (registered with the IRBA), who are contracted by the AGSA or appointed as auditors of public institutions where the AGSA has opted not to perform the audit, in accordance with Section 4(3) and 4(3A) of the Public Audit Act, 2004 (Act No. 25 of 2004) (PAA).

Section 12(3)(a) of the PAA requires the AGSA to determine "the minimum qualifications, experience and competence for authorised auditors". Auditors performing public sector engagements have to ensure that they have the professional competence to perform such audit engagements in accordance with the applicable professional standards, additional extensive legal and regulatory requirements as well as the unique circumstances of the public sector. The guidance herein is intended to assist auditors to meet these requirements.

This Revised Guide has been updated for the following:

- Changes made to the AGSA's audit methodology;
- Guidance on interaction with political governance structures in the public sector;

- Expanding/enhancing the sections dealing with legislation, guidance and key stakeholders/role players in the public sector;
- A new section on the role and powers of the Auditor-General;
- Changes to the financial reporting frameworks applicable to the public sector;
- Enhanced referencing to the International Standards of Supreme Audit Institutions; and
- Amendments arising from the revision of the PAA.

## **Effective Date**

This Revised Guide, which is effective from 2 September 2019, is available in PDF format and may be downloaded from the [IRBA website](#).

## **INTERNATIONAL AUDIT AND ASSURANCE STANDARDS BOARD (IAASB)**

### **IAASB Projects in Progress**

- Auditor risk assessments (ISA 315 (Revised));
- Audit evidence;
- Technology;
- Quality management at firm level (ISQM 1);
- Engagement quality review (ISQM 2);
- Quality management at engagement level (ISA 220);
- Group audits (ISA 600);
- Agreed-upon procedures engagements (ISRS 4400);
- Extended external reporting (EER) assurance;
- Audits of less complex entities (LCE); and
- Professional scepticism.

More information on these projects is available on the [IAASB website](#).

## **COMPLIANCE WITH THE COMPANIES ACT – CIPC LAUNCHES A CHECKLIST**

The Companies and Intellectual Property Commission, in its Notice 52 of 2019, has announced the launch of an online checklist that is targeted specifically at Section 11(3) entities in terms of the Companies Act, i.e. Incorporated; (Pty) Ltd; Ltd; SOC Ltd and NPCs.

As from 1 September 2019, the checklist has been rolled out on a voluntary basis for a period of four months. After this period it will become mandatory for the category of companies mentioned above to complete from 1 January 2020, prior to submitting their annual returns. The checklist is designed to improve compliance with specific mandatory provisions of the Companies Act.

## COMMITTEE FOR AUDITOR ETHICS (CFAE)

### Proposed Amendments to the IRBA Code of Professional Conduct Relating to Registered Candidate Auditors

The CFAE approved the issuing of the proposed amendments to the [IRBA Code of Professional Conduct for Registered Auditors \(Revised November 2018\)](#) (IRBA Code) relating to registered candidate auditors on exposure in August 2019 for public comment by 31 October 2019.

In accordance with the provisions of Section 10(1)(a) of the Auditing Profession Act, 2005 (Act No. 26 of 2005) (the Act), the IRBA may, by notice in the Government Gazette and pursuant to the provisions of Section 4(1)(c) of the Act, publish, for public information and comment, an amendment to the IRBA Code. Accordingly, Board Notice 158 of 2019 was published in the Government Gazette No. 42684 for public comment for a minimum period of 30 days.

#### Proposed Amendments

In 2015, amendments to the Auditing Profession Act (Act 26 of 2005) resulted in the regulation of registered candidate auditors through the Audit Development Programme (ADP). At the commencement of the ADP, registered candidate auditors acknowledge their obligation to comply with the IRBA Code.

The IRBA Code addresses the definition and role of a registered auditor, and this includes both the individual and the firm. It, however, does not specifically address the role and definition of a registered candidate auditor.

Therefore, these amendments seek to provide clarity on the application of the IRBA Code to registered candidate auditors.

#### Proposed Effective Date

The expectation is that the CFAE will deliberate on the comments received on the proposed amendments to the IRBA Code relating to registered candidate auditors in February 2020 and then consider recommending these amendments to the IRBA Board for approval in June 2020. The expectation is that these proposed amendments will be effective on or after 1 November 2020.

#### Request for Comments

The CFAE welcomes comments on all matters addressed in the proposed amendments to the IRBA Code relating to registered candidate auditors, especially those identified in the Request for Specific Comments section of the Explanatory Memorandum.

The IRBA invites registered candidate auditors, registered auditors and other interested parties to submit any comments regarding the proposed amendments to the IRBA Code relating to registered candidate auditors to the IRBA by 31 October 2019. Comments, in Word format, should be submitted by email to [standards@irba.co.za](mailto:standards@irba.co.za). All comments will be considered a matter of public record.

A copy of the exposure draft is available in PDF format and may be downloaded from the [exposure drafts page](#) on the IRBA website.

## INTERNATIONAL ETHICS STANDARDS BOARD FOR ACCOUNTANTS (IESBA)

### IESBA Proposes Changes to Promote Role and Mindset Expectations of Professional Accountants

The IESBA released, for public comment, the Exposure Draft, Proposed Revisions to Promote the Role and Mindset Expected of Professional Accountants, on 31 July 2019. The Exposure Draft puts forward changes that further strengthen the International Code of Ethics for Professional Accountants (including International Independence Standards) (the IESBA Code) to promote the role and mindset expected of all professional accountants.

The proposed revisions respond to stakeholder calls for the IESBA to explore whether and how the Code could contribute to strengthening the application of concepts underlying professional scepticism by all professional accountants.

Among other matters, the proposals:

- Highlight professional accountants' wide-ranging role in society and the relationship between compliance with the IESBA Code and a professional accountant's responsibility to act in the public interest;
- Include enhancements to the robustness of the fundamental principles of integrity, objectivity and professional behaviour;
- Further strengthen the IESBA Code through requiring professional accountants to have an inquiring mind when applying the conceptual framework; and
- Highlight the importance of being aware of bias and having the right organisational culture.

The IRBA Code adopted the IESBA Code, issued during 2018, together with South African enhancements. As all amendments to the IRBA Code are in line with the IESBA Code, the expectation is that these IESBA Code amendments will be incorporated into the IRBA Code.

In accordance with the provisions of Section 10(1)(a) of the Auditing Profession Act, the IRBA may, by notice in the Government Gazette and pursuant to the provisions of Section 4(1)(c) of the Act, publish, for public information and comment, an amendment to the IRBA Code. Accordingly, Board Notice 160 of 2019 to the same effect was published in the Government Gazette No. 42684 for public comment for a minimum period of 30 days.

Comments to the IESBA close on 31 October 2019.

#### IESBA Launches the eCode

The IESBA released its eCode, a web-based tool that delivers the IESBA Code on a digital platform, on 26 June 2019.

This tool includes "app-like" features and functionalities, such

as an interactive table of contents, pop-ups with definitions and descriptions of terms as well as hyperlinks highlighting cross-references within the IESBA Code. This initiative highlights the IESBA Code's "building blocks" architecture and scalability.

Registered auditors may find the eCode helpful as the IRBA Code is based on Parts 1, 3, 4A and 4B of the IESBA Code. However, registered auditors should exercise caution when using the eCode as it does not include South African adaptations and amendments to the IESBA Code which appear underlined and in italics in the IRBA Code.

The eCode is available free-of-charge at [www.IESBAeCode.org](http://www.IESBAeCode.org).

### IESBA Projects in Progress

- Non-assurance services;
- Fees;
- Technology; and
- Alignment of Part 4B of the Code and ISAE 3000 (Revised).

More information on these projects is available on the [IESBA website](http://IESBAwebsite).

Should you have any further queries, please send an email to [standards@irba.co.za](mailto:standards@irba.co.za).



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## INVESTIGATING COMMITTEE

The Investigating Committee met once during this period and referred 19 matters to the Disciplinary Advisory Committee.

## DISCIPLINARY ADVISORY COMMITTEE

The Disciplinary Advisory Committee met once during this period and concluded on 26 matters.

### Decisions not to charge

One matter in terms of Disciplinary Rule 3.5.1.1 – the respondent was not guilty of improper conduct.

One matter in terms of Disciplinary Rule 3.5.1.2 – there is a reasonable explanation for the respondent's conduct.

### Decisions to charge and matters finalised by consent order

Thirteen matters were finalised by consent order.

#### Matter 1

The respondent issued a modified audit opinion on the client, but failed to communicate the deficiency in internal control to those charged with governance in writing, thus contravening the requirements of the International Standards on Auditing.

The respondent was sentenced to a fine of R20 000, of which R10 000 has been suspended for three years on condition that the respondent is not found guilty of improper conduct relating to work done during the period of suspension; no cost order; and publication by the IRBA in general terms.

#### Matter 2

The matter was a referral from the Inspections Committee. The Company did not prepare consolidated financial statements and did not have adequate disclosures in this regard, as required by International Accounting Standards. The respondent failed to identify this non-disclosure. Furthermore, the respondent failed to document the procedures, as per the International Standards on Auditing, regarding the retraction and re-issuing of the financial statements.

The respondent was sentenced to a fine of R100 000, of which R50 000 has been suspended for three years on condition that the respondent is not found guilty of improper conduct relating to work done during the period of suspension; no cost order; and publication by the IRBA in general terms.

#### Matter 3

The respondent was the engagement partner responsible for the tax affairs of the client. The respondent failed to timeously inform the client of penalties raised by the South African Revenue Service.

The respondent was sentenced to a fine of R40 000, of which R20 000 has been suspended for three years on condition that the respondent is not found guilty of improper conduct relating to work done during the period of suspension; no cost order; and publication by the IRBA in general terms.

#### Matter 4

The matter was a referral from the Inspections Committee. The respondent failed to obtain sufficient appropriate evidence, as required by the International Standards on Auditing, on numerous balances and transactions, and also on risk assessment, reliance on a management expert, use of service organisations, comparative information and subsequent events.

The respondent was sentenced to a fine of R200 000, of which R100 000 has been suspended for five years on condition that the respondent is not found guilty of improper conduct relating to work done during the period of suspension; no cost order; and publication by the IRBA in general terms. In addition, the respondent must arrange and ensure that external training on the practical application of auditing standards is attended by the respondent and their audit staff within 60 days of the imposition of the sentence, and must provide evidence of compliance to the IRBA.

#### Matter 5

The matter was a referral from the Inspections Committee. The Company did not prepare consolidated financial statements. The respondent failed to document evidence to verify that the Company could apply the exemption criteria as set out in the International Financial Reporting Standards for Small and Medium-sized Entities.

The respondent was sentenced to a fine of R100 000, of which R50 000 has been suspended for three years on condition that the respondent is not found guilty of improper conduct relating to work done during the period of suspension; no cost order; and publication by the IRBA in general terms.

#### Matter 6

The respondent was made aware of accounting irregularities on several occasions pertaining to related parties, expenditure and journal entries, but failed to appropriately address these risks as required by the International Standards on Auditing. As a result, the audit opinion issued by the respondent was inappropriate. In addition, the respondent failed to report reportable irregularities to the IRBA, as required by the Auditing Profession Act, in respect of the accounting irregularities by the director and the late preparation of the financial statements by the Company.

The respondent was sentenced to a fine of R200 000, of which R100 000 has been suspended for five years on condition that the respondent is not found guilty of improper conduct relating to work done during the period of suspension; no cost order; and publication by the IRBA in general terms. In addition, the respondent must arrange and ensure that external training on the practical application of auditing standards is attended by the respondent and

their audit staff within 60 days of the imposition of the sentence, and must provide evidence of compliance to the IRBA.

## Matter 7

The respondent accepted the audit engagement of the client while the network firms were appointed as the managing agents and insurance brokers of the client, which resulted in a significant independence threat in terms of the Code of Professional Conduct.

The respondent was sentenced to a fine of R100 000, of which R50 000 has been suspended for five years on condition that the respondent is not found guilty of improper conduct relating to work done during the period of suspension; no cost order; and publication by the IRBA in general terms.

## Matter 8

The respondent failed in numerous instances and over multiple years to comply with the documentation requirements of the International Standards on Auditing. In addition, the audit report format issued by the respondent was outdated. Furthermore, the respondent failed to comply with the standards in respect of the re-issued audit opinion on the revised financial statements.

The respondent was sentenced to a fine of R150 000, of which R100 000 has been suspended for three years on condition that the respondent is not found guilty of improper conduct relating to work done during the period of suspension; no cost order; and publication by the IRBA in general terms.

## Matter 9

The matter was a referral from the Inspections Committee. The respondent failed to obtain sufficient appropriate evidence to support the opinions expressed, as required by the International Standards on Auditing. Furthermore, the respondent onward invoiced the Company for the preparation of the financial statements in contravention of the Section 90 Guide.

The respondent was sentenced to a fine of R100 000, of which R50 000 has been suspended for three years on condition that the respondent is not found guilty of improper conduct relating to work done during the period of suspension; no cost order; and publication by the IRBA in general terms.

## Matter 10

The respondent failed to document sufficient appropriate audit evidence, as required by the International Standards on Auditing, in respect of tax compliance, liabilities, assets and journal entries. Furthermore, the respondent expressed an incorrect audit opinion as they did not comply with South African Auditing Practice Statement 3 and the guidance issued by SAICA on Sectional Title Schemes. In addition, there was an independence threat not evaluated on the audit file relating to a director of the audit firm being the son-in-law of a trustee of the Body Corporate.

The respondent was sentenced to a fine of R140 000, of which R70 000 has been suspended for five years on condition that the respondent is not found guilty of improper conduct relating to work done during the period of suspension; no cost order; and publication by the IRBA in general terms. In addition, the respondent must arrange and ensure that external training on the auditing of body corporates is attended by the respondent and their audit staff within 60 days of the imposition of the sentence, and must provide evidence of compliance to the IRBA.

## Matter 11

The respondent issued audit opinions before the financial statements were approved by the directors. These financial statements contained several material errors and were subsequently withdrawn. The respondent did not review the steps taken by management to ensure that anyone in possession of the previously issued financial statements was informed of the situation and therefore did not comply with International Standards on Auditing. Furthermore, the respondent failed to report a reportable irregularity to the IRBA, as required by the Auditing Profession Act, regarding the late preparation of the financial statements by the Company.

The respondent was sentenced to a fine of R150 000, of which R75 000 has been suspended for five years on condition that the respondent is not found guilty of improper conduct relating to work done during the period of suspension; no cost order; and publication by the IRBA in general terms.

## Matter 12

The matter was a referral from the Inspections Committee. The Company declared dividends of R3m during the year which were paid to shareholders subsequent to year-end. These dividends were erroneously disclosed as paid in the cash flow statement. The respondent thus issued an inappropriate audit opinion as this amount exceeded materiality of R1.2m.

The respondent was sentenced to a fine of R40 000, of which R20 000 has been suspended for three years on condition that the respondent is not found guilty of improper conduct relating to work done during the period of suspension; no cost order; and publication by the IRBA in general terms.

## Matter 13

The respondent submitted a first reportable irregularity report to the Companies and Intellectual Properties Commission, but subsequently failed to submit the second report to the commission within the required time.

The respondent was sentenced to a fine of R20 000, of which R10 000 has been suspended for three years on condition that the respondent is not found guilty of improper conduct relating to work done during the period of suspension; no cost order; and publication by the IRBA in general terms.

### **Decisions to charge and matters referred for disciplinary hearings**

Eleven matters were referred to the Legal Department for disciplinary hearings.



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## DISCIPLINARY COMMITTEE

The Disciplinary Committee considered two matters during the period under review.

### R Kruger

This matter relates to the conduct of Ms René Kruger (the practitioner) of the erstwhile audit firm René Kruger Ouditeur. Following an investigation by the IRBA, she was charged with seven counts of improper conduct. Three of the charges related to misrepresentations made by the practitioner to the IRBA during the annual inspection process, while the remaining four charges emanated from professional work done by the practitioner in auditing the annual financial statements of Bonamanzi Vakansieoord (Pty) Ltd and its related companies from 2003 to 2011, as well as those of a company called Zachen Publishers (Pty) Ltd.

The merits hearing commenced in 2017 and was finalised in April 2019, with the practitioner being found guilty of six of the seven charges levelled against her.

In respect of the **first and second charges**, the practitioner was found guilty of contravening Rules 2.1.1, 2.1.20 and 2.1.21 of the old Disciplinary Rules. Both charges related to the practitioner's failure to fully disclose her list of assurance clients in her declaration to the IRBA during the annual inspection process in 2009 and 2010 respectively.

In relation to the **third charge**, the practitioner was similarly found guilty of contravening Rules 2.1.1, 2.1.20, 2.1.21 of the old Disciplinary Rules and Rules 2.1, 2.6, 2.17 of the Rules regarding Improper Conduct. The essence of the third charge was that the practitioner had failed to fully disclose her list of assurance clients in her declaration to the IRBA during the 2011 annual inspection process. In addition, she had misrepresented her involvement in the audit of the financial statements of Bonamanzi (Pty) Ltd, for the year ended 31 March 2011, and some of its related entities, for the year ended 28 February 2011. The practitioner had contended that in 2011 she had ceased to be the auditor of Bonamanzi (Pty) Ltd and its related entities and had only performed accounting services for these entities. The practitioner alluded that the signatures on the auditor's reports accompanying the 2011 audited financial statements for the aforementioned entities were not hers but a forgery. Ultimately, after analysing the evidence placed before the committee, including that of two expert document examiners advanced by the IRBA and the practitioner, the committee rejected the practitioner's version on this charge. It found that the 2011 auditor's report on the audited financial statements of Bonamanzi (Pty) Ltd and its related entities did not contain a forgery in respect of the signature and were, in fact, audited by the practitioner. Considering the seriousness of the findings made by the committee relative to the practitioner's signature on the disputed audited financial statements, the committee directed the IRBA to refer its findings to the National Prosecuting Authority for further investigation and, if warranted, criminal prosecution.

The crux of the **fourth charge** was that the practitioner had failed to report a reportable irregularity in circumstances where only one of the two directors of Bonamanzi (Pty) Ltd had approved and signed the audited annual financial statements for the year ended 31 March 2010. This act resulted in a contravention of Section 298 of the repealed Companies Act 61 of 1973, which required the annual financial statements of a company, other than the auditor's report, to be approved by the directors and signed on its behalf by two of its directors. The statutory contravention represented a material breach of a fiduciary duty owed by the directors to the company; and the practitioner was accordingly found guilty of a failure to report a reportable irregularity and, in particular, of contravening Rules 2.1.1, 2.1.5 and 2.1.20 of the old Disciplinary Rules.

The fifth and **sixth charges** related to failures in respect of multiple aspects of the audit of the annual financial statements of Bonamanzi (Pty) Ltd for the years ended 31 March 2011 and 2010 respectively; and this gave rise to various breaches of different International Standards on Auditing. The practitioner was found guilty of contravening Rules 2.5, 2.6, 2.7 and 2.17 of the Rules regarding Improper Conduct and Rules 2.1.2, 2.1.5, 2.1.20 and 2.1.21 of the old Disciplinary Rules.

The practitioner was found not guilty of the seventh charge in respect of Zachen (Pty) Ltd.

The committee reconvened in June 2019 for the purpose of handing down a sanction in respect of the above charges. In sanctioning the practitioner, the committee considered the fact that the six charges in respect of which the practitioner was found guilty were serious in nature, involved conduct that misled not only the IRBA but also other minority shareholders in Bonamanzi (Pty) Ltd. As such, the committee found that the interests of the auditing profession and those of the minority shareholders were adversely prejudiced by the practitioner's conduct.

The committee took into account that the practitioner did not live up to the professional standard expected of a registered auditor in the manner she sought to fulfil her audit obligations towards Bonamanzi (Pty) Ltd and its related entities. Also, the committee took into account the personal background and financial circumstances of the practitioner, as well as the adverse impact that the disciplinary proceedings had on her personally and on her professional practice. It took the view that, given the nature of the findings against the practitioner, cancellation of the practitioner's registration with the IRBA would be a befitting sanction. However, it noted that the practitioner was no longer registered with the IRBA, as she had voluntarily resigned in 2014; thus, that sanction was no longer available to the committee. Consequently, the committee concluded that the imposition of the maximum fines in respect of most of the charges was both appropriate and justifiable. Accordingly, the practitioner was fined R100 000 for each of the first, second, third, fifth and sixth charges and R50 000 in respect of the fourth charge. In addition, the practitioner was ordered to pay a contribution of R502 602.50 towards the IRBA's costs.



The committee ordered that a summary of the facts of the case, its findings and sentence, including the practitioner's name and her firm's name, be published in IRBA News. In addition, it ordered that its decisions on the merits and sanction be brought to the attention of the South African Institute of Chartered Accountants and any other regulatory institution(s).

### African Bank

This matter relates to the audit of African Bank, which was placed under curatorship during 2014. The hearing commenced in 2018 and remained part-heard. The committee reconvened for 11 days during the reporting period, with the matter once again remaining part-heard. The committee is now scheduled to resume, for the final leg of the merits hearing, in October 2019 and will continue up to December 2019. The expectation is that a decision on the merits of the matter will be handed down by the committee in 2020.

## REPORTABLE IRREGULARITIES

The IRBA received 164 reports on Reportable Irregularities (RIs) for the period under review. *(Note that RIs are reported on quarterly in arrears)*

At the end of the reporting quarter, 109 second reports were received, of which:

RIs were continuing	42
RIs were not continuing	58
RIs did not exist	9

Of the 42 continuing RIs received, the top six types of RIs most frequently reported, categorised by nature, were:  
(Note that in many cases a second report received would identify more than one RI)

Unlawful Act or Omission	Reporting Frequency	Regulator(s) Informed
Tax and VAT-related contraventions, e.g. non-submission of tax returns, failure to register for tax, non-payment of PAYE, etc.	27.12%	South African Revenue Service (SARS)
Various Companies Act Contraventions, e.g. reckless trading, breach of directors' fiduciary duties, irregular financial assistance to directors, AGM-related irregularities, etc.	23.73%	Companies and Intellectual Property Commission (CIPC)
Financial statements not prepared/not approved within the allotted timeframe as well as a lack of accounting records kept.	13.56%	CIPC and SARS
Contraventions of the Estate Agency Affairs Act, i.e. entities operating as estate agencies without valid fidelity fund certificates, moneys received in business bank accounts as opposed to trust accounts, etc.	6.78%	Estate Agency Affairs Board
Contraventions of the Sectional Title Schemes Management Act, i.e. failure by the bodies corporate to take out adequate insurance, failure to prepare maintenance, repair and replacement plans for common property, etc.	5.08%	Community Schemes Ombud Service
Suspected fraud and/or theft, and contravention of the Prevention and Combatting of Corrupt Activities Act.	3.39%	Directorate for Priority Crime Investigation, Financial Intelligence Centre
Other, e.g. contraventions of the Johannesburg Stock Exchange Listing Requirements, the Housing Development Schemes for Retired Persons Act, the South African Schools Act, etc.	20.34%	Johannesburg Stock Exchange, Department of Trade and Industry, Department of Basic Education, etc.

## Online Submission of RIs

The IRBA is excited to introduce the deployment of an RI online reporting system.

The system will phase out the current manual reporting of RIs, wherein registered auditors (RAs) email their RI reports to the IRBA and have to make manual follow-ups. By using the system, RAs will be able to upload RI reports, together with supporting documentation, on the IRBA website through their personal profiles. Certain information fields will need to be populated with relevant information before an RA is able to submit an RI report. This will ensure the completeness of information submitted to the IRBA during the reporting process.

Upon submission of the first RI report, the system will indicate that the RI has been successfully sent to the IRBA and that it has now entered the review and approval stage of processing. On completion of the review process and approval of the RI, the RA will receive an automated letter of acknowledgment from the IRBA. During the 30-day period from the submission of the first RI report, automated email reminders will be sent prompting the RA to submit a second RI report, in line with the relevant provisions of the Auditing Profession Act. Second RI reports and supporting documents can also be submitted through the online system.

The online system will not only simplify and centralise the RI referral process, but it will also give RAs access to real-time information on the status of RI reports they have submitted to the IRBA. In addition, it will give them access to a complete list of all RIs submitted online.

Implementation of this online functionality will be rolled out in a phased approach, with only selected RAs being given access to the system during the first phase. The phased approach will enable the IRBA to test the effectiveness of the system prior to its full deployment. Once the system is fully functional, a formal communique will be sent out to inform all RAs, after which all RI submissions will then be made online.

All questions and/or queries in this regard may be forwarded to [ris@irba.co.za](mailto:ris@irba.co.za).



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## INDIVIDUALS ADMITTED TO THE REGISTER OF THE IRBA FROM 20 JUNE 2019-30 JULY 2019

Arnold, Elaina Raquel	Mhlongo, Samuel Klaas
Cheesman, Samantha Kim	Mohamed, Mubashir
Coelho, Myles Jay	Naik, Genevieve
Grobler, Rienk Rosema	Osman, Ayesha Jusuf
Grove, Pieter Jacobus	Rahiman, Taraneh Maimoonah
Hlatshwayo, Hopewell Bhekimuzi Mkhono	Simunic, Lizemarie
Jivan, Prashant Mahandra	Tshithavhani, Tshililo
Karstens, Gerhard	Van De Venter, Ruan
Lochner, Jan-Hendrik	Van Heerden, Danika

## INDIVIDUALS RE-ADMITTED TO THE REGISTER OF THE IRBA FROM 20 JUNE 2019-30 JULY 2019

Leach, Abraham Hermanus
Sehoole, Ignatius Simon
Sitabule, Victor

## INDIVIDUALS REMOVED FROM THE REGISTER OF THE IRBA FROM 20 JUNE-25 SEPTEMBER 2019

Ayob, Nezira	Resigned	Mackeown, Eric Robert	Resigned
Baguley, Arthur Norman	Resigned	Malan, Daniel Gerhardus	Resigned
Borowitz, Jeffrey Mark	Resigned	Manthe, Wayne Stewart	Resigned
Brazier, Guy Campbell	Resigned	Mason, Theo	Resigned
Brown, Allan William	Resigned	Mbekeni, Luyanda Louis	Resigned
Bukhosini, Bhekumuzi Andreas	Passed away	Meintjes, Petrus Johannes Ernst	Passed away
Coetzee, Marnus Nico	Resigned	Mlambo, Artwell	Passed away
Cotten, Lester Peter	Resigned	Mohamed, Abdul-Kader	Resigned
Couves, Mervyn	Resigned	Morris, Stuart Grant	Resigned
Cronning, Cindy Lee	Resigned	Ndadana, Lebogang Malebo	Resigned
Doman, Nicolaas Hendrik	Resigned	Odendaal, Jaco Pieter	Resigned
Du Preez, James Hart	Resigned	Singh, Nadira	Resigned
Du Toit, Willem Jacobus Kotze	Resigned	Stander, Lindie	Resigned
Farrant, John Cyril	Emigrated	Strydom, Louis	Resigned
Hardien, Abdul Aziz	Resigned	Taylor, Sharon	Emigrated
Hare, Julian Wilfred	Resigned	Telfer, Mark Henry	Resigned
Hermanus, Colleen Wilma	Resigned	Van Breda, Daniel Johannes	Resigned
Jeffery, Andrew Taylor	Resigned	Van Der Bijl, John David	Resigned
Kana, Suresh Parbhoo	Resigned	Venter, Christiaan Petrus	Passed away
Khumalo, Thato	Resigned	Vicente, Antonio Miguel Gomes Dealmeida	Resigned
Kirsten, Johan	Emigrated	Von Hoesslin, Denis Balthasar	Resigned
Kriel, Ingrid Elsabe	Resigned	Wadee, Zubair	Resigned
Lacey, Stanley Marshall	Resigned	Weideman, Johannes Phillipus Cornelius	Resigned
Lamprecht, Delanie	Resigned	Wolmarans, Douw Gerbrand Steyn	Resigned
Lancaster, Jonathan Charles Swinburne	Resigned	Zoghby, Anthony John	Passed away
Loewenthal, Sydney Max	Resigned		

## THE AUDIT DEVELOPMENT PROGRAMME

### The Role of the Firm and the Oversight Registered Auditor

As the eligibility to join the Audit Development Programme (ADP) was discussed in the previous issue, in this issue the focus is on the role of the firm and the oversight registered auditor (ORA) in the successful completion of the programme.

#### The firm

RA firms that offer registered candidate auditors (RCAs) the opportunity to register on the ADP must fulfil the following responsibilities:

- Provide an environment that is conducive to the development, enhancement and demonstration of professional competence.
- Ensure that each RCA is provided sufficient and appropriate support during the ADP.
- Foster a commitment to lifelong learning and skills development.
- Encourage RCAs to become involved in work that challenges their skills in a variety of contexts.
- Promote and foster the ethics, values, independence and objectivity of the RA profession.
- Offer progression of work to increasing levels of complexity, independence and accountability.

All RA firms are required to be ISQC 1 compliant. In this regard, all registered RA firms are required to have systems for quality control. Such systems have to include leadership, ethics, human resources and engagement performance, among others. Compliance with ISQC 1 creates the context for the development and assessment of professional competence.

#### The oversight registered auditor

The RA firm must ensure that each RCA is assigned to an ORA, who oversees, on behalf of the firm, the development of the RCA's competence in auditing. The firm identifies the ORA.

The ORA must be an RA who has been registered with the IRBA for a minimum of three years – though the IRBA may relax this requirement on a case-by-case basis. In addition, the ORA should have sufficient seniority in the firm to provide meaningful input into the development of the RCA's professional competence.

#### Responsibilities of the ORA

The ORA will work with the RCA to create an environment that provides the candidate with the quality and range of experience to enhance and develop professional capabilities, skills and values to a level appropriate for registration with the IRBA. This will include providing opportunities for the RCA to assume a managerial function within the auditing department of the firm; leading a team of trainee accountants and other assistants in the proper execution of the audit; as well as building and managing the engagement

relationships, where appropriate, with representatives of the client at a senior level of management, including those charged with governance and relevant third parties.

The ORA is also responsible for, inter alia, the following:

- Oversight over the co-ordination of performance appraisal information and any other relevant information on the candidate's performance and competence.
- Reflection, interpretation and assessment of the candidate's progress.
- Consultation based on the information presented in the performance appraisal reports with both the candidate and the line managers, direct supervisors and any other relevant individuals.
- Regular and meaningful feedback on the development of the candidate's professional competence, including reviews of the six-monthly reports and the portfolio of evidence.
- A signed declaration (on completion of the ADP) that confirms, among others, that the candidate has developed his/her professional competence to a level that is appropriate for registration with the IRBA. The signed declaration also indicates that the ORA is satisfied with the portfolio of evidence submitted.

### The completion of and signatures on the registration form by both the ORA and the RCA represent consent to the requirements of and responsibilities entailed in the ADP.

For further information and to register a prospective candidate on the programme, please refer to the [IRBA website](http://irba.co.za). The IRBA also regularly hosts ADP workshops around the country. If you are interested in hosting a workshop at your firm, please contact [adpadmin@irba.co.za](mailto:adpadmin@irba.co.za).

### Successful completion of the programme

The candidates listed in the table below completed the ADP during the period July-September 2019.

Altaaf Arshad Motala
Andri Booyens
Christiaan Hoon
Desire Nyoni
Johann Reinhard Sieberhagen
Monique Cunha
Navasha Moodley
Sebastian Santana

To these candidates, we wish you all the success in your roles within the profession. We would also like to extend our gratitude to the candidates' ORAs and their firms for their commitment and contribution to the success of these candidates.



### Review of the ADP

The IRBA is reviewing the ADP with the objective of identifying its successes and areas for improvement.

To that end, the IRBA has conducted a survey to obtain feedback from ORAs and RCAs regarding their experience on the programme. Currently, the IRBA is hosting a series of focus groups across the country to further unpack the results of the survey and develop recommended improvements to the ADP.

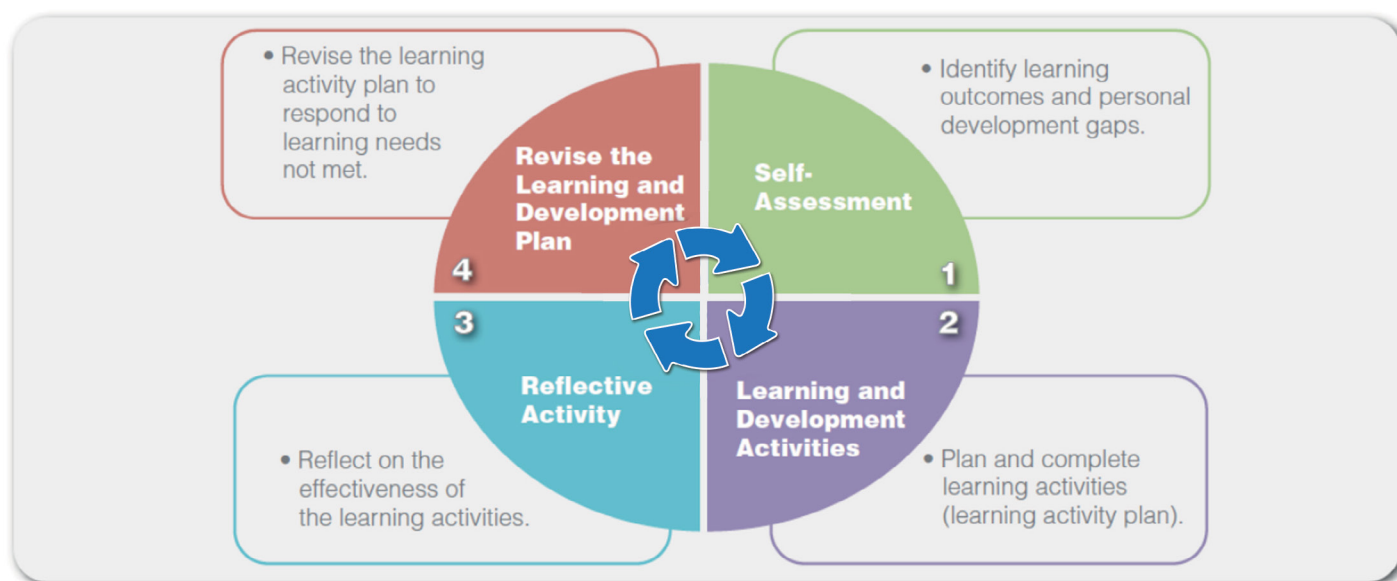
We thank all ORAs and RCAs who participated in our survey and have been providing valuable input at the focus group sessions. We look forward to hosting you at our upcoming focus group sessions.

If you would like to provide input on the programme, please contact [adpadmin@irba.co.za](mailto:adpadmin@irba.co.za).

### NEW CPD POLICY FOR REGISTERED AUDITORS

As noted in the previous issue, the new IRBA Continuing Professional Development (CPD) Policy mandates an output-based approach to CPD. Its planned effective date is 1 January 2020. The previous

issue also included the CPD Framework (as illustrated below), and the ways in which RAs can prepare for the self-assessment process.



*The CPD Framework*

### Mandatory CPD Activities for RAs

In addition to the requirement to apply and comply with the full cycle of the CPD Framework, the CPD Policy includes mandatory CPD activities.

#### *Self-assessment activities – Audit and assurance topics*

All RAs have to perform self-assessment activities on audit and assurance topics annually to identify relevant learning outcomes and personal development gaps. This means that given their role and registration as RAs, they must at least reflect on audit and assurance topics annually as part of the self-assessment stage of the framework.

As with other personal development gaps that may be identified in this stage, the RA must plan for, complete and record relevant learning and development activities to address those identified gaps.

#### *Learning and development activities – Ethics*

RAs have to plan for, complete and record relevant learning and development activities on ethics annually. The learning and development activities undertaken need to include activities that will assist the RA to comply with the IRBA Code of Professional Conduct for Registered Auditors.

During a reporting period, an RA has to complete a minimum of

three hours of relevant learning and development activities on ethics, in addition to following the full cycle of the CPD Framework.

The IRBA may, from time to time, also publish additional compulsory CPD areas on the IRBA website. The onus is on the individual RA to document compliance with these additional requirements.

### 2019 CPD Requirements

It is important for all RAs to note that they should be in compliance with the existing CPD Policy and may be subject to monitoring to assess their 2019 CPD compliance.

More details and guidance on the new CPD Policy will continue to be communicated to RAs.



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In the interest of improved communication with registered auditors and other stakeholders, a list of communiques sent by bulk e-mail during the reporting period for this issue is set out below. These communiques may be downloaded from the IRBA website under the News section.

27 September 2019	Committee for Auditor Ethics of the IRBA: Call for Nominations
26 September 2019	Inspections Committee of the IRBA: Call for Nominations
25 September 2019	Investigations Committee of the IRBA: Call for Nominations
13 September 2019	Alert: Three Months to Go Before the Effective Date of ISA 540 (Revised), Auditing Accounting Estimates and Related Disclosures
09 September 2019	Inspections Committee of the IRBA: Call for Nominations
09 September 2019	Investigations Committee of the IRBA: Call for Nominations
09 September 2019	Committee for Auditor Ethics of the IRBA: Call for Nominations
30 August 2019	Guide for Registered Auditors: Auditing in the Public Sector (Revised August 2019)
29 August 2019	The IRBA Issues the South African Practice Statement (SAAPS) 4 (Revised 2019), Letters of Specific Inquiry to the Entity's External Legal Practitioner Regarding Litigation and Claims Involving the Entity
28 August 2019	Proposed Amendments to the IRBA Code of Professional Conduct Relating to Registered Candidate Auditors
23 August 2019	IESBA Proposes Changes to Promote Role and Mindset Expectations of Professional Accountants
19 July 2019	Illustrative Auditor's Report for Engagements on the Compliance of the Attorneys' Trust Accounts with the Attorneys Act and the Rules for the Attorneys' Profession, as well as the Legal Practice Act and Legal Practice Council Rules
12 July 2019	eFiling Changes – 2019 Filing Season
12 July 2019	2019 Fees Payable to the IRBA
09 July 2019	IRBA News Issue #46
04 July 2019	Enhancements to the Income Tax Return for Trusts and eFiling
04 July 2019	IESBA Launches the eCode
02 July 2019	Alert: Updated Illustrative Wording - Implications of the Effective Dates of the IRBA Code of Professional Conduct for Registered Auditors (Revised November 2018) on the Assurance Provider's Report

## NEW APPOINTMENTS

During this quarter, the IRBA appointed two new directors to complete its management team, following the resignation and retirement of three of its executives last year. CEO Bernard Agulhas said he was pleased to strengthen the management team with two such highly qualified and experienced professionals, and looked forward to working with them to restore confidence in the profession.



**Rebecca Motsepe** has been appointed as Director Legal to head the team responsible for coordinating the register of auditors; handling disciplinary processes against auditors who are in breach of the Code of Professional Conduct, or those not complying with standards; and providing general legal support to the IRBA. Rebecca is an admitted attorney with more than 10 years of litigation and commercial law experience. She

joins the IRBA from the Commission for Conciliation, Mediation and Arbitration, where she was the Executive Head of the Legal Services Department. She holds a Bachelor of Law degree, a master's degree in Corporate Law, a post-graduate Diploma in Contracts, and qualifications in the Law of Banking and Financial Markets as well as Compliance Management.



**Nadine Kater** has been appointed as Director Education and Transformation to lead the team responsible for the management of the Audit Development Programme; monitoring of the South African Institute of Chartered Accountants (SAICA); the accreditation of professional bodies: Continuous Professional Development; and the proficiency assessment of prospective registered auditors (RAs) for admission into the RA

register. Nadine joins the IRBA from SAICA, where she was the Senior Executive responsible for the Accounting Technician AT (SA) qualification. For the past 30 years, she has been promoting skills development in the accounting profession, with a special focus on education and training. Some of her previous roles include having been the Head of ACCA South Africa, as well as Chief Operating Officer and Director: Learnerships ETQA at FASSET, the Seta for Finance, Accounting, Management Consulting and other Financial Services. She has a B Com (Accounting and Business Management) degree, an HED in Accounting, Economics, Business Economics, Pedagogics and an MBA.

## CALL FOR NOMINATIONS TO SERVE ON IRBA STATUTORY COMMITTEES

The IRBA calls for nominations of persons to be added to its database of CVs for statutory committees. The committees – which are established in terms of Section 20 of the Auditing Profession Act, Act 26 of 2005, to assist the IRBA Board in the performance of its functions – are:

- Committee for Auditor Ethics (CFAE);
- Committee for Auditor Standards (CFAS);
- Disciplinary Committee (DISCOM);
- Education and Transformation Committee (EDCOM);
- Investigations Committee (INVESCO); and
- Inspections Committee (INSCOM).

More information on the duties and responsibilities of these committees is available on the [IRBA website](https://www.irba.co.za).

Ideal nominees should have relevant expertise in the regulatory environment, risk management, corporate governance, academia, strategic planning, the listed environment and banking. They should also have qualifications in accounting, auditing, information and communication technology, law and human resources.

Eligible persons who wish to be considered should submit their detailed CVs and nomination forms to the Board Secretary, Ms Jill Levendal, at [board@irba.co.za](mailto:board@irba.co.za).

## IRBA 2019 ANNUAL REPORT

The IRBA 2019 Annual Report has been tabled in Parliament and is now available on the [IRBA website](https://www.irba.co.za).