

THE WINDS OF CHANGE ARE BLOWING

And the lessons learnt from both past and present challenges will make the road ahead easier to navigate, if we all work together

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VALUABLE INSIGHTS FROM STAKEHOLDERS ARE SHAPING THE WAY FORWARD

"It is not the strongest of the species that survive, nor the most intelligent, but the one most responsive to change."

– Charles Darwin

I have completed a fascinating four months as the CEO of the IRBA, and in that time have engaged with a number of stakeholders both internally and externally. I am grateful for the insights gleaned from these interactions, including the illuminating experiences and proposals on how to take the IRBA and the profession forward. No doubt, we have to be responsive to change; not only due to the novel world created by the pandemic, but also due to the outcomes of these dialogues.

Parallel to the stakeholder engagement process, the organisation has embarked on a number of projects; and together as a team, we are starting to make good progress on these.

• IRBA Strategic Plan Refresh

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

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

Against this backdrop of change and uncertainties, we have embarked on a strategy refresh to align our plans to the new realities and expectations, as necessitated by the impact of COVID-19 and the leadership change at the IRBA. The realignment entails a review of our processes, people, platforms and our stakeholder engagement model. Out of this process, a new fit-for-purpose IRBA will emerge to serve the profession and all its stakeholders.

• Adequate Resourcing of the IRBA

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

• Auditing Profession Amendment Bill

The proposed amendments to the Auditing Profession Act are receiving momentum with the assistance of National Treasury. In August 2020, a joint sitting of the Standing Committee on Finance and the Select Committee on Finance were briefed by the IRBA and the National Treasury on the proposed amendments. We hope that this process will be concluded soon after the public hearing process scheduled for October 2020.

• Resetting Relationships

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

• Audit Reforms

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

• Repositioning the Registered Auditor (RA) Brand

We have embarked on a very exciting project to reposition the RA brand. We have recently concluded the stakeholder immersions aspect of this initiative. In the near future, we will share with the market innovative ways of refreshing the RA brand and making it more appealing in order to attract and retain more candidates in the profession. The sustainability of the profession relies on all the role-players getting involved in ensuring that we have sufficient inclusive talent.

The role that the IRBA plays in protecting the financial interests of the public cannot be over-emphasized. It is imperative that we are adequately resourced to implement our mandate. The strategic review, digital transformation, funding and human resources capacity will be our top key focus areas in the next few months, as we plan for a sustainable and more agile IRBA that is led by a resolute leadership.

As Professor Wiseman Nkuhlu says in his latest book: "Specialised regulators such as the IRBA for the auditing profession in South

Africa, are vital. To fulfil their roles as guardians of the public interest, they should be enabled to attract and retain highly qualified, experienced, competent and ethical executives. The need to ensure that regulators are independent and well-resourced has significantly increased. The need to ensure that the IRBA therefore is similarly equipped has never been greater.”

I firmly believe that the quality of the IRBA's transformation journey depends on the following:

- The clarity of our vision;
- The ability to execute with precision; and
- The shared commitment to work as a collective in restoring our profession to a formidable position.

I look forward to further engagements and tangible actions as we traverse these rough terrains together. In the meantime, remain resilient and be steadfast on our shared commitment to serve the public good with the conviction it deserves.



Jenitha John
Chief Executive Officer

LIST OF TOPICS COVERED IN THIS ISSUE

- Standards:
 - COVID-19 and Auditing Standards.
 - Guide for Registered Auditors: Joint Audit Engagements.
 - Proposed Guide for Registered Auditors: Guidance on Performing Audits where the AGSA has Opted not to Perform the Audit (Revised August 2020).
 - The IAASB Issues Conforming Amendments to the International Standards as a Result of the Revised IESBA Code and the IRBA Issues Updated Illustrative Auditor's Reports Following These Conforming Amendments.
 - The IAASB Publications Relating to COVID-19.
 - IAASB Projects in Progress.
- Ethics:
 - The IRBA Issues for Comment an Exposure Draft on the Use of Electronic Signatures When Signing Audit, Review or Other Assurance Reports.
 - APESB and IESBA Staff Collaborate on Ethics Guidance for Professional Accountants Navigating COVID-19 Circumstances.
 - IESBA Projects in Progress.

COVID-19 AND AUDITING STANDARDS

Auditors are referred to the IRBA dedicated [COVID-19 webpage](#), where a repository of local and international guidance on the implications of COVID-19 in relation to audits of financial statements has been created. During the previous quarter, the IRBA released the following two publications:

- [A Focus on Interim Financial Information](#); and
- [Impact on Audits Due to COVID-19: Related Publications for Accounting Estimates and Interim Reporting](#).

COMMITTEE FOR AUDITING STANDARDS (CFAS)

Guide for Registered Auditors: Joint Audit Engagements

The IRBA issued the *Guide for Registered Auditors: Joint Audit Engagements (this Guide)*. This was developed by a CFAS Task Group, which comprised of technical staff representatives from auditing firms, the South African Reserve Bank – Prudential Authority, the South African Institute of Chartered Accountants and the IRBA.

The Guide provides guidance to registered auditors (auditors) on the application of International Standards on Auditing (ISAs) and IRBA pronouncements in the circumstances in which auditors or firms perform a joint audit engagement.

The guidance contained in this Guide does not establish new requirements or contain exemptions from the requirements of the ISAs. As such, it should be read in conjunction with the ISAs. The auditor exercises professional judgement to determine the extent to which any of the guidance provided in this Guide may be appropriate, in light of the requirements of the ISAs and the particular circumstances of the joint audit engagement.

The contents of this Guide may be useful to those charged with governance and management of audited entities who have joint auditors or are planning joint audits. It is worth noting, though, that this Guide only becomes applicable once a joint audit appointment has been made by the audited entity.

This Guide is authoritative and discusses:

- Descriptions and/or definitions to appropriately describe the features of a joint audit engagement;
- Roles and responsibilities of a joint auditor;
- Compliance with independence and other relevant ethical requirements;
- A quality control system;
- Acceptance and continuance of audit client relationships and engagements;
- Joint auditors' agreements;
- The role of an engagement quality control reviewer in a joint audit engagement;
- An audit plan and strategy;
- New joint audit engagements;
- Consultations on technical, independence/ethical or other matters;
- Access to the working papers of a joint auditor;
- The cross-review of the work performed by the other joint auditor and documentation of the cross-review;
- Communication;
- The role of joint auditors in reporting a reportable irregularity;
- The joint auditors' report and the resolution of differences of opinion between joint auditors;
- Concluding in a joint audit engagement;
- Documentation;
- Archiving of the audit file;
- Considerations of Mandatory Audit Firm Rotation on joint audit engagements;
- Joint Auditors' Considerations in audits of group financial statements;
- A summary of documentation considerations regarding topics covered in the Guide;
- Extracts from IRBA pronouncements that are of relevance to joint audit engagements;
- Inspecting joint audit engagements; and
- Understanding the difference between joint and shared audit engagements.

Effective Date

This Guide is effective for audits of financial statements for periods beginning on or after 31 December 2020.

The Guide can be downloaded free of charge in PDF and Word formats on the [IRBA website](#).

Proposed Guide for Registered Auditors: Guidance on Performing Audits where the AGSA has Opted not to Perform the Audit (Revised August 2020)

The CFAS approved the release of the *Proposed Guide for Registered Auditors: Guidance on Performing Audits where the AGSA has Opted not to Perform the Audit (Revised August 2020)* (this proposed Revised Guide) in August 2020, for exposure for public comment until **15 October 2020**.

This proposed Revised Guide will help improve the understanding, and enhance the performance, of quality public sector audits by auditors in public practice. These are auditors who are appointed as auditors of public institutions where the Auditor-General South Africa has opted not to perform the audit, in accordance with Section 4(3) of the Public Audit Act, No. 25 of 2004 (the PAA).

This proposed Revised Guide has been updated for the following:

- Consequential changes made to the *Guide for Registered Auditors: Auditing in the Public Sector (Revised August 2019)*;
- Other relevant amendments arising from the revision of the PAA;
- Removal of information that is already contained in the Directive; and
- The inclusion of practical application guidance to implement the requirements of the PAA, *Regulations on audits by auditors in private practice* and the Directive, and whichever is not already contained elsewhere.

Request for Comments

The CFAS welcomes comments on all matters addressed in this proposed Revised Guide, and also seeks responses to two specific questions that are set out in the Explanatory Memorandum section.

We invite auditors and other interested parties to submit any comments regarding this proposed Revised Guide. Comments, in Word format, should be submitted via e-mail to 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](#).

REGULATED INDUSTRIES AND REPORTS STANDING COMMITTEE (RIRSC)

The IAASB Issues Conforming Amendments to the International Standards as a Result of the Revised IESBA Code and the IRBA Issues Updated Illustrative Auditor's Reports Following These Conforming Amendments

IAASB – Conforming Amendments

The International Auditing and Assurance Standards Board (IAASB) issued conforming amendments to the IAASB International Standards, as a result of the revised International Ethics Standards Board for Accountants' (IESBA) International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) effective as of 15 July 2020.

The conforming amendments propose limited amendments to the IAASB International Standards, in response to the revised IESBA Code. They are also meant to ensure that the IAASB International Standards can continue to be applied together with the IESBA Code.

The CFAS has recommended these conforming amendments to the IRBA Board. As soon as the Board has approved these for adoption, issue and prescription for use by registered auditors in South Africa, a communique will be released.

IRBA – Updated Illustrative Auditor's Reports

The conforming amendments to the IAASB International Standards will result in updates to the following illustrative auditor's reports and will be issued for use by registered auditors once they have been approved by the IRBA Board.

	Updated Illustrative Report	Relevant Page Numbers
1.	SAAPS 3 (Revised May 2019), Illustrative Reports	Illustrative Report 1, pages 13-19. Illustrative Report 4, pages 28-34. Illustrative Report 5, pages 54-58. Illustrative Report 11, pages 83-88. Illustrative Report 12, pages 89-95.
2.	Illustrative Mutual Banks Act Reports (Parts A-F)	PART A: Independent Auditor's Report on DI Returns, pages 3-6.
3.	South African and Consolidated Operations - Revised Illustrative Regulatory Reports A-I	PART A: Independent [Auditor's/ Auditors', delete as appropriate] Report on year-end BA Returns, pages 4-8.
4.	Foreign Operations (BA 610 returns) - Revised Illustrative Regulatory Reports A-H	PART A: Independent [Auditor's/ Auditors'] Report on the year-end BA 610 Return, pages 4-8.

INTERNATIONAL AUDIT AND ASSURANCE STANDARDS BOARD

The IAASB Publications Relating to COVID-19

The IAASB staff released several publications to highlight key areas of focus in the current environment, and these may be found on the [IAASB COVID-19 webpage](#). These publications include the following:

- [Review Engagements on Interim Financial Information in the Current Evolving Environment Due to COVID-19](#); and
- [Auditing Accounting Estimates in the Current Evolving Environment Due to COVID-19](#).

IAASB Projects in Progress

- 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).
- Extended external reporting (EER) assurance.
- Audits of less complex entities (LCE).
- Professional scepticism.

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

INTERNATIONAL ETHICS STANDARDS BOARD FOR ACCOUNTANTS (IESBA)

The IRBA Issues for Comment an Exposure Draft on the Use of Electronic Signatures When Signing Audit, Review or Other Assurance Reports

The IRBA's Committee for Auditor Ethics (CFAE) approved the issuing of the proposed amendments to Subsection 115, *Professional Behaviour: Signing Conventions for Reports*, of the IRBA Code of Professional Conduct for Registered Auditors (Revised November 2018): *Electronic Signatures* (proposed amendments to the IRBA Code), on exposure in August 2020 for public comment by **21 September 2020**.

The Electronic Communications and Transactions Act, 2002 (No. 25 of 2002) (ECT Act), legislates the use of electronic signatures in South Africa. The main object of the ECT Act is to enable and facilitate electronic communications and transactions in the public interest.

The use of ordinary electronic signatures and advanced electronic signatures by registered auditors to sign their audit, review or other assurance reports has become more widespread in recent years. This is due to more financial statements being made available electronically on company websites, fewer paper-based engagement files and remote working arrangements.

During the COVID-19 pandemic, it has become even more prevalent for registered auditors to make use of electronic signatures in signing their audit, review or other assurance reports. It is expected that electronic signatures may continue to be widely used.

The proposed amendments to the IRBA Code include the following:

- The inclusion of an introductory section, with a background on the use of electronic signatures, as required by the ECT Act.
- The inclusion of a requirement that the individual registered auditor responsible for the audit, review or other assurance engagement shall, when signing any audit, review or other assurance report, make use of either:
 - (a) A wet-ink signature;
 - (b) A licenced and secure ordinary electronic signature; or
 - (c) An advanced electronic signature that is/are the firm's authorised means of signing any audit, review or other assurance report.
- The inclusion of application material to support the requirement.
- Minor conforming and other amendments.

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 No. 96 of 2020 to the same effect was published in Government Gazette No. 43632 for public comment for a minimum period of 30 days.

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

Comments, in Word format, should be submitted by e-mail to 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](#).

IMPORTANT NOTICE

Impression Signatures (Pty) Ltd has not been accredited by the South African Accreditation Authority for the authentication and certification of products and services used in support of advanced electronic signatures, as indicated in error on page six of the Explanatory Memorandum of the Exposure Draft: Proposed Amendments to Subsection 115, Professional Behaviour: Signing Conventions for Reports or Certificates, of the IRBA Code of Professional Conduct for Registered Auditors (Revised November 2018): *Electronic Signatures*.

APESB and IESBA Staff Collaborate on Ethics Guidance for Professional Accountants Navigating COVID-19 Circumstances

The staff of the Accounting Professional & Ethical Standards Board (APESB) and the IESBA have released a new publication, [Applying the Code's Conceptual Framework in COVID-19 Circumstances: Scenarios in Taxation and Valuation Services](#). The publication provides guidance to professional accountants in applying the conceptual framework in the [International Code of Ethics for Professional Accountants \(including International Independence Standards\)](#) (the Code) during certain circumstances brought on by the COVID-19 pandemic. It uses four hypothetical scenarios covering services or activities relating to taxation and valuation services. Two scenarios include guidance for professional accountants in public practice, and the other two are focused on professional accountants in business.

IESBA Projects in Progress

- Non-assurance Services.
- Fees.
- Definition of PIE and Listed Entity.
- Engagement Teams/Group Audits.
- Technology.
- Tax Planning and related services.
- IAASB-IESBA Coordination.

More information on these projects is available on the

[IESBA website](#).

Should you have any further queries, please email

standards@irba.co.za.



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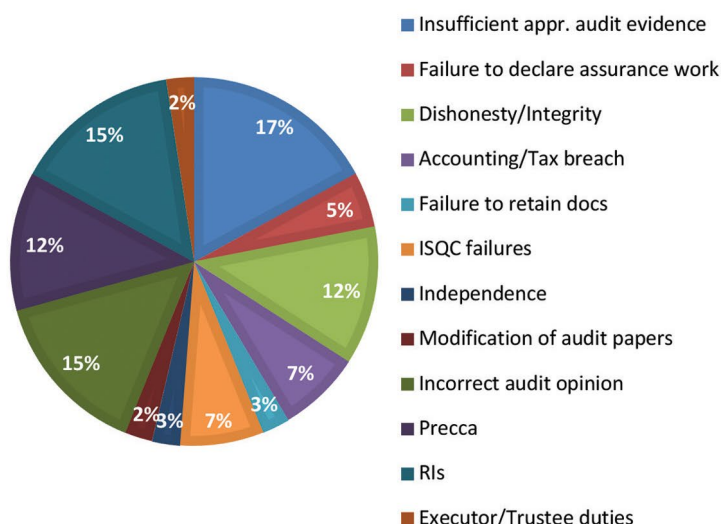
E-mail: standards@irba.co.za

DISCIPLINARY COMMITTEE

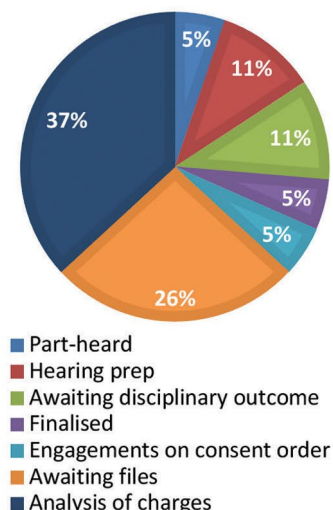
Overview of Matters Referred for Disciplinary Hearings

Following the finalisation of one matter, there are 18 open cases that have been referred to the Legal Department for disciplinary hearings. The graphics below outline the nature and status of all matters that have been referred for hearings.

ANALYSIS OF THE NATURE OF CHARGES: DISCIPLINARY



STATUS OF DISCIPLINARY MATTERS



Matters Heard by the Committee

During the period under review, two matters referred to the Disciplinary Committee were heard and finalised. A sanction ruling was issued by the committee in respect of one matter, while the other matter is awaiting the committee's ruling.

Below is a synopsis of the matter in respect of which the committee issued a ruling.

IRBA vs MW Dondashe

Mr Wakeford Mzolis Dondashe, the respondent who is also a registered auditor, was charged with nine charges of improper conduct, following an investigation by the IRBA.

The charges against the respondent emanated from a complaint received from the Cape Law Society, in relation to audit work performed in respect to six attorney trust accounts.

The nature of the charges against the respondent can be summarised as follows:

1. Failure to respond to correspondence from the Cape Law Society;
2. Failure to disclose assurance work clients to the IRBA;
3. Failure to retain working papers in relation to audits performed;
4. Failure to adequately plan for an audit, obtain appropriate audit evidence and qualify audit opinions issued in circumstances

where a qualified opinion was warranted due to the following:

- a. Incorrect trust credit balance;
- b. Unsubstantiated/incorrect cash on hand;
- c. Incorrect interest reconciliation; and
- d. Trust account debit balances.

The respondent's conduct, as outlined above, contravened Rules 2.1, 2.4, 2.5, 2.6, 2.7 and 2.12 of the Rules Regarding Improper Conduct.

The respondent pleaded guilty to all charges. In light of a plea of guilt, the matter was referred for a sanction hearing before the Disciplinary Committee, in terms of Section 51 of the Auditing Profession Act (APA), read together with Rule 7 of the Disciplinary Rules.

The hearing convened on the 27th and 28th of August 2020, wherein the parties were given an opportunity to submit evidence in mitigation and aggravation of the sanction. The respondent raised three preliminary points, alleging that he was not timeously advised of his rights to legal representation; that the charge sheet did not disclose provisions relevant to the sanction; and that the document, on the basis of which the Director Legal found him guilty, did not constitute a plea in law. He then requested the committee to declare the proceedings null and void. After hearing arguments, the committee dismissed all the preliminary points on the basis that:

1. The APA and the Rules only require the IRBA to notify the respondent of his right to legal representation when he is notified of the date and time of set down, and this was accordingly done;
2. Section 49 of the APA does not mandate the incorporation of provisions relating to sanctions in the charge sheet; and
3. The respondent was found guilty by operation of the law in light of his plea of guilt submitted in terms of Section 49(3)(d). Moreover, the respondent confirmed his plea of guilt in the pre-hearing minutes and again during his testimony.

The committee then proceeded to hear evidence in mitigation and aggravation of the sentence. The IRBA led three witnesses and argued for removal from the register, a fine, costs and specific publication. The IRBA's arguments were based on the seriousness of the charges, lack of remorse from the respondent and the impact of the respondent's conduct on IRBA operations and public interest, specifically, on the Law Society, the Attorneys Fidelity Fund and the attorney's clients. The IRBA further highlighted two previous convictions relating to failure to respond to correspondence from the Law Society.

The respondent testified on his own behalf, and pled leniency on the grounds of his long service and contributions to the professions, his seniority and his cooperation and plea of guilt, which signalled accountability.

After careful consideration, the committee concluded that, while the charges do not relate to dishonesty and/or collaboration with the attorney, the charges levelled against the respondent were of a serious nature as they impacted both the auditing and the legal professions.

The committee considered the fact that the charges extended over a protracted period in which there was considerable correspondence sent to the respondent inviting him to deal with the matters. Also considered was that the respondent had failed to exercise his professional competence and scepticism in relation to the audit, and had failed to be scrupulously honest and responsive with both regulatory bodies.

The committee held that auditors are in a unique position, with their training and experience enabling them, to analyse and assess the true financial position of a company. Their statutorily recognised roles as auditors give them unique insights into the records of a company whose financial statements are subject to an audit. It is for these reasons that the public places great trust in the opinions expressed by auditors as to the fairness of a company's financial statements.

In addition, the committee took consideration of the impact of the respondent's conduct on the Law Society, finding that the society places heavy reliance on the reports provided by auditors to identify recalcitrant attorneys who are not acting scrupulously honest in their dealings with clients' trust accounts. It held that it is important that one has to take into consideration the mechanics of the functioning of the attorneys profession, not only in South Africa but worldwide, which makes the use of the trust account important for the proper and prudent functioning of the legal management system in any country. Without a proper functioning trust account,

the legal system would not be able to function properly.

Thus, the committee found that the respondent's conduct demonstrated a complete disregard for the rules of the profession and a lack of appreciation for the inherent nature of the auditing and legal professions.

While the committee appreciated the respondent's seniority, plea of guilt and cooperation as mitigating factors in his favour, it also considered the following aggravating factors against the respondent:

1. Prior convictions, albeit more than 10 years ago;
2. Lack of remorse and failure to take accountability for his actions, instead seeking to pass on the blame;
3. The misconduct committed by the respondent was against attorney trust accounts with a high public interest factor;
4. The respondent blindly signed reports and disregarded due care; and
5. The respondent showed a lack of appreciation for his professional duties, the severity of his conduct and the damage caused by his conduct to the profession.

Based on the above, the committee concluded that the respondent's conduct warranted the removal of his name from the register as the appropriate sanction. It then made the following order:

1. The respondent's name be removed from the register;
2. The respondent to pay costs in the amount of R300,000; and
3. Publication of the matter in specific terms.

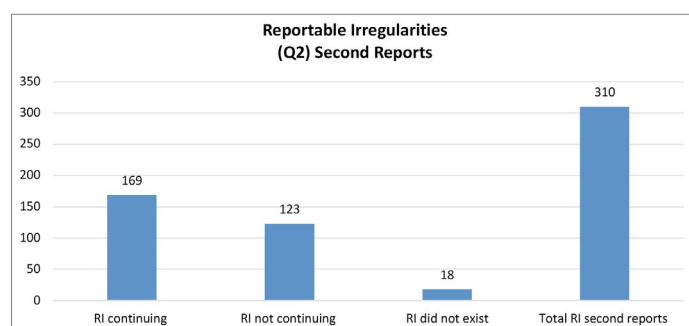
Upcoming Hearings

The Disciplinary Committee is scheduled to convene on **12 and 13 October 2020** and on **20 and 21 October 2020** to consider charges of improper conduct inferred against two respondents, respectively.

The hearings will be conducted virtually, using Microsoft Teams.

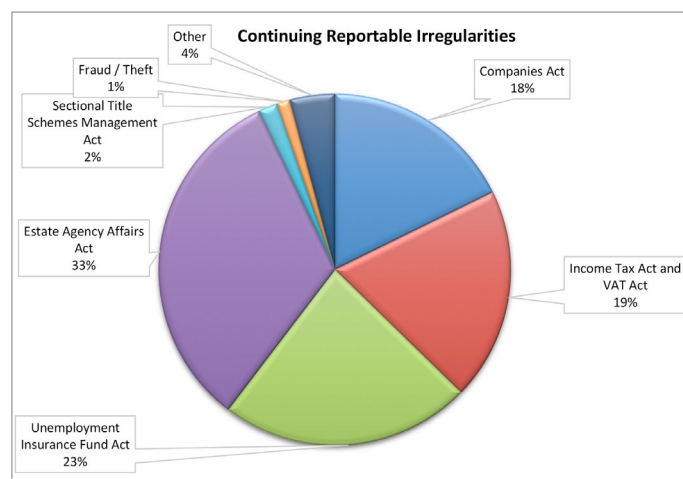
REPORTABLE IRREGULARITIES (RIs)

The IRBA processed 368 first reports on RIs during the second quarter ending 30 September 2020. During this reporting period, 310 second reports were received and processed. Their nature is highlighted in the graphic below.



Note: The difference of 58 reports between the first and second reports received is due to timing differences in reporting between these reports.

Of the 310 continuing RIs received, the top six types of RIs most frequently reported, categorised by nature, are reflected in the chart below.



Note: As depicted above, the top two types of reported contraventions related to the Estate Agency Affairs Act and the Unemployment Insurance Fund Act. There were also several RIs highlighting contraventions of the Companies Act, the Income Tax and the VAT Act, as well as the Sectional Title Schemes Management Act.

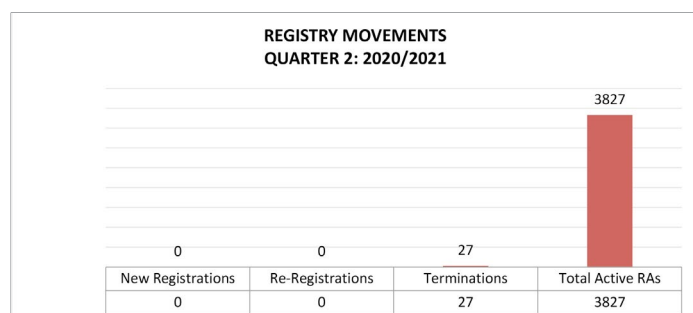
All continuing second reports received were referred to the relevant regulators and/or authorities, in line with the provisions of the APA, for action.

Requests for Extensions No Longer Considered

Registered auditors are reminded that the IRBA is no longer considering requests for an extension of the 30-day period within which a second RI report must be submitted to the IRBA. This is in line with the communique issued on 18 September 2020, following the easing of the national lockdown to level 1.

Registered auditors are, therefore, expected to ensure compliance with their statutory obligation under Section 45(3)(c) of the APA, insofar as having to submit to the IRBA second reports no later than 30 days from the date on which the first report was sent to the regulator.

REGISTRATIONS, RE-REGISTRATIONS AND TERMINATIONS



Note: As at the end of the second quarter, the total number of active RAs was 3,827. While a number of registration applications have been received and are under consideration, there were no new registrations or re-registrations approved and entered into the register during the period under review.

A total of 27 registered auditors (RAs) were removed from the register, the most prevalent reason for removals being resignation, followed by death. The names of RAs removed from the register are provided in the table below.

INDIVIDUALS REMOVED FROM THE REGISTER OF THE IRBA FROM 1 JULY 2020-25 SEPTEMBER 2020

Botes, Brian John	Resigned
Campbell, Malcolm Neil	Resigned
Clegg, Deighton Andrew	Resigned
Cohen, Gregory Shane	Resigned
De Jager, Pierre	Resigned
Gertenbach, Kevin	Passed away
Geyer, Izelle	Resigned
Gogo, Jean	Resigned
Hain, Donald Ian	Passed away
Klaassen, Wiebe	Resigned
Kruger, Gavin Dykes	Resigned
Malakalaka, Thato Matome	Resigned
Matthews, Nicholas John	Emigrated
May, Carl Emil	Resigned
Mofokeng, Senzekile Nokuthula Felicia	Resigned
Moola, Shazia	Resigned
Naidoo, Kruben	Resigned
Russouw, Nicolaas	Resigned
Saley, Bilal	Resigned
Spazzoli, Lihor Libero	Resigned
Thusi, Mike Mangena	Resigned

INDIVIDUALS REMOVED FROM THE REGISTER OF THE IRBA FROM 1 JULY 2020-25 SEPTEMBER 2020

Tonelli, Fulvio	Resigned
Van Niekerk, Michiel	Resigned
Vorster, Maria Sophia	Resigned
Wagenaar, Christelle Cecilia	Resigned
Wilkinson, John Louis	Resigned
Zulch, Hermanus Barend	Resigned

2020/2021 Annual Renewals

The annual renewal process commenced on 1 April 2020; and the due date for the payment of annual fees and the submission of Individual Annual Returns was set for 31 May 2020.

The IRBA understands that many practitioners faced difficulties due to the COVID-19 pandemic and the resultant lockdown. As such, we have tried to accommodate, within reasonable parameters, requests for extensions and/or payment arrangements. However, as it is now four months after the May deadline, we are now obliged to start lapsing RAs for non-payment of annual fees. This process will commence on 15 October 2020.

In view of the above, RAs are requested to ensure that their annual fees are paid and that proof of payment is accordingly transmitted to the IRBA.



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HELPING RCAs NAVIGATE THE UNCERTAINTIES CREATED BY COVID-19

On 26 March 2020, South Africa went into lockdown due to the COVID-19 pandemic. With the lockdown affecting everyone, the subsequent work-from-home arrangements blurred the lines between work, school and home.

As we all had to quickly adjust to the new reality, the Education and Transformation (ET) Department reached out to registered candidate auditors (RCAs). The aim was to get an understanding, through a survey, of the challenges they are experiencing with working from

home, while also remotely completing the Audit Development Programme (ADP).

The graphic below shows some of the challenges that the RCAs have been experiencing. In response, ET has identified some areas of support that firms and oversight registered auditors (ORAs) can offer RCAs during this time. This information has been captured in the various graphics presented below.

CHALLENGES RCAs ARE EXPERIENCING DURING THE CORONAVIRUS PANDEMIC



Worry about the impact of the coronavirus personally and on the firm.



Physical workspace, managing distractions and maintaining a schedule.



Taking care of mental health and wellbeing.



Not having the required tools and information to work effectively.



Childcare and taking care of others.



Social isolation.



Insufficient time to work on the ADP.



Not achieving technical and non-technical competencies.



Insufficient support from the firm and the ORA.



Delays in getting feedback from the IRBA.

SUPPORT THAT ORAs AND FIRMS CAN PROVIDE TO RCAs DURING THIS TIME



COMMUNICATION

To determine the support that can be offered, communicate with RCAs about the specific challenges they are experiencing. Support may include:

- Being flexible with work routines, schedules and deadlines;
- Ensuring that RCAs have the tools and information needed to do their work;
- Addressing client challenges RCAs are experiencing; and
- Reimbursing costs incurred by RCAs while working remotely.

IDENTIFY OPPORTUNITIES FOR RCAs TO DEVELOP TECHNICAL AND NON-TECHNICAL COMPETENCIES

Understand the required technical and non-technical competencies that RCAs are struggling to achieve, due to client challenges and remote working, among others. Also, consider the following:

- Identify clients that RCAs can work on, so as to develop the required competencies;
- Engage with the IRBA on the competencies that RCAs are struggling to achieve. For example, look at discussing alternative interventions on Category 2 competencies;
- Recognise and record, in the Portfolio of Evidence (PoE), the technical and non-technical competencies being developed, as RCAs adapt to the current work environment. These competencies may be technical competencies demonstrated differently, IT competencies and competencies in managing teams remotely, among others.



MENTAL HEALTH AND WELLNESS

Advocate for mental health and wellness by:

- Understanding the challenges RCAs are facing;
- Providing access to mental wellness resources and support; and
- Giving RCAs the time and space to accomplish their goals, while prioritising mental and physical health.

LEARNING AND DEVELOPMENT

Invest in learning and development to ensure that RCAs are equipped with the skills and competencies to work effectively during this time. This may include training on managing teams remotely, developing required IT skills, productivity, communication and relationship building skills.



MENTORING

Provide RCAs with access to mentorship structures that will provide them with:

- Direction;
- Coaching;
- Support;
- Advice; and
- Motivation.

EXPECTED DELAYS IN COMPLETING THE ADP

Approximately 50% of the survey respondents reported an expected delay in completing the ADP. So, provide support by:

- Engaging with the RCAs and the IRBA on delays that RCAs are experiencing in achieving required competencies. This will be to identify support activities and/or additional interventions;
- Communicating with the IRBA on the expected date of completion of the ADP by RCAs;
- Avoiding cancelling or rescheduling ADP monitoring visits, as delays may result in a deferred completion of the ADP; and
- Communicating with the RCAs the impact of such delays on their promotion and/or salary increases.

! Please note that the IRBA will be implementing revisions to the ADP in 2021. Therefore, we encourage the RCAs to complete the ADP and submit their PoEs timeously to avoid transitional inconvenience.



A NOTE ON REMOTE ADP MONITORING VISITS



The ET team has continued to conduct ADP monitoring visits during the lockdown. These are conducted remotely, and require the sharing of information electronically and via virtual meetings between the firms and the ADP inspector.

To ensure that everything runs smoothly, firms are notified in advance of the visits, the monitoring process and the information required. Firms are therefore advised not to reschedule or cancel monitoring visits, so as not to delay the RCAs' completion of the ADP.

ADP CATEGORY 2 AND CATEGORY 3 COMPETENCIES

ORAs and RCAs are reminded that Category 2 competencies, as set out in the PoE, must be achieved by the RCA. These competencies may be achieved on the job or through interventions such as Continuing Professional Development activities and/or simulations.

Category 3 competencies, as set out in the PoE, are not required to be achieved for the completion of the ADP. These competencies may, however, be achieved in specialised industries or under exceptional circumstances.



To engage on challenges being experienced by RCAs and for which support is required, please contact the ET team at adpadmin@irba.co.za



Nadine Kater

Director Education and Transformation

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E-mail: edutrain@irba.co.za

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.

18 September 2020	IRBA no longer considering written requests for extensions for submissions of second reportable irregularities reports
18 September 2020	Engagements on Legal Practitioners' Trust Accounts
31 August 2020	Proposed Guide for Registered Auditors: Guidance on Performing Audits where the AGSA has Opted not to Perform the Audit (Revised August 2020)
28 August 2020	Audit Development Committee of the IRBA: Call for Nominations
26 August 2020	Guide for Registered Auditors: Joint Audit Engagements
18 August 2020	The IRBA Issues for Comment an Exposure Draft on the Use of Electronic Signatures When Signing Audit, Review or Other Assurance Reports
04 August 2020	IRBA News Issue #50
5 August 2020	Audited Financial Statements: Requirement to Disclose Remuneration and Benefits of Directors and Prescribed Officers
9 July 2020	The IAASB Issues Conforming Amendments to the International Standards as a Result of the Revised IESBA Code and the IRBA Issues Updated Illustrative Auditor's Reports Following These Conforming Amendments
9 July 2020	Impact on Audits Due to COVID-19: Related Publications for Accounting Estimates and Interim Reporting
1 July 2020	A Focus on Interim Financial Information

IRBA COMMUNICATIONS

If you would like to receive IRBA communications, or are aware of a non-auditor who would like to receive these, please email Lebogang Manganye at lmanganye@irba.co.za.

A TRIBUTE TO THE FORMER PAAB CEO

The IRBA mourns the passing of Professor Lucas van Vuuren, who served as the Chief Executive Officer of the Public Accountants and Auditors Board (PAAB), the predecessor to the IRBA, from 1984 to 1998. Prof van Vuuren was first appointed to the PAAB in 1981 as a full-time Education Officer, following a secondment from the University of South Africa.

During his tenure at the PAAB, he was instrumental in defining the instructional objectives of the qualifying examination, dealing with its questions pool. He also assisted the subcommittee of the Board to define the common body of knowledge required by registered accountants and auditors.

Prof van Vuuren was honoured by the South African Institute of Chartered Accountants in 2016 for his proven track record and life-long commitment to accounting education and the profession. A real gentleman and well-liked and respected professional, his contribution will be missed by all in the accounting and auditing profession.

NEW IRBA BOARD APPOINTED

The new IRBA Board was appointed recently, following a cabinet announcement. At its first meeting, the Board duly elected a chairman and a deputy chairman. The new Board members, appointed in line with Section 11 of the Auditing Profession Act, are:

- Ms Martie Janse van Rensburg (Chairman)
- Ms Nombulelo Gumata (Deputy Chairman)
- Mr Iqbal Motala
- Mr Madoda Petros
- Ms Thembeke Semane;
- Ms Jesmane Boggenpoel;
- Prof Nirupa Padia;
- Mr Craig Barret; and
- Mr Zunaid Vally.