



## STRATEGIC FOCUS AREAS 2020/2021

### 1. PROGRAMME 1

#### STRATEGIC FOCUS AREA 1: AUDITING AND ETHICS STANDARDS

STRATEGIC OBJECTIVE	TO DEVELOP AND MAINTAIN AUDITING AND ETHICAL STANDARDS WHICH ARE INTERNATIONALLY COMPARABLE				
Measurable Objective	Output	Outcomes	Output Indicator	Performance Targets	
				2020/2021	Status for the year ended 31 March 2021
Standards and Guidance issued.	Issued auditing pronouncements, auditor reports and comment letters.	High-quality audits.	Target dates met for issuing audit pronouncements, audit reports and comment letters.	85% of target dates met	100% of target dates achieved. Target: 10 Actual: 10 Achieved: Yes
To adopt and/or develop and issue additional guidance on ethical issues, based on the IRBA Code.	Issued additional guidance on ethical issues, comment letters and Code amendments.	To provide auditors with a Code that is consistent with International Codes and one that enables the IRBA to take disciplinary action, where necessary.	Target dates met for issuing additional guidance on ethical issues, comment letters and Code amendments.	85% of target dates met	100% of target dates achieved. Target: 6 Actual: 6 Achieved: Yes

## STRATEGIC FOCUS AREA 2: EDUCATION

STRATEGIC OBJECTIVE	TO PROVIDE AN APPROPRIATE FRAMEWORK FOR THE EDUCATION AND TRAINING OF PROPERLY QUALIFIED AUDITORS AND TO ESTABLISH PROCESSES SO THAT ONLY COMPETENT CANDIDATES ENTER THE AUDIT PROFESSION				
Measurable Objective	Output	Outcomes	Output Indicator	Performance Targets	
				2020/2021	Status for the year ended 31 March 2021
To monitor the environment in which the Audit Development Programme is offered.	Monitoring reports.	To ensure that the environment is conducive to the development of audit competence.	The number of monitoring visits completed.	40 visits	Target: 40 Actual: 44 Achieved: Yes  <i>Explanation for the deviation: The actual is above target. Due to working remotely, a prudent approach was taken to plan additional monitoring visits in the event of cancellations from firms. Furthermore, the remote monitoring process proved to be effective and efficient, thus resulting in more firms being inspected than initially planned.</i>
To monitor the programmes and institutional requirements of accredited professional bodies.	Monitoring reports.	To ensure compliance with the Accreditation Model.	The number of final monitoring reports to be submitted to the accredited professional body within 10 working days after the Education and Transformation Committee's (EDCOM) third quarterly meeting.	1 report submitted within the target date	Target: Final Monitoring Reports (FMRs) submitted within 10 working days of EDCOM's Q3 meeting, which was on 19 November 2020, while the target date was 3 December 2020.  Actual: FMRs were submitted to the South African Institute of Chartered Accountants (SAICA) on 3 December 2020.  Achieved: Yes
To contribute to the transformation of the profession.	IRBA transformation initiatives.	Increased awareness of the RA profession among Black trainees.	The number of IRBA transformation initiatives held.	6 initiatives	Target: 6 Actual: 17 Achieved: Yes  <i>Explanation for the deviation: Synergies created with the ADP Reloaded projects and greater engagement with transformation stakeholders presented opportunities for additional initiatives.</i>
To monitor the Continuing Professional Development (CPD) compliance of RAs.	Monitoring reports.	To ensure that RAs are complying with the CPD Policy.	Analysis of the CPD monitoring results.	2 reports	Target: 2 Actual: 2 Achieved: Yes

### STRATEGIC FOCUS AREA 3: INSPECTIONS

STRATEGIC OBJECTIVE	TO MONITOR REGISTERED AUDITORS' COMPLIANCE WITH PROFESSIONAL STANDARDS				
Measurable Objective	Output	Outcomes	Output Indicator	Performance Targets	
				2020/2021	Status for the year ended 31 March 2021
Risk-based inspections performed.	Inspection reports.	Compliance of firms (including their individually registered auditors) with the auditing and ethics standards.	The number of planned inspections completed.	128 Inspections	Target: 128 Inspections Actual: 125 Inspections performed Achieved: No <i>Explanation for the deviation: The target was based on a pre-COVID-19 scenario. The national lockdown adversely affected the Inspections Department's capacity and timeframes during the first two quarters. It similarly had an adverse impact on the firms' ability to access and submit information, causing delays and rescheduling of a number of planned inspections.</i>

### STRATEGIC FOCUS AREA 4: INVESTIGATIONS

STRATEGIC OBJECTIVE	TO INVESTIGATE AND TAKE APPROPRIATE ACTION AGAINST REGISTERED AUDITORS IN RESPECT OF IMPROPER CONDUCT				
Measurable objective	Output	Outcomes	Measurable Indicator	Performance Targets	
				2020/2021	Status for the year ended 31 March 2021
Completed investigations.	Closed matters.	Relevant findings and appropriate charges for improper conduct.	The number of investigations completed.	91 completed investigations 30 high-profile/public interest entity investigations and 61 other investigations	Target as per plan: 91 Actual as per plan: 34 (9 high-profile/public interest matters and 25 other matters) Actual but not in plan: 28 (16 high-profile/public interest matters and 12 other matters) Achieved: No <i>Explanation for the deviation: With respect to the plan, 34 matters were completed, 17 were not proceeded with, and 18 matters planned have been tabled before the Investigating Committee and will be completed in the next financial year. The remaining 22 planned matters were not addressed in this financial year due to insufficient available resources.</i> <i>Furthermore, 28 matters that were not in the plan were also completed in this financial year. Of these, 12 matters were from the previous financial year and were completed in the current year, and there were 16 additional matters allocated and completed in the current year due to a change in resource allocation.</i>



**STRATEGIC FOCUS AREA 5: DISCIPLINARY**

STRATEGIC OBJECTIVE	TO TAKE APPROPRIATE ACTION AGAINST REGISTERED AUDITORS IN RESPECT OF IMPROPER CONDUCT				
Measurable objective	Output	Outcomes	Measurable Indicator	Performance Targets	
				2020/2021	Status for the year ended 31 March 2021
Disciplinary strategy and implementation plan.	A disciplinary strategy and an implementation plan developed and adopted.	Disciplinary processes designed to be more effective and efficient.	Approved disciplinary strategy and implementation plan.	Develop and adopt a disciplinary strategy and an implementation plan.	Target: Development and adoption of a disciplinary strategy and an implementation plan. Actual: A disciplinary strategy and an implementation plan developed. Achieved: Yes

**STRATEGIC FOCUS AREA 6: OPERATIONAL EFFECTIVENESS**

STRATEGIC OBJECTIVE	STRENGTHENING THE IRBA'S ORGANISATIONAL CAPABILITY, CAPACITY AND PERFORMANCE TO DELIVER ON ITS MANDATE IN AN ECONOMICALLY, EFFICIENT AND EFFECTIVE MANNER, IN ACCORDANCE WITH THE RELEVANT REGULATORY FRAMEWORKS				
Measurable Objective	Output	Outcomes	Output Indicator	Performance Targets	
				2020/2021	Status for the year ended 31 March 2021
Reports from internal and external audits.	Systems, policies and processes that ensure compliance, accountability and sound management of the revenue, expenditure, assets and liabilities.	Financial sustainability to deliver on the mandate.	A clean audit report regarding financials, compliance and performance information.	Clean audit report	Target: Clean audit report Actual: Clean audit report Achieved: Yes
Promote transformation through targeted procurement policies.	Implementation of the preferential procurement policy framework.	Increased procurement and effective payments to promote empowered businesses.	Percentage of SMME payments effected within 30 days.	97%	Target: 97% Actual: 97% Achieved: Yes
Promote transformation through targeted procurement policies.	Implementation of the preferential procurement policy framework.	Increased procurement and effective payments to promote empowered businesses.	Percentage of contracts awarded to SMMEs and small businesses.	12%	Target: 12% Actual: 27% Achieved: Yes <i>Explanation for the deviation: During the year, Supply Chain Management implemented additional internal efficiencies to source goods and services from SMME service providers.</i>

## STRATEGIC FOCUS AREA 6: OPERATIONAL EFFECTIVENESS

STRATEGIC OBJECTIVE						STRENGTHENING THE IRBA'S ORGANISATIONAL CAPABILITY, CAPACITY AND PERFORMANCE TO DELIVER ON ITS MANDATE IN AN ECONOMICALLY, EFFICIENT AND EFFECTIVE MANNER, IN ACCORDANCE WITH THE RELEVANT REGULATORY FRAMEWORKS					
Measurable Objective	Output	Outcomes	Output Indicator	Performance Targets							
				2020/2021	Status for the year ended 31 March 2021						
Promote transformation through targeted employment policies.	Transformed workforce.	Transformation of management control achieved according to the relevant B-BBEE codes.	Achievement of the management control score calculated according to the B-BBEE scorecard. The maximum score attainable is 20.	16	Target: 16 Actual: 17 Achieved: Yes						
Promote transformation through targeted employment policies.	Transformed workforce.	Transformation of staff achieved according to the approved Employment Equity (EE) Plan.	Achievement of the employment equity target, according to the approved Employment Equity Plan.	73% Black 26% White 1% Other	Target: 73% Black 26% White 1% Other  Actual: 76% Black 22% White 2% Other  Achieved: Yes, as the higher actual is in line with the EE Plan that recommends having more Blacks.  Yes, if considering that the EE Plan stipulates that there should be less Whites.  No, as the actual is higher than what is the desired target, as further explained below.  <i>Explanation for the deviation: It has been challenging to identify suitable candidates for certain positions. Consequently, non-South African candidates were appointed after an exhaustive process was followed.</i>						

The Auditor-General's report on page 64 indicates the procedures performed to determine whether the reported performance information was presented properly and performance was consistent with the approved performance planning documents.

In addition, the Auditor-General performed further procedures to determine whether the indicators and related targets were measurable and relevant; and also assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

