

STRATEGIC FOCUS AREAS-2022/2023

STRATEGIC FOCUS AREA 1: AUDITING AND ETHICS STANDARDS

Activities

The focus in the upcoming year will be on restoring confidence in the auditing profession projects through standards-related activities. We will also continue to support our statutory committees to ensure that we develop and issue high-quality international and local ethics and auditing and assurance pronouncements.

STRATEGIC OBJECTIVE	To develop and maintain auditing and ethical standards which are internationally comparable Responsibility: Director Standards				
Measurable Objective	Output	Outcomes	Output Indicator	Performance Targets	
				Q1 2022/2023	Status for the quarter ended 30 June 2022
Standards and Guidance issued	Issued auditing pronouncements, illustrative auditor reports and comment letters.	High-quality audits.	Target dates met for issuing audit pronouncements, illustrative audit reports and comment letters.	85% of target dates met.	Target: 85% Actual: 0% Achieved: Not achieved <i>Explanation for deviation: CFAS busy with work programme consultation and prioritisation of future projects in subsequent quarters.</i>

<p>To adopt and/or develop and issue additional guidance on ethical issues, based on the IRBA Code</p>	<p>Issued additional guidance on ethical issues, comment letters and Code amendments.</p>	<p>To provide auditors with a Code that is consistent with international Codes and one that enables the IRBA to take disciplinary action, where necessary.</p>	<p>Target dates met for issuing additional guidance on ethical issues, comment letters and Code amendments.</p>	<p>85% of target dates met.</p>	<p>Target: 1 Actual: 1 Achieved: 100%</p>
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STRATEGIC FOCUS AREA 2: EDUCATION

Activities

Education and Transformation continues to strive towards increasing both the number of candidates registering on the Audit development programme as well as those successfully completing the programme. It is also imperative to continue to improve the quality of the programme, with an increased focus on transformation of candidates on the programme.

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				
	Responsibility: Director Education and Transformation				
Measurable Objective	Output	Outcomes	Measurable Indicator	Performance Targets	
				Q1 2022/2023	Status for the quarter ended 30 June 2022
To monitor the environment in which the Audit Development Programme is offered	Monitoring reports.	To ensure that the environment is conducive to the development of audit competence.	The number of monitoring visits completed per annum.	11 visits	Target: 11 Actual: 12 Achieved: yes <i>Explanation for deviation: One more visit was conducted than 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 (EDCOM) approval.	N/A.	N/A

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 Responsibility: Director Education and Transformation				
Measurable Objective	Output	Outcomes	Measurable Indicator	Performance Targets	
				Q1 2022/2023	Status for the quarter ended 30 June 2022
To contribute to the transformation of the profession	IRBA transformation initiatives.	To facilitate the transformation of the RA profession through targeted initiatives aimed at identifying and addressing barriers to transformation.	The number of IRBA transformation initiatives completed per annum.	2	Target: 2 Actual: 2 Achieved: Yes
To monitor the CPD compliance of RAs and tax practitioners	Monitoring reports.	To ensure that RAs and tax practitioners are complying with the CPD Policy.	The number of the CPD monitoring reports analysed per annum.	N/A	N/A

STRATEGIC FOCUS AREA 3: INSPECTIONS

Activities

Key focus areas include;

- A business process review, i.e. As-is and needs analysis on technology, IT workflow and data collection/analysis to enhance effective operations that respond to the public expectation, and this includes optimal allocation of the Inspections Department capacity and focus on enhanced risk-based scope/coverage and reach in the Eighth Cycle.
- Enhanced stakeholder awareness and targeted socialising of inspection outcomes and reports, e.g. concurrent publication and awareness of enhanced AQI and Public Inspection Reports; Sharing of reports and liaising with Audit Committee forum to assist their oversight over external auditors.
- Effective/productive remote inspections/remedial action due to COVID-19, including stakeholder interaction using virtual platforms.
- Effective succession planning within inspections whereby inspectors are appointed in lieu of senior positions and internally appointed to the senior roles as/when appropriate (No impact on approved budget or headcount).
- Design and implement ISQM 1&2 Firm inspection procedures.

STRATEGIC OBJECTIVE	To monitor registered auditors' compliance with professional standards Responsibility: Director Inspections				
Measurable Objective	Output	Outcomes	Measurable Indicator	Performance Targets	
				Q1 2022/2023	Status for the quarter ended 30 June 2022
Risk-based inspections performed	Inspection reports.	Compliance of firms (including their individually registered auditors) with the auditing and ethics standards.	The number of planned inspections completed per annum.	33 inspections	Target: 33 Actual: 23 Achieved: No <i>Explanation for deviation: Due to the significant number of Inspector and Team Leader vacancies, the planned inspections could not be achieved.</i>

STRATEGIC FOCUS AREA 4: INVESTIGATIONS

Activities

It is expected that investigations into some high-profile/public interest entity matters will be finalised in the upcoming year, in line with the Board's strategic intent.

In line with the IRBA's 5-year strategic plan, the investigations department will continue to participate in relevant international initiatives and network with structures from other audit regulators to continuously develop and implement new mechanisms of investigating and adjudicating alleged auditor improper conduct in tandem with global initiatives.

STRATEGIC OBJECTIVE	To investigate and take appropriate action against registered auditors in respect of improper conduct Responsibility: Director: Investigations				
Measurable Objective	Output	Outcomes	Measurable Indicator	Performance Targets	
				Q1 2022/2023	Status for the quarter ended 30 June 2022
Completed investigations	Closed matters.	Taking appropriate action against registered auditors in respect of improper conduct.	The number of investigations completed per annum.	24 completed investigations	Target: 24 Actual: 24 Achieved: Yes

STRATEGIC FOCUS AREA 5: DISCIPLINARY

Activities

Finalisation of Disciplinary Matters

The finalisation and the outcome of the disciplinary matters is a positive indication that we are actively endeavouring to restoring confidence in the auditing profession by taking appropriate action against Registered Auditors for improper conduct. We are confident that the outcomes will serve as a deterrent to RAs from neglecting their duties to protect the financial interests of investors and the public at large and ultimately improve audit quality, while restoring confidence in both the profession and the regulator.

The implementation of the disciplinary strategy is a focus area for the current financial year.

Finalisation of Disciplinary Matters

The IRBA has successfully benchmarked its disciplinary processes against those of local and international regulators in a bid to ensure that its processes are aligned to best industry practices. To this end, a holistic review of current processes was undertaken and a disciplinary processes strategy and implementation plan developed to aid the redesign of current processes.

The implementation of the disciplinary strategy is a focus area for the current financial year, this will see the delivery of a number of projects aimed at ensuring the efficiency and effectiveness of disciplinary processes.

STRATEGIC OBJECTIVE	To take appropriate action against registered auditors in respect of improper conduct				
Responsibility: Director Legal					
Measurable Objective	Output	Outcomes	Measurable Indicator	Performance Targets	
				Q1 2022/2023	Status for the quarter ended 30 June 2022
Disciplinary strategy and implementation plan	The disciplinary strategy implementation plan implemented.	Disciplinary processes designed to be more effective and efficient.	Implemented the disciplinary strategy.	N/A	N/A

STRATEGIC FOCUS AREA 6: OPERATIONAL EFFECTIVENESS

Activities

Compliance, accountability and proper management of revenue, expenditure, assets and liabilities are some of the important measures that the IRBA uses to assess its operational effectiveness. The measurable indicator of how well these measures are functioning is a clean auditor's report, which the IRBA has obtained for the previous ten consecutive years.

Over the past few years, we have had to look at finding alternative ways to supplement the funding we receive from our government grant, prescribed fees and levies from RAs and firms as well as funds that may accrue to us from any other legal source.

STRATEGIC OBJECTIVE	To strengthen the IRBA's organisational capability, capacity and performance to deliver on its mandate in an economically efficient and effective manner, in accordance with the relevant regulatory frameworks				
Measurable objective	Output	Outcomes	Measurable Indicator	Performance Targets	
				Q1 2022/2023	Status for the quarter ended 30 June 2022
Reports from internal and external audits	Systems, policies and processes that ensure compliance, accountability and sound management of the revenue, expenditure, assets and liabilities.	Financial sustainability to deliver on the mandate.	A clean audit report regarding financials, compliance and performance information.	N/A	N/A
Promote transformation through targeted procurement policies	Implementation of the preferential procurement policy framework.	Increased procurement and effective payments to promote empowered businesses.	Percentage of SMME payments effected within 30 days.	100%	Target: 100% Actual: 100% Achieved: 100% Achieved
Promote transformation through targeted procurement policies	Implementation of the preferential procurement policy framework.	Increased procurement and effective payments to promote empowered businesses.	Percentage of contracts awarded to SMMEs and small businesses.	20%	Target: 20% Actual: 43% Achieved: Achieved <i>Explanation for deviation:</i> During the first quarter SCM implemented additional internal efficiencies to source goods and services from SMME service providers.

STRATEGIC OBJECTIVE	To strengthen the IRBA's organisational capability, capacity and performance to deliver on its mandate in an economically efficient and effective manner, in accordance with the relevant regulatory frameworks				
Measurable objective	Output	Outcomes	Measurable Indicator	Performance Targets	
				Q1 2022/2023	Status for the quarter ended 30 June 2022
Promote transformation through targeted employment policies	Transformed workforce.	Transformation of management control achieved according to the relevant B-BBEE codes.	Achievement of the management control score calculated according to the B-BBEE scorecard. The maximum score attainable is 20.	17	Target: 17 Actual: 15 Achieved: Not achieved <i>Explanation for deviation:</i> The target was not met due to various vacancies.
Promote transformation through targeted employment policies	Transformed workforce.	Transformation of staff achieved according to the approved Employment Equity Plan.	Achievement of the employment equity target according to the approved Employment Equity Plan.	76% (or more) Black 22% (or less) White 2% Other	Target: 76% (or more) Black 22% (or less) White 2% Other Actual: 77% Black 21% White 2% Other Achieved: Yes Yes Yes