

**POLICY AND PROCEDURES RELATING TO CONTINUING  
EDUCATION, TRAINING AND PROFESSIONAL DEVELOPMENT  
PRESCRIBED IN TERMS OF SECTION 7(1)(C) OF THE AUDITING  
PROFESSION ACT, 26 OF 2005**

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## Section 7(1)(c)

“The Regulatory Board must –

Prescribe requirements for and conditions relating to and the nature and extent of continued education training and professional development”.

### 1. INTRODUCTION

- 1.1 The professional competence required to perform the role of a Registered Auditor (RA), continuously evolves and develops. Due to the dynamic environment in which RAs function, the competence demonstrated at entry to the profession is likely to lose relevance and accordingly, require modification over time.

Therefore, RAs are expected to develop and maintain relevant professional competence as they anticipate and adapt to changes in processes, technology, professional standards, regulatory requirements and client demands.

- 1.2 Continuing Professional Development (CPD) is the means by which members of a profession develop and maintain professional competence to perform their current and future roles.
- 1.3 The CPD policy and procedures is aligned to International Education Standard 7, *Continuing Professional Development* (IES 7 Revised), issued by the International Accounting Education Standards Board (IAESB) to strengthen public trust in the accountancy profession. IES 7 (Revised) prescribes CPD for professional accountants to develop and maintain the professional competence necessary to provide high-quality services to clients, employers and other stakeholders.
- 1.4 Section 6(1)(a) of the Auditing Profession Act, 2005 (Act No. 26 of 2005(as amended)) (“the Act”), mandates the IRBA to prescribe minimum qualifications, competency standards and requirements for the registration of auditors. Flowing from this duty to ensure competence at entry point to the profession, the IRBA has a similar responsibility to ensure that those persons who are registered, continue to develop and maintain their professional competence throughout their professional lives in terms of section 7(1)(c) of Act No. 26 of 2005 (as amended).
- 1.5 Section 7(1)(f) of the Act requires the IRBA to prescribe competency requirements, and these are not only relevant at entry point but throughout the period of registration as an RA. In particular, section 7(1)(c) of the Act requires the IRBA to prescribe requirements for and

conditions relating to the nature and extent of continued education, training and professional development.

- 1.6 In terms of the IRBA Code of Professional Conduct for Registered Auditors, RAs have a duty to attain and maintain professional knowledge and skill at the level required to ensure that clients receive competent professional services, based on current technical and professional standards and relevant legislation. This duty has a direct consequence on an RA's responsibility to act in the public interest.
- 1.7 Professional competence as described in paragraph A2 of IES 7 (Revised) is the ability to perform a role to a defined standard. Professional competence goes beyond the knowledge of principles, standards, concepts, facts, and procedures, it is the integration and application of learning outcomes for:
  - (a) technical competence;
  - (b) professional skills; and
  - (c) professional values, ethics and attitudes.
- 1.8 CPD plays an important part in contributing to the development and maintenance of professional competence of an RA, thereby strengthening public confidence and trust in the profession through their work.

## **2. OBJECTIVE OF THE POLICY AND PROCEDURES**

- 2.1 The objective of the CPD policy and procedures is to prescribe to RAs the requirements, measurement and monitoring of CPD for RAs to develop and maintain their professional competence necessary to perform their current and future roles as RAs, and thereby strengthening and maintaining public trust in RAs.

## **3. REQUIREMENTS**

### General

- 3.1 All RAs shall comply with the CPD policy and procedures.
- 3.2 All RAs shall, at least annually, apply the below CPD Framework:
  - (a) Perform self-assessment activities to identify relevant learning outcomes and personal development gaps;

- (b) Plan for, complete and record relevant learning and development activities to address the learning outcomes and personal development gaps identified;
  - (c) Evaluate and undertake reflective activities on the completed learning and development activities; and
  - (d) Revise the learning and development plan, as necessary.
- 3.3 RAs shall maintain accurate and complete records evidencing compliance with the policy and procedures. This shall include, but not be limited to, evidence of application of the CPD Framework and supporting documentation of all learning and development activities undertaken.
- 3.4 The records mentioned in section 3.3 above shall be retained for a period of three (3) calendar years from the end of the reporting period and submitted to the IRBA as and when requested.
- 3.5 The reporting period shall be a calendar year.
- 3.6 As part of an RA's annual renewal for registration, the RA shall be required to declare whether he or she has complied with the CPD policy and procedures, including the CPD Framework.

#### Mandatory CPD Activities

- 3.7 RAs shall plan for, complete and record relevant learning and development activities on ethics annually. The learning and development activities undertaken shall include activities that assist the RA to comply with the IRBA Code of Professional Conduct for Registered Auditors.
- 3.8 During a reporting period an RA shall complete a minimum of three hours of relevant learning and development activities on ethics.
- 3.9 RAs shall perform self-assessment activities on audit and assurance topics annually, to identify relevant learning outcomes and personal development gaps. In addition, RAs shall plan for, complete and record relevant learning and development activities to address those learning and development gaps identified.
- 3.10 The IRBA may publish additional compulsory areas from time to time.

#### **4. MEASUREMENT OF CPD**

- 4.1 The CPD policy and procedures is premised on the output-based approach, combined with a minimum requirement of hours for ethics learning and development activities as outlined in section 3.8 above.
- 4.2 The output-based approach focuses on the demonstration of professional competence. The measurement focus is on whether RAs have followed the CPD Framework as part of the process to maintain and develop the learning outcomes relevant to performing their roles as RAs.

## **5. MONITORING OF CPD**

- 5.1 The IRBA shall monitor the CPD records of RAs on a sample basis. An RA selected through the monitoring process shall be required to submit to the IRBA, all relevant documents that reflect reliable and verifiable evidence that the RA has followed the CPD Framework as outlined in section 3.2 and has fully complied with the CPD policy and procedures.

## **6. NON-COMPLIANCE WITH THE POLICY**

- 6.1 Noncompliance in the context of CPD means that the RA did not meet the prescribed CPD requirements based on the output-based approach identified through the monitoring process. In addition, those RAs who are classified as non-responders are also considered to be non-compliant. Non responders are the RAs who do not respond to the request to make submissions for the CPD monitoring after more than one attempt from the CPD team.
- 6.2 RAs who are non-compliant, shall result in their registration status with the IRBA not being renewed on determination of non-compliance after such efforts at remediation have failed.
- 6.3 RAs whose registration have been terminated in terms of paragraph 6.2 above may request reinstatement within the same financial year as being terminated, upon submission of the outstanding documentation. Such documentation will be referred to the Education and Transformation Department for a determination whether such documentation is sufficient. Only upon the Education and Transformation Department's approval will the RAs registration be reinstated. If the RA does not request reinstatement in the same financial year, the RA will be required to apply for re-registration.
- 6.4 Should the monitoring process indicate that an RA has submitted a CPD declaration that is not an accurate reflection of their CPD activities, the IRBA shall institute an investigation which could lead to disciplinary measures against that RA.

## **7. EFFECTIVE DATE AND REPEAL OF THE PREVIOUS POLICY**

7.1 This CPD Policy and procedures shall come into effect on 01 April 2023.

## **ANNEXURE**

### **PROCEDURES RELATING TO CONTINUING EDUCATION, TRAINING AND PROFESSIONAL DEVELOPMENT PRESCRIBED IN TERMS OF SECTION 7(1)(C) OF THE AUDITING PROFESSION ACT, 26 OF 2005**

#### **1. Measurement of CPD**

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- 1.2 The output-based approach focuses on the demonstration of professional competence. The measurement focus is on whether RAs have followed the CPD Framework as part of the process to maintain and develop the learning outcomes relevant to performing their roles as RAs.

#### **2. Monitoring of CPD**

- 2.1 The IRBA shall monitor the CPD records of RAs on a sample basis.
- 2.2 An RA selected through the monitoring process shall be required to submit to the IRBA, all relevant documents that reflect reliable and verifiable evidence that the RA has followed the CPD Framework as outlined in section 3.2 and has fully complied with the CPD policy and procedures.