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IRBA REGISTRATION REQUIREMENTS: PROFICIENCY ASSESSMENT POLICY AND PROCEDURES (PREVIOUS 3 YEAR RULE)

1. INTRODUCTION

- 1.1 The IRBA has, as one of its mandates, the responsibility to ensure that all registered auditors (RAs) are competent at entry to the profession and remain so throughout their professional lives.
- 1.2 In terms of this mandate, the IRBA sets the competency requirements at entry to the profession through the Audit Development Programme (ADP) (previously through the Public Practice Examination (PPE)) and prescribes on going competence through the Continuing Professional Development (CPD) Policy.
- 1.3 Equally, the IRBA has the responsibility to ensure that all applicants, who wish to enter the profession after an “extended absence” from the audit and assurance environment, are competent.
- 1.4 This policy defines an “extended absence” from audit and assurance as the following:
- More than three years since an applicant:
 - Was registered with the IRBA (assurance¹);
 - Successfully completed the ADP;
 - Passed the PPE or
 - Completed their practical experience requirement in an audit and assurance environment (for applicants who wrote the PPE);

¹ This rule will also apply to non-assurance members who wish to change their status to assurance.

whichever is the later date.

- 1.5 In order to conduct its mandate to ensure that RAs are competent and proficient to practice, the IRBA may conduct a proficiency assessment in terms of section 6 (1)(a)& (g) of the Auditing Profession Act, 26 of 2005.

2. APPLICANTS WHO HAVE NOT BEEN ABSENT FOR AN EXTENDED PERIOD AND INTEND TO START THEIR OWN PRACTICES

- 2.1. On application for registration, any applicant who is deemed to have not been absent for an extended period and intends to start their own practice is required to supply the IRBA with:

- comprehensive CPD records;
- an up to date CV;
- a short description of why assurance registration is required;
- a practice plan, including a Quality (ISQC) Manual of the practice they intend to start; and
- the name and RA number of the RA identified as the practice's Quality Reviewer. In this regard, also furnish the IRBA with agreements entered into with the Quality Reviewer.

- 2.2 The Selected Reviewer must have been registered with the IRBA as an Assurance-RA for a minimum of three years or must have been eligible for registration with the IRBA for a minimum of three years. The IRBA may, at its discretion after a review of the Reviewer's CV allow the selection of a Non-Assurance RA as a Reviewer. This may be the case for those reviewers who are involved in quality control processes of another RA firm.

- 2.3 The above requirements will also apply to applicants who are registered with the IRBA under an existing RA firm, who intend to leave the existing firm to start their own practices.

3. PROFICIENCY ASSESSMENT PROCEDURES

- 3.1 On application for registration, any applicant who is deemed to have been “absent” from audit and assurance (See 1.4 above) is required to supply the IRBA with:
- comprehensive CPD records,
 - an up to date CV,
 - a short description of why assurance registration is required and
 - a letter from a senior partner of the firm confirming the applicant’s role and whether, in the firm’s opinion the applicant is audit proficient.
- 3.2 A proficiency interview is mandatory for all applicants with an extended absence from audit and assurance.
- 3.3 Prior to the interview, applicants will be required to submit a practice plan that outlines how they intend to comply with ISQC 1. Applicants who are joining an already established firm may be required to submit evidence of the firm’s compliance with ISQC 1.
- 3.4 Applicants are required to submit the practice plan at least one month before the scheduled interview. Delays in the submission of the practice plan will result in applicants not being scheduled.

4. PROFICIENCY INTERVIEW

- 4.1 The proficiency interview is conducted by an advisory panel of the IRBA. The panel will comprise of a minimum of three (3) individuals as follows:
- at least one IRBA director
 - at least one IRBA representative; and
 - at least one practitioner in public practice.
- 4.2 Proficiency interviews are scheduled in advance and the dates are published on the IRBA website (www.irba.co.za).

- 4.3 A proficiency interview is only conducted once an applicant has been notified of the interview, has submitted their required documentation and has paid the relevant fee, as published in the IRBA's Fee Schedule (available on the website).
- 4.4 In order to prepare for the interview applicants are required to have a broad understanding of the following competency areas, inter alia:
- Ethics, including the IRBA Code of Professional Conduct;
 - Quality Control, including the relevant quality standards;
 - Auditing and assurance standards;
 - Accounting Standards and frameworks;
 - Laws and Regulations related to professional and other services rendered;
 - Auditing Profession Act, including Reportable Irregularities;
 - Practice Management; and
 - Corporate Governance.
- 4.5 The panel makes recommendations on the applicant's registration status to the Board, through its delegated employee as per s19(4) of the Act. The panel may, inter alia, recommend the following:
- Registration;
 - No registration until specific requirements determined by the IRBA have been met.

5. THE FILE REVIEW

- 5.1 Where an applicant is considered not yet competent to practice, the panel may recommend a file review.
- 5.2 Applicants may book the file review through the Education and Transformation Department of the IRBA.
- 5.3 Applicants are given a maximum of eight (8) hours in which to complete the file review.

- 5.4 Results of the file review will be given to the candidate within seven working days.
- 5.5 Applicants who are successful in the file review will have their application to register reconsidered by the IRBA.
- 5.6 Applicants who are unsuccessful will be given detailed feedback on the areas of weakness.
- 5.7 Unsuccessful applicants may only re-apply for the file review three months after their results are released.
- 5.8 Applicants may only attempt the file review a maximum of three times.
- 5.9 After the third unsuccessful attempt it is recommended that the applicant joins a firm and/or completes the ADP.

6. REGISTRATION

- 6.1 All documentation in support of an applicant's registration must be forwarded to the IRBA.
- 6.2 Applicants must satisfy all the registration requirements stipulated by the IRBA, in order to register as an RA.