

Saadiya Adam
Director of Standards
Independent Regulatory Board for Auditors

8 August 2025

Submitted electronically to standards@irba.co.za

Dear Ms. Adam

RESPONSES TO REVISIONS TO THE IRBA CODE OF PROFESSIONAL CONDUCT FOR REGISTERED AUDITORS

1. The South African Institute of Chartered Accountants (SAICA) welcomes the opportunity to make submission to the Independent Regulatory Board of Auditors (IRBA) Revisions to the IRBA Code of Professional Conduct for Registered Auditors incorporating Ethics Standards for Sustainability Assurance, including Independence Standards and the Standard on Using the Work of an External Expert, with the Necessary South African Enhancements.
2. In responding to the proposed revisions to the IRBA Code of Professional Conduct for Registered Auditors incorporating Ethics Standards for Sustainability Assurance, including Independence Standards and the Standard on Using the Work of an External Expert, with the necessary South African enhancements, SAICA has consulted its members through various platforms including discussion forums and structures.
3. We support the proposed amendments to the IRBA Code at an overall level, recognising its value in enhancing clarity, implementation, and consistency for sustainability assurance. Minor suggestions were made to improve readability and wording in specific sections.
4. Our response to specific questions to the proposed revisions to the IRBA Code of Professional Conduct for Registered Auditors is contained in Annexure A of this document.



5. Please do not hesitate to contact Natasha Soopal (natashias@saica.co.za) should you wish to discuss the contents of this document.

Regards,



Tarryn Pedlar
Chairperson: Ethics Committee



Natasha Soopal
Head of Public Sector and Ethics

ANNEXURE A – RESPONSE TO REQUEST FOR SPECIFIC COMMENTS

Question 1:

Do respondents agree with the proposed South African application paragraph 5400.3b A1 SA that was added to section 5400 (Applying the Conceptual Framework to Independence for Sustainability Assurance Engagements) to elevate the interpretation of the general-purpose framework criterion in paragraph 5400.31(a) for practical application purposes? Refer to paragraphs 18-21 above.

Response:

Agree. Paragraph 5400.3b A1 SA will assist with the implementation of the IESSA as it provides clarification on sustainability information prepared on a combined framework basis that includes a general-purpose framework.

Question 2:

Do respondents agree with the proposed insertion of Appendices 2 and 3 from the IESBA Basis of Conclusion into the IRBA Code through the introduction of the Appendix to the Independence Standards for Sustainability Assurance Engagements, to support the understandability of the new independence provisions in sections 5405 and 5406? Refer to paragraphs 22 and 23 above.

Response:

Agree.

Additional comment: The Appendices as they are currently included in the ED is highly pixelated, which makes it difficult to read. We suggest that a clearer version of the Appendices is included.

Question 3:

*Do respondents support the introduction of the new South African requirement in paragraphs **R410.31a SA** and **R5410.31a SA** to encourage transparency and promote a consistent application of these requirements when performing both audit and sustainability assurance services? Refer to paragraphs 24 and 25 above.*

Response:

Agree. We support the introduction of the new SA requirements.

Question 4:

Do respondents agree with the proposed extant South African amendments that have been transferred to Part 5? Refer to paragraphs 26 and 27 above and the table of the extant local amendments.

Response:

Agree with no further comments.

Question 5

Do respondents agree with the proposed consequential amendments to Parts 1-4 of the extant IRBA Code? Refer to paragraphs 28-31 above.

Response:

Agree. However, we recommend the following:

We recommend that the word “and” be replaced with “or”.

321.3a A1 SA *Providing an oral **and** other forms of a second opinion can be misunderstood without the support of a written report.*

We further recommend adding the section in red below:

Firms Performing Both Audit and Sustainability Assurance Engagements

400.16a SA *Independence standards for sustainability assurance engagements are set out in Part 5400 - Independence for Sustainability Assurance Engagements. If a firm performs both a sustainability assurance*

engagement and an audit or review engagement for the same client, the provisions in the Code applicable to audit and review engagements in Part 4A and sustainability assurance engagements in Part 5400 apply to the firm, a network firm and the audit team members or review team members and the sustainability assurance team members.

Question 6:

Are there any other South African enhancements that respondents would like to raise for the CFAE's consideration? If "yes", please substantiate your proposal with the appropriate rationale.

Response:

None identified.

Question 7:

Do respondents agree with the proposed effective date? Refer to paragraphs 33-39 above.

Response:

Agree. The proposed effective date provides for sufficient time to prepare for the adoption, raising awareness and implementation.

ANNEXURE B – EDITORIAL COMMENTS



SAICA Comments	Recommendation
<p><u>Editorial comment 1</u></p> <p>Glossary</p> <p>Existing accountant A <u>registered auditor</u> currently holding an audit appointment or carrying out accounting, tax, consulting or similar professional services for a client, <u>excluding professional services for a sustainability assurance client. For the latter, refer to “Existing practitioner”</u>.</p>	<p>Full stop should not be underlined.</p>
<p><u>Editorial comment 2</u></p> <p>Glossary</p> <p>Existing practitioner A <u>sustainability assurance practitioner</u> currently holding an appointment to perform a sustainability assurance engagement or carrying out other professional services for a sustainability assurance client.</p>	<p>Space should not be underlined</p>
<p><u>Editorial comment 3</u></p> <p>Paragraph number 321.3 A1</p> <p>321.3 A1 A professional accountant might be asked to provide a second opinion on the application of tax laws and regulations, and accounting, auditing, reporting or other standards or principles to (a) specific circumstances <u>relating to an entity</u>, or (b) transactions by or on behalf of an entity that is not an existing <u>audit</u> client. <u>The second opinion could relate to a matter that has been considered, or might</u></p>	<p>Space should not be underlined</p>

SAICA Comments	Recommendation
<p><i>be expected to have been, or might be expected to be considered by that client's existing or predecessor accountant or practitioner.</i> A threat, for example, a self-interest threat to compliance with the principle of professional competence and due care, might be created if the second opinion is not based on the same facts that the existing or predecessor accountant, <i>practitioner</i> or other service provider had, or is based on inadequate evidence.</p>	
<p><u>Editorial comment 4</u></p> <p>Paragraph number 5100.2b</p> <p>5100.2b Sustainability assurance practitioners might perform professional activities and have professional and business relationships that are not covered by this Part, in which case <i>parts 1 to 4B of the Code apply, as applicable.</i></p>	Capital P
<p><u>Editorial comment 5</u></p> <p>Paragraph number 5100.6 A1</p> <p>5100.6 A1 Upholding the fundamental principles and compliance with the specific requirements of this Part enable sustainability assurance practitioners to act in the public interest when providing sustainability assurance.</p>	To add an “s” on enable.
<p><u>Editorial comment 6</u></p> <p>Paragraph number 5120.5 A5</p> <p>5120.5 A5 Professional judgment is required when the sustainability assurance practitioner applies the conceptual framework in order to make informed decisions about the courses of actions available, and to determine whether such decisions are</p>	To edit the word “actions” to action.

SAICA Comments	Recommendation
<p>appropriate in the circumstances. In making this determination, the practitioner might consider matters such as whether:</p>	
<p><u>Editorial comment 7</u></p> <p>Paragraph number 5300.1</p> <p>5300.1 Sections 5300 to 5390 set out requirements and application material for sustainability assurance practitioners <u>performing sustainability assurance and other professional services for sustainability assurance clients</u> when applying the conceptual framework set out in Section 5120. They do not describe all of the facts and circumstances, including professional activities, interests and relationships, that could be encountered by practitioners <u>performing sustainability assurance and other professional services for sustainability assurance clients</u>, which create or might create threats to compliance with the fundamental principles. Therefore, the conceptual framework requires sustainability assurance practitioners <u>performing sustainability assurance and other professional services for sustainability assurance clients</u> to be alert tofor such facts and circumstances.</p>	<p>To replace “for” with “to”</p>
<p><u>Editorial comment 8</u></p> <p>Paragraph number 5120.5 A5</p> <p>5330.4 A3 Examples of actions that might be safeguards to address such a self-interest threat include:</p> <ul style="list-style-type: none"> • Having an appropriate reviewer who was not involved in performing the service review the work performed by the sustainability assurance 	<p>To add “d” on advance to be advanced.</p>

SAICA Comments	Recommendation
<p>practitioner.</p> <ul style="list-style-type: none"> Obtaining an advanced written agreement with the sustainability assurance client on the basis of remuneration. 	
<p><u>Editorial comment 9</u></p> <p>Paragraph number 5360.6</p> <p>R5360.6 In some jurisdictions, there are legal or regulatory provisions governing how sustainability assurance practitioners should address non-compliance or suspected non-compliance. These legal or regulatory provisions might differ from or go beyond the provisions in this section. When encountering such non-compliance or suspected non-compliance, the practitioner shall obtain an understanding of those legal or regulatory provisions and comply with them, including:</p>	Please remove the space
<p><u>Editorial comment 10</u></p> <p>Paragraph number 5360.15</p> <p>R5360.15 The sustainability assurance practitioner shall comply with applicable:</p> <p>(a) Laws and regulations, including legal or regulatory provisions governing the reporting of non-compliance or suspected non-compliance to an appropriate authority; and</p>	Please remove the space
<p><u>Editorial comment 11</u></p> <p>Paragraph number 5390.25 A2</p>	Replace “have” by “has”

SAICA Comments	Recommendation
<p>5390.25 A2 Examples of actions that might be safeguards to address threats include:</p> <ul style="list-style-type: none"> Consulting with qualified personnel, or a professional outside the sustainability assurance practitioner's firm, who has have the necessary expertise to evaluate the external expert's work, obtaining additional input, or challenging the appropriateness of the external expert's work for the intended purpose. 	
<p><u>Editorial comment 12</u></p> <p>Paragraph number 5390.25 A2</p> <p>5400.53 A8 Professional resources include:</p> <ul style="list-style-type: none"> Common systems that enable firms to exchange information such as client data, billing and time records. Leaders and other personnel. Technical departments that consult on technical or industry specific issues, transactions or events for assurance engagements. 	<p>Industry specific to be written as industry-specific</p>
<p><u>Editorial comment 13</u></p> <p>Paragraph number R5405a</p> <p>R5405a If a matter comes to the attention of the group engagement leader that indicates that a threat to independence exists, the group engagement leader shall evaluate the threat and take appropriate action.</p>	<p>Please revisit the numbering as this section is after paragraph R5405.4.</p>

SAICA Comments	Recommendation
<p><u>Editorial comment 14</u></p> <p>Paragraph number R5405.28</p> <p>R5405.28 The group sustainability assurance firm shall communicate in writing to those charged with governance of the group sustainability assurance client all matters discussed in accordance with paragraph R5405.27 and obtain the concurrence of those charged with governance that the action can be or has been taken to satisfactorily address the consequences of the breach.</p>	<p>Remove double spaces</p>
<p><u>Editorial comment 15</u></p> <p>Paragraph number R5406.3 A1</p> <p>5406.3 A1 The sustainability information, prepared on a standalone or group basis, might include information that has been or will be assured by another practitioner. Examples of such circumstances are where the client chooses to engage another practitioner in relation to certain sustainability information, or where another practitioner performs assurance work at a value chain component.</p>	<p>Change circumstance to circumstances</p>