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| |  | | --- | | **INDEPENDENT REGULATORY BOARD FOR AUDITORS**  **COMMITTEE FOR AUDITOR ETHICS**    **IRBA Code of Professional Conduct for Registered Auditors (Revised 2014)**  Johannesburg / 18 March 2014  The Independent Regulatory Board for Auditors (the IRBA) draws the attention of all registered auditors to Board Notice 25 of 2014 included in Government Gazette No. 37392 of 7 March 2014, advising the publication of the revised IRBA *Code of Professional Conduct for Registered Auditors* (Revised 2014) (the IRBA Code) pursuant to the provisions of section 10(1)(a) of the Auditing Profession Act, No 26 of 2005.  The IRBA Code (Revised 2014) incorporates the amendments to the IESBA Code of Ethics for Professional Accountants (the IESBA Code), issued during 2013 and adopted, following their issue on exposure in South Africa on 18 October 2013 for public comment (Board Notice 208 of 2013). The changes of substance from the IRBA Code issued in June 2010, are presented at the end of the IRBA Code (Revised 2014) for ease of reference to the specific sections amended which include:  **Breach of a Requirement of the Code**  This revision deals more comprehensively with a registered auditor's actions when encountering a breach of a requirement of the Code.  **Conflicts of Interests**  This revision to the Code establishes more specific requirements and provides more comprehensive guidance to support registered auditors in identifying, evaluating, and managing conflicts of interest with a minor change to the definition of "professional activity" and "professional services".  **Definition of "Engagement team"**  The change to the definition of "engagement team" is to clarify that the term, engagement team in the Code, excludes individuals within the client's internal audit function who provide direct assistance on an audit engagement when the external audit complies with the International Auditing and Assurance Standards Board's (IAASB's) International Standard on Auditing (ISA) 610 (Revised 2013), *Using the Work of Internal Auditors*.  **Definition of "Those charged with governance"**  The change aligns the definition of "those charged with governance" in the Code with ISA260*, Communication with Those Charged with Governance*.  **Definition of Professional Activity and Professional Services**  The definition of "*professional services"* is reclassified as *"professional activity"* with a consequential change to the definition of *"professional services"* as *"Professional activities performed for clients."*  **Effective date**  In order to facilitate implementation by the inspections, investigations and disciplinary functions of the IRBA, the amendments are incorporated in the revised Code, with new and amended sections reflected in grey shading. The CFAE does not anticipate significant implementation implications for auditors, and as early adoption is permitted, consequently, all amendments to the IRBA Code (Revised 2014) will be effective from 1 April 2014.  The IRBA *Rules Regarding Improper Conduct* and the IRBA Code (Revised 2014) may be downloaded from the IRBA: [website](http://www.irba.co.za/guidance-to-ras/technical-guidance-for-auditors/ethics:-the-rules-and-the-code/the-rules-and-the-code).  Should you have any further queries or experience any technical difficulties in downloading the documents please contact the Standards Department at +27 (0)87 940 8800 or send an email to [standards@irba.co.za](mailto:standards@irba.co.za).  **Sandy van Esch**  **Director: Standards** |   ***About the IRBA***  *The objective of the IRBA is to endeavour to protect the financial interests of the South African public and international investors in South Africa through the effective and appropriate regulation of audits conducted by registered auditors, in accordance with internationally recognised standards and processes.*  *The statutory responsibility of the CFAE is to assist the IRBA to: determine what constitutes improper conduct by registered auditors by developing rules and guidelines for professional ethics, including a code of professional conduct; to interact on any matter relating to its functions and powers with professional bodies and any other body or organ of state with an interest in the auditing profession; and to provide advice to registered auditors on matters of professional ethics and conduct.* |