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| **INDEPENDENT REGULATORY BOARD FOR AUDITORS** |

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| **Update on the Independent Regulatory Board for Auditors' (IRBA) withdrawal from the Regulation of the Broad-Based Black Economic Empowerment (B-BBEE) verification industry**Johannesburg / 2 August 2016The IRBA issued a communique on 4 March 2016 to inform B-BBEE approved registered auditors (BARs) of the IRBA Board's decision to withdraw from the regulation of the B-BBEE verification industry on 30 September 2016 (the 4 March 2016 communique is available [here](http://www.irba.co.za/guidance-to-ras/technical-guidance-for-auditors/other-assurance-including-b-bbee/b-bbee-verification-assurance)).Engagements have taken place with the Department of Trade and Industry (DTI) and other stakeholders to finalise the process of withdrawal and to define the new regulatory structure for the B-BBEE verification industry. The DTI has advised the IRBA that it will issue appropriate communication that will clarify the new regulatory structure and the requirements for compliance as a B-BBEE Verification Professional.In the interim, the DTI has by way of a [letter](http://www.irba.co.za/upload/Letter%20from%20DTI.pdf) to the CEO of the IRBA dated 26 July 2016, announced that:*'As per the communique dated 04 March 2016 addressed to the Members of the IRBA, as of 30 September 2016, the IRBA will no longer be the 'Approved Regulatory Body' as per Code Series 000, Statement 005 of the Codes of Good Practice.* *Any entity that seeks to apply for B-BBEE Accreditation to issue B-BBEE Verification Certificates post 30 September 2016 or wishes to participate in the B-BBEE Verification Industry must thus follow the Code Series 000, Statement 005, Section 5 of the Codes of Good Practice application process to the Accreditation Body (SANAS).'*BARs are thus encouraged to commence their registration and accreditation with SANAS. It should be borne in mind that the objective, scope, work effort and reporting of an engagement performed under SANASs/DTIs verification procedures are significantly different to the requirements of the IRBA's issued South African Standard on Assurance Engagements (SASAE) 3502 (Revised), *Assurance Engagements on Broad-Based Black Economic Empowerment (B-BBEE) Verification Certificates*.SASAE 3502 (Revised) will be withdrawn in due course, and therefore BARs are urged to undertake the necessary training to be able to meet the requirements of SANAS. BARs are further encouraged to establish contact with SANAS/DTI to obtain further information on the registration and accreditation process.With respect to assurance engagements that have been entered into prior to 30 September 2016, a transitional period of three (3) months (to 31 December 2016) will be allowed for the sign off of the verification certificates for these engagements.The IRBA will continue to keep stakeholders informed of new developments as these are communicated to us.Contact information for the DTI:Liso Steto – Acting Chief Director B-BBEE of the DTI, LSteto@thedti.gov.zaContact information for SANAS:Mokgadi Rameetse - Accreditation Manager: BBBEE, mokgadir@sanas.co.zaShould you have any further queries relating to this communique, please do not hesitate to contact the Standards Department by email at b-bbeequeries@irba.co.za.**Bernard Peter Agulhas****Chief Executive Officer*****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.* |