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| **INDEPENDENT REGULATORY BOARD FOR AUDITORS** |

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| **South Africa retains pole position for auditing and reporting standards for seventh year in a row**Johannesburg / 30 September 2016Dear Registered AuditorsThe Independent Regulatory Board for Auditors (IRBA) is pleased to share the news that South Africa has been ranked yet again as the world's number one for auditing and reporting standards, making it the seventh consecutive year that we hold this position.We are naturally delighted to be recognised again for this achievement. At the IRBA we take very seriously our role in upholding the highest standards and persisting with our commitment to promote and maintain consistent and sustainable high levels of audit quality.South Africa relies very much on external capital and one of the important components of creating an environment where foreign direct investment (FDI) can occur is a well-regulated and reliable capital market. This results in a reputable audit profession which provides potential investors and capital providers with reliable and credible financial information on which investment decisions can be made. Equally, public confidence in any profession depends on the quality and robustness of the oversight.This repeat recognition was published in the World Economic Forum's Global Competitiveness Report issued on Wednesday (28 September). It comes despite other challenges currently faced by the country and provides investors and the public with the assurance that, while the financial pillars of a country remain solid, trust in financial markets remains possible.Independence continues to be the cornerstone of the auditing profession, as it is a vital component of public and investor protection.Therefore, the IRBA issued a new rule in December 2015, which required all auditor's reports on Annual Financial Statements to disclose the number of years which the audit firm/sole practitioner has been the auditor of the entity (audit tenure), and we took a further decision to introduce Mandatory Audit Firm Rotation (MAFR) to solidify the independence of auditors. Through our representation and participation in international forums, such as the International Forum of Independent Audit Regulators (IFIAR), the International Auditing and Assurance Standards Board (IAASB) and the International Accounting Education Standards Board (IAESB), we stay abreast of issues affecting the profession globally in order to evaluate and assess their relevance and impact on the South African environment, and develop appropriate responses.Furthermore, we were recently recognised as a Competent Authority for auditing under the EU Commission regulations, which enables cooperation between audit regulators recognised by its EU Adequacy Assessment process.As a responsible regulator, the IRBA must take the necessary measures to protect investors while remaining aware of global developments. Our number one ranking for seven years in a row not only demonstrates the international community's confidence in our profession and oversight but also provides the necessary basis to stimulate much needed investment in our economy.As the audit regulator, the IRBA is the statutory body falling within the National Treasury mandated with the protection of the investing public through effective regulation of auditors to ensure high quality independent audits in which investors can place their trust.**Bernard 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.* |

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