
INDEPENDENT REGULATORY BOARD FOR AUDITORS

Amended Act Strengthens IRBA's Investigation and Disciplinary Powers

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Dear Stakeholders

The Auditing Profession Amendment Act (APA), signed into law by President Cyril Ramaphosa on 23 April 2021 and gazetted on 26 April 2021, gives the Independent Regulatory Board for Auditors (IRBA) the necessary powers to deliver more effectively on its mandate and removes some of the limitations of the Auditing Profession Act of 2005 before this amendment.

Over the past four years the profession has been besieged by high-profile corporate collapses and state capture revelations that have implicated auditors and highlighted audit failure in some instances. As negative sentiment has increased, the regulator recognised that it was necessary to improve its enforcement processes to ensure its effectiveness.

The IRBA approached National Treasury in 2017 with proposed amendments to the APA which would enable the regulator to address public concerns on the state of the profession and assist it in carrying out its mandate in a more effective and efficient way.

The Act was amended following a three-year parliamentary process that began with the proposed amendments being included as part of the Financial Matters Amendment Bill. Ultimately, these amendments were re-introduced in Parliament through the Auditing Profession Amendment Bill in February 2020.

In addition to strengthening the IRBA's independence, investigating and disciplinary processes, the amended Act also provides for:

- The power to enter and search premises for the purpose of seizing information relevant to an investigation;
- The power to subpoena persons with information that is required for an investigation;
- The power to refer non-audit complaints for investigation to registered accredited accounting bodies; and
- Stricter monetary sanctions in relation to both investigation and disciplinary outcomes.

These amendments come at a critical time when IRBA is working hard to restore confidence in the IRBA and the profession, and it will help bolster our role as the regulator.

The amendments will also go a long way in rebuilding public trust that is necessary to stimulate investment that is important for our economic recovery.

The Auditing Profession Amendment Act 5 of 2021 can be downloaded from the [IRBA website](#).

Imre Nagy
Acting CEO

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.