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## INDEPENDENT REGULATORY BOARD FOR AUDITORS

### COMMITTEE FOR AUDITOR ETHICS

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#### **Final Amendments to the IRBA Code of Professional Conduct for Registered Auditors in respect of Second Opinions**

Johannesburg / 4 June 2019

The Independent Regulatory Board for Auditors (IRBA) draws the attention of all registered auditors to changes to the IRBA Code of Professional Conduct (IRBA Code) in respect of Second Opinions.

The IRBA adopted these local amendments following their issue on exposure for public comment via Government Gazette No. 42092 on 7 December 2018 (Board Notice No.179 of 2018).

#### **Changes in Substance**

Amendments to the IRBA Code Section 321 include the following:

- Incorporate practical and relevant guidance from Circular 01/2006, Giving Second Opinions (the Circular), issued in November 2006 by the Committee for Auditing Standards;
- Align the guidance, where applicable, with South African amendments made elsewhere in the IRBA Code;
- Further strengthen the guidance by elevating certain application material to a requirement paragraph; and
- Include additional safeguards mentioned in other Sections of the IRBA Code that might be relevant in addressing a possible self-interest threat when an auditor is engaged to provide a second opinion.

#### **Effective Date**

In order to facilitate the implementation of the amendments to the IRBA Code, including their impact on the investigations and disciplinary functions of the IRBA, the amendments will be effective for engagements commencing on or after 15 January 2020.

A Board Notice will be published in the Government Gazette, advising of the publication of the amendments to the IRBA Code pursuant to the provisions of Section 10(1)(a) of the Auditing Profession Act, 2005 (Act No. 26 of 2005).

The amendments to the IRBA Code may be downloaded from the IRBA [website](#).

Should you have any further queries, please send an email to [standards@irba.co.za](mailto:standards@irba.co.za).

**Imran Vanker**

## **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 responsibilities of the CFAE are 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; 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 provide advice to registered auditors on matters of professional ethics and conduct.*