



## INDEPENDENT REGULATORY BOARD FOR AUDITORS

### EXECUTIVE DEPARTMENT

#### **IRBA Strengthens Auditor Accountability with Record Enforcement Actions in 2023/2024**

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The Independent Regulatory Board for Auditors (IRBA) has released its 2023/2024 Annual Enforcement Report, showcasing a significant increase in enforcement activity and reaffirming its unwavering commitment to upholding the integrity of the auditing profession.

In a year marked by strategic reform and operational agility within the enforcement teams, Investigations and Legal Departments, the IRBA finalised a record 106 enforcement matters, a 43% increase from the previous year. Of these, 95 resulted in findings of guilt, with sanctions including fines, training directives, suspensions, and some permanent deregistration's (disqualifications).

Our enforcement efforts are not just about discipline—they are about restoring trust, promoting ethical conduct, and driving systemic improvements in audit quality. Some of the key positive actions detailed in the report relate to three key areas: Efficiency and Fairness, Robust Enforcement Processes, as well as Transparency and Public Interest.

On the matter of efficiency and fairness, 87% of matters were resolved through admissions of guilt or settlements,

reflecting both enhanced procedural efficiency and the willingness of auditors to accept accountability.

On the other hand, the robust nature of our processes is demonstrated by the fact that all charges preferred were supported by irrefutable evidence collated during our investigation processes, as well as effective prosecution at disciplinary level that resulted in guilty findings in respect of 95 of the 96 matters (99%) wherein auditors were charged, with the exception being one matter where charges were withdrawn. This underscores the integrity of the IRBA's enforcement processes.

In the area of transparency and public interest, the IRBA had previously committed to publish in specific terms, the details of matters that were high profile or in the public interest. During the period under review, the IRBA published details of 42 matters involving public interest entities or repeat offenders. This underscores our commitment to enhanced transparency.

The IRBA's disciplinary processes are grounded in fairness, transparency, and proportionality. Sanctions are tailored to the severity of misconduct, with an emphasis on corrective action, including targeted training and referrals to professional bodies where appropriate.

Furthermore, the report identifies, amongst others, the following recurring themes in improper conduct by auditors, offering valuable insights for professional development of registered auditors (RAs):

- **Insufficient Audit Evidence and Documentation:** Auditors failed to obtain or document sufficient appropriate evidence, often relying excessively on management representations or neglecting professional scepticism.
- **Material Misstatements:** Misclassifications and failure to identify significant errors in financial statements, particularly in cash flow reporting.
- **Threats to Independence:** Self-review, self-interest, and advocacy threats were frequently overlooked, often due to inadequate safeguards or misinterpretation of network affiliations.
- **Non-compliance with Quality Control Standards:** Firms lacked effective monitoring systems, failed to implement EQC reviews, and did not document compliance with internal policies.

- **Unprofessional Behaviour:** Breaches included non-compliance with legal rulings, misuse of firm resources, and failure to communicate professionally with clients and the IRBA.

The IRBA urges all registered auditors and audit firms to engage with the findings of this report, reflect on the lessons, and strengthen their commitment to ethical, high-quality audit practices.

The profession is not plagued by dishonesty, but rather by gaps in education and application of standards. Through continuous learning and ethical vigilance, we can elevate audit quality across the profession.

The full [Enforcement Report](#) can be accessed here.

**Imre Nagy**  
**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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