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| **INDEPENDENT REGULATORY BOARD FOR AUDITORS** |

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| **Monitoring Group Consultation Paper**  **Call for comments on reforms to the global audit standard-setting process**  Johannesburg / 1 December 2017  The Monitoring Group (MG) is a group of international financial institutions and regulatory bodies committed to advancing the public interest in areas related to international audit standard-setting and audit quality. MG members are the Basel Committee on Banking Supervision, the European Commission, the Financial Stability Board, the International Association of Insurance Supervisors, the International Forum of Independent Audit Regulators, the International Organization of Securities Commissions (IOSCO) and the World Bank.  The MG issued a consultation paper, *Strengthening the Governance and Oversight of the International Audit-related Standard-setting Boards in the Public Interest*, on 9 November 2017 setting out various options to enhance the governance, accountability and oversight of the international audit standard-setting process. The consultation paper has been issued to elicit the views of stakeholders on how best to safeguard the independence of the standard-setting process and its responsiveness to the public interest. In developing options to reform the standard-setting process, the MG has reflected on some key overarching principles that standard-setting should observe: public interest, independence, credibility, cost effectiveness, relevance, transparency and accountability.  The IRBA encourages stakeholders to provide feedback on the options for reform. Registered auditors and other stakeholders are likely to be impacted by any new arrangement under consideration by the MG in so far as that affects the quality and relevance of future standards.  The standard-setting boards of the International Federation of Accountants (IFAC) are the International Auditing and Assurance Standards Board (the IAASB), the International Ethics Standards Board for Accountants (IESBA) and the International Accounting Education Standards Board (the IAESB). The standard-setting boards currently develop international standards for audit and assurance as well as ethics and education respectively. These standards have been adopted in South Africa, but some concerns have been raised around the independence of the process from the accounting profession and its responsiveness to the public interest.  The consultation includes options that will consider changes to the number of standard-setting boards, their composition, their strategic focus, geographical balance and remit; the process to nominate their members; and their current oversight arrangements, among other elements. The consultation requests stakeholder views on which of those options would best achieve the MG's objectives to enhance the boards' independence and public accountability.  IFAC issued its initial views and reactions to the consultation paper on 17 November 2017. The letter is available on the IFAC [website](https://www.ifac.org/system/files/publications/files/IFAC-Initial-Views-and-Reactions.pdf).  Comments on this consultation paper should be submitted to the MG by 9 February 2018 at [MG2017consultation@iosco.org](mailto:MG2017consultation@iosco.org). In addition, should you wish to make a submission to the IRBA process, send your comments by 26 January 2018 at [board@irba.co.za](mailto:board@irba.co.za).  The consultation paper is available on IOSCO's [website.](https://www.iosco.org/about/?subsection=monitoring_group)  Should you have any further queries, please do not hesitate to contact the IRBA by email at [board@irba.co.za](mailto:board@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.* |