
INDEPENDENT REGULATORY BOARD FOR AUDITORS

IRBA Prescribes Four Rules Arising from the International Standards on Quality Management

Johannesburg / 1 December 2023

The Independent Regulatory Board for Auditors (IRBA) has prescribed [the IRBA Rules Arising from the International Standards on Quality Management \(QM L&R Rules\)](#) and they will be applicable as follows:

- IRBA Rule 1 (*Ultimate Responsibility and Accountability for the System of Quality Management*), IRBA Rule 2 (*Transparency Reports*) and IRBA Rule 3 (*Engagement Quality Reviewer (EQR) and an Assistant to an EQR*) are effective for audits of financial statements for periods beginning on or after 15 December 2025. Early adoption is permitted.
- IRBA Rule 4 (*Assembly and Retention of Audit Documentation*) is effective for audits of financial statements for periods beginning on or after 15 December 2024. Early adoption is permitted.

The QM L&R Rules culminate from the consultation and recommendations to the IRBA Board from the IRBA's Committee for Auditing Standards (CFAS). The due process followed included an exposure draft that was issued on exposure on 14 June 2022 (Government Gazette No. 46649 on 1 July 2022 (Board Notice 302 of 2022)). During this exposure period, awareness of the proposals, among others, was created through the following outreach activities:

- Presenting the exposure draft at the South African Institute of Chartered Accountants (SAICA) 2022 TechTalk Series: SAICA Standards July session, which was held on 28 July 2022; and
- Sharing the exposure draft with SAICA's CFO Forum and the Institute of Directors in South Africa's Audit Committee Forum to obtain comments from their members.

We were pleased with the breadth and extent of the responses, which accompanied the outreach efforts. The success of the exposure activities is evident in the range and number of responses received. This supports the commitment to research-based standard-setting as well as our multi-stakeholder approach to standard-setting in the public interest. Comments received on the public exposure are available for viewing on the [IRBA's website](#).

The finalised QM L&R Rules arise from the IRBA's objective "to endeavour to protect the financial interests of South Africa through the effective and appropriate regulation of assurance conducted by registered assurance providers, in accordance with internationally recognised standards and processes". Consequently, the application of these QM L&R Rules will promote and enhance audit quality, as they respond to provisions in the International Standard on Quality

Management (ISQM) 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, and ISQM 2, *Engagement Quality Reviews* (QM Standards).

The provisions indicate that local jurisdictions may have in place (or may issue) local laws, regulations or relevant ethical requirements that relate to the QM Standards. To that end, the application of the QM standards, together with these rules, will further support the initiatives to restore confidence in the auditing profession.

The QM L&R Rules are prescribed pursuant to Section 10 of the Auditing Profession Act No. 26 of 2005, as amended, by notice via Government Gazette No. 49757 on 24 November 2023 (Board Notice 512 of 2023).

To download the QM L&R Rules, visit the [IRBA website](#). Should you have any queries, please email 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.