
INDEPENDENT REGULATORY BOARD FOR AUDITORS

COMMITTEE FOR AUDITOR ETHICS

Proposed Amendments to the IRBA Code of Professional Conduct relating to Registered Candidate Auditors

Johannesburg / 28 August 2019

The Committee for Auditor Ethics (CFAE), the statutory committee of the Independent Regulatory Board for Auditors (IRBA) responsible for setting standards for auditor ethics, approved the issuing of the proposed amendments to the IRBA Code of Professional Conduct for Registered Auditors (Revised November 2018) (IRBA Code) relating to registered candidate auditors on exposure in August 2019 for public comment by 31 October 2019.

In accordance with the provisions of Section 10(1)(a) of the Auditing Profession Act, 2005 (Act No. 26 of 2005) (the Act), the IRBA may, by notice in the Government Gazette and pursuant to the provisions of Section 4(1)(c) of the Act, publish, for public information and comment, an amendment to the IRBA Code. Accordingly, a Board Notice to the same effect will be published in the Government Gazette for public comment for a minimum period of 30 days.

Background

The IRBA adopted Parts A and B and the Definitions of the International Ethics Standards Board (IESBA) Code of Ethics for Professional Accountants (July 2009), published by the International Federation of Accountants, with effect from 1 January 2011. As such, the IRBA comments on all proposed amendments to the IESBA Code and considers final amendments to the IESBA Code for possible amendments to the IRBA Code.

In November 2018, the IRBA published the revised IRBA Code. This followed the adoption of the amendments made to the IESBA International Code of Ethics for Professional Accountants (including International Independence Standards) issued during 2018.

Proposed Amendments

In 2015, amendments to the Auditing Profession Act (Act 26 of 2005) resulted in the additional regulation of registered candidate auditors. At the commencement of the Audit Development Programme, registered candidate auditors acknowledge their obligation to comply with the IRBA Code.

The IRBA Code addresses the definition and role of a registered auditor, and this includes both the individual and the firm. It, however, does not specifically address the role and definition of a registered candidate auditor.

Therefore, these amendments seek to provide clarity on the application of the IRBA Code to registered candidate auditors.

Proposed Effective Date

The expectation is that the CFAE will deliberate on the comments received on the proposed amendments to the IRBA Code relating to registered candidate auditors in February 2020 and then

consider recommending these amendments to the IRBA Board for approval in June 2020. It is anticipated that these proposed amendments will be effective on or after 1 November 2020.

Request for Comments

The CFAE welcomes comments on all matters addressed in the proposed amendments to the IRBA Code relating to registered candidate auditors, especially those identified in the Request for Specific Comments section of the Explanatory Memorandum.

The IRBA invites registered candidate auditors, auditors and other interested parties to submit any comments regarding the proposed amendments to the IRBA Code relating to registered candidate auditors to the IRBA by 31 October 2019. Comments, in Word format, should be submitted by e-mail to standards@irba.co.za. All comments will be considered a matter of public record.

A copy of the exposure draft is available in PDF format and may be downloaded from the exposure drafts page on the [IRBA website](#).

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 and registered candidate auditors by developing rules and guidelines for professional ethics, including a code of professional conduct; to 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 to provide advice to registered auditors on matters of professional ethics and conduct.