

PC Finance 25 February 2015

**INDEPENDENT REGULATORY BOARD FOR AUDITORS (IRBA)  
NOTES OF MEETING OF THE IRBA'S EDUCATION, TRAINING AND PROFESSIONAL DEVELOPMENT DEPARTMENT AND SAIPA REPRESENTATIVES**

**held on 20 February 2015 at SAIPA House, Howick Close, Waterfall Park, Vorna Valley, Midrand**

Attendance:

IRBA:

Laine Katzin – Director: ETP ([lkatzin@irba.co.za](mailto:lkatzin@irba.co.za))

Robert Zwane – Manager: ETP ([rwane@irba.co.za](mailto:rwane@irba.co.za))

SAIPA:

- Faith Ngwenya - Technical Executive ([fngwenya@saipa.co.za](mailto:fngwenya@saipa.co.za))
- Dr Thomas Hoeppli - Economic Research Analyst ([thoeppli@saipa.co.za](mailto:thoeppli@saipa.co.za))

Ms Katzin thanked SAIPA for the meeting and asked SAIPA to briefly outline the process they followed in drafting their commentary letter. Ms Ngwenya explained that the comments in the letter had been elicited from SAIPA's Education Committee and SAIPA's members. Ms Katzin requested that each of SAIPA's comments be handled individually.

Below is a summary of the issues and recommendations raised in SAIPA's commentary letter, the original response from the National Treasury and notes from the meeting.

<b>Specific Comments Section</b>	<b>Issue</b>	<b>Recommendation</b>	<b>Response by the National Treasury on comments Raised</b>	<b>SAIPA's Response to National Treasury's response</b>
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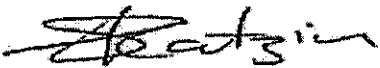
1. (a)	<p><i>definition:</i></p> <p><i>" 'candidate auditor' means an individual who has obtained a professional accountant designation from an accredited professional body and who is serving under the supervision of a registered auditor;"</i></p>	<p>The use of the term "professional accountant" is confusing as SAIPA members are designated Professional Accountants (SA).</p>	<p>definition of "candidate auditor" and the use of the term "professional accountant", our understanding is that these are the target group for candidate auditors. They must go through the candidate auditor stage before registration as an auditor. Professional accountant is IFAC recognised term.</p>	<p>SAIPA understands that the term professional accountant is a common IFAC term. SAIPA also understands that the IRBA will never use the term professional accountant alone, but will use it as follows; <i>'professional accountant designation from an accredited professional body'</i>, this mitigates the confusion as raised in the issue.</p> <p>SAIPA is satisfied with the response.</p>
1. (a)	'candidate auditor'	<p>It needs to be ensured that a Candidate Auditor (or his/her employer) does not use the abbreviation CA, as this would be misleading. The public is likely to associate it with the Chartered Accountant – CA(SA) designation.</p>	<p>use of abbreviation CA by candidate auditors. IRBA uses the term RCA for candidate auditors (registered candidate auditors. If it is a real concern, we could include a provision prohibiting that as part of the review of the whole Act.</p>	<p>The usage of the term Registered Candidate Auditor does address SAIPA's concerns. This term has to be used consistently in the Act.</p> <p>SAIPA is satisfied with the response.</p>
4. 36. (4)	<p><i>The Regulatory Board must, prior to the cancelling of the registration of a registered auditor or candidate auditor, give notice in writing to the registered auditor concerned ...</i></p>	<p>Insert "or candidate auditor"</p> <p><i>"The Regulatory Board must, prior to the cancelling of the registration of a</i></p>	Concede.	SAIPA is satisfied with the response.

		<i>registered auditor or candidate auditor, give notice in writing to the registered auditor or candidate auditor concerned ..."</i>		
5. 37. (3)	<i>The Regulatory Board may not register an individual as a registered auditor or candidate auditor if that individual—</i>	Disqualified individuals must be in line with all other ACTs where disqualification is listed. e.g. Companies Act (individual professional body's to ensure compliance with ACTS too).	37(3) and 39(1) non-compliance with other Acts as ground for disqualification for registration: This is outside scope of amendments in the Bill dealing with candidate auditors and the aligning its terminology with the Companies Act of 2008. This could be covered by IRBA's rules for improper conduct. Section 37(3)(d) should cover that. If there is need for further clarity, this can be done with the review of the whole Act.	SAIPA is satisfied with the response.
7. 39. (1)	<i>Subject to subsection (3), the Regulatory Board must cancel the registration of any registered auditor that is an individual or candidate auditor, and—</i>	Completeness of this list per last comment	37(3) and 39(1) non-compliance with other Acts as ground for disqualification for registration: This is outside scope of amendments in the Bill dealing with candidate auditors and the aligning its	SAIPA is satisfied with the response.

			terminology with the Companies Act of 2008. This could be covered by IRBA's rules for improper conduct. Section 37(3)(d) should cover that. If there is need for further clarity, this can be done with the review of the whole Act.	
1.3	<i>Memorandum Audit Development Programme</i>	Does this programme have to be completed at a registered audit firm? How else do you do it under the supervision of an RA?  How long is this programme?	Refer to the Audit Development Programme Booklet.	SAIPA is satisfied with the response.
1.4	<i>What has not been considered in this bill</i>	The Companies Act 71 of 2008 recognises registered auditors for performing Independent review services for entities with a Public interest score between 100-349. There is no provision in the current Audit Profession Act nor this amendment bill for	This is outside scope of amendments in the Bill. Since already provided for in Companies Act not essential that it be dealt with in the Auditing Profession Act. The issue of review services will be addressed with the review of the whole Act.	SAIPA is satisfied with the response.

		the regulation of Independent Reviewers.		
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Notes Sign-off:

For the IRBA: Laine Katzin 

For SAIPA: Faith Ngwenya 