

Auditing Profession Amendment Bill [B 15-2014]

*Briefing of Standing Committee on Finance
National Assembly
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Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

Outline of presentation

- Background
- Objects of Amendment Bill
- Main features of proposed amendments

Background (1)

- Auditing Profession Act, 2005 (APA)
 - ✓ established Independent Regulatory Board for Auditors - IRBA
 - ✓ provides for education, training & professional development of auditors
 - ✓ provides for accreditation of profession bodies of registered auditors or both accountants & registered auditors
 - ✓ provides for registration of auditors
 - ✓ regulates conduct of registered auditors

Background (2)

- Currently candidate who successfully completes Public Practice Examination may register with IRBA to become registered auditor
- Process for becoming registered auditor to change because of termination of Public Practice Examination
- In future, 1st time candidates intending to write final assessment for qualification as Chartered Accountant (CA) – will have to write Assessment of Professional Competence of SA Institute of Chartered Accountants

Background (3)

- Assessment of Professional Competence is general assessment of competence required for CA and not assessment of audit competence
- IRBA replacing Public Private Examination with Audit Development Programme
 - Aspiring auditor becomes candidate auditor before registration as auditor
 - Period of specialisation by professional accountants who want to become registered auditors
 - Programme aims to consolidate & refine capabilities developed during training programme
 - Occurs in more complex learning environment & performs roles more senior to those undertaken in current training

Background (4)

- Audit Development Programme is to commence in 2015
 - Envisage to register first candidate auditors in March 2015
- Current Auditing Profession Act does not regulate candidate auditors
- Amendment Bill proposes to authorise IRBA to register candidate auditors
 - Undergo specialist training before CAs become registered auditors subject to IRBA's regulation as candidate auditors

Objects of Bill

- Objects of Amendment Bill
 - provide for regulation of candidate auditors
 - update references to Companies Act (1973 Act replaced by 2008 Act)

Main features of proposed amendments (1) - clauses 1 - 5, 7, 8, 10, 12 & 13 of Bill

- Amendments regarding candidate auditors
 - define candidate auditors as individuals who have obtained professional accountant designation from accredited professional body
 - include candidate auditors in requirements for registration
 - place them under IRBA's responsibility in matters of discipline to ensure protection of public
 - give registered candidate auditors practical exposure to wide range of matters faced by registered auditors

Main features of proposed amendments (2) – clauses 6, 9 & 11 of Bill

- Amendments regarding Companies Act
 - Definition of “Companies Act” in section 1 of APA
 - Cross-references to provisions of Companies Act in
 - section 38 of APA - registration of firms as registered auditors
 - section 41 of APA – public practice as registered auditor
 - section 47 of APA – IRBA’s inspection of registered auditor that audits public company

***Ri a livhuwa/Enkosi/Siyabonga/
Re a leboga/Dankie/Thank you***



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