ANNUAL REPORT
2025

IRBA

INTEGRITY | PUBLIC INTEREST | AUDIT QUALITY

HOW TO CONTACT US

Physical address:
Building 2, Greenstone Hill Office Park,
Emerald Boulevard, Modderfontein, 1609

Postal address:
PO Box 8237 Greenstone 1616

Telephone: 010 496 0600

Fax: 086 482 3250

RP: RP280/2025

ISBN: 978-1-83491-145-8

www.irba.co.za

Table of Contents

SECTION A
About the IRBA

General **Information**

Registered Name:	Independent Regulatory Board for Auditors (IRBA)
Physical Address:	Building 2, Greenstone Hill Office Park, Emerald Boulevard Modderfontein, 1609
Postal Address:	PO Box 8237, Greenstone, 1616
Telephone Number:	010 496 0600
Fax Number:	086 482 3250
Email Address:	board@irba.co.za
Website Address:	www.irba.co.za
	@IRBA_
	The IRBA
	The Independent Regulatory Board for Auditors
	irba_sa
	@independentregulatoryboard9770
External Auditors:	Auditor-General South Africa
Bankers:	The Standard Bank of South Africa
	South African Reserve Bank
Board Secretary:	Ms Jill Levendal

Highlights of **the year**

STRATEGY

- **Restoring Confidence 2.0:** The objectives of this initiative, aimed at restoring confidence in both the regulator and the profession, reached their maturity and the Independent Regulatory Board for Auditors (IRBA) closed out all related projects, with any ongoing actions having been integrated into its mainstream work.
- **Strategic Plan for 2026-2030:** The new strategy was developed and approved by the IRBA Board following a comprehensive consultation process. Its main focus is on fostering a thriving profession, impactful stakeholder collaboration and organisational enhancement.
- **New IRBA and Registered Auditor (RA) Brand:** The IRBA continued to promote its new brand strategy among stakeholders and the public around the clarion call of integrity, public interest and audit quality.

AUDIT QUALITY IMPROVEMENTS

- **Consistent Improvement:** Audit quality at the engagement level has shown consistent improvement over the past six years, with positive outcomes increasing from 38% (2019) to 45% (2024), as further detailed in the latest **Public Inspections Report**.
- **Proactive Monitoring:** The Proactive Monitoring process, an initiative introduced with the 8th Inspections Cycle, gained some traction and the IRBA issued several reports where remediation was completed. The Inspections Committee is pleased with the continued focus on audit firm leadership and the proactive action the Board has taken where systemic deficiencies were reported at firms.
- **Audit Quality Monitoring Forum:** One of the new initiatives introduced during the past year as part of the 9th Inspections Cycle has been the establishment of an Audit Quality Monitoring Forum made up of heads of quality from larger audit firms. Its main objective is to enhance audit quality and address the gap between internal and external inspections results identified through the annual **Survey Report: Audit Quality Indicators**.
- **Reduced Referrals:** Regarding referrals by the Inspections Committee to the Investigations Department, there was a noticeable decrease from 14% (2023) to 7% (2024), indicating better audit practices at the firm level.
- **Reportable Irregularities (RIs) Publication:** The IRBA issued its first **Reportable Irregularities Report 2022/2023**, providing stakeholders with extensive feedback on the nature of the RIs reported and the manner in which they were dealt with. The report is aimed at enhancing transparency and supporting co-ordinated regulatory efforts to effectively address identified irregularities.

STAKEHOLDER ENGAGEMENT

- **Audit Committee Chairs Roundtable:** The Chief Executive Officer (CEO) and the Inspections Department met with audit committees of listed companies and their auditors, to discuss the inspections process and how to interpret inspections reports. This initiative was well-received and will be sustained to provide valuable insights into IRBA reports.

MONETARY FINES

- **New Maximum Limits:** The Minister of Finance gazetted new maximum limits for monetary fines on improper conduct. The IRBA drafted a guideline on implementing these limits, which was also gazetted for public comment. The guideline addresses practices for determining fines for transgressions.

AUDITOR STANDARDS AND ETHICS

- **Guide for Registered Auditors:** Joint Audit Engagements (Revised May 2024): The Committee for Auditing Standards (CFAS) approved this in May 2024 and subsequently issued it to the market in the same month. The guide is effective for audits of financial statements for periods ending on or after 31 December 2024.
- **Staff Audit Practice Alert 10:** Key Considerations - Acceptance and Continuation of Client Relationships of Audit Engagements: This was recommended by the CFAS in May 2024 for the CEO's approval, issued in July 2024 and became effective on publication.
- **South African Auditing Practice Statement (SAAPS) 7, Transparency Reports of Firms that Audit Financial Statements of Publicly Traded Entities:** The CFAS approved this in August 2024 and subsequently issued it to the market in November 2024. It is effective for transparency reports prepared and published on or after 15 December 2025, with early adoption permitted.
- **Revisions to the Code:** In August 2024, the Committee for Auditor Ethics (CFAE) recommended the adoption of the International Ethics Standards Board for Accountants' revisions to the International Code of Ethics for Professional Accountants (including International Independence Standards) addressing tax planning and related services.
- **Updated Code of Conduct:** In November 2024, the CFAE approved the publication of the revised IRBA Code of Professional Conduct for Registered Auditors (IRBA Code). This updated Code incorporates revisions related to the Definition of a Listed Entity and Public Interest Entity; Technology; and changes to the definitions of audit client and group audit client.

EDUCATION AND TRANSFORMATION

Audit Development Programme (ADP) Highest Registrations

- **Increased ADP Registration:** The ADP had a significant increase in registrations, from 123 in the last reporting period to 205 at the end of this financial year. This surge could be attributed to the efforts made in raising awareness about the programme and the decision to zero-rate ADP fees this past year.
- **Transformation Progress:** There was a marked shift in race and gender representation among registered candidate auditors (RCAs), reflecting a diverse and more inclusive future for the profession.

International Education Standards (IESs) Revision

- **Sustainability Reporting and Assessment:** The Education and Transformation team participated in international working groups to revise the IESs and ensure they reflect sustainability reporting, among others.

Outreach to Students

- **Career Days:** Up to 8 000 school learners were reached through career days, during which vital information about the auditing profession was shared, in addition to encouraging them to consider auditing as a career choice.
- **University Engagements:** Through guest lectures, the team engaged with more than 1 100 university students.
- **Audit Prizes:** A total of 77 audit prizes were awarded to top auditing students across different institutions.

List of **Abbreviations**

ACCA	Association of Chartered Certified Accountants
ABASA	Association for the Advancement of Black Accountants of Southern Africa
ADP	Audit Development Programme
AFIAAR	African Forum of Independent Accounting and Auditing Regulators
AGSA	Auditor-General South Africa
APA	Auditing Profession Act No. 26 of 2005, as amended
ARMCO	Audit and Risk Management Committee
B-BBEE	Broad-Based Black Economic Empowerment
CFAE	Committee for Auditor Ethics
CFAS	Committee for Auditing Standards
CPD	Continuing Professional Development
EDCOM	Education and Transformation Committee
ENCOM	Enforcement Committee
IAASB	International Auditing and Assurance Standards Board
IESBA	International Ethics Standards Board for Accountants
IESs	International Education Standards
IFAC	International Federation of Accountants
IFIAR	International Forum of Independent Audit Regulators
IPAE	International Panel on Accountancy Education
INSCOM	Inspections Committee
INVESCO	Investigating Committee
IRBA	Independent Regulatory Board for Auditors
PAFA	Pan African Federation of Accountants
PFMA	Public Finance Management Act No. 1 of 1999, as amended
RA	Registered Auditor
RCA	Registered Candidate Auditor
RI	Reportable Irregularity
SAICA	South African Institute of Chartered Accountants
SAQA	South African Qualifications Authority

The IRBA in **Numbers**

Registered Auditors	2025	2024	2023
Total number of RAs	3 472	3 527	3 601
Assurance category RAs	2 602	2 703	2 789
Non-assurance category RAs	870	824	812
Audit Development Programme			
RCAs at year-end	683	562	550
New ADP registrations	205	123	169
RCAs who successfully completed the ADP	80	106	101
Trainee accountants registered	3 702	3 395	3 881
Enforcement Matters			
Investigations initiated	66	37	76
Investigations in progress	105	136	192
Investigations finalised	83	96	96
Disciplinary Committee hearings	6	4	3
Matters finalised following a referral for a disciplinary hearing	12	22	8
Reportable Irregularities Received			
Total number of reports received	599	636	622
Continuing RIs	417	432	411
Not continuing RIs	165	197	202
Did not exist RIs	16	6	9
Second reports overdue	1	1	0
Inspections			
Total number of inspections completed	109	105	117
Firms	17	24	13
Engagements	92	81	104
Financial Indicators (R'000)			
Government Grant	47 421	45 657	45 684
Transfers to/(from) reserves	2 099	4 792	(5 835)
Surrendered to National Revenue Fund	(2 430)	-	-
Accumulated surplus for the year after movement in reserves	86 487	88 945	74 091

Message from **the Minister of Finance**

The path ahead requires the IRBA to remain adaptable, innovative and well-capacitated, as it continues to fulfil its mandate.

As we move past the 2025 financial year, I would like to acknowledge the achievements of the Independent Regulatory Board for Auditors, not only for this financial year but also for the entire five-year strategic period that has just ended.

I recognise the challenges the profession has faced in the past, but more importantly, commend the IRBA's relentless efforts in restoring trust and confidence in the accounting and auditing profession. Its pursuit of excellence has been pivotal in reinforcing the integrity and credibility of corporate reporting in South Africa.

Independent auditors play a crucial role in protecting the interests of our investing public, especially as our country seeks to attract more investments. As such, the auditing profession plays a critical role in a well-functioning economy. Credible corporate reporting and rigorous auditing are essential not only for fostering investor confidence, but also for supporting the government's broader strategic objectives of driving inclusive growth, reducing poverty, creating jobs and fostering a capable and ethical state.

Aligned with the National Development Plan, the IRBA's regulatory work is a key contributor to achieving national imperatives. Its efforts to collaborate and partner with key industry stakeholders are vital in safeguarding the public interest, bolstering investor confidence and supporting economic growth.

I would like to congratulate the IRBA on achieving its strategic goals and performance targets in the previous strategic reporting period and fulfilling its mandate despite resource constraints. The path ahead requires it to remain adaptable, innovative and well-capacitated, as it continues to fulfil its mandate.

I also take this opportunity to thank the Board members, management and staff for their commitment to steering the organisation in the right direction. Their determination to grow the profession, diligently implement the legislative mandate and ensure that the IRBA remains an internationally respected audit regulator is commendable.

The transparency and reliability that registered auditors provide in times of uncertainty and potential policy changes become indispensable. Auditors play a critical role in safeguarding the financial integrity of the local economy and ensuring regulatory compliance, which is essential for sustained investor confidence.

Enoch Godongwana, MP
Minister of Finance

Foreword by **the Chairperson**

I am pleased to report on the IRBA's achievements over the past financial year and reflect on our strategic period from 2021-2025.

The IRBA reached significant milestones in its commitment to upholding the high standards of auditing and regulation in South Africa. Through the successful implementation of our Strategic Plan 2021-2025, which focused on restoring trust and engaging comprehensively with various stakeholders, we played a crucial role in revitalising confidence in both the regulator and the auditing profession.

In times of uncertainty and potential policy changes, the transparency and reliability provided by registered auditors become indispensable. Auditors play a critical role in safeguarding the financial integrity of the local economy and ensuring regulatory compliance, which is essential for sustained investor confidence. Their objective assessments help expose financial mismanagement and non-compliance, reducing the risk of fraud during uncertain times. Reliable financial reporting, assured by independent auditors, provides essential information for informed investment decisions, helping to stabilise market reactions.

The Board is satisfied with how the IRBA is positioning itself to regulate in a rapidly changing environment. Consequently, over the past year the organisation has become a more transparent and open regulator in its dealings with stakeholders.

Significant progress has been made in several areas, including the approval of the new Strategic Plan for 2026-2030, the Annual Performance Plan 2025/2026, the Budget and the Operational Plan 2025/2026. The Board approved these after a consultation and comment process with stakeholders. Additionally, a monetary fines guideline was issued for public comment, following the gazetting of the new fines by the Minister of Finance.

Further, the Board approved the first draft of the Auditing Profession Act Amendments at its meeting on 30 January 2025. The proposed amendments include provisions relating to the IRBA's powers to promulgate the Mandatory Audit Firm Rotation rule, prescribe fees and conduct regulator equivalency assessments. Other amendments address the removal of transparency restrictions in inspections; the enforcement of sanctions; the extension of the Board's term of office; and provisions relating to the lapsing and cancellation of firm registrations.

The declining number of registered auditors remains a major challenge for the profession. While this is a global phenomenon, we are hopeful that these numbers will improve as the IRBA plans to engage with relevant stakeholders and firms enrol registered candidate auditors to complete the Audit Development Programme in terms of their RA succession plans.

The Board is committed to responding to emerging risks with enhanced standards, regulations and enforcement measures, to safeguard the public interest and maintain investor confidence.

I would like to express my gratitude to our stakeholders for their open and honest engagements. Your continued collaboration and feedback will be crucial as we implement the new strategy. I also wish to thank my fellow Board members, statutory committees, management and IRBA staff for their dedication and professionalism. Your contributions are fundamental to our continued success as a regulator.

Fulvio Tonelli
Board Chairperson

Chief Executive Officer's **Overview**

The strides we took in rebuilding confidence, enhancing oversight and fostering transparency will serve as a foundation for sustained progress in the years ahead.

It is with great pleasure that I present to you the IRBA's Annual Report 2025. This report marks the end of our 2021-2025 strategic period, a time of significant change for the IRBA, characterised by numerous challenges and significant achievements. Over the period, I am pleased to note that we successfully fulfilled our mandate through initiatives aimed at restoring confidence and comprehensive stakeholder engagement.

These past five years were transformative, shaping the trajectory of our organisation and the profession. The strategic roadmap was instrumental in restoring trust in the regulator, stabilising governance structures and reinforcing the integrity of the profession through key interventions and stakeholder engagements. Reflecting on our progress, I appreciate the collective efforts that redefined our role, strengthened our relationships and reinforced our social compact with our stakeholders – most importantly, the public we serve. The strides we took in rebuilding confidence, enhancing oversight and fostering transparency will serve as a foundation for sustained progress in the years ahead.

Audit Quality Improvements

We continue to support auditors in our endeavour to improve audit quality. Our 2024 Public Inspections Report on Audit Quality indicates a sustained focus on improvement, with incremental progress in several areas. It highlights a consistent improvement in audit quality at the engagement level over the past six years, with a steady reduction in audit files requiring major improvements. Also, the noted decrease in the number of referrals to the Investigations Department shows improved audit practices at firms, further reflecting the IRBA's unwavering commitment to help enhance audit practices and protect the public interest through rigorous inspections and proactive remediation efforts with audit firms.

In the latest audit quality indicators survey report, we introduced a new quality indicator that offers valuable insights into the profession's transformation journey, as reflected in the registered auditor and registered candidate auditor register per firm. By providing detailed insights into the progress and impact of transformation initiatives within firms, this indicator will help stakeholders better understand and support ongoing efforts to create a more inclusive and dynamic auditing profession locally.

Attractiveness of the Profession

Attracting new entrants to the profession remains a top priority and our Audit Development Programme shows promising insights into the pipeline. As reflected under the highlights above, there has been a significant increase in ADP registrations, representing a growth of about 67%. This highest number of RCAs in one year since the inception of the ADP is largely attributed to proactive efforts in creating awareness about the programme. Also, as mentioned in the Highlights section, the Board's decision to zero-rate the ADP registration fees played a crucial role in making the programme more accessible, further incentivising candidates to enrol. In addition, the latest RCA statistics show progress with the transformation of the profession.

Impact of Technology in Auditing

Rapid advancements in technology, such as artificial intelligence (AI), advanced automation and data analytics, are transforming the profession. Advanced technology could potentially change the audit process, shifting from historical to real-time audits and from reactive risk identification to forward-looking and proactive risk identification through AI and predictive analytics tools.

These developments make it critical for the auditing profession to keep up with technological advancements and related cybersecurity risks. Already, audit firms are investing significantly in developing their own innovative audit technologies and building the necessary skills and competencies to audit clients using disruptive technology. Advancements in technology are creating access to additional sources of information outside the financial ecosystem (e.g. environmental data and social media monitoring).

As a regulator, we must also embrace digital transformation to keep up with technological changes. We believe that with the right technology, auditors will enhance the way they service their clients. Essentially, there is potential for greater assurance and efficiency, with tools such as advanced data analytics and automation allowing auditors to test a greater sample of the population and focus on other audit areas that might need more of their time and attention.

The impact on auditor skillsets is another reality we must face, where auditors will need to learn new competencies and skills outside the traditional finance space, to remain relevant as professionals. In line with these technological developments, the IRBA is revising its Competency Framework to look at the skills future auditors will require to effectively and competently carry out their responsibilities.

Enforcement of Auditing Standards

This year, as already noted, we reached another milestone with the publication of our first Reportable Irregularities Report 2022/2023. The RI process, as outlined in the Auditing Profession Act, as amended, is designed to empower RAs to challenge management and boards on irregularities uncovered during an independent audit of financial statements and ensure effective governance. As such, the report aims to not only embolden RAs, but to provide stakeholders with comprehensive feedback on the nature of RIs reported over a specific period and how those were addressed. In it, auditors, audit committees, boards, investors and the public will find valuable insights into risk areas that necessitate increased scrutiny.

Monetary Fines

As part of our commitment to transparency and good governance, we drafted a monetary fine guideline on the implementation of the new maximum limits for monetary fines, which was gazetted for public comment by 31 January 2025. Mainly, the guideline addresses the following:

- The practice to be adopted by the Enforcement Committee and the Disciplinary Committee when determining monetary fines for transgressions occurring on or after 15 June 2023 up until 5 June 2024.
- The practice to be adopted by the above committees when determining monetary fines for transgressions occurring on or after 6 June 2024.

Comprehensive Stakeholder Engagement

As a responsive regulator, we value the engagements and feedback from our stakeholders on the various matters they raise. This year, we embarked on a series of roundtable discussions with audit committees of listed companies and their auditors. The audit committee chairpersons commended the IRBA for this initiative and requested that these roundtable events be sustained, as they provide valuable insights into the IRBA reports and how to interpret them.

We also hosted our first RIs regulators feedback session with regulators to whom RI reports are shared. Also, we held a series of webinars, with two of these tagged as *Inside a Small and Medium Practice: A Practitioner's Day in Focus* and *Artificial Intelligence in Finance: Shaping the Future*.

The IRBA continues to play a key role in several international bodies by participating, contributing and influencing standards and regulation through taking part in different auditing, ethics, education and standards boards. Regionally, we still serve as members of the African Forum of Independent Accounting and Auditing Regulators and support the technical activities of the Pan African Federation of Accountants.

International Participation

Aligned with our vision to be a locally and internationally respected audit regulator, it remains important for us to continue to meaningfully participate in and contribute to international standard setting and regulation activities. This not only enables us to benchmark our processes against international best practices, but also to influence international standards while representing the African region.

As a founding member of the International Forum of Independent Audit Regulators (IFIAR), the IRBA continues to make significant contributions to that forum's activities, exemplified by our leadership participation on the IFIAR board, chairmanship of the IFIAR Audit and Finance Committee and our extensive involvement in five of the seven IFIAR Working Groups and Task Forces. The IRBA consistently and actively participates in crucial surveys, such as the annual IFIAR Inspections Findings Survey, as well as environmental, social and governance and audit market data surveys, among others. Furthermore, we regularly engage with affiliated regulators on a number of areas, including audit quality indicators and audit reforms, as well as assist fellow smaller regulators, where possible. Our contributions and extent of participation emphasise our commitment to sharing our knowledge and insights among the 56 independent audit regulators, and to benchmark our processes against international best practice.

Our intentional participation on the International Ethics Standards Board for Accountants (IESBA) in setting high-quality, international ethics (including independence) standards, as well as our participation on the International Federation of Accountants (IFAC) International Panel on Accountancy Education are key features of the IRBA's approach to advancing accountancy education at the local and global levels.

Remembering Imran Vanker

On a more sombre note, we lost Imran Vanker, our Director Standards, in a tragic motor vehicle accident on 25 November 2024. Imran was an integral part of the IRBA, having served as director for just over a decade. He was larger than life – a proud father, devoted family man and true friend to many. He touched countless lives, interacting with everyone around him with genuine enthusiasm. He will be remembered for his friendliness, always having a smile on his face and even joking at times. His deep empathy was remarkable – we will always remember how he cared about and regularly checked in with everyone he knew.

Through his inspirational leadership and intellect, Imran has left an indelible legacy within the accountancy profession and the community, locally and even internationally. His unwavering dedication and contributions to the field of auditing and standards were truly exceptional; as such, he has left a lasting impact on the industry. His passion for serving the public interest was unmatched.

New Strategic Prospects

After conducting a comprehensive consultation process, the Board approved the new strategy at its January 2025 meeting. While this Strategic Plan for 2026-2030 is centred on efficiently delivering on our mandate to regulate RAs, we have also adopted three key strategic priorities to further enhance our effectiveness and promote high-quality audits among these professionals. These focus areas are:

- Fostering a thriving and attractive profession;
- Leveraging impactful collaboration with key stakeholders within the corporate reporting and governance ecosystem; and
- Driving organisational development.

Furthermore, this strategy is focused on adaptability, technological innovation and close collaboration with our stakeholders, to drive optimal impact in a volatile and rapidly changing environment. Additionally, we have streamlined our programmes and refined our performance objectives, to enhance the focus and maximise the effectiveness of our mandate over the next five years. Our vision is to be a respected audit regulator within a trusted and thriving profession that safeguards the public interest.

Future Outlook

As we prepare to celebrate the IRBA's 20th anniversary in 2026, we remain committed to our core values of integrity, independence, transparency, accountability, competence and innovation, which all align with our strategy and guide our operations. We sincerely appreciate the valuable insights and contributions from our stakeholders in the development of the new strategy. Their input has been instrumental in ensuring that our approach remains responsive, effective and aligned with the evolving needs of the profession and the public. As we move forward, we remain committed to supporting the Board and fostering a culture of excellence, inclusivity and empowerment.

We recognise that our people are central to our success, and we are dedicated to creating an environment where they feel valued, fulfilled and empowered to reach their full potential, as we work towards meeting our objectives over the next five years. We look forward to this upcoming period with optimism and dedication, remaining steadfast in our commitment to work with our stakeholders to fulfil our mandate and, at the same time, promote a thriving profession with our stakeholders.

I would like to thank the Board, its subcommittees and statutory committees for their guidance and leadership. A special thank you to the Management Committee, the Management Forum and the staff of the IRBA. Your hard work, dedication and commitment are what keep us thriving as an organisation, and I am continually inspired by your passion for and professionalism towards the important work that we do.

Imre Nagy
Chief Executive Officer

Statement of **Responsibility and Confirmation of Accuracy of the Annual Report**

To the best of our knowledge and belief, we confirm the following:

- All information and amounts disclosed in this Annual Report are consistent with the Annual Financial Statements (Section F) audited by the Auditor-General.
- The Annual Report is complete, accurate and free from any material omissions.
- The Annual Report has been prepared in accordance with the guidelines on annual reports issued by National Treasury.
- The Annual Financial Statements have been prepared in accordance with the standards applicable to the public entity.
- The Accounting Authority is responsible for the preparation of the Annual Financial Statements and the judgements made in this report.
- The Accounting Authority is responsible for establishing and implementing a system of internal control that has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the Annual Financial Statements.
- External auditors are engaged to express an independent opinion on the Annual Financial Statements. In our opinion, this Annual Report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the entity for the financial year ended 31 March 2025.

Yours faithfully,

Fulvio Tonelli
Board Chairperson
28 July 2025

Imre Nagy
Chief Executive Officer
28 July 2025

Strategic **Overview**

Strategic Focus

In line with the IRBA's legislative mandate and our strategy, and arising out of the situational analysis, the revised three focus areas (referred to as our Institutional Responsibility) over the period under review were:

- Sustainability and Relevance;
- Audit Quality; and
- Comprehensive Stakeholder Engagement.

The IRBA's strategic focus is to protect the financial interests of the public by ensuring that only suitably qualified individuals are admitted to our register; and that registered auditors deliver services of the highest quality and adhere to the highest ethics standards.

Vision

To be a preeminent, internationally respected and locally recognised audit regulator, whose purpose is to protect the public interest and safeguard the integrity of the South African financial markets by creating an enabling environment in which auditors can deliver high-quality audits.

Mission

We endeavour to protect the financial interests of the investing community by creating and enhancing regulatory tools and principles to empower registered auditors to carry out their duties competently, independently and in good faith.

Legislative Mandate

The IRBA was established in terms of Section 3 of the Auditing Profession Act No. 26 of 2005, as amended (APA). The objects, as set out in Section 2 of the Act, are as follows:

- To provide for the establishment of an Independent Regulatory Board for Auditors.
- To protect the public in the Republic by regulating audits performed by registered auditors.
- To improve the development and maintenance of internationally comparable ethics standards and auditing standards for auditors that promote investment and, consequently, employment in South Africa.
- To set out measures to advance the implementation of appropriate standards of competence and good ethics in the auditing profession.
- To provide for procedures for disciplinary action in respect of improper conduct.

Objectives

In line with the legislative mandate, our objectives are to:

- Build credibility for the IRBA, as a proactive regulator, and for the profession (accounting and auditing).
- Demonstrate relevance and responsiveness (to changes or market expectations) by initiating improvements.
- Increase audit firm transparency.
- Align auditor behaviour and integrity with ethics requirements.
- Improve the quality of audit opinions and audits, and address investor expectations.
- Manage the public's (private and public sectors) expectations in the auditor's role.
- Promote stability and growth in capital markets.

Goal

We want to be seen as an effective and impactful regulator that can change the behaviour of auditors and other role-players in the financial reporting system, to:

- Increase audit quality;
- Improve ethics and independence; and
- Increase the transparency of audit firm practices.

Regulatory Philosophy

The IRBA's regulation is focused on the protection of the public's financial interests, while it recognises its role in creating an enabling environment in which auditors can deliver high-quality audits.

Value Proposition

We create continuing value by building trust in the regulator, the designation, the profession and in audit quality.

Values

As the overall custodian of the auditing profession in South Africa, the IRBA acknowledges the importance of the mandate assigned to it by Parliament, and all its registrants and staff ascribe to the core values that are highlighted below.

Independence, Integrity and Objectivity

It is imperative that we are not just independent of the auditing profession in our composition and membership, but also reflect independence in the perception of our key stakeholders through our actions and behaviour. Consequently, it is important that we act with integrity and objectivity in our deliberations, decisions and actions.

Commitment

We recognise the scope and extent of our mandate in respect of both the public and the profession, and undertake to execute and deliver on this mandate with diligence and commitment in terms of our vision.

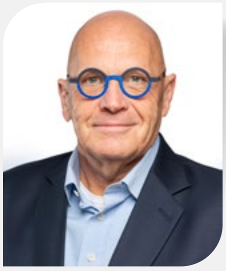
Transparency and Accountability

As a public entity in the overall delivery structure of the South African government and a beneficiary of public funds, we promote transparency in our interactions with the relevant stakeholders and recognise our accountability to the Parliament of South Africa and the Minister of Finance, as our Executive Authority.

Organisational **Structure**

Executive Authority and Board Members

Enoch Godongwana
Minister of Finance



Fulvio Tonelli
Board Chair

Naidene Ford-Hoon
Deputy Chair

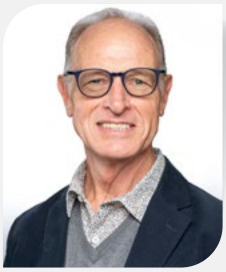
Zine Mshengu

Nalini Maharaj

Protas Phili

Thabiso Kutumela

Ruth Benjamin-Swales



Sir Richard Hawkins

Precious Sibiya

Mojalefa Mosala

***Shabeer Khan**

* *Accountant-General representing the Minister of Finance in an ex-officio capacity.*

Board Subcommittees

AUDIT AND RISK MANAGEMENT COMMITTEE

- **Zine Mshengu** *(Chair)*
- **Precious Sibiya**
- **Mojalefa Mosala** *(Appointed on 18 June 2024)*
- **Protas Phili** *(Member until 7 June 2024)*

OPERATIONS COMMITTEE

- **Sir Richard Hawkins** *(Chair)*
- **Thabiso Kutumela**
- **Naidene Ford-Hoon**
- **Mojalefa Mosala** *(Member until 17 June 2024)*
- **Protas Phili** *(Appointed on 18 June 2024)*

ENFORCEMENT COMMITTEE

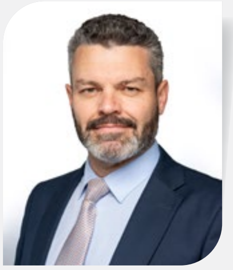
- **Nalini Maharaj** *(Chair)*
- **Fulvio Tonelli**
- **Ruth Benjamin-Swales**

Statutory Committees

- Disciplinary Committee
- Committee for Auditor Ethics
- Committee for Auditing Standards
- Inspections Committee
- Investigating Committee
- Education and Transformation Committee

Organisational **Structure** (continued)

IRBA Executive Members



Imre Nagy
Chief Executive Officer

Rebecca Motsepe
Director Legal

Jillian Bailey
Director Investigations

Ntlambi Gulwa
Director Inspections

Marius Fourie
Director Operations

Nadine Kater
Director Education and Transformation

Imran Vanker
Director Standards (Passed away on 25 November 2024)

Saadiya Adam
*Acting Director Standards (As of 1 January 2025)**

** Subsequently appointed as Director Standards from 1 July 2025.*

SECTION B
Governance

Governance

The Board is the designated Accounting Authority that governs the IRBA, in terms of the provisions of the APA, the Public Finance Management Act of 1999 (PFMA) and good corporate governance principles; and it reports to the Executive Authority.

To adhere to best practice, the IRBA considers and monitors relevant codes on governance and any other available guidance that will enhance current practices. As such, no issues were identified to suggest shortcomings in governance.

Composition of the Board and Board Subcommittees

Board members are all non-executive members appointed by the Minister of Finance. In terms of the APA, the Minister must appoint no less than six, but not more than 10 persons as Board members.

The roles of the Chairperson of the Board and the CEO are separate, with a clear division of responsibilities to ensure a balance of power and authority between them. The Chairperson has no executive functions.

The current 10-member Board has eight members whose second terms have been effective from 8 June 2024 and will end on 7 June 2027. For the other two members, their terms have been effective as of 18 May 2023 and will terminate on 17 May 2026.

Responsibility

The Board is responsible for overseeing the preparation, integrity and fair presentation of the financial statements and related information included in this Annual Report. It is also ultimately responsible for ensuring that adequate accounting records and effective systems of internal control are maintained. For it to meet its responsibilities, it employs appropriately trained and skilled personnel to implement and maintain the accounting records and systems of internal control, in line with the requirements of the PFMA and Treasury Regulations. It also exercises its functions in accordance with the APA, assisted by the subcommittees briefly noted below in the execution of its duties.

Audit and Risk Management Committee (ARMCO)

The ARMCO assists the Board with the responsibility of safeguarding assets; maintaining effective and efficient internal controls; reviewing the financial information; overseeing the preparation of the annual financial statements; as well as information and communication technology governance. It is also responsible for overseeing risk management; as well as ensuring that identified risks are monitored and appropriate measures are devised and implemented to manage such risks.

The committee operates in accordance with the Board-approved terms of reference. The auditors have unrestricted access to the committee members. During the period under review, it met five times to review, among others, the annual financial statements; the quarterly management reports; the Risk Management Policy and the risk register reports; the internal and external audit plans and the budget; as well as the audit report arising from the completed audit for the fair presentation of the financial statements to the Board.

Operations Committee (OPSCOM)

The OPSCOM's objective is to assist the Board with human resources (HR), including the annual review of the CEO's performance and remuneration; regularly assessing staff benefits and trends; and reviewing changes to the Board's personnel policies. Also, it assists with nominations for all appointments to the IRBA statutory committees by making recommendations to the Board. It is further tasked to consider reports from the directors on operational and functional matters.

The committee operates in accordance with the terms of reference approved by the Board. During the period under review, it met four times to consider and recommend to the Board HR and operational matters, as well as in relation to the nomination of members to statutory committees.

Enforcement Committee (ENCOM)

In terms of the APA, the Investigating Committee (INVESCO) investigates all complaints and then recommends to the ENCOM whether to charge a registered auditor with improper conduct.

The ENCOM consists exclusively of Board members. It functions independently from the INVESCO and the Disciplinary Committee, and it reports to the Board.

Matters finalised

During the 12 months under review, the ENCOM met five times and finalised 84 matters.

Decisions not to charge

- Matters where the respondent was not guilty of improper conduct = 4
- Matters where there were no reasonable prospects of succeeding with a charge of improper conduct against the respondent = 7

Decisions to charge and matters finalised by monetary fines

- Matters finalised by monetary fines = 68

Decisions to charge and matters referred for a disciplinary hearing

- Matters referred to the Disciplinary Committee for a full hearing = 5

Reconciliation of finalised matters to completed matters reported in the performance information

There is a timing difference between when a plea is received and the sanction determined by the ENCOM is imposed versus when the imposition issued is noted by that committee.

The reconciliation for the current year is as follows:

Finalised matters	84
Prior-year impositions noted in the current year	(23)
Current-year impositions to be noted at the May 2025 ENCOM meeting	22
Completed matters	83

Board and Board Subcommittee Meetings

Attendance at the Board and subcommittee meetings (including special meetings) for 2024/2025 is set out below.

Board Member	Board	OPSCOM	ARMCO	ENCOM
Mr F Tonelli (Chairperson)[1]	7 of 7	3 of 4	4 of 5	5 of 5
Ms N Ford-Hoon (Deputy Chairperson)	6 of 7	4 of 4	N/A	N/A
Sir R Hawkins	7 of 7	4 of 4	N/A	N/A
Ms T Kutumela	7 of 7	4 of 4	N/A	N/A
Ms Z Mshengu	7 of 7	4 of 4	N/A	N/A
Mr P Phili[2]	6 of 7	3 of 4	2 of 2	N/A
Ms N Maharaj	7 of 7	N/A	N/A	5 of 5
Ms R Benjamin-Swales	7 of 7	N/A	N/A	5 of 5
Mr M Mosala[3]	7 of 7	1 of 1	3 of 3	N/A
Ms P Sibiya	6 of 7	N/A	5 of 5	N/A

1 *Attends OPSCOM and ARMCO meetings as an observer.*

2 *Member of the ARMCO until 7 June 2024. Appointed to the OPSCOM on 18 June 2024.*

3 *Member of the OPSCOM until 17 June 2024. Appointed to the ARMCO on 18 June 2024.*

Board Member Information

Board Member	Qualifications	Designation	Directorships
F Tonelli	BCom BCom Hons	CA (SA)	ABSA Group Equites Property Fund Limited Life Healthcare Group Holdings The Ethics Institute
N Ford-Hoon	BCom BCompt Hons	CA (SA)	SA Corporate Real Estate Limited Capitec Group
R Hawkins	BCom BCompt Hons	CA (SA)	PRP Solutions ARWYP Holdings
T Kutumela	BCom LLB LLM Laws	Attorney	Johannesburg Water SOC Limited
Z Mshengu	BCom BCom Hons MSc (Finance) in Financial Sector Management	CA (SA) CISA	N/A
P Phili	BCom (Accounting) Post Graduate Diploma in Accounting M Com (Taxation)	CA (SA)	Khwezela Investment Group Vuka Sakhe Holdings Khwezela Nathi Holding Resilient Reit Anchor Park Investments 107 National Nuclear Regulator Khula Credit Guarantee Litsamaiso
N Maharaj	B Proc LLB	Attorney	Mental Health Review Board Housing Development Agency South African Veterinary Council Gauteng Gambling Board Allied Health Professions Council of South Africa National Advisory Council on Innovation Nursing Council of the Western Cape South African Institute of Drug-Free Sport
R Benjamin-Swales	BCom Certificate in Theory of Accounting	CA (SA)	ASISA Foundation Trust ASISA Enterprise & Supplier Development (Pty) Ltd
M Mosala	BCom Accounting BCom Hons Accounting B Accounting Honours	CA (SA)	Free State Cricket Union
P Sibiya	Bachelor of Accountancy Post Graduate Diploma in Accountancy	CA (SA)	Trans Caledon Tunnel Authority Trans African Concessions (Pty) Ltd Ekurhuleni Municipality

In addition to the abovementioned members, in accordance with Section 29 of the APA, the Minister designated the Accountant-General, Mr Shabeer Khan, as his representative on the Board.

Internal Auditors

With effect from 1 November 2018, the IRBA appointed National Treasury's Internal Audit Shared Services as its internal auditors. The ARMCO approved an internal audit plan for the year under review; and Internal Audit performed its activities as per the plan and tabled progress reports at the committee's meetings.

External Auditors

The Auditor-General South Africa (AGSA) is the IRBA's external auditor. It provides an independent assessment of the regulator's systems of internal financial control and expresses an independent opinion on the financial statements. The ARMCO reviews the external auditor's plan, to ensure that significant areas of concern are covered, and this is done without infringing on the latter's independence and right to audit.

Strategic Plan and Budget

Management prepares the Annual Performance Plan, Strategic Plan and budget for Board consideration and approval. These documents are then duly submitted to National Treasury for its consideration and approval. Quarterly reports – which include the management accounts, performance information and the PFMA compliance checklist – are also submitted to the Executive Authority, as per the requirements of the PFMA and Treasury Regulations.

B-BBEE Compliance and Performance Information

The table below is in compliance to the Broad-based Black Economic Empowerment Act requirements, as set by the Department of Trade, Industry and Competition. Where there has been no or partial compliance with the criteria, the entity has to provide an explanation (discussion) and also indicate the measures taken to comply.

Has the IRBA applied any relevant Codes of Good Practice (B-BBEE Certificate Levels 1-8) with regard to the following?		
Criteria	**Response (Yes/No)**	**Description**
Determining the qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law?	Yes	We register individuals and firms in terms of the APA and determine the registration criteria.
Developing and implementing a preferential procurement policy?	Yes	The Preferential Procurement Strategy has been incorporated into our policy.
Determining the qualification criteria for the sale of state-owned enterprises?	No	Our mandate does not include this activity.
Developing criteria for entering into partnerships with the private sector?	No	We have not entered into, nor do we envisage any, private sector partnerships, due to our independence.
Determining the criteria for the awarding of incentives, grants and investment schemes in support of B-BBEE?	No	Our mandate does not include these activities.

SECTION C
Performance Information

Strategic **Focus Areas - 2024/2025**

Strategic Focus Area 1: Auditing and Ethics Standards

Activities

Projects that were aimed at restoring confidence in the auditing profession were the main focus and were done through standards-related activities. Additionally, we continued to support our statutory committees, to ensure that we developed and issued high-quality international and local ethics, auditing and assurance pronouncements.

Strategic Objective		To develop and maintain auditing and ethics standards that are internationally comparable Responsibility: Director Standards						
Outcome	Output	Output Indicator	Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Annual Target 2024/2025	Actual Achievement 2024/2025	Deviation from Planned Target to Actual Achievement 2024/2025	Reasons for Deviations
Measurable Objective: Standards and guidance issued								
High-quality audits.	Issued auditing pronouncements, illustrative audit reports and comment letters.	Percentage of target dates met for issuing audit pronouncements, illustrative audit reports and comment letters.	100% of target dates met (6 out of 6)	100% of target dates met (11 out of 11)	85% of target dates met	100% of target dates met (7 out of 7)	15%	Attributed to no unexpected delays in consultation and final votes.
Measurable Objective: To adopt and/or develop and issue additional guidance on ethics issues, based on the IRBA Code								
Provide auditors with a code that is consistent with international codes and one that enables the IRBA to take disciplinary action, where necessary.	Issued additional guidance on ethics issues, comment letters and Code amendments.	Percentage of target dates met for issuing additional guidance on ethics issues, comment letters and Code amendments.	100% of target dates met (6 out of 6)	100% of target dates met (5 out of 5)	85% of target dates met	100% of target dates met (4 out of 4)	15%	Attributed to no unexpected delays in consultation and final votes.

Strategic Focus Area 2: Education

Activities

A key focus for the Education and Transformation Department was to increase both registrations and successful completions in the Audit Development Programme. Efforts were directed at enhancing the quality of the ADP, with particular attention to supporting transformation within the profession. The department continued to monitor the accredited professional bodies for compliance with the education and training standards and oversaw registered auditors' adherence to Continuing Professional Development (CPD) requirements.

Strategic Objective		Providing an appropriate framework for the education and training of properly qualified auditors Responsibility: Director Education and Transformation						
Outcome	Output	Output Indicator	Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Annual Target 2024/2025	Actual Achievement 2024/2025	Deviation from Planned Target to Actual Achievement 2024/2025	Reasons for Deviations
Measurable Objective: To monitor the environment in which the Audit Development Programme is offered								
Ensure that the environment is conducive to the development of audit competence.	Monitoring reports.	The number of monitoring visits completed per annum.	46 visits	47 visits	43 visits	46 visits	3 visits	Attributed to the recognition of prior learning candidates who required urgent inspections.
Measurable Objective: To monitor the programmes and institutional requirements of accredited professional bodies								
Ensure compliance with the Accreditation Model.	Monitoring reports.	The number of Final Monitoring Reports to be submitted to the accredited professional bodies, within 10 working days after the Education and Transformation Committee's (EDCOM) approval.	1 report	1 report	2 reports	2 reports		

Strategic Objective		Providing an appropriate framework for the education and training of properly qualified auditors Responsibility: Director Education and Transformation						
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2022/2023**	**Audited Actual Performance 2023/2024**	**Planned Annual Target 2024/2025**	**Actual Achievement 2024/2025**	**Deviation from Planned Target to Actual Achievement 2024/2025**	**Reasons for Deviations**
Measurable Objective: To contribute to the transformation of the profession								
Facilitate the transformation of the RA profession through targeted initiatives aimed at identifying and addressing barriers to transformation.	IRBA transformation initiatives.	The number of IRBA transformation initiatives completed per annum.	8	10	8	11	3	Attributed to additional opportunities for events that arose.
Measurable Objective: To monitor the Continuing Professional Development compliance of registered auditors								
Ensure that RAs comply with the CPD Policy.	Monitoring reports.	The number of the CPD monitoring reports analysed per annum.	1 report	1 report	1 report	1 report		

Strategic Focus Area 3: Inspections

Activities

Over the year, the key focus areas included the following:

- Enhanced risk-based scope/coverage and reach (with an increased focus on smaller firms, to improve regulatory presence) in the 9th Inspections Cycle.
- Improved stakeholder engagements and awareness, targeted socialising of inspection outcomes and reports, e.g. a concurrent publication and awareness of enhanced Audit Quality Indicators and the Public Inspections reports; sharing of reports; and liaising with relevant stakeholders, such as other regulators and audit committees through Audit Committee Round Tables with the firms, to collaborate in achieving audit quality and for effective oversight over external auditors.
- Effective/productive hybrid (on-site and remote) inspections/remedial action, including stakeholder interaction in person and virtual platforms.
- Effective succession planning within the Inspections Department, whereby inspectors are appointed to senior roles, as and when appropriate (with no impact on the approved budget or headcount).
- Continued focus on the proactive initiatives and approach to inspections, including themed-inspections, proactive remediation, collaboration with firms through the Audit Quality Monitoring Forum (a new initiative in the 9th cycle).
- Designing and implementing International Standards on Quality Management 1 and 2 firm inspection procedures.

Strategic Objective		To monitor registered auditors' compliance with professional standards Responsibility: Director Inspections						
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2022/2023**	**Audited Actual Performance 2023/2024**	**Planned Annual Target 2024/2025**	**Actual Achievement 2024/2025**	**Deviation from Planned Target to Actual Achievement 2024/2025**	**Reasons for Deviations**
Measurable Objective: Risk-based inspections performed								
Compliance of firms (including their individually registered auditors) with the auditing and ethics standards.	Inspection reports.	The number of planned inspections completed per annum.	117 inspections	105 inspections	109 inspections	109 inspections		

Strategic Focus Area 4: Investigations

Activities

Investigations into certain high-profile/public interest entity matters were completed during the period, in line with the Board's strategic objectives. Pursuant to the IRBA's five-year strategic plan, the Investigations Department continued with its participation in relevant international initiatives. This entailed networking with structures from other audit regulators, to continuously develop and implement new mechanisms of investigating and adjudicating alleged auditor improper conduct in tandem with global initiatives.

Strategic Objective		To investigate and take appropriate action against registered auditors in respect of improper conduct Responsibility: Director Investigations						
Outcome	Output	Output Indicator	Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Annual Target 2024/2025	Actual Achievement 2024/2025	Deviation from Planned Target to Actual Achievement 2024/2025	Reasons for Deviations
Measurable Objective: Completed investigations								
Take appropriate action against registered auditors in respect of improper conduct.	Closed matters.	The number of investigations completed per annum.	96 completed investigations	96 completed investigations	80 completed investigations	83 completed investigations	3 completed investigations	Attributed to the size of the matters, which enabled more investigations to be completed than planned.

Strategic Focus Area 5: Disciplinary

Activities

Finalisation of Disciplinary Matters

The IRBA successfully benchmarked its disciplinary processes against those of local and international regulators, in a bid to ensure that its procedures aligned to best industry practices. To this end, we undertook a holistic review of our processes, culminating in the adoption and implementation of a disciplinary processes strategy focused on efficient and effective disciplinary processes.

The completion and the outcomes of a number of disciplinary matters reported herein were consequential to the strategy and testament to our commitment to taking appropriate action against RAs for improper conduct.

With a focus still on the finalisation of disciplinary matters, we were guided by the objectives set out in the disciplinary strategy. We are confident that the prompt action and outcomes thereof will serve as a deterrent to RAs from neglecting their duties to protect the financial interests of investors and the public at large. Ultimately, this will improve audit quality, while restoring confidence in both the profession and the regulator.

Strategic Objective		To take appropriate action against registered auditors in respect of improper conduct Responsibility: Director Legal						
Outcome	Output	Output Indicator	Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Annual Target 2024/2025	Actual Achievement 2024/2025	Deviation from Planned Target to Actual Achievement 2024/2025	Reasons for Deviations
Measurable Objective: Disciplinary matters referred to the Disciplinary Committee (referred to as matters) scheduled for hearings or finalised								
Disciplinary action taken against those charged with improper conduct.	Matters scheduled for disciplinary hearing panel or finalised.	Percentage of planned matters scheduled for hearings or finalised.	2022/2023 disciplinary strategy implementation plan partially implemented.	94% planned matters scheduled for hearings, in line with the approved hearing plan, or finalised.	85% of planned matters scheduled for hearings, in line with the approved hearing plan, or finalised.	90% of planned matters scheduled for hearings or finalised.	5% of planned matters scheduled for hearings or finalised.	Attributed to a number of respondents who admitted to charges prior to a hearing, improving turnaround times in respect of the finalisation of such matters and enabling the diversion of resources to hearings, which are often time consuming.

Strategic Focus Area 6: Operational Effectiveness

Activities

Compliance, accountability and proper management of the revenue, expenditure, assets and liabilities were some of the important measures that the IRBA used to assess its operational effectiveness. The measurable indicator of how well these measures functioned was a clean auditor's report. Over the past few years, we have had to look at finding alternative ways to supplement the funding we receive from our government grant, prescribed fees and levies from RAs and firms, as well as funds that may accrue to us from any other legal source.

Strategic Objective		To strengthen the IRBA's organisational capability, capacity and performance to deliver on its mandate in an economically efficient and effective manner, in accordance with the relevant regulatory frameworks Responsibility: Director Operations						
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2022/2023**	**Audited Actual Performance 2023/2024**	**Planned Annual Target 2024/2025**	**Actual Achievement 2024/2025**	**Deviation from Planned Target to Actual Achievement 2024/2025**	**Reasons for Deviations**
Measurable Objective: Reports from internal and external audits								
Financial sustainability to deliver on the mandate.	Systems, policies and processes that ensure compliance, accountability and sound management of the revenue, expenditure, assets and liabilities.	A clean audit report regarding financial statements, compliance and performance information.	Clean audit report for the 2021/2022 financial year-end	Clean audit report for the 2022/2023 financial year-end	Clean audit report for the 2023/2024 financial year-end	Clean audit report for the 2023/2024 financial year-end		
Measurable Objective: To promote transformation through targeted procurement policies								
Increased procurement and effective payments to promote empowered businesses.	Implementation of the Preferential Procurement Policy Framework.	Percentage of small, micro and medium enterprises (SMME) payments effected within 30 days, in line with National Treasury's procurement strategy.	100%	100%	100%	100%		

Strategic Objective		To strengthen the IRBA's organisational capability, capacity and performance to deliver on its mandate in an economically efficient and effective manner, in accordance with the relevant regulatory frameworks Responsibility: Director Operations						
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2022/2023**	**Audited Actual Performance 2023/2024**	**Planned Annual Target 2024/2025**	**Actual Achievement 2024/2025**	**Deviation from Planned Target to Actual Achievement 2024/2025**	**Reasons for Deviations**
Measurable Objective: To promote transformation through targeted procurement policies								
Increased procurement and effective payments to promote empowered businesses.	Implementation of the Preferential Procurement Policy Framework.	Percentage of the spending awarded to SMMEs and small businesses.	35%	36%	23%	31%	8%	Attributed to increased procurement from SMME suppliers.
Measurable Objective: To promote transformation through targeted employment policies								
Transformation of management control achieved according to the relevant B-BBEE codes.	Transformed workforce.	Achievement of the management control score, calculated according to the B-BBEE scorecard. The maximum score attainable is 20.	14.8	14.7	17	15.55	(1.45)	Attributed to various vacancies and the current demographics.
Measurable Objective: To promote transformation through targeted employment policies								
Transformation of staff achieved according to the approved Employment Equity Plan.	Transformed workforce.	Achievement of the employment equity target according to the approved Employment Equity Plan.	77% Black 20% White 3% Other	82% Black 16% White 2% Other	77% (or more) Black 21% (or less) White 2% (or less) Other	80% Black 19% White 1% Other	3% Black 2% White 1% Other	Attributed to the current demographics of the workforce.

SECTION D
Human Resources

The Value of **Human Capital**

The pivotal role of human capital in driving an organisation's success and ensuring compliance remains paramount. At the IRBA, our staff's expertise, performance and capabilities are the bedrock of our commitment to regulatory compliance and risk mitigation.

Our proficiency and adaptability are indispensable in navigating intricate legal frameworks, implementing essential changes and fostering a culture of compliance. Recognising this, we continue to prioritise and invest in the development of our human capital. By nurturing these key skills and competencies, we not only enhance our operational integrity, but also empower our employees to excel in an ever-evolving regulatory landscape. This ongoing investment underscores our dedication to maintaining a robust and compliant organisational environment.

Overview of HR Policies and Practices

The IRBA ensures that it complies with employment legislation, i.e. the Labour Relations Act 66 of 1995; the Basic Conditions of Employment Act 75 of 1997; the Employment Equity Act 55 of 1998; the Skills Development Act 97 of 1998; the Occupational Health and Safety Act 181 of 1993; and various HR codes of best practice.

To ensure ongoing communication with staff members, the CEO and/or senior management hold regular staff meetings.

The IRBA has a manual of HR policies and practices that is reviewed regularly. During the year under review, the following policy was reviewed, updated and approved by the Board:

- HR21 Recruitment and Selection Policy.

Employee Reward and Performance Management Framework

We recognise that rewards have a direct impact on operational expenditure, culture, employee behaviour and the sustainability of the organisation. As such, the IRBA's approach to reward is consistent with its objectives and strategic value drivers, which are to:

- Compete for talent in an increasingly competitive labour market;
- Maintain a transformed workforce;
- Retain skilled employees, who enhance business performance; and
- Motivate individual and team performance that drives stakeholder value for the IRBA.

In the economic context, the IRBA provided staff with an inflation-linked salary increase. No incentives and awards were budgeted for the 2024/2025 financial year, due to National Treasury's austerity measures, in line with fiscal constraints. It was important for the IRBA to attract and retain competent employees by offering competitive market-related salaries, bringing remuneration levels in line with the industry benchmark and aligning baseline costs for positions at the same grade, while remaining committed to managing employee costs in a responsible and fair manner. It is for this reason that the IRBA ensures that it adequately benchmarks its salaries with those of the financial, professional sector and national benchmarks, to remain competitive when attracting talented candidates.

Human Resources Oversight Statistics

Staff Complement (Excluding Contract Staff) – Five-year Comparison

	2025	%	2024	%	2023	%	2022	%	2021	%
Black Female	**50**	**53%**	50	53%	44	51%	44	50%	42	51%
White Female	**11**	**12%**	10	10%	10	12%	12	14%	12	15%
Black Male	**27**	**28%**	29	30%	25	29%	25	29%	22	27%
White Male	**7**	**7%**	7	7%	7	8%	6	7%	6	7%
Total Staff	**95**	**100%**	**96**	**100%**	**86**	**100%**	**87**	**100%**	**82**	**100%**

Personnel Cost of Permanent Staff by Salary Band

Level	Personnel Expenditure R	% of Personnel Expenditure to the Total Expenditure	Number of Employees	Average Personnel Cost per Employee R
Top Management	4 536 070	3%	1	4 536 070
Senior Management	19 793 340	14%	6	3 298 890
Professionally Qualified	94 945 272	69%	54	1 758 246
Skilled	14 584 530	11%	24	607 689
Semi-skilled	2 957 500	2%	7	422 500
Unskilled	722 860	1%	3	240 953
Total	**137 539 572**	**100%**	**95**	**10 864 348**

The total staff expenditure of R137 539 572 represents 65% of the total expenditure.

Training Costs

Level	Personnel Expenditure R	Training Expenditure R	Training Costs as % of the Personnel Costs	Number of Employees Trained	Average Training Cost per Employee R
Top Management	4 536 070	1 194	0%	1	1 194
Senior Management	19 793 340	48 746	0%	3	16 249
Professionally Qualified	94 945 272	821 585	1%	55	14 938
Skilled	14 584 530	235 713	2%	25	9 429
Semi-skilled	2 957 500	44 792	2%	6	7 465
Unskilled	722 860	38 071	5%	5	7 614
Total	**137 539 572**	**1 190 101**	**10%**	**95**	**56 889**

Long-Service Awards

Level	Rewards R	Personnel Expenditure R	% of Rewards to Personnel Expenditure
Top Management	-	4 536 070	0.0%
Senior Management	151 925	19 793 340	0.8%
Professionally Qualified	415 256	94 945 272	0.4%
Skilled	85 656	14 584 530	0.6%
Semi-skilled	-	2 957 500	0.0%
Unskilled	-	722 860	0.0%
Total	**652 837**	**137 539 572**	**0.3%**

Employment and Vacancies

	2024/2025 No. of Employees	2024/2025 Approved Posts	2024/2025 Vacancies	% of Vacancies 2024/2025	2023/2024 No. of Employees	2023/2024 Approved Posts	2023/2024 Vacancies	2022/2023 No. of Employees	% of Vacancies 2023/2024
Top Management	**1**	**1**	**0**	**0%**	1	1	0	1	0%
Senior Management	**5**	**6**	**1**	**17%**	6	6	0	6	0%
Professionally Qualified	**55**	**58**	**2**	**3%**	54	59	5	46	8%
Skilled	**24**	**26**	**3**	**12%**	24	25	1	23	4%
Semi-skilled	**7**	**7**	**0**	**0%**	8	8	0	7	0%
Unskilled	**3**	**3**	**0**	**0%**	3	3	0	3	0%
Total	**95**	**101**	**6**	**6%**	**96**	**102**	**6**	**86**	**6%**

Progress has been made in recruitment, with post-year-end appointments expected to contribute towards the achievement of our transformation targets, once vacancies are filled.

Employment Changes

Salary Band	Employment at Beginning of Period	Appointments	Terminations/ Promoted	Employment at End of Period
Top Management	1	0	0	1
Senior Management	6	1	2	5
Professionally Qualified	54	5	4	55
Skilled	24	3	3	24
Semi-Skilled	8	0	1	7
Unskilled	3	0	0	3
Total	**96**	**9**	**10**	**95**

Reasons for Staff Leaving

Reason	Number
Resignation	4
Dismissal	1
Passed away	2
Retirement/Promotions	3
Total	**10**

Labour Relations: Misconduct and Disciplinary Action

Nature of the Disciplinary Action	Number
Written warning	0
Final written warning	0
Dismissal	1
Referral to the Commission for Conciliation, Mediation and Arbitration	1*

**As at 28 July 2025, the matter was ongoing.*

Equity Target and Employment Equity Status

Actual 2025

Male				Female				Foreign National		Total	Disabled
African	Coloured	Indian	White	African	Coloured	Indian	White	Male	Female		
20	4	3	7	32	8	9	11	0	1	**95**	2
21%	4%	3%	7%	34%	8%	9%	12%	0%	1%	**100%**	2%

Target 2025

Male				Female				Foreign National		Total	Disabled
African	Coloured	Indian	White	African	Coloured	Indian	White	Male	Female		
24	4	8	7	36	7	7	9	1	1	**104**	1
21%	4%	8%	8%	33%	8%	7%	9%	1%	1%	**100%**	1%

The actual target of >77% for Black employees was met.

Employment Equity Status per Level

	2024/2025 No. of Employees	African	Indian	Coloured	White	Foreign
Top Management	1	0	0	0	1	0
Senior Management	5	2	0	1	2	0
Professionally Qualified	55	26	10	6	12	1
Skilled	24	16	2	3	3	0
Semi-skilled	7	5	0	2	0	0
Unskilled	3	3	0	0	0	0
Total	**95**	**52**	**12**	**12**	**18**	**1**

SECTION E

Reports from Statutory Committees

Education and **Transformation Committee**

Members	Number of Meetings Attended	Membership Status
Mr F Kwahene	4 of 4	Chairperson
Ms C Le Grange	4 of 4	Deputy Chair
Mr S Dhladhla	4 of 4	Member
Mr B Frey	4 of 4	Member
Mr S Kerr – South African Institute of Chartered Accountants (SAICA) Representative	3 of 4	Member
Ms B Kola	4 of 4	Member
Ms M Louw	4 of 4	Member
Mr Y Madolo	4 of 4	Member
Ms D Singh	4 of 4	Member
Dr J Terblanche	3 of 4	Member
Prof R Mahabeer – Association of Chartered Certified Accountants (ACCA) Representative	3 of 4*	Member

**Appointed on 1 August 2024.*

This committee's functions include responsibilities for education and training; the professional development of registered auditors; the accreditation and monitoring of professional bodies; and the prescription of competency requirements for the registration of auditors. It also plays a critical role in assisting the Board with implementing and facilitating sustainable transformation in the profession.

During the year, the committee welcomed Prof Mahabeer as a new member, and he serves as the ACCA representative. Also, we extend congratulations to Messrs Madolo and Dhladhla on being appointed for a second term. The committee looks forward to their continued contribution to its mandate.

The second term for Mr Kwahene and Ms Le Grange ended on 30 April 2025. As set out in the committee's terms of reference, members serve a term of three years, which is renewable only once for an additional three years, unless specific Board approval is given to extend their tenure. Furthermore, the terms of reference allow for a member whose term of office has expired to continue to serve on the committee until their reappointment or a successor is appointed, provided that such continuation is limited to a period of no more than three months. To that end, the Board approved a term extension for Mr Kwahene and Ms Le Grange for a three-month period, to 31 July 2025, to ensure continuity and support for the successful implementation of the strategic initiatives that are underway.

Monitoring of Accredited Professional Bodies

The Board approved a five-year accreditation validity period for all accredited professional bodies. The EDCOM has deliberated on a detailed, ongoing monitoring plan that includes formulating a monitoring policy that encapsulates the following key principles, to provide clarity and guidelines:

- Impact: Transition from compliance reporting to reporting with tangible outcomes.
- Future: Ensure that the monitoring process contributes to a sustainable and thriving RA pipeline.
- Change and Innovation: Promote and assist the professional bodies to adapt to the evolving industry trends by integrating new technologies, methodologies and best practices, while encouraging continuous improvement.
- Effectiveness: Transition from a compliance-focused approach to performance-based monitoring that emphasises results, efficiency and practical improvements.
- Transparency: Maintain openness and transparency throughout the monitoring process, to build trust and accountability between professional bodies and the IRBA.
- Risk Mitigation: Focus on identifying and addressing potential risks earlier in the process.
- Public Interest: Align monitoring efforts with public and stakeholder expectations, to ensure that the process upholds accountability and delivers value across the board.

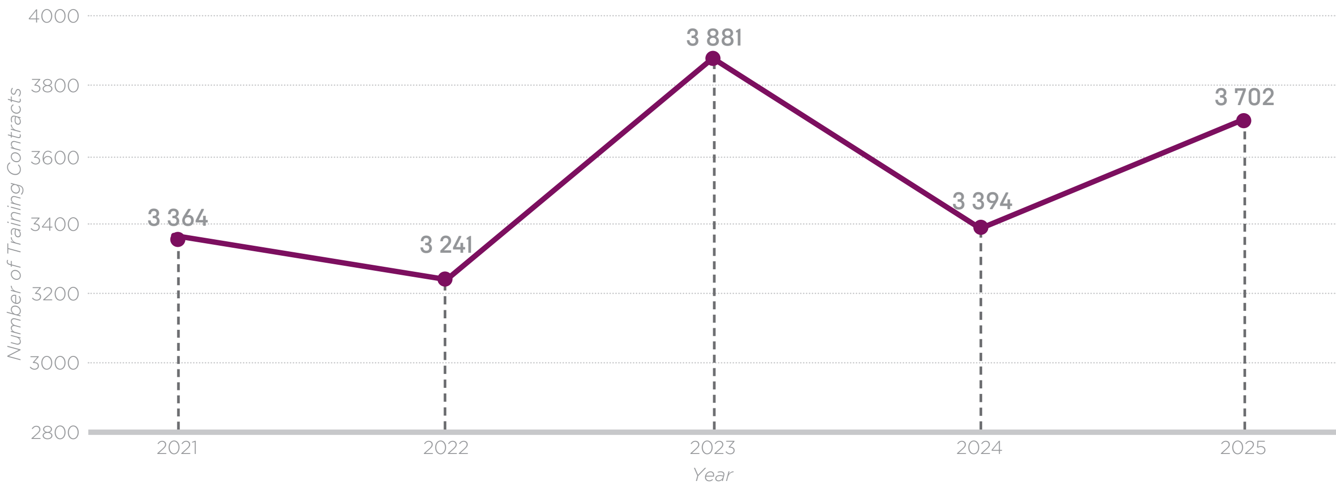
Scheduling of the Five-Year Monitoring Cycle

The accreditation cycle spans over a period of five years, during which the accredited professional body is monitored annually. Each year, the professional body is required to meet and report on specific monitoring requirements the Monitoring Committee sets out, and as outlined in the Accreditation Framework.

- **SAICA:** The focus for its monitoring was on key issues that had been noted previously. This allowed for a transition into a monitoring process that concentrated on significant accreditation matters – a principle of the new monitoring policy. SAICA is currently in its second year of the accreditation validity period.
- **ACCA SA:** Having concluded its first monitoring year as an IRBA-accredited professional body, the focus during the period was on accreditation implementation areas. Now, it is also in its second year of the accreditation validity period.
- **Other Accounting Professional Bodies:** The IRBA remains in regular communication with other accounting professional bodies that are seeking its accreditation. It provides support to them through guidance on the policies and procedures that are related to the accreditation process.

Training Contracts

Over the past five financial years, the number of contracts processed has fluctuated year-on-year, reflecting both operational dynamics and external factors. However, there has been a notable recovery and upward movement in the training contracts invoiced, from 3 394 (2024) to 3 702 (2025). A key contributor to this improvement has been the rigorous monthly reconciliation process and the introduction of regular contract review meetings with SAICA. These measures have strengthened oversight, improved transparency and enabled the proactive identification and resolution of systemic challenges. We remain committed to monitoring training contracts annually to proactively manage any potential risks and ensure the stability of the RA pipeline.



Audit Development Programme

ADP	2025	2024	2023	2022	2021	2020
RCAs at year-end	683	562	550	482	464	443
New ADP registrations	205	123	169	104	82	80
ADP deregistration	4	5	0	0	0	18
RCAs who successfully completed the ADP	80	106	101	86	73	33
Number of firms monitored during the period	46	47	46	46	44	42

Registrations

There has been a significant increase in ADP registrations from 123 (2024) to 205 (2025), and this can largely be attributed to proactive efforts in creating awareness about the programme, among others. Furthermore, this increase indicates that the ADP is gaining traction and resonates well with prospective registered candidates auditors, especially with the added benefit of reduced financial barriers.

Completions

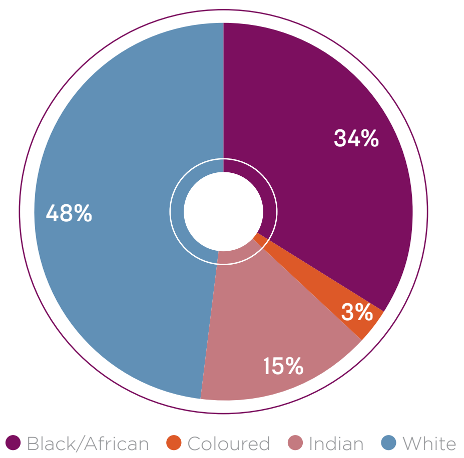
There was a decrease in the number of RCAs who successfully completed the ADP, from 106 (2024) to 80 (2025). This reduction is primarily due to the number of Portfolios of Evidence (PoEs) received during the financial year. To address this, the IRBA is planning to launch a Learning Management System that will, among others, track the time RCAs spend on their ADP and help ensure that these candidates complete the programme within the designated timeframe. The system will also provide greater oversight, enable better management of progress and help identify any delays early on. These efforts should streamline the completion process and increase the number of successful completions in the future.

Deregistrations

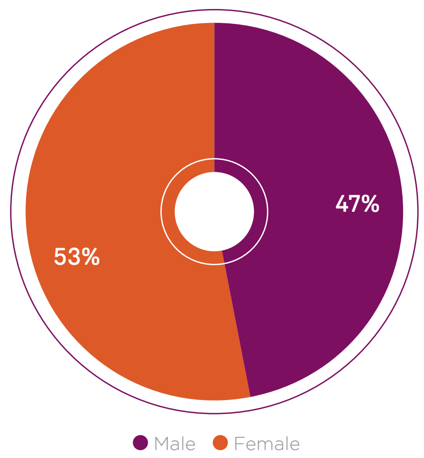
The deregistration figures have remained low, with only a slight decrease from five (2024) to four (2025), which indicates that the programme is retaining most RCAs. The few deregistrations are mainly attributed to personal reasons or candidates leaving the auditing profession. These factors are not indicative of any dissatisfaction with the ADP itself, but rather reflect individual career decisions and life changes. The stability in these numbers suggests that the programme is well-received and retention remains strong.

Transformation Demographics of Registered Candidate Auditors

ADP Registrations as 31 March 2025 by Race



ADP Registrations as 31 March 2025 by Gender



The latest RCA statistics demonstrate encouraging progress in the transformation of the auditing profession. A marked shift in both race and gender representations is evident when comparing the RCA data to the current RA register. This shift is a strong indicator of the changing face of the profession and a glimpse into its more inclusive future.

As of 31 March 2025, 52% of the RCAs are from the African, Coloured and Indian (ACI) population groups, a significant improvement compared to the current RA register, in which ACI auditors represent only 32%. This is a critical step towards achieving greater transformation within the profession and reflects efforts to build a more representative and diverse auditor base.

In terms of gender, the transformation is equally promising. Females now make up 53% of the RCA population, compared to 30% in the existing RA register. This increase signals a welcome shift towards gender parity in the profession, highlighting the success of initiatives aimed at empowering women in the auditing field.

ADP Monitoring Inspections

These inspections are integral to managing and evaluating the quality of the audit training environment at audit firms, where RCAs are registered. The aim is to create an environment in which RCAs obtain the relevant competencies at the correct level on the programme.

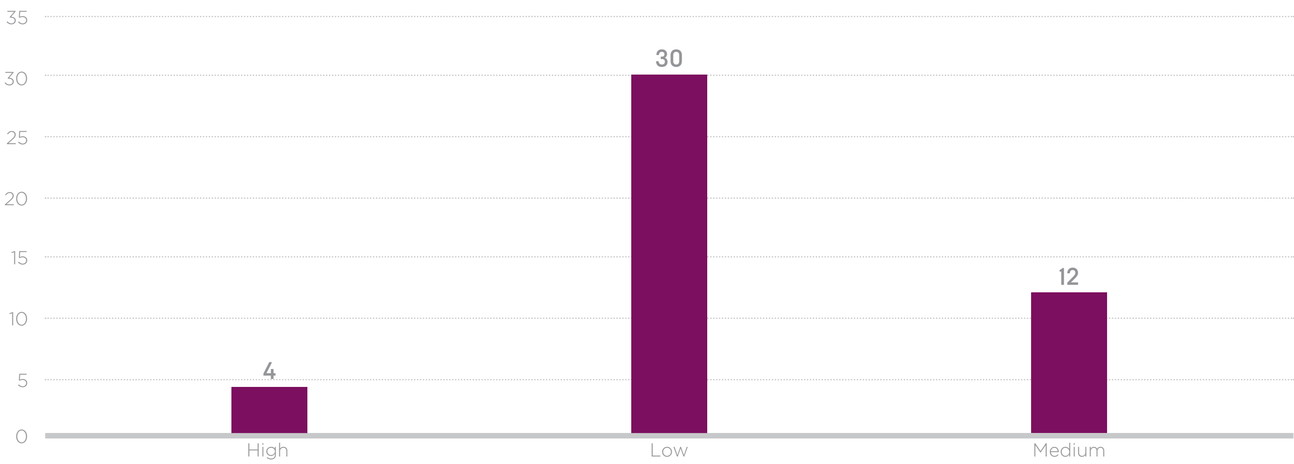
All firms with RCAs on the ADP are subject to a monitoring inspection, prior to the candidates completing the programme, and the results thereof form part of each RCA's PoE. In the 2024/2025 financial year, 46 monitoring visits were performed. For an RCA to be signed onto the ADP, a firm monitoring inspection must be conducted. If the firm has a high monitoring intensity outcome after the initial full inspection, a revisit will be scheduled within six months, giving the firm the opportunity to resolve all the key findings.

This financial year, ADP inspections continued to monitor the implementation of the Quality Management standards – International Standard on Quality Management (ISQM) 1, ISQM 2 and the International Standard on Auditing (ISA) 220 Revised – that became effective on 15 December 2022. Improvements in ADP monitoring outcomes were noted. The monitoring inspections are designed to add value by identifying areas for improvement and providing firms with actionable recommendations to support their implementation efforts and overall compliance journey.

It is important to note, however, that an ADP inspection does not supersede the outcomes of any other IRBA inspections. This is due to the distinct nature of the ADP inspections, which have procedures and indicators that have been tested and specifically tailored to meet the objectives of the programme. The primary focus remains on evaluating the environment in which RCAs are being developed.

Firms with a high monitoring intensity outcome increased slightly from prior years. Of the 46 firms monitored, four received a high monitoring intensity, as opposed to three in the prior year. However, most firms received a low monitoring intensity outcome, reflecting a commitment to quality, proper implementation and compliance with the quality standards and other regulations.

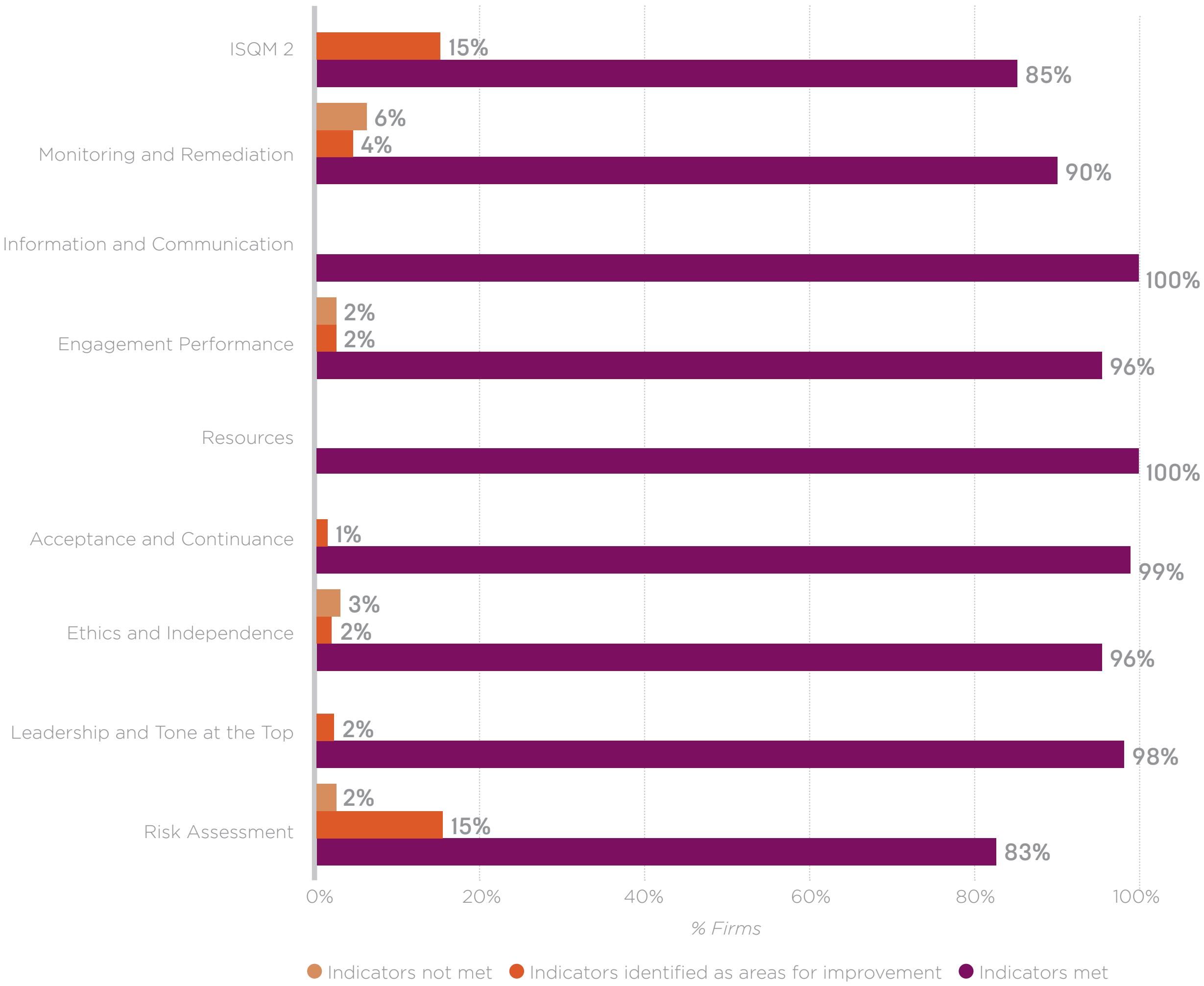
ADP Inspections by Monitoring Intensity/Outcome



The common findings noticed among the firms that did not meet the indicators or required improvement were:

- **Engagement File Management:** There was a notable absence of firm policies and procedures regarding the closure and lockdown of engagement files within 60 days following the audit report sign-off. Additionally, the safekeeping of signed manual files remained a concern.
- **Monitoring and Remediation Plans:** The requirement to design and conclude a monitoring and remediation plan, as mandated in ISQM 1, was not adequately addressed. Furthermore, internal reviews of completed engagements, as stipulated in ISQM 1, had not been consistently implemented. It is important to emphasise that smaller firms are not exempt from this requirement.
- **Quality Management Evaluation:** There was a lack of comprehensive evaluations of the quality management system following monitoring and remediation efforts, i.e. conclusion and documentation of the overall evaluation of the system of quality management.
- **Risk Assessment Process:** In several instances, the firm's risk assessment process either failed to consider all of the quality objectives outlined in ISQM 1 or did not sufficiently update the risk register with the findings identified post monitoring and remediation.
- **Ethics and Independence Declarations:** The annual ethics and independence declarations the firms submitted were often insufficient and frequently lacked signatures from directors. These declarations must be signed by all staff members, including new hires and directors, at the beginning of each year. They should encompass an understanding of firm policies and procedures, consider the firm's client base in relation to ethical and independence matters, and require staff to disclose any interests, affiliations or relationships.
- **ISQM Manual Customisation:** The firm's ISQM manual and associated policies and procedures had not been adequately tailored to meet specific firm requirements. While this finding continues to be common, it has been observed less frequently than in previous years.

Indicators Tested per ISQM 1

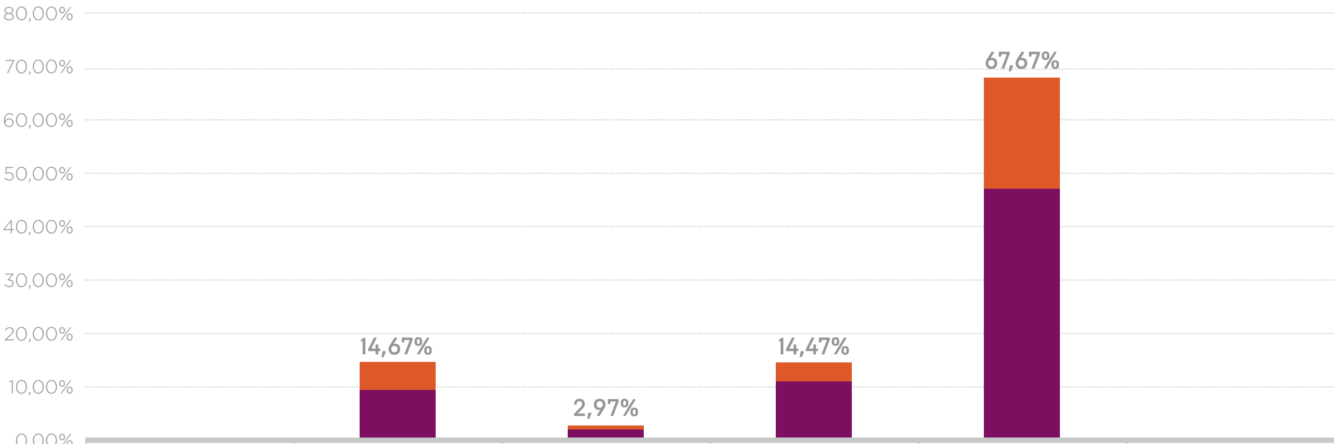


Transformation

As at the end of the period under review, the RA demographic split in the IRBA register reflects a population of 32% for ACI and about 68% for Whites.

An analysis of the gender statistics indicates that about 70% of the RAs are male and 30% are female.

Analysis of the RA Register by Race and Gender as at 31 March 2025

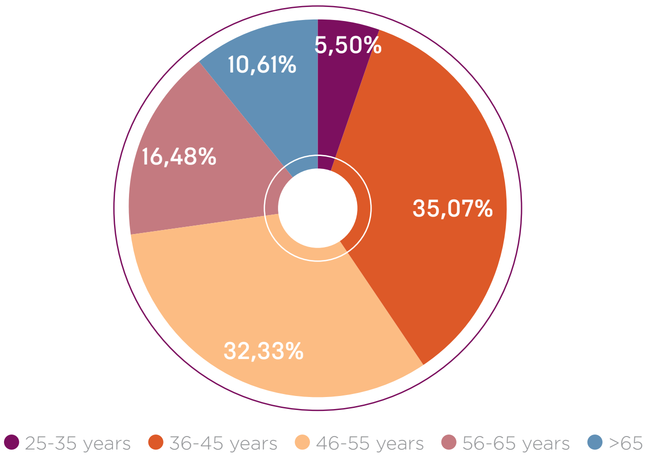


	African	Coloured	Indian	White	Chinese and Vietnamese
Female	5,42%	1,01%	3,83%	20,40%	0,06%
Male	9,25%	1,96%	10,63%	47,26%	0,17%

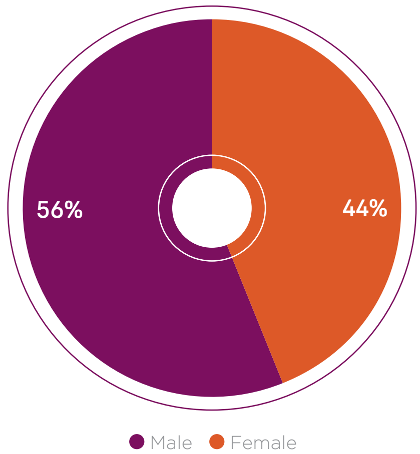
A further analysis of the age of RAs on the register indicates that approximately 40% are below 45 years, while 60% are over that age. This analysis is important as it provides an indicator of the transformation progress made by the profession since democracy.

With this assessment, we should consider the demographic breakdown of RAs between the ages of 25 and 45, as individuals of all races within this group would have had more equal opportunities to qualify as an RA in South Africa.

Age Analysis of RAs as at 31 March 2025



Analysis of 25-45-Year-Old RAs by Gender as at 31 March 2025



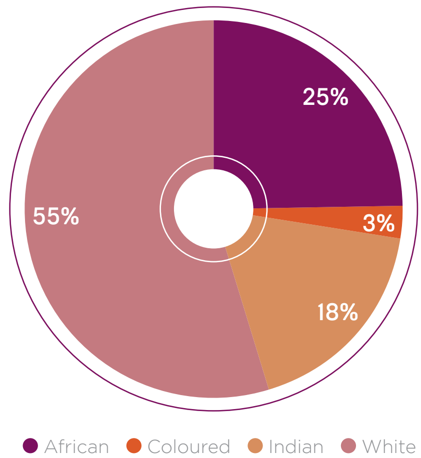
Education and **Transformation Committee** (continued)

While these statistics indicate a shift in the register towards a more balanced demographic in terms of race and gender, the profession needs to continue to make focused efforts towards the transformation of the profession.

A key focus area for the Education and Transformation (ET) Department is to monitor the transformation of the RA pipeline and undertake targeted initiatives. These include recruitment initiatives to encourage and support students, trainees and managers to pursuing a career as an RA.

Highlights of the recruitment initiatives undertaken during the year are set out in the accompanying graphic.

Race Analysis of RAs as at 31 March 2025



School Students

- 8 000 students
- 4 Institutions
- Career expos
- ABASA student Chapter school visit

University Students

- >1 100 students
- 10 institutions
- Guest lectures, career days, orientation days

Awards to Top Auditing Students

- 77 Prizes awarded
- 10 Institutions

Trainees and Managers

- 326 Trainees & managers
- 14 Institutions
- ADP workshop & RCAs profiled
- ACCA audit route presentation

Another key focus area towards attracting, encouraging and supporting students to pursue a career as an RA is engagements with academics at professional body-accredited universities. During the year, the IRBA worked with these academics through one-on-one engagements; workshops; technical updates; university visits; research engagements; IRBA communications; ET communications; conference sponsorship and participation; participation on IRBA committees; and learning resources.

In the upcoming year, the department looks forward to developing and commencing with the implementation of its next five-year transformation strategy and related workplan.

Continuing Professional Development

The monitoring process conducted during this financial year focused on evaluating CPD efforts for the year 2023. The primary aim of monitoring CPD is to assess how RAs prioritise their personal responsibility in developing and maintaining their professional competence, as well as ensure they uphold the highest standards of audit quality.

CPD is a critical mechanism to address issues such as incompetence, unethical practices, poor judgement and non-compliance with industry standards and best practices. The IRBA monitors the CPD records of all RAs on an annual, sample-based basis. Selected RAs are required to provide supporting documentation to verify their adherence to the CPD Policy, ensuring ongoing professional development and the continued delivery of quality audits. The outcome of the CPD monitoring is demonstrated in the accompanying table. Non-compliance refers to RAs who did not meet the prescribed CPD requirements, and those who did not respond to the CPD monitoring request after multiple communication attempts.

The non-compliant RAs were given a maximum of six months from the date of the annual declaration, or from when non-compliance was identified, to comply with the requirements. Those who remained non-compliant post the remediation period have been referred to the Registry department for the termination of their membership.

	Compliant	Non-Compliant	Non-Responders	Other
Assurance 2023	74	4	6	-
Assurance 2022	-	-	-	-
Total Assurance	74	4	6	-
Non-assurance 2023	22	2	0	2*
Non-assurance 2022	-	-	-	-
Total non-assurance	22	2	0	0
Overall Total (110)	**96**	**6**	**6**	**2**

**This relates to RAs who deregistered during the CPD monitoring for 2023.*

Competency Framework

During the period, the IRBA appointed an expert in the development of competency frameworks to support the work of the task force in putting together a detailed revised Competency Framework. The IRBA further undertook an extensive consultation process with professional bodies, RAs and its internal teams. The outcome of these consultations will add a further layer to the work of the task force and contribute to the development of the comprehensive Competency Framework, which will be the focus in the next financial year.

Stakeholders

South African Qualifications Authority (SAQA)

During the year, SAQA successfully conducted its monitoring and evaluation process for the re-recognition of the IRBA as a recognised professional body. Additionally, the IRBA participated in SAQA's professional body forums during the year and, where relevant, commented on SAQA policies that were issued for comment.

Advancement of Black Accountants of Southern Africa (ABASA)

ABASA successfully hosted its annual national convention in November 2024. As a valued Memorandum of Understanding partner, the IRBA played a key role at the convention, with Nadine Kater, Director of Education and Transformation, taking part as a panel member on a session that looked at "Attracting Talent to the Accounting Sector in South Africa: Public and Private Sector Perspectives on Strengthening the Pipeline for Future Professionals".

The discussions focused on the global landscape of enrolments in higher education; graduation rates; entry into the accounting profession; as well as strategies to overcome artificial barriers and retain professionals.

Also, the convention provided a platform for organisations to showcase their offerings to over 200 attendees that included school and university students, trainee accountants and aspiring professionals. The IRBA engaged with participants, promoting the ADP and encouraging interest in the auditing profession.

International Forums

The IFAC has amended the International Education Standards (IESs) by integrating sustainability-related revisions. These improvements, which specifically affect IESs 2, 3, 4 and 6, enhance accountants' technical competence, professional skills and ethics in respect of sustainability reporting. The main areas of improvement include the following:

- Embedding sustainability concepts and ensuring sustainability is woven into learning outcomes.
- A new assurance competence area that introduces foundational assurance skills, including sustainability-related engagements.
- Strengthened business acumen, equipping accountants to assess economic, environmental and social impacts.
- Enabling behavioural competencies that enhance critical thinking, adaptability and collaboration in sustainability contexts.
- Expanded explanatory materials, providing additional guidance for implementation.

Particularly, IES 6, which governs assessments, has been updated to highlight:

- Strengthened assessment methods that align with evolving professional needs.
- Emphasis on public interest, reinforcing ethical responsibility.
- Integration of emerging competencies, while incorporating digital skills and sustainability.
- Continuous learning and development to promote ongoing competence evaluation.

To support the implementation, IFAC has developed resources to help member organisations uphold professional quality and integrity. To that end, it has scheduled webinars that will explore these revisions, their rationale and the steps for adoption.

Appreciation

I express my sincere gratitude to all past and present committee and subcommittee members for their unwavering commitment and expertise, which have been the cornerstone of our continued success. I also extend my heartfelt thanks to the staff of the ET Department for their dedication and passion for education and transformation. Without their efforts, the accomplishments outlined in this report and the positive future trajectory would not be possible. Serving on the EDCOM and being able to support these initiatives over the past six years has been a great privilege and honour.

F Kwahene
Chairperson

Committee for **Auditor Ethics**

Members	Number of Meetings Attended	Membership Status
Mr S Davies	3 of 4	Chairperson
Mr H Snoyman	3 of 4	Member
Prof J Winfield	3 of 4	Member
Mr T Khangale[1]	3 of 4	Member
Mr Z Beseti	4 of 4	Member
Mr S Vrba	4 of 4	Member
Mr M Holme	4 of 4	Member
Ms I Ramoganyaka[2]	3 of 3	Member

1. *Mr Khangale was reappointed for a second term, effective from 1 June 2024.*
2. *Ms Ramoganyaka was appointed with effect from 1 August 2024.*

The 2024/2025 financial year brought significant change and sorrow for the CFAE due to the passing of our Director Standards, Imran Vanker. Despite this, the committee remains committed to fulfilling its duties in upholding international standards of ethics and independence under the APA.

We have continued to enhance ethics and independence standards for RAs through the adoption of international amendments and the incorporation of these amendments into the IRBA Code; engagements with global standard setters; and public consultations with our stakeholders on professional ethics and conduct. We honour Imran's legacy by upholding the standards and passion for the public interest he championed.

Tax Planning and Related Services Amendments

In August 2024, the CFAE approved the recommendation to the Board to adopt the International Ethics Standards Board for Accountants' (IESBA) revisions to the Code addressing tax planning and related services. These amendments introduce a new principle-based framework to guide RAs in exercising professional judgement and considering the public interest when providing tax advice.

Effective from 30 June 2025, these revisions will provide RAs with practical guidance for navigating complex ethical challenges in tax engagements and reinforce their role in contributing to the integrity of the tax system. Ultimately, this will benefit the public by promoting transparency and fairness in tax engagements.

These changes respond to the increased public scrutiny of tax practices and emphasise the IRBA's focus on maintaining trust in the auditing profession. Resources and guidance are available on the IRBA and IESBA websites.

Publication of the Revised IRBA Code (November 2024)

In November 2024, the CFAE approved the publication of the revised IRBA Code of Professional Conduct for Registered Auditors. This updated version includes all the recent amendments and additions made to the IRBA Code (April 2023). Its purpose is to support the implementation of these revisions and provide RAs with a comprehensive document that incorporates all the recent changes. The effective dates to be applied are those communicated through Board Notices and published on the website.

International and Regional Liaison

The IRBA maintains contact with the IESBA by observing its meetings, participating in the national standard-setting activities through providing written responses to proposed changes to standards, and meeting annually with other National Standard Setters under this board's auspices. The Acting Director Standards, Saadiya Adam, continues to serve her second term as an IESBA board member.

The Standards Department also supports the work of the Pan African Federation of Accountants through participation in its Advisory Groups. These groups offer a platform to engage and share knowledge on developing, adopting and implementing international standards and best practices in Africa.

Comment Letters in Response to Proposed International Pronouncements

Responses were submitted to the IESBA during the year in respect of the following:

- The proposed Using the Work of an External Expert standard.
- The proposed International Ethics Standards for Sustainability Assurance (including International Independence Standards) and Other Revisions to the Code Relating to Sustainability Assurance and Reporting (IESSA).

Outlook

The CFAE has the following priorities for the immediate future:

- Drafting a response to the IESBA's Consultation Paper regarding Auditor Independence for Collective Investment Vehicles and Pension Funds by 30 June 2025.
- Revising the IRBA Code to incorporate the IESBA's IESSA and the Using the Work of an External Expert standard, as well as developing necessary South African enhancements, to recommend to the Board for adoption in 2026.
- Implementing its work programme, which primarily includes projects that align with the IESBA agenda, while also maintaining the capacity to respond to emerging issues in South Africa, including any relevant outcomes arising from the IRBA's other regulatory functions.

Appreciation

I extend my gratitude to the committee members, task groups and Standards Department staff. Your dedication and expertise have been crucial in advancing our goals. Thank you for your commitment and collaborative efforts in fulfilling the CFAE's mandate.

S Davies
Chairperson

Committee for **Auditing Standards**

Members	Number of Meetings attended	Membership Status
Mr Z Rashid[1]	4 of 4	Chairperson (Johannesburg Stock Exchange Representative)
Ms T Zimondi[2]	4 of 4	Deputy Chairperson (Registered Auditor)
Ms S Ronander[3]	3 of 4	Member (Registered Auditor)
Ms W Mokupo	4 of 4	Member (Financial Sector Conduct Authority Representative)
Ms D Lawrence	4 of 4	Member (South African Revenue Service Representative)
Ms A Madikizela	3 of 4	Member (Prudential Authority Representative)
Ms L le Roux	4 of 4	Member (AGSA Representative)
Ms L Roeloffze	4 of 4	Member (Registered Auditor)
Ms M Mogapi[4]	4 of 4	Member (Registered Auditor)
Ms N Terblanche[5]	4 of 4	Member (Registered Auditor)
Ms M Watson	4 of 4	Member (Registered Auditor)
Ms T Norkie[6]	3 of 4	Member (Registered Auditor)
Adv B Tlhakung[7]	1 of 1	Member (Attorney)
Mr L Pierce[8]	2 of 2	Member (Attorney)
Mr R Moosa	4 of 4	Member (Academic)

1. *Mr Rashid was reappointed as Chairperson, effective 1 April 2025.*
2. *Ms Zimondi was reappointed as the Deputy Chairperson, effective 1 April 2025.*
3. *Ms Ronander's term as a member ended on 31 March 2025.*
4. *Ms Mogapi's term as a member ended on 31 March 2025.*
5. *Ms Terblanche's term as a member ended on 31 March 2025.*
6. *Ms Norkie resigned on 31 March 2025, due to a change in her employment status.*
7. *Adv Tlhakung's term as a member ended on 31 May 2024.*
8. *Mr L Pierce was appointed as a member, effective 1 November 2024.*

It gives me pleasure to present this report on the strategic and standard-setting activities of the CFAS for the 2024/2025 financial year.

The committee continued to implement its strategy for 2020-2024, titled *"Driving Audit Quality through Standard Setting"*, which includes four strategic pillars, namely:

- **Theme I:** High-quality auditing standards and implementation guidance;
- **Theme II:** Focused consultation with a range of stakeholders and subsequent advocacy of CFAS pronouncements and implementation guidance;
- **Theme III:** Deepening evidence-based research to support standard-setting; and
- **Theme IV:** Integrated standard-setting by keeping abreast of emerging issues and responding appropriately.

This entailed engaging with stakeholders and gathering insights into the CFAS goals and objectives for its standard-setting work. During this period, there was renewed emphasis on providing guidance to the South African market, to support the IRBA's Four Rules Arising from the International Standards on Quality Management (QM L&R Rules), specifically Rule 2 that requires firms that audit financial statements of publicly traded entities to prepare and publish transparency reports on an annual basis.

The CFAS also revised the *Guide for Registered Auditors: Joint Audit Engagements*. This revision includes sources of information and/or procedures that a joint auditor may consider in satisfying themselves that there are sufficient appropriate systems of quality management in place at each firm that is party to the joint audit engagement. The committee also issued an IRBA Staff Audit Practice Alert to provide RAs with key considerations regarding the acceptance and continuation of client relationships of audit engagements. Further, there have been several International Auditing and Assurance Standards Board (IAASB) consultation papers and pronouncements that the CFAS has formed views on and evaluated readiness to adopt. A pivotal decision in this regard, announced by the IRBA Board in November 2024, was the resolution not to adopt the IAASB's ISA for Audits of Financial Statements of Less Complex Entities.

The committee maintains the following standing committees: CFAS Steering Committee; Regulated Industries and Reports Standing Committee; Public Sector Standing Committee; and Sustainability Standing Committee.

On a more sombre note, the CFAS notes with sadness the passing of Imran Vanker late in 2024. He played a fundamental role in shaping the CFAS. We fondly remember his contributions, leadership and the impact that he had on the profession and community at large.

International and Regional Liaison

The secretariat liaises with relevant African and international bodies, while the IRBA continues to participate in the work of the Standards Coordination Working Group of the International Forum of Independent Audit Regulators, represented by Ian Mtegha (Professional Manager), and the National Standard Setters forum. Visitors from neighbouring African countries are regular observers at our CFAS meetings.

CFAS Projects Identified and Outputs Achieved to Fulfil the Strategy	
Project Outputs	
Local Standards	
Status of Pronouncements, Due Process Policy and Adoption of the Standards	
Status and Authority of Quality Management, Auditing, Review, Other Assurance and Related Services Pronouncements (Revised November 2024)	Issued on 11 December 2024, with an effective date of the same day.
Due Process Policy for the Development, Adoption and Issue of Quality Management, Auditing, Review, Other Assurance and Related Services Pronouncements (Revised November 2024)	Issued on 11 December 2024, with an effective date of the same day.
Auditing and Assurance Pronouncements and Guidance issued by the IRBA	
Guide for Registered Auditors: Joint Audit Engagements (Revised May 2024)	Approved by the CFAS in May 2024 and subsequently issued to the market in the same month. Effective for audits of financial statements for periods ending on or after 31 December 2024.
Staff Audit Practice Alert 10: Key Considerations - Acceptance and Continuation of Client Relationships of Audit Engagements	Issued on 8 July 2024.
SAAPS 7, Transparency Reports of Firms that Audit Financial Statements of Publicly Traded Entities	Approved by the CFAS in August 2024 and subsequently issued to the market in November 2024. Effective for transparency reports prepared and published on or after 15 December 2025, with early adoption permitted.
International Standards	
Comment on International Exposure Draft	
IAASB's Proposed ISA 240 (Revised), The Auditors' Responsibilities Relating to Fraud in an Audit of Financial Statements and Proposed Conforming and Consequential Amendments to other ISAs	The Secretariat submitted a comment letter to the IAASB on 5 June 2024.
IAASB's Post-Exposure Consultation: Invitation to Comment Before the IAASB Finalizes the Narrow Scope Amendments to the ISQMs and ISAs as a Result of the Revisions to the Definitions of Listed Entity and Public Interest Entity in the IESBA Code	The Secretariat submitted a comment letter to the IAASB on 27 March 2025.
Engagement with Stakeholders	
Call for New Projects for the CFAS Work Programme	Issued on 5 April 2024, with a deadline of 6 May 2024.

Engagement with Stakeholders (Continued)	
Post-implementation Review (PIR) of the IRBA's South African Assurance Engagements Practice Statement 1, *Sustainability Assurance Engagements: Rational Purpose, Appropriateness of Underlying Subject Matter and Suitability of Criteria*	The PIR involved interviews with audit firms between 11 April 2024 to 29 July 2024.
Fraud, Financial Reporting and the Role of the Auditor – The IRBA Indaba	The webinar was on 15 July 2024.
Online lecture on Standard Setting with a Focus on Sustainability to students from the University of Limpopo	The lecture was on 30 July 2024.
IRBA's Medium-sized and Big Audit Firms Outreach	The outreach was between August 2024 and September 2024.
In-person lecture on Auditing Standards Setting to students from Rhodes University	The lecture was on 9 September 2024.
IRBA Webinar: Inside a Small and Medium Practice: A Practitioner's Day in Focus	The webinar was on 6 November 2024.
IRBA Webinar: Sustainability: The Big Picture	The webinar was on 21 November 2024.
IRBA Board Announces Its Decision Not to Adopt the ISA for Audits of Financial Statements of Less Complex Entities (ISA for LCE)	The decision was communicated on 7 November 2024.
CFAS publishes its standard-setting priorities	Issued on 24 November 2024.
Consultation on Proposed SAAPS 3 (Revised XX 2025), Updates to Illustrative Auditor's Reports as a Result of the IAASB's Narrow Scope Amendments to ISA 700 (Revised)	Issued on 10 March 2025, with a public consultation deadline of 16 April 2025.

The IAASB will be working on the following projects that will also form part of the CFAS work programme:

- Audit Evidence and Risk Response.
- Experts Narrow Scope Amendments.
- Going Concern.
- Fraud.
- ISA 500 Series.
- International Standard on *Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity.*
- Listed Entity and Public Interest Entity (Track 2).
- Technology.

Staff Audit Practice Alert 10: Key Considerations – Acceptance and Continuation of Client Relationships of Audit Engagements

The Staff Alert was developed in response to the increasingly complex environment in which clients operate, characterised by heightened regulatory requirements and new legislation across various industries. This complexity impacts the acceptance and continuance assessments that audit firms must make.

The alert emphasises the auditing profession's responsibility to act in the public interest and highlights the importance of client acceptance and continuance as a critical step in an audit. It aims to mitigate the risk of negative client actions that could damage the reputation of audit firms by ensuring a careful vetting of clients and their activities at every stage of the audit engagement.

South African Auditing Practice Statement 7

SAAPS 7 assists firms auditing the financial statements of publicly traded entities comply with specific requirements of ISQM 1 and the IRBA's Quality Management Rule 2 on Transparency Reports.

The practice statement focuses on the eight components of a System of Quality Management, which are risk assessment; governance; ethics; client acceptance; engagement performance; resources; information and communication; as well as monitoring and remediation. It provides guidance on how firms can prepare their transparency reports by considering these components in a principles-based approach.

Transparency reports should be published annually and are to be accessible to external parties, in compliance with IRBA Rule 2 and SAAPS 7. Furthermore, to address relevance and usefulness, firms should consider the level of detail and the materiality of disclosures under SAAPS 7.

Board Announces its Decision Not to Adopt ISA for LCE

On 29 October 2024, the Board resolved not to adopt the ISA for LCE for use by RAs in South Africa, following a comprehensive consultation process and a recommendation from the CFAS.

Despite the ISA for LCE being designed by the IAASB to address the needs of LCE audits, stakeholder feedback in South Africa raised several concerns. These included limited added value compared to the existing ISAs, risks of reduced audit quality, implementation complexities and the potential fragmentation of the profession.

The decision was further informed by similar findings from an outreach to a wide range of stakeholders, including practitioners, regulators and users of financial statements, that SAICA conducted. The IRBA remains committed to maintaining the quality and relevance of local auditing standards and will continue monitoring international developments.

CFAS Standard-Setting Priorities

In November 2024, the committee approved the projects that will be included in its work programme for the next 18 months. At regular intervals, the committee seeks and receives numerous project requests. These proposed projects are then analysed and prioritised based on factors such as public interest, industry size and the relevant laws or regulations. Additionally, the committee considers the potential benefits of a project in enhancing audit quality and restoring confidence in the profession.

A call for new projects was issued on 5 April 2024, with a submission deadline of 6 May 2024. It specified that the focus would be on:

- The needs of small and medium practices;
- Technology and digital-related issues (e.g. crypto, blockchain and artificial intelligence); and
- Audit guidance in response to common inspection findings or trends.

The CFAS has now selected 14 projects to commence work over the next 18 months. These projects include the adoption of IAASB standards, updates to regulatory reports and guidance, and guidance on the use of AI in audits.

Appreciation

I wish to express my sincere appreciation to the CFAS members and their technical advisors, observers, the CFAS standing committees, the various task groups, SAICA and ACCA representatives, and the staff of the Standards Department for their unwavering support and commitment to our committee's goals. Your steadfast commitment has been key to advancing our projects and your invaluable contributions have enriched our discussions. I also extend gratitude to the observers and volunteers whose perspectives have provided valuable insights. Together, we have achieved significant milestones, and I look forward to our continued collaboration in the coming financial year.

Z Rashid
Chairperson

Investigating **Committee**

Members	Number of Meetings Attended	Membership Status
Ms B Ntutela	4 of 4	Chairperson
Ms M Naidoo	4 of 4	Member
Mr G Krog	3 of 4	Member
Mr F Scheepers	4 of 4	Member
Mr S Soni	4 of 4	Member
Mr K Ramarumo	4 of 4	Member
Mr A Pearce	4 of 4	Member
Ms Y Dall	3 of 4	Member
Ms C Pariola	4 of 4	Member

It gives me great pleasure to report on the Investigating Committee's activities for the 2024/2025 financial year. The INVESCO comprises chartered accountants, an ethics expert and legal practitioners.

An investigation is initiated either once a complaint is received from an external party or has been initiated from within the IRBA. Externally-originated complaints are lodged by members of the public or are matters referred by courts or other regulators. Internally-originated complaints are raised by the IRBA itself, an example being those arising out of the inspections process, or matters where investigations are initiated by the IRBA as a result of information that comes to its attention mostly through the media.

Once a complaint is received and it is verified that the respondent was, at the date of the alleged transgression, a registered auditor with the IRBA, the complaint is then perused by the Investigations Department's Professional Manager to ascertain whether further information is needed from the complainant, or if specific information is needed from the respondent.

After a preliminary assessment has taken place, the Director Investigations must decide, in terms of Section 48 (1) of the APA, whether to refer the matter to the INVESCO. Most matters will be referred and the committee must then investigate the matter in terms of Section 48(3) of the APA. The INVESCO then deliberates on the matters tabled before it and recommends to the Enforcement Committee whether to (a) dismiss the matter; (b) impose a monetary sanction, and in certain instances also a non-monetary sanction; or (c) refer the matter for a disciplinary hearing.

Investigations Concluded

The committee met four times during the year under review and 135 matters were referred to the ENCOM with recommendations.

The performance information in the annual report sets out the investigations completed in this financial year; and the achievement of 83 completed investigations is commendable.

Appreciation

I thank my fellow committee members for their dedication and professional input, and for their support over the past year. The committee sincerely appreciates the level of commitment and dedication of the Director Investigations and her staff. They have done and continue to do a tremendous amount of work in compiling the matters for the committee's consideration and we would not be able to operate without their well-documented support.

B Ntutela
Chairperson

Disciplinary **Committee**

The primary objective for the committee during the period under review was to maintain the agility with which matters referred to it would be finalised, while ensuring that proceedings remained robust, open and fair. Its concentrated efforts towards achieving this goal became evident with the finalisation of 12 matters, eight of which were finalised without the need for a full hearing. To this end, the committee is indebted to the co-operation demonstrated by the parties in engaging meaningfully, contributing to the speedy finalisation of disciplinary matters.

To ensure that matters finalised through settlement processes align with the committee's objective of effective enforcement, all settlement proposals from the parties were duly interrogated to assess their appropriateness, in light of the seriousness of the transgressions.

Throughout the period, the committee remained compliant with legislative requirements, ensuring that its processes were open to the public. Furthermore, the right of the parties to be heard was duly observed and the rulings, informed by evidence, were issued timeously in line with the prescripts of the APA.

Also, the secretariat made efforts to improve process efficiencies within the committee's operations. This included a proactive scheduling of hearings, the digitisation of evidence bundles and the incorporation of virtual hearings, to minimise delays in hearing processes and/or avoid postponements, which would otherwise be necessary due to logistical difficulties attendant to getting everyone in one room.

Collectively, these co-ordinated efforts have enabled the efficient and effective finalisation of disciplinary matters. That has helped to minimise the public's exposure to risks, restore confidence in the profession and uphold the integrity of the IRBA and its processes.

Constitution and Composition of the Committee

The Disciplinary Committee is constituted in terms of Section 24A(2) of the APA and is chaired by Advocate Platt SC. Its composition includes former RAs, practising legal practitioners and other suitably qualified persons. During the period under review, it was constituted by the following members:

- Adv E Mokutu SC, Adv S van Niewenhuizen SC and Adv E Raubenheimer, who occupied the positions of practising legal practitioners;
- Mr S Sooklal, Mr M Crisp, Ms D Lamprecht and Ms L van Eeden, occupying the positions of former practising RAs; and
- Ms S Vanker, Ms J Fouche and Ms NB Kader, in the positions of other suitably qualified persons.

The table below reflects the number of hearing days and/or meetings each relevant committee member attended in the 2024/2025 financial year.

Committee Members	Disciplinary Committee Hearing Days Attended*
Adv A Platt, SC	0
Adv E Mokutu, SC	7
Adv E Raubenheimer	2
Adv S van Nieuwenhuizen, SC	4
Mr S Sooklal	2
Mr Crisp	7
Ms S Vanker	3
Ms J Fouche	7
Ms D Lamprecht	2
Ms L Van Eeden	0
Ms NB Kader	0

* *The reason some of the members attended no hearings is due to the cancellation of planned and allocated hearing days, as a result of respondents having elected to admit guilt or settle matters after the panel was allocated, thus negating the need for a hearing.*

Mr Sooklal and Ms Kader's terms of appointment came to an end during the period under review, increasing the number of vacancies to six. Notwithstanding these current vacancies, the committee has been able to function optimally; and is hopeful that these positions will be filled soon, which will further enhance its skill diversity and contribute to its overall effectiveness.

Disciplinary Processes

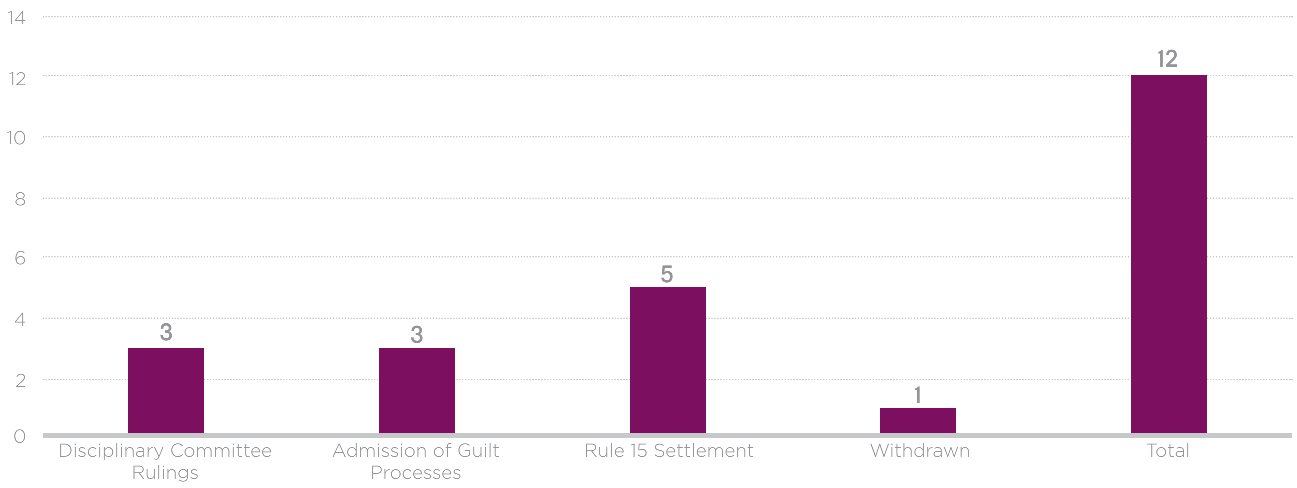
Hearings

The committee convened hearings in respect of six matters related to five respondents, finalising five matters, with one matter remaining part-heard.

Finalised Matters

In total, 12 matters referred to the committee for the determination of charges of improper conduct preferred against auditors were finalised. As reflected in the chart below, charges were withdrawn in respect of one matter; seven matters were finalised through admission of guilt processes and/or Rule 15 settlements; and the remaining four matters were finalised following the initiation of disciplinary hearings.

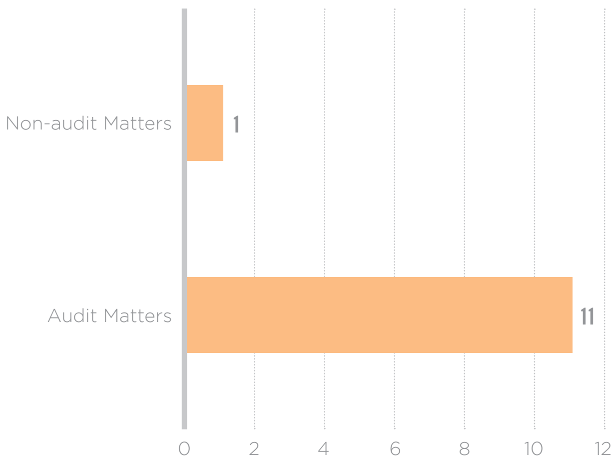
Overview of the Finalised Disciplinary Matters



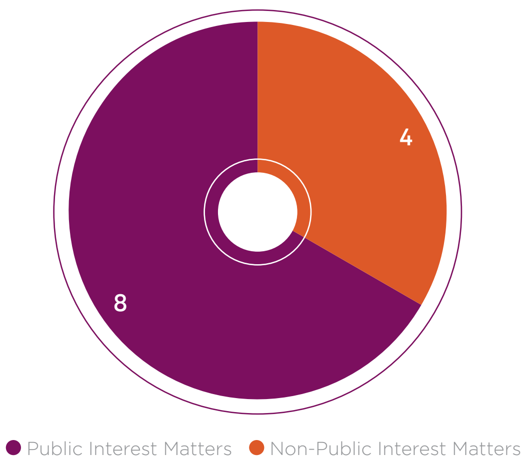
In all of the matters finalised through an admission of guilt, a settlement and/or following a disciplinary hearing, the respondents were found guilty of various charges of improper conduct and sanctioned accordingly. The details of those finalised matters were published in IRBA News.

Nature of the Finalised Matters

Finalised Disciplinary Matters Audit vs Non-audit



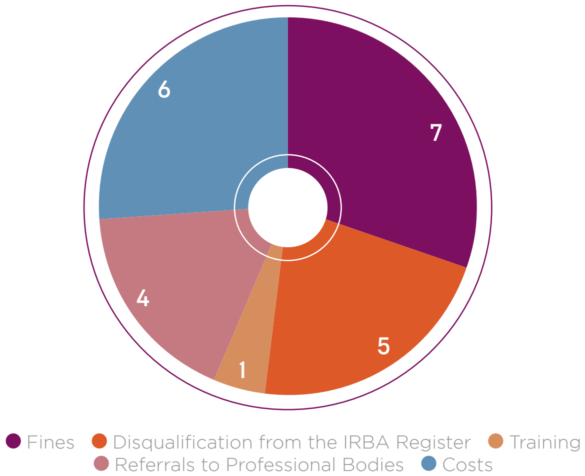
Finalised Matters Public Interest Demarcation



All finalised matters related to charges brought against individual RAs, while there were no matters finalised in relation to audit firms. Of these finalised matters, 11 were audit matters that related to the audit of client financial statements, while the other was a non-audit matter linked to the respondent's failure to appropriately comply with their tax obligations. Only four of the finalised matters were public interest matters, with the other eight being non-public interest matters.

Sanctions Imposed

A Breakdown of the Sanctions Imposed



As reflected in the graph, monetary fines were imposed on seven of the respondents found guilty of improper conduct, while five were permanently disqualified from registering as RAs, with an additional training sanction imposed on one of the respondents. Also, four respondents were referred to their professional bodies for the determination of their fitness to continue practising as accountants.

Six cost orders were imposed on respondents, in respect of matters finalised following the initiation or scheduling of hearings.

Specific publication was ordered in respect of nine matters, wherein respondents were found guilty, with general publication ordered regarding the other two matters.

Reviews

There were no new applications filed seeking the review of any committee rulings. Notwithstanding the above, a ruling the committee had issued previously, dismissing an application for the recusal of two of its members, was set aside by the High Court. Consequently, that led to the withdrawal of the charges preferred against the applicants.

Pending Matters

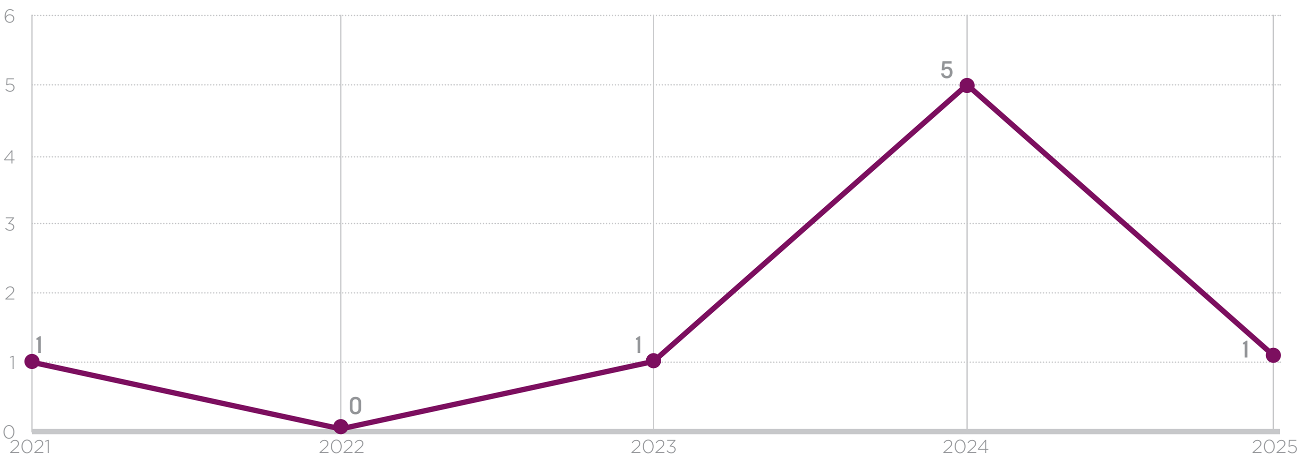
Following the finalisation of the 12 matters referenced above, as well as the referral of six new matters, there were eight matters pending disciplinary hearings at the end of the reporting period. The matters involve varying charges of improper conduct, with the graph overleaf providing an overview thereof.

Analysis of the Charges

Overall, matters pending disciplinary hearings involve nine categories of improper conduct. While each matter may involve numerous charges, the charges most common among the matters relate to insufficient appropriate audit evidence, as well as dishonesty and integrity-related transgressions. These are closely followed by improper conduct related to failure to exercise due care and skill, in addition to independence-related infractions. There are also a few charges related to failure to declare assurance work; accounting and tax breaches; the Prevention and Combating of Corrupt Activities Act (PRECCA); breach of executor or trustee duties; and lack of objectivity.

Matters pending a disciplinary hearing are at different stages of the disciplinary process. These have an aging between four years and two months, with 75% of the matters having an aging of less than 13 months. The graph below reflects the age analysis of the pending matters, computed from the date of referral to the Legal Department for a hearing.

Age Analysis



Note: *The matters recorded as having an aging of more than 13 months are those currently awaiting litigation outcomes or already part-heard and awaiting the continuation of a hearing.*

Conclusion

The committee not only achieved its targets for the year, but exceeded those by a notable 120% finalisation rate in relation to matters earmarked for the 2024/2025 financial year. Once again, that was as a result of collectively working hard to push the boundaries of performance.

This accomplishment highlights the continued dedication and efforts of the committee and the Legal team to continuously work towards the efficient and effective finalisation of disciplinary matters. Primarily, this can be attributed to the Legal team's proactive case management, which led to the conclusion of 66% of the matters through admission of guilt or settlement processes. This proactiveness contributed to significant cost savings for both the IRBA and the respondents, as matters were finalised swiftly.

As we move into a new financial year, we will continue to strive for effective disciplinary processes, to protect the interests of the public and contribute towards restoring confidence in the profession.

Appreciation

On behalf of the committee, I extend my sincere appreciation to the members, the secretariat and the staff of the Legal Department for their contributions and the pivotal role they played in the effective administration of the disciplinary proceedings and the related committee processes.

Adv A Platt
Chairperson

Inspections **Committee**

Member	Number of Meetings Attended	Member Status
Ms E Goodchild[1]	4 of 4	Chairperson
Mr L Coopasamy[1]	4 of 4	Member
Ms C Mtebele	4 of 4	Member
Ms S Swana	4 of 4	Member
Mr E De Haan	2 of 4	Member
Mr D Mahony[2]	1 of 4	Member

1 *Term ended in March 2025.*

2 *Appointed in November 2024.*

It gives me great pleasure to report on the Inspections Committee's (INSCOM) current and strategic activities for the 2024/2025 financial year. It has been a challenging year for both auditors and regulators with the new suite of Quality Management standards, for which the operating effectiveness became effective on 15 December 2023, given the time and investment required.

The IRBA successfully continued with the inspection of the design and implementation of the new ISQM standards and commenced with inspecting the operating effectiveness of the firm's systems of quality management (SOQMs) in early 2024. Those inspections, covering both the design and implementation as well as the operating effectiveness, identified several concerns. In many cases, firms demonstrated an overreliance on third-party service providers for the development of their SOQMs, without adequately tailoring these to reflect their own structure, nature and scale of operations. Additionally, the inspections revealed weaknesses in the firms' risk assessment processes, which led to SOQMs that did not sufficiently identify or address audit quality risks relevant to the firms.

The Inspections Department commenced with a roadshow initiative in April 2024 and continued with this initiative in May 2025, visiting certain regions and discussing the IRBA strategy, themes presented in the Public Inspections Report and highlighting information presented in the Audit Quality Indicators Survey Report. This was also an opportunity to interact with auditors and discuss challenges faced by firms and to gather direct feedback from auditors.

Inspection Outcomes for 2024/2025

The IRBA issued 92[3] (2024: 100) inspections reports for inspections performed at 25 (2024: 32) audit firms. These reports included 20 (2024: 27) firm-wide inspections and 72 (2024: 73) engagement inspections, covering 63 (2024: 73) registered auditors.

Through theme-based inspections, the IRBA continued to assess the effectiveness of the audit firms' corrective measures or remedial actions, to address previously reported deficiencies/weaknesses and evaluate whether firms are achieving their quality objectives. It performed 17 (2024: 18) inspections at 11 (2024: 9) audit firms.

Inspections Process

9th Inspections Cycle

The 2024/2025 financial year was the first one in the IRBA's 9th Inspections Cycle. The department continued to fulfil its mandate by performing firm-wide and engagement inspections at various audit firms. Most of the assurance engagement inspections were performed at firms that audit listed entities and entities of higher public interest (public interest entities, as defined by the IRBA Code). The selection included a sample of small to medium-sized practices that do not audit these types of entities.

The IRBA remains cognisant of the fundamental role that governance and leadership of the audit firms play. Therefore, all inspection reports need to be signed by the audit firms' leadership, to aid in the awareness and prompt remediation of findings. Inspection reports at a firm-level are also addressed directly to the leadership of the audit firms.

3 *The 92 inspection reports issued during the financial year are not comparable to the target achieved of 109 inspections performed during the financial year. The 92 are those inspections for which the INSCOM issued a formal outcome, where the 109 are inspections where the last day of the inspection fell within the financial year. These inspections will not necessarily have been tabled at INSCOM at financial year-end for a decision on the financial outcome of the inspection.*

The Remedial Action Process with the firms and their partners continued through interactive discussions, to promote the prompt and effective remediation of reportable deficiencies. The Proactive Monitoring process, a further initiative introduced with the 8th Inspections Cycle, gained some traction and the IRBA issued several reports where remediation was completed, based on the evidence provided by the audit firm and registered auditor. The expectation remains that this process will enable the IRBA to provide further insights to relevant stakeholders on the remedial action steps taken by the audit firms and whether those are appropriate, considering the findings initially identified, thereby addressing the risk of repeat findings. The IRBA hopes to observe continued real remediation at a registered auditor level, with the further expectation that such intervention will influence audit quality at a firm-wide level.

Consistent with the previous year, the Board closely monitored a few firms that were referred to the Investigations Department in the prior years. It released two of the audit firms during the year, as it observed appropriate remediation at these firms and those matters that had caused the monitoring were resolved. The committee is pleased with the continued focus on audit firm leadership and the proactive action the Board has taken where systemic deficiencies were reported at firms; and its commitment to increase the department's capacity, specifically regarding the area of information technology. Such capacity will enable it to address deficiencies in engagements relating to the use of information technologies and data analytics.

New Inspections Cycle

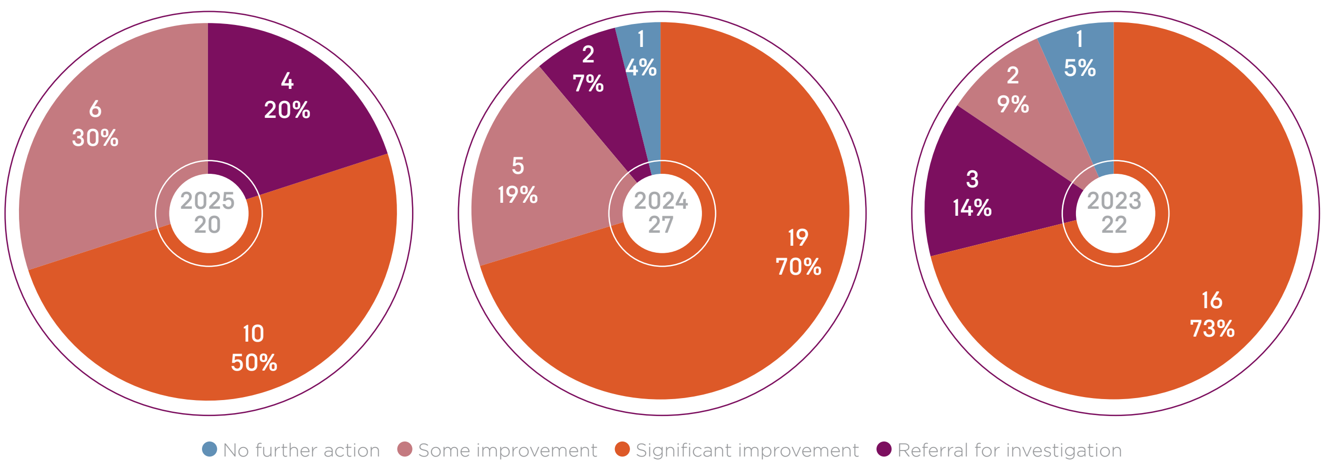
The 9th Inspections Cycle commenced on 1 April 2024 and through the roadshows, the department communicated the new and continuing initiatives. One of the new initiatives has been the establishment of an Audit Quality Monitoring Forum, to address the gap between internal and external inspections results identified through the annual Survey Report on Audit Quality Indicators. The department implemented audit committee outreach initiatives with the aim of collaborating with other key stakeholders in the corporate reporting and governance ecosystem. Additionally, a revised approach for the inspection of smaller firms and a focus on fraud were implemented at the beginning of the new inspections cycle.

Firm-wide Inspections

The objective of a firm-wide inspection is to inspect the design and implementation of a firm's SOQM. Since the implementation of the ISQMs, the department has adopted a risk-based approach to firm inspections, with only those key quality risks being scoped into the inspection.

A full scope firm-wide inspection is performed for larger network firms, where all elements of the systems of quality control are inspected. For small and medium-sized audit firms, the scope of the inspection is confined to selected elements (those where key quality risks are present). Firms are classified based on their size and the extent of public interest audit clients in their assurance client portfolio. In the current year, 20 (2024: 27) firm-wide inspections were reported to the INSCOM, and four firms (2024: 2) were referred for investigation on an overall basis, with one of them also being referred on matters relating to independence and a breach of the Companies Act.

The outcomes for the 20 firm-wide reports (including escalation reports) are depicted in the graph below.



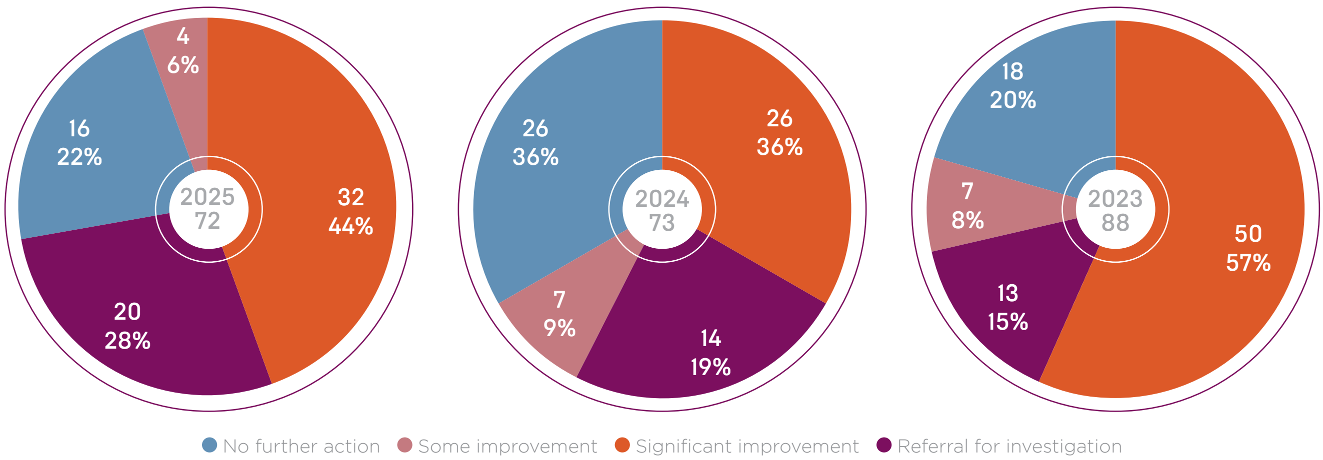
While the committee acknowledges the continued commitment by firm leadership in addressing reportable deficiencies, it is concerned about the high number of negative inspections outcomes, particularly those firms that have been referred for investigation.

Assurance Engagement Inspections

The objective of an assurance engagement inspection is to inspect the individual auditor's compliance with relevant auditing standards, the IRBA Code and relevant legislation in performing the audit. In the current year, 72 (2024: 73) assurance engagement inspections were reported to the INSCOM and the results and a comparison are depicted in the accompanying graph.

Despite the improvement in the outcome for significant improvement required, resulting in more assurance engagements with the outcome of some improvement required, the ongoing frequency of findings and recurring findings remain a high concern. The high number of assurance engagements that are still being referred for investigation is also concerning.

Of the 20 (2024: 14) assurance engagements with a referral for investigation outcome, five have been referred on specific matters and 15 on an overall basis. The reason for the high number of referrals for investigation on an overall basis is as a result of engagement inspections for a specific client over multiple financial years at one audit firm (10 inspections). The remaining five overall referrals and the five referrals for investigation on specific matters have occurred across five different audit firms.



Communication

The Public Inspections Report on Audit Quality highlights common firm-wide and assurance engagement deficiency themes reported to the INSCOM, including more details on the outcomes, the remedial action process and the information technology environment. The IRBA included a section on the good practices observed at firms to address matters of audit quality and other challenges, such as the appropriate use of technology in audits, additional levels of review and outcomes-based training.

Additionally, the Survey Report: Audit Quality Indicators highlights useful trends on quantitative measures that may contribute to the quality of an audit. The information should also benefit those charged with governance in discharging their oversight responsibilities over financial and other reporting, including the appointment or re-appointment of external auditors.

In March 2025, the IFIAR released its IFIAR Annual Inspection Findings Survey, which is derived from its member regulators' individual inspections of audit firms affiliated with the six largest global audit firm networks. Though not directly comparable, the IRBA reported similar themes on firm-wide and assurance engagements, indicating that the deficiencies it identified and the challenges in audit quality in certain themes are not confined to South Africa.

In the journey towards enhanced audit quality and financial reporting, the department continues to encourage open dialogue with all stakeholders in the corporate reporting and governance ecosystem, in their interactions on the impact, understanding and use of the reports issued to the audit firms and individual auditors, the Public Inspections Report and the Audit Quality Indicators report.

Appreciation

I wish to extend my sincerest appreciation to the Inspections Department for its continued commitment to the monitoring of audit quality at firms and individually registered auditors. The proactive initiatives introduced to improve audit quality in the 8th and 9th Inspections Cycles have shown early signs of laying the groundwork to make a sustained impact on the audit quality journey. The department has been steadfast in recognising the pivotal role it plays in protecting the public interest and safeguarding the integrity of financial markets.

Also, a word of thanks to the committee members for their support, commitment and dedication to the inspections process, and for ensuring that the outcomes are fair and consistent. I also extend gratitude to audit firms and engagement partners for their co-operation during the inspections and emphasise the need for a stronger commitment to remedy the reported deficiencies in audit quality.

Throughout the period that I served as Chairperson, it has been an honour to witness first-hand the department's unwavering dedication to upholding audit quality and public confidence in financial reporting. My term coincided with a period of a significant development in the profession, marked by the implementation of the new suite of Quality Management standards, and I am deeply grateful for the opportunity to have led INSCOM during such a critical phase in the pursuit of enhanced audit quality. It has been both a privilege and a responsibility to serve during this time.

I am thankful for the opportunity not only to share my experience, but also to deepen my own understanding alongside a team of professionals committed to continuous improvement and public protection. I wish to thank the department for its trust, professionalism and collaborative spirit over the years, and I remain confident in the essential role it continues to play in strengthening audit quality and reinforcing public trust.

I leave this role with deep gratitude for the experiences and insights gained during my eight years of service, including my time as Chair, and I step down with great appreciation for the journey and full confidence in the continued impact of the committee's work.

E Goodchild
Chairperson

SECTION F

Financial Information

Table of Contents

The reports and statements set out below comprise the annual financial statements presented to Parliament:

Accounting Authority's **Responsibilities and Approval**

The Board is responsible for overseeing the preparation, integrity and fair presentation of the financial statements and related information included in this Annual Report. This includes ensuring that adequate accounting records and effective systems of risk management and internal control are maintained. To enable it to meet its responsibilities, it employs appropriately trained and skilled personnel to implement and maintain the accounting records and systems of control, in line with the requirements of the PFMA and Treasury Regulations. The Board also exercises its functions in accordance with the APA.

The PFMA requires the accounting authority to maintain adequate accounting records and be responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is also the accounting authority's responsibility to ensure that the annual financial statements fairly present the IRBA's state of affairs as at the end of the reporting period, as well as the results of its operations and cash flows for the year ended 31 March 2025. The external auditors are engaged to express an independent opinion on the annual financial statements and they were given unrestricted access to all financial records and related data.

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice, including any relevant interpretations, guidelines and directives issued by the Accounting Standards Board.

The annual financial statements are based on appropriate accounting policies that are consistently applied and supported by reasonable and prudent judgements and estimates.

The accounting authority acknowledges that it is ultimately responsible for the system of internal financial control established by the IRBA and places considerable importance on maintaining a strong control environment. To enable the accounting authority to meet these responsibilities, it sets standards for internal control aimed at reducing the risk of error or deficiency in a cost effective manner.

The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and the adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the IRBA; and all employees are required to maintain the highest ethical standards to ensure that the IRBA's business is conducted in a manner that, in all reasonable circumstances, is above reproach. The focus of risk management at the IRBA is on identifying, assessing, managing and monitoring all known forms of risk across the organisation. While operational risk cannot be fully eliminated, the IRBA endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

Based on the information and explanations given by management, the accounting authority is of the opinion that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement.

The accounting authority has reviewed the IRBA's cash flow forecast for the year ending 31 March 2026 and, in light of this review and the current financial position, it is satisfied that the IRBA has adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently reviewing and reporting on the IRBA's annual financial statements. The annual financial statements have been audited by the IRBA's external auditors and their report is presented on pages 73 to 77. The annual financial statements set out on pages 78 to 99, and which have been prepared on the going concern basis, were approved by the accounting authority on 28 July 2025 and were signed on its behalf by:

F Tonelli
Chairperson of the Board
28 July 2025

Report of the **Accounting Authority**

1. Introduction

The accounting authority presents its report, which forms part of the IRBA's Annual Financial Statements for the year ended 31 March 2025, to the Minister of Finance (Executive Authority) and Parliament, in terms of Section 55 (1)(d) of the PFMA as amended.

2. Principle Activities of the IRBA

The IRBA was established in terms of Section 3 of the Auditing Profession Act, (No. 26 of 2005) (the Act), which had an effective date of 1 April 2006. The objectives of the Act, as set out in Section 2, are as follows:

- To provide for the establishment of an Independent Regulatory Board for Auditors;
- To protect the public in the Republic by regulating audits performed by Registered Auditors;
- To improve the development and maintenance of internationally comparable ethical standards and auditing standards for auditors that promote investment and as a consequence employment in South Africa;
- To set out measures to advance the implementation of appropriate standards of competence and good ethics in the auditing profession; and
- To provide for procedures for disciplinary action in respect of improper conduct.

3. Analysis of Financial Statements

3.1 High-level overview

The revenue generated and the expenses incurred resulted in an operating deficit of R9,9 million (2024: R8,7 million), compared to a budgeted break-even position.

3.2 Revenue

The operations of the IRBA are funded by revenue from exchange transactions and non-exchange transactions, including government grants.

Revenue from exchange transactions

Revenue from exchange transactions primarily comprises registration, licence and training contract fees. This revenue increased to R55,4 million from R52,9 million mainly due to an increase in trainee levies as more trainee contracts were registered, an increase in Monitoring Fees due to the second accredited professional body, this is offset by a decrease in new registrations.

Revenue from non-exchange transactions

Revenue from non-exchange transactions comprise of recoveries for disciplinary and investigation expenses, sanctions for improper conduct, assurance fees and government grants. This revenue decreased to R94,7 million from R100,4 million primarily due to lower contributions to disciplinary expenses received, sanctions for improper conduct and higher assurance fees charged to firms.

3.3 Expenses

Operating expenses increased to R207,9 million from R190,7 million. This was mainly due to cost of living adjustments and further increases in expenses as explained below:

- Disciplinary and investigation expenses increased by R3,1 million due to the nature and timing of enforcement cases.
- Placement fees reduced by R1,4 million due to fewer vacancies filled during the year.

- Local and international travel increased by R0,8 million due to more out of town travelling by inspectors and more international meetings being attended.
- Employee costs increased by R11,5 million due to fewer vacancies and an average annual salary increase of 6%.
- Bad debts to the value of R1,7 million were written-off during the year.

3.4 Assets

The cash balance increased to R125,8 million from R111,2 million. An amount of R40,4 million (2024: R38,3 million) of the cash is required to fund the reserves needed to safeguard the IRBA's ability to continue as a going concern. Restricted cash remained constant at R10 million.

3.5 Liabilities

Trade and other payables consist of trade payables of R4,7 million (2024: R2,5 million), accruals of R4,2 million (2024: R3,3 million) and an accrual for leave pay of R5,2 million (2022: R5,0 million). Net payables from exchange transactions is R15,2 million (2024: R11,9 million).

3.6 Surplus for the year

The IRBA reflected a surplus for the year of R2,0 million (2024: R19,6 million).

3.7 Reserves

Reserves include three funds that were approved by National Treasury - a Trust Fund and two contingency funds for disciplinary cases and operational working capital requirements.

- The Trust Fund was established in 2010, as prescribed by the Minister of Finance, and it has R10 million, representing the proceeds of the sale of a building previously owned by the IRBA. The R10 million cash to fund the reserve is classified as restricted cash under non-current assets.
- The contingency fund for disciplinary cases was established to protect the operating capacity of the IRBA against the impact of unforeseen and exceptional disciplinary costs.
- The contingency fund for operational working capital requirements was established to accumulate funds for the IRBA's short-term working capital requirements, capital expenditure, budgeted deficit (if any), as well as other unforeseen short-term requirements. This fund is maintained at approximately three months' operational expenditure.

3.8 Budget

The PFMA states the following in Chapter 6: Public Entities, Section 53 (3):

"A public entity which must submit a budget in terms of subsection (1) may not budget for a deficit and may not accumulate surpluses unless the prior written approval of the National Treasury has been obtained."

The budget for 2024/2025 was a breakeven budget and it was approved by the Board and National Treasury in January 2024.

4. Accounting Authority

The membership of the IRBA Board during the year and to the date of this report was as follows:

	Board Members' Current Term
F Tonelli (Chairperson)	8 June 2024 - 7 June 2027
N Ford-Hoon (Deputy Chairperson)	8 June 2024 - 7 June 2027
R Benjamin-Swales	8 June 2024 - 7 June 2027
P Phili	8 June 2024 - 7 June 2027
R Hawkins	8 June 2024 - 7 June 2027
T Kutumela	8 June 2024 - 7 June 2027
N Maharaj	8 June 2024 - 7 June 2027
Z Mshengu	8 June 2024 - 7 June 2027
P Sibiya	18 May 2023 - 17 May 2026
M Mosala	18 May 2023 - 17 May 2026

5. Ministerial Representative

The Accountant-General of National Treasury represents the Minister on the Board.

6. Business and Registered Address Physical address

Physical address	Building 2 Greenstone Hill Office Park, Emerald Boulevard, Modderfontein 1609
Postal address	PO Box 8237 Greenstone 1616

7. Bankers

The Standard Bank of South Africa
South African Reserve Bank

8. Auditors

Auditor-General South Africa

Report of the **Audit and Risk Management Committee**

We are pleased to present the report for the financial year ended 31 March 2025.

The ARMCO is a subcommittee of the Board and it consists of independent, non-executive Board members. Its overall objectives are to assist the Board with its responsibility of ensuring that adequate systems and controls are in place, thus ensuring that the assets are safeguarded; assessing the going concern status; reviewing the financial information; and overseeing the preparation of the Annual Financial Statements.

The committee also assists the Board in fulfilling its responsibilities in relation to risk management by ensuring that management identifies and addresses significant risks affecting its strategic objectives, and those associated with the environment within which the IRBA operates.

The ARMCO meets at least four times a year, as per its approved terms of reference. Management, internal auditors and external auditors attend these meetings as standing invitees.

During this reporting year, five meetings were held. Meeting attendance appears on page 21.

Committee Responsibility

The committee has complied with its responsibilities, as set out in Section 51(1)(a)(ii) of the PFMA and Treasury Regulation 27.1. It has also operated within its terms of reference, regulated its affairs in compliance with these terms and discharged all its responsibilities as contained therein.

Effectiveness of Internal Control

In line with the PFMA and the adopted King IV Report on Corporate Governance requirements, Internal Audit provides the committee and management with assurance that the internal controls are adequately designed and operating effectively. The system of internal control applied by the IRBA over financial risk and risk management is effective, efficient and transparent. This is achieved by means of a risk management process, as well as the identification of corrective actions and suggested enhancements to the controls and processes.

From the various reports of the internal auditors, the external auditors' independent audit report on the Annual Financial Statements and the management report of the Auditor-General South Africa, it was noted that no significant or material non-compliance with prescribed policies and procedures had been reported.

The committee is satisfied with the expertise and adequacy of resources within the IRBA's finance function. Based on our oversight activities, including reliance on the reports obtained from management, the internal auditors and the external auditors, we can report that the system of internal control for the period under review was adequate and effective.

Risk Management

The Board has committed the IRBA to a process of risk management that is aligned to the principles of good corporate governance. It has delegated certain aspects of its authority that pertain to risk management to the ARMCO.

The Risk Management Policy ensures that the IRBA identifies and manages strategic, operational and, where relevant, project risks. In terms of this policy, a Risk Plan must be prepared and linked to the Risk Register, as well as the objectives of the IRBA. The Risk Governance Framework is based on the IRBA's risk maturity profile. The policy has been prepared in terms of the principles prescribed by the King IV Report on Corporate Governance, the PFMA and National Treasury Regulations.

A Risk Management Strategy, incorporating a Fraud Prevention Plan, is in place. Given the dynamic environment within which the IRBA operates, the effectiveness and relevance of these plans are assessed on a regular basis. Risks identified as significant to the IRBA are periodically evaluated and the Risk Management Plan is reviewed accordingly.

The committee is satisfied with the effectiveness of the risk management process.

Information and Communication Technology (ICT)

The committee is also responsible for the governance of ICT. Its mandate is to ensure proper and appropriate governance of ICT within the IRBA through the creation and implementation of a suitable governance framework, in line with the principles and practices of corporate governance put forward in the ICT Policy.

The primary objectives of the IRBA's ICT governance framework address the following:

- Business Value: Ensuring that ICT assists and enables the achievement of business objectives and meets the business needs of the IRBA.
- Resource Optimisation: Providing relevant ICT resources (people, processes and technology), organisational structure, capacity and capability to enable ICT service delivery.
- Risk Management: Ensuring that ICT risk is managed and ICT service delivery, performance and conformance to relevant internal and external policies are monitored.
- Transparency to Stakeholders: Ensuring that there is transparency to the relevant stakeholders regarding ICT performance and plans.

The committee ensures that its procedures and processes are compliant with the recommendations in the King IV Report on Corporate Governance.

Quarterly Reports

The IRBA, as a public entity, reported quarterly to National Treasury, as required. The committee is satisfied with the content and quality of quarterly reports prepared by management and issued by the Chief Executive Officer during the year under review.

Evaluation of Financial Statements

The committee has:

- Reviewed and discussed with the Auditor-General South Africa and the Accounting Authority the audited Annual Financial Statements included in the Annual Report.
- Reviewed the Auditor-General South Africa's management report and management's response thereto.
- Reviewed possible significant adjustments resulting from the audit, of which there were none.
- Reviewed the information on predetermined objectives, as reported in the Annual Report.

The committee concurs with and accepts the Auditor-General's conclusions on the Annual Financial Statements and is of the opinion that the audited Annual Financial Statements be accepted and read together with the report of the Auditor-General South Africa.

Internal Audit

The committee is satisfied that the internal audit function is operating effectively and its internal audit procedures have addressed the risks pertinent to the IRBA.

The following internal audit work was completed during this financial year:

- Review of the Annual Performance Plan;
- Review of the Annual Performance Report;
- Review of the adequacy and effectiveness of the investigations processes; and
- Probity review of the IRBA website tender.

External Audit

The committee met with the Auditor-General South Africa to ensure that there were no unresolved issues.

Going Concern

The IRBA's Annual Financial Statements were prepared on a going concern basis and the committee is satisfied that the regulator is financially sound and has adequate resources to continue operating for the foreseeable future.

Appreciation

I wish to express my appreciation to the committee members and management for their commitment and support throughout this financial year.

Z Mshengu
Chairperson

Report of the Auditor-General
to Parliament on the Independent Regulatory Board for Auditors

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Independent Regulatory Board for Auditors (IRBA) set out on pages 78-99, which comprise the statement of financial position as at 31 March 2025, statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the IRBA as at 31 March 2025 and its financial performance and cash flows for the year then ended in accordance with Standards of Generally Recognised Accounting Practices (Standards of GRAP) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the responsibilities of the auditor-general for the audit of the financial statements section of my report.
4. I am independent of the entity in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA Code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other matters

6. I draw attention to the matter below. My opinion is not modified in respect of this matter.

Unaudited supplementary schedules

7. The supplementary information set out on page 100 does not form part of the financial accounts and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion thereon.

Responsibilities of the accounting authority for the financial statements

8. The accounting authority is responsible for the preparation and fair presentation of the financial statements in accordance with the Standards of GRAP and the requirements of the PFMA and for such internal control as the accounting authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
9. In preparing the financial statements, the accounting authority is responsible for assessing the entity's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the auditor-general for the audit of the financial statements

10. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
11. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report. This description, which is located on pages 76-77, forms part of my auditor's report.

Report on the audit of the annual performance report

12. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for the selected programmes presented in the annual performance report. The accounting authority is responsible for the preparation of the annual performance report.
13. I selected the following strategic focus areas presented in the annual performance report for the year ended 31 March 2025 for auditing. I selected strategic focus areas that measures the entity's performance on its primary mandated functions and that are of significant national, community or public interest.

Strategic Focus Areas	Page numbers	Purpose
Strategic Focus Area 2: Education	27	Providing an appropriate framework for the education and training of properly qualified auditors
Strategic Focus Area 3: Inspections	29	To monitor registered auditors' compliance with professional standards
Strategic Focus Area 4: Investigations	30	To investigate and take appropriate action against registered auditors in respect of improper conduct

14. I evaluated the reported performance information for the selected programmes against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using this criteria, it provides useful and reliable information and insights to users on the entity's planning and delivery on its mandate and objectives.
15. I performed procedures to test whether:
    - The indicators used for planning and reporting on performance can be linked directly to the entity's mandate and the achievement of its planned objectives.
    - All the indicators relevant for measuring the entity's performance against its primary mandated and prioritised functions and planned objectives are included.
    - The indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that I can confirm the methods and processes to be used for measuring achievements.
    - The targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated.
    - The indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents.
    - The reported performance information is presented in the annual performance report in the prescribed manner and is comparable and understandable.
    - There is adequate supporting evidence for the achievements reported and for the reasons provided for any over or underachievement of targets.
16. I performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion or conclusion.
17. I did not identify any material findings on the reported performance information for the selected strategic focus areas.

Other matter

18. I draw attention to the matter below.

Achievement of planned targets

19. The annual performance report includes information on reported achievements against planned targets and provides explanations for over- or under achievements.

Report on compliance with legislation

20. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting authority is responsible for the entity's compliance with legislation.
21. I performed procedures to test compliance

with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.

22. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the entity, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.
23. I did not identify any material non-compliance with the selected legislative requirements.

Other information in the annual report

24. The accounting authority is responsible for the other information included in the annual report. The other information does not include the financial statements, the auditor's report and those selected strategic focus areas presented in the annual performance report that have been specifically reported on in this auditor's report.
25. My opinion on the financial statements and my reports on the audit of the annual performance report and compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.
26. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
27. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

28. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.
29. I did not identify any significant deficiencies in internal control.

Auditor-General

Pretoria
31 July 2025

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure to the Auditor's Report

The annexure includes the following:

- The auditor-general's responsibility for the audit.
- The selected legislative requirements for compliance testing.

Auditor-General's responsibility for the audit

Professional judgement and professional scepticism

As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected strategic focus areas and on the entity's compliance with selected requirements in key legislation.

Financial statements

In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the entity's to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause an entity to cease operating as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

I communicate with the accounting authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the accounting authority with a statement that I have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Section, regulation or paragraph
Public Finance Management Act 1 of 1999	Section 51(1)(b)(i); 51(1)(b)(ii); 51(1)(e)(iii); 53(4); 54(2)(c); 54(2)(d); 55(1)(a); 55(1)(b); 55(1)(c)(i); 56; 57(b); 66(3)(c); 66(5)
Treasury Regulations, 2005	Regulation 16A3.2; 16A3.2(a); 16A6.1; 16A6.2(a); 16A6.2(b); 16A6.3(a); 16A6.3(b); 16A6.3(c); 16A6.3(e); 16A6.4; 16A6.5; 16A6.6; 16A.7.1; 16A.7.3; 16A.7.6; 16A8.3; 16A8.4; 16A9.1(b)(ii); 16A 9.1(d); 16A9.1(e); 16A9.1(f); 16A9.2; 16A9.2(a)(ii); 30.1.1; 31.1.2(c); 30.1.3(a); 30.1.3(b); 30.1.3(d); 30.2.1; 31.2.1; 31.2.5; 31.2.7(a); 31.3.3; 32.1.1(a); 32.1.1(b); 32.1.1(c); 33.1.1; 33.1.3
Construction Industry Development Board Act 38 of 2000	Section 18(1)
Construction Industry Development Board Regulations, 2004	Regulation 17; 25(7A)
National Treasury Instruction No. 5 of 2020/21	Paragraph 4.8; 4.9; 5.3
Second Amendment National Treasury Instruction No. 5 of 202/21	Paragraph 1
Erratum National Treasury Instruction No. 5 of 202/21	Paragraph 2
National Treasury Instruction No. 1 of 2021/22	Paragraph 4.1
National Treasury Instruction No. 4 of 2015/16	Paragraph 3.4
National Treasury SCM Instruction No. 4A of 2016/17	Paragraph 6
National Treasury SCM Instruction No. 03 of 2021/22	Paragraph 4.1; 4.2(b); 4.3; 4.4; 4.4(a); 4.17; 7.2; 7.6
National Treasury SCM Instruction No. 11 of 2020/21	Paragraph 3.4(a); 3.4(b); 3.9
National Treasury SCM Instruction No. 2 of 2021/22	Paragraph 3.2.1; 3.2.4; 3.2.4(a); 3.3.1
National Treasury Practice Note 5 of 2009/10	Paragraph 3.3
National Treasury Practice Note 7 of 2009/10	Paragraph 4.1.2
Preferential Procurement Policy Framework Act 5 of 2000	Section 1; 2.1(a); 2.1(f)
Preferential Procurement Regulations, 2022	Regulation 4.1; 4.2; 4.3; 4.4; 5.1; 5.2; 5.3; 5.4
Preferential Procurement Regulations, 2017	Regulation 4.1; 4.2; 5.1; 5.3; 5.6; 5.7; 6.1; 6.2; 6.3; 6.6; 6.8; 7.1; 7.2; 7.3; 7.6; 7.8; 8.2; 8.5; 9.1; 10.1; 10.2; 11.1; 11.2
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)

Statement of **Financial Position**

for the year ended 31 March 2025

Figures in Rand	Notes	2025	2024
Assets			
Current Assets			
Inventories		402 353	332 053
Loans receivable	3	706 905	236 606
Receivables from exchange transactions	4	5 558 520	3 975 632
Receivables from non-exchange transactions	5	11 844 340	15 510 266
Cash and cash equivalents	6	125 823 352	111 183 488
		144 335 470	**131 238 045**
Non-Current Assets			
Plant and equipment	7	9 834 937	12 220 071
Intangible assets	8	2 247 580	2 228 234
Restricted cash	9	10 000 000	10 000 000
		22 082 517	**24 448 305**
Total Assets		**166 417 987**	**155 686 350**
Liabilities			
Current Liabilities			
Operating lease liability	10	394 286	394 286
Payables from exchange transactions	11	15 245 064	11 883 566
Provisions	12	11 270 498	3 000 000
		26 909 848	**15 277 852**
Non-Current Liabilities			
Operating lease liability	10	2 747 712	3 204 372
Total Liabilities		**29 657 560**	**18 482 224**
Net Assets		**136 760 427**	**137 204 126**
Reserves			
Trust Fund		10 000 000	10 000 000
Contingency Fund - Disciplinary Cases		27 511 566	26 974 891
Contingency Fund - Operational		12 846 134	11 283 799
Accumulated surplus		86 402 727	88 945 436
Total Net Assets		**136 760 427**	**137 204 126**

Statement of **Financial Performance**

for the year ended 31 March 2025

Figures in Rand	Note	2025	2024
Revenue	13	197 821 603	199 467 663
Other income		176 947	-
Operating expenses		(55 369 692)	(49 788 566)
Lease rentals on operating leases		(4 273 540)	(4 273 540)
Loss on sale of plant and equipment		-	(70 994)
Employee costs		(144 013 481)	(132 485 648)
Depreciation, amortisation and change in accounting estimates		(4 247 905)	(4 110 190)
Operating (deficit) surplus		**(9 906 068)**	**8 738 725**
Interest received		11 892 599	10 907 949
Surplus for the year		**1 986 531**	**19 646 674**

Statement of **Changes in Net Assets**

for the year ended 31 March 2025

Figures in Rand	Trust Fund	Contingency Fund - Disciplinary Cases	Contingency Fund - Operational	Total reserves	Accumulated surplus	Total net assets
Balance at 01 April 2023	**10 000 000**	**25 582 374**	**7 884 397**	**43 466 771**	**74 090 681**	**117 557 452**
Changes in net assets						
Surplus for the year	-	-	-	-	19 646 674	19 646 674
Transfer to contingency fund: Disciplinary cases	-	1 392 517	-	1 392 517	(1 392 517)	-
Transfer to contingency fund: Operational	-	-	3 399 402	3 399 402	(3 399 402)	-
Total changes	-	1 392 517	3 399 402	4 791 919	14 854 755	19 646 674
Balance at 01 April 2024	**10 000 000**	**26 974 891**	**11 283 799**	**48 258 690**	**88 945 436**	**137 204 126**
Changes in net assets						
Surplus for the year	-	-	-	-	1 986 531	1 986 531
Transfer to contingency fund: Disciplinary cases	-	536 675	-	536 675	(536 675)	-
Transfer to contingency fund: Operational	-	-	1 562 335	1 562 335	(1 562 335)	-
Accumulated surplus surrendered to National Revenue Fund	-	-	-	-	(2 430 230)	(2 430 230)
Total changes	-	536 675	1 562 335	2 099 010	(2 542 709)	(443 699)
Balance at 31 March 2025	**10 000 000**	**27 511 566**	**12 846 134**	**50 357 700**	**86 402 727**	**136 760 427**

Cash Flow **Statement**

for the year ended 31 March 2025

Figures in Rand	Notes	2025	2024
Cash flows from operating activities			
Receipts			
Sale of goods and services		152 781 699	152 008 727
Grants		47 421 000	45 857 000
Interest income		11 892 599	10 907 949
		212 095 298	**208 773 676**
Payments			
Cash paid to suppliers and employees		(192 849 735)	(187 403 079)
Net cash flows from operating activities	14	**19 245 563**	**21 370 597**
Cash flows to investing activities			
Purchase of plant and equipment	7	(1 225 042)	(3 123 325)
Proceeds from sale of plant and equipment		233 710	117 231
Purchase of other intangible assets	8	(717 046)	(894 819)
Proceeds from sale of other intangible assets	8	3 208	292
Net movements in loans receivable		(470 299)	24 872
Net cash flows to investing activities		**(2 175 469)**	**(3 875 749)**
Cash flows from financing activities			
Accumulated surplus surrendered to National Revenue Fund		(2 430 230)	-
Net increase in cash and cash equivalents		**14 639 864**	**17 494 848**
Cash and cash equivalents at the beginning of the year		111 183 488	93 688 640
Cash and cash equivalents at the end of the year	**6**	**125 823 352**	**111 183 488**

Statement of **Comparison of Budget and Actual Amounts**

for the year ended 31 March 2025

Figures in Rand	Approved budget	Actual amounts on comparable basis	Difference between final budget and actual
Statement of Financial Performance			
Revenue			
Revenue from exchange transactions			
Revenue from regulatory functions	57 341 880	55 419 362	**(1 922 518)**
Other income	147 000	237 774	**90 774**
Total revenue from exchange transactions	**57 488 880**	**55 657 136**	**(1 831 744)**
Revenue from non-exchange transactions			
Government grant	47 421 000	47 421 000	**-**
Revenue from regulatory functions	106 214 140	94 743 467	**(11 470 673)**
Total revenue from non-exchange transactions	**153 635 140**	**142 164 467**	**(11 470 673)**
Total revenue	**211 124 020**	**197 821 603**	**(13 302 417)**
Expenditure			
Personnel	(144 018 088)	(144 013 481)	**4 607**
Depreciation and amortisation	(5 305 921)	(4 247 905)	**1 058 016**
Lease of building	(4 273 536)	(4 273 540)	**(4)**
Debt impairment	-	(3 556 256)	**(3 556 256)**
Committee expenses	(12 635 582)	(7 010 762)	**5 624 820**
General expenses	(13 996 764)	(15 413 892)	**(1 417 128)**
Direct expenses	(23 579 712)	(12 495 067)	**11 084 645**
Departmental expenses	(14 413 417)	(16 893 715)	**(2 480 298)**
Total expenditure	**(218 223 020)**	**(207 904 618)**	**10 318 402**
Operating net deficit	**(7 099 000)**	**(10 083 015)**	**(2 984 015)**
Gain on disposal of assets	-	176 947	**176 947**
Interest received	7 099 000	11 892 599	**4 793 599**
Actual Surplus on comparable basis as presented in the budget and actual comparative statement	**-**	**1 986 531**	**1 986 531**

Refer to Note 26 for the explanations of budget vs actual.

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the GRAP issued by the Accounting Standards Board, in accordance with Section 91(1) of the PFMA.

These annual financial statements have been prepared on the accrual basis of accounting and are in accordance with the historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African rand.

A summary of the significant accounting policies, which have been consistently applied in the preparation of these annual financial statements, is disclosed below.

These accounting policies are consistent with the previous period.

1.1 Going concern assumption

These annual financial statements have been prepared based on the expectation that the IRBA will continue to operate as a going concern for at least the next 12 months.

Forecasts and Budgets

As part of the budgeting process, the IRBA has prepared a budget that coincides with the MTEF, as set by National Treasury for the next three years. Based on the current budget assumptions, the IRBA will have a positive cash flow balance as at 31 March 2026.

Environment Impact

The Minister of Finance has approved the use of the R10 million Trust Fund ring-fenced fund for the exclusive benefit of high-profile investigations and/or disciplinary hearings.

The IRBA management is committed to keeping spending within the approved budget and has mechanisms in place to guard against overspending.

Contingency Funds

The IRBA maintains two contingency funds (Disciplinary Cases and Operational) to ensure that it can deliver on its mandate. These funds are also aimed at helping to protect the IRBA from unforeseen or exceptional costs.

1.2 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgements include:

Loans and receivables

The IRBA assesses its loans and receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, management makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset. The impairment for loans and receivables is calculated on an individual item basis, based on historical loss ratios.

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in Note 12 - Provisions.

Determination of useful lives for plant and equipment

The nature of the IRBA's operations results in difficulties in determining the useful lives of plant and equipment items. The assets' lives exceed industry norms for similar assets. In re-assessing useful lives, the depreciation charge in the income statement is adjusted.

Effective interest rate

The IRBA uses an appropriate interest rate by considering accounting guidance provided in the accounting standards and applying professional judgement to the specific circumstances to discount future cash flows.

Appropriate adjustments have been made to compensate for the effect of deferred settlement terms that materially impact the fair value of financial instruments, revenue and expenses at initial recognition. The adjustments require a degree of estimation around the discount rates and periods used.

Allowance for doubtful debts

On debtors an impairment loss is recognised in surplus and deficit when there is objective evidence that it is impaired. The impairment is measured as the difference between the debtors' carrying amount and the present value of estimated future cash flows discounted at the effective interest rate, computed at initial recognition.

Adequacy of the leave pay accrual

The leave pay accrual is based on actual days accrued at the rate of remuneration at the reporting date. Changes in the rate of remuneration are determined annually and are effective from the first date of the financial year. The accrual is only utilised when staff resign, as unused leave is forfeited nine months after the year in which it accrued.

1.3 Plant and equipment

Plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes; and are expected to be used during more than one period.

The cost of a plant and equipment item is recognised as an asset when:

- It is probable that future economic benefits or service potential associated with the item will flow to the IRBA; and
- The cost of the item can be measured reliably.

Plant and equipment are initially measured at cost.

The cost of a plant and equipment item is the purchase price and other costs attributable to bring the asset to the location and the condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

Recognition of costs in the carrying amount of a plant and equipment item ceases when the item is at the location and in the condition necessary for it to be capable of operating in the manner intended by management.

Plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value.

The useful lives of plant and equipment items have been assessed as follows:

Item	Depreciation method	Average useful life
Furniture and fixtures	Straight line	10-15 years
Motor vehicles	Straight line	5 years
Computer equipment	Straight line	3-5 years
Leasehold improvements	Straight line	7 years

The residual value as well as the useful life and depreciation method of each asset are reviewed at the end of each reporting date. If the expectations differ from previous estimates, the change is accounted for as a change in the accounting estimate.

Plant and equipment items are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising from the derecognition of a plant and equipment item is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of a plant and equipment item is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

1.4 Intangible assets

Intangible assets are initially recognised at cost.

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- It is technically feasible to complete the asset, so that it will be available for use or sale.
- There is an intention to complete and use or sell it.
- There is an ability to use or sell it.
- It will generate probable future economic benefits or service potential.
- There are available technical, financial and other resources to complete the development and to use or sell the asset.
- The expenditure attributable to the asset during its development can be measured reliably.

Intangible assets are carried at cost, less any accumulated amortisation and any impairment losses.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	Depreciation method	Average useful life
Computer software and development cost	Straight line	3-5 years

The gain or loss arising from the derecognition of intangible assets is included in surplus or deficit when the asset is derecognised.

1.5 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of an entity and a financial liability or a residual interest of another entity.

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation, using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectability.

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Derecognition is the removal of a previously recognised financial asset or financial liability from a Statement of Financial Position.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's-length transaction.

A financial asset is:

- Cash;
- A residual interest of another entity; or
- A contractual right to:
    - Receive cash or another financial asset from another entity; or
    - Exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the IRBA.

A financial liability is any liability that is a contractual obligation to:

- Deliver cash or another financial asset to another entity; or
- Exchange financial assets or financial liabilities under conditions that are, potentially, unfavourable to the IRBA.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Liquidity risk is the risk encountered by the IRBA in the event of a difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Classification

The IRBA has the following types of financial assets (classes and category), as reflected in the Statement of Financial Position or in the notes thereto:

Class	Category
Loans and receivables	Financial assets measured at amortised cost, which, due to their short-term nature, closely approximate their fair value.
Receivables from exchange/non-exchange transactions	Financial assets measured at amortised cost, which, due to their short-term nature, closely approximate their fair value.
Cash and cash equivalents	Financial assets measured at amortised cost, which, due to their short-term nature, closely approximate their fair value.

The IRBA has the following types of financial liabilities (classes and category), as reflected in the Statement of Financial Position or in the notes thereto:

Class	Category
Payables from exchange/non-exchange transactions	Financial liabilities measured at amortised cost, which, due to their short-term nature, closely approximate their fair value.

Initial Recognition

The IRBA recognises a financial asset or a financial liability in its Statement of Financial Position when it becomes a party to the contractual provisions of the instrument.

The IRBA recognises financial assets using trade date accounting.

De-recognition

Financial assets

The IRBA derecognises financial assets using trade date accounting. The IRBA derecognises a financial asset only when:

- The contractual rights to the cash flows from the financial asset expire, are settled or waived;
- The IRBA transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or
- The IRBA, despite having retained some significant risks and rewards of ownership of the financial asset, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the IRBA:
  - Derecognises the asset; and
  - Recognises separately any rights and obligations created or retained in the transfer.

Financial liabilities

The IRBA removes a financial liability (or part of a financial liability) from its Statement of Financial Position when it is extinguished, i.e. when the obligation specified in the contract is discharged, cancelled, expires or is waived.

Presentation

Interest relating to a financial instrument or a component that is a financial liability is recognised as other income or expense in surplus or deficit.

Losses and gains relating to a financial instrument or a component that is a financial liability are recognised as revenue or expense in surplus or deficit.

1.6 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Operating leases - lessee

Operating lease payments are recognised as an expense on a straight line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments is recognised as an operating lease asset or liability.

1.7 Employee benefits

Employee benefits are all forms of consideration given by the IRBA in exchange for services rendered by employees. Termination benefits are employee benefits payable as a result of either:

- The IRBA's decision to terminate an employee's employment before the normal retirement date; or
- An employee's decision to accept voluntary redundancy in exchange for those benefits.

Provision for employee entitlement to annual leave represents the present obligation that the IRBA has to pay as a result of employees' services provided up to the reporting date. The provision has been calculated at undiscounted amounts based on salary rates effective on the reporting date. Changes in the rate of remuneration are determined annually and are effective from the first date of the financial year.

1.8 Provisions and contingencies

Provisions are recognised when:

- The IRBA has a present obligation as a result of a past event;
- It is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- A reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

A provision is used only for expenditures for which the provision was originally recognised.

Contingent liabilities are recorded in the notes to the financial statements, when there is a possible obligation that arises from past events; and where existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the IRBA or when there is a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation, or the amount of the obligation cannot be measured reliably.

1.9 Revenue from exchange transactions

An exchange transaction is one in which the IRBA receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

Measurement and recognition

Revenue is measured at the fair value of the consideration received or receivable.

Revenue from regulatory functions

Revenue from regulatory functions is recognised by reference to the stage of completion of the transaction at the reporting date. The stage of completion is determined by regulatory functions performed to date as a percentage of total regulatory functions to be performed.

1.10 Revenue from non-exchange transactions

Non-exchange transactions are defined as transactions where the IRBA receives value from another entity without directly giving approximately equal value in exchange.

Measurement and recognition

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the IRBA.

Government grants

Government grants are recognised as revenue when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the IRBA; and
- The amount of the revenue can be measured reliably. As the IRBA satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

1.11 Investment income

Investment income is recognised on a time-proportion basis using the effective interest method.

1.12 Budget information

The Statement of Comparison of Budget and Actual Information has been included in the annual financial statements as the recommended disclosure when the annual financial statements and the budget are on the same basis of accounting as determined by National Treasury.

1.13 Related parties

The IRBA is exempt from disclosure requirements in relation to related party transactions, if that transaction occurs within normal supplier and/or client/recipient relationships on terms and conditions no more or less favourable than those which it is reasonable to expect the IRBA to have adopted, if dealing with that individual entity or person in the same circumstances, and terms and conditions are within the normal operating parameters established by that reporting entity's legal mandate.

Where the IRBA is exempt from the disclosures in accordance with the above, the IRBA discloses narrative information about the nature of the transactions and the related outstanding balances to enable users of the entity's financial statements to understand the effect of related party transactions on its annual financial statements.

1.14 Reserves

The following reserves, as approved by National Treasury, have been established in order to provide for sufficient cash resources for possible contingencies and the Trust Fund.

Contingency Fund - Disciplinary Cases

This is a fund established to maintain the IRBA's long-term capital requirements and to protect the IRBA's operating capacity against the effects of inflation and unforeseen events. This will further cover the unforeseen expenses for disciplinary cases that cannot be covered within the normal budget parameters. This reserve is maintained at a maximum of approximately 20% of the annual income from registered auditors.

Contingency Fund - Operational

This is a fund established to accumulate funding for the IRBA's short-term working capital requirements, capital expenditure, budgeted deficit (if any), as well as other unforeseen short-term requirements. This fund is maintained at a level of approximately three months' operational expenditure.

Trust Fund

This fund was established to ring-fence the capital proceeds of the 2010 sale of a building previously owned by the IRBA, as prescribed by the Minister of Finance. The interest income on the funds in the trust is used for the development of previously disadvantaged students who aspire to become registered auditors, and to raise awareness of the auditing profession at various levels. The capital may be used for high-profile disciplinary cases.

2. New Standards and Interpretations

2.1 Standards and interpretations issued, but not yet effective

The IRBA has not applied the following standards and interpretations, which have been published and are mandatory for the IRBA's accounting periods beginning on or after 01 April 2025 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• GRAP 104 (as revised): Financial Instruments	01 April 2025	Unlikely there will be a material impact

3. Loans to / (from) Economic Entities

Figures in Rand	2025	2024
Study loans and travel advances	706 905	236 606

Loans receivable consists of study loans and travel advances made to staff members. The loans are interest free and repayable within 12 months and the effect of discounting is not material.

4. Receivables from Exchange Transactions

Figures in Rand	2025	2024
Trade debtors	2 368 595	2 511 572
Prepaid expenses	3 432 215	1 466 900
Less: Impairment provision	(242 290)	(2 840)
	5 558 520	**3 975 632**

Statutory receivables included in receivables from exchange transactions above are as follows:

Figures in Rand	2025	2024
Education and Transformation - Trainee levies	2 142 710	2 506 217
License Fees	26 905	-
Less: Impairment provision	(242 290)	(2 840)
	1 927 325	**2 503 377**

Trade and other receivables pledged as security

Trade and other receivables are not pledged as security.

Trade and other receivables past due but not impaired

Management has assessed that the unimpaired amounts that are past due by more than 30 days are still collectible, based on historical payment behaviour.

The ageing of amounts past due but not impaired is as follows:

Figures in Rand	2025	2024
1 month past due	566 315	206 250
2 months past due	-	42 464
3 months past due	210 856	49 080

Figures in Rand	2025	2024
Reconciliation of provision for impairment of trade and other receivables		
Opening balance	(2 840)	(3 091)
Provision for impairment	(239 450)	251
	(242 290)	**(2 840)**

5. Receivables from Non-exchange Transactions

Figures in Rand	2025	2024
Fines, penalties and legal cost recoveries outstanding	20 379 701	22 053 529
Assurance fees debtors	1 391 740	1 812 468
Less: Impairment provision	(9 927 101)	(8 355 731)
	11 844 340	**15 510 266**

Receivables from non-exchange transactions (statutory receivables) pledged as security

Trade and other receivables are not pledged as security.

Receivables from non-exchange transactions past due but not impaired

Management has assessed that the unimpaired amounts that are past due by more than 30 days are still collectible, based on historical payment behaviour.

The ageing of amounts past due but not impaired is as follows:

Figures in Rand	2025	2024
1 month past due	153 605	510 686
2 months past due	1 738	1 713 297
3 months past due	7 958 997	10 278 747

Reconciliation of provision for impairment of receivables from non-exchange transactions

Figures in Rand	2025	2024
Opening balance	(8 355 731)	(4 558 878)
Provision for impairment	(1 571 370)	(3 796 853)
	(9 927 101)	**(8 355 731)**

The creation and release of provision for impaired receivables have been included in operating expenses in the Statement of Financial Performance.

6. Cash and Cash Equivalents

Cash and cash equivalents consist of:

Figures in Rand	2025	2024
Cash on hand	-	5 321
Current Accounts	124 938 576	110 293 391
12-Month Term Deposit	884 776	884 776
	125 823 352	**111 183 488**

The cash and cash equivalents held by the IRBA may only be used in accordance with its mandate. No restrictions have been placed on the use of cash and cash equivalents for the operations of the IRBA.

Cash funded reserves

In order to provide for sufficient cash resources for future expenditure, the following reserves have been established: Contingency Fund - Disciplinary Cases, R27 511 566 (2024: R26 974 891); and Contingency Fund - Operational, R12 846 134 (2024: R11 283 799). Any shortage in cash resources to fund these reserves will be funded from working capital.

The IRBA maintains an operating cash float in its current account and call deposit account. The rest is invested in a Reserve Bank CPD account, as instructed by National Treasury.

12-month term deposit

An amount of R884 776 (2024: R884 776) has been pledged as a guarantee in terms of the lease agreement for the current premises, interest received is not capitalised.

7. Plant and Equipment

	2025			2024		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Furniture and fixtures	3 070 257	(1 703 547)	1 366 710	2 960 399	(1 495 737)	1 464 662
Motor vehicles	627 168	(163 390)	463 778	942 951	(311 917)	631 034
IT equipment	9 515 054	(6 205 922)	3 309 132	8 975 774	(5 065 039)	3 910 735
Leasehold improvements	8 994 575	(4 299 258)	4 695 317	8 948 767	(2 735 127)	6 213 640
Total	**22 207 054**	**(12 372 117)**	**9 834 937**	**21 827 891**	**(9 607 820)**	**12 220 071**

Reconciliation of plant and equipment - 2025

	Opening balance	Additions	Disposals	Depreciation/ Change in accounting estimates	Total
Furniture and fixtures	1 464 662	128 335	(1 054)	(225 233)	1 366 710
Motor vehicles	631 034	-	(13 684)	(153 572)	463 778
IT equipment	3 910 735	1 050 899	(42 025)	(1 610 477)	3 309 132
Leasehold improvements	6 213 640	45 808	-	(1 564 131)	4 695 317
	12 220 071	**1 225 042**	**(56 763)**	**(3 553 413)**	**9 834 937**

Reconciliation of plant and equipment - 2024

	Opening balance	Additions	Disposals	Depreciation/ Change in accounting estimates	Total
Furniture and fixtures	1 431 851	352 207	(106 809)	(212 587)	1 464 662
Motor vehicles	50 525	627 168	-	(46 659)	631 034
IT equipment	4 534 699	1 273 604	(81 416)	(1 816 152)	3 910 735
Leasehold improvements	6 743 114	870 346	-	(1 399 820)	6 213 640
	12 760 189	**3 123 325**	**(188 225)**	**(3 475 218)**	**12 220 071**

8. Intangible Assets

	2025			2024		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Computer software	9 545 492	(7 297 912)	2 247 580	8 902 081	(6 673 847)	2 228 234

Reconciliation of intangible assets - 2025

	Opening balance	Additions	Disposals	Amortisation/ Change in accounting estimates	Total
Computer software	2 228 234	717 046	(3 208)	(694 492)	2 247 580

Reconciliation of intangible assets - 2024

	Opening balance	Additions	Disposals	Amortisation/ Change in accounting estimates	Total
Computer software	1 968 679	894 819	(292)	(634 972)	2 228 234

9. Restricted Cash

An amount of R10 million was received from the sale of an IRBA-owned building. The Minister of Finance restricted the use of the capital amount. The interest income on the amount is used for the development of previously disadvantaged students who aspire to become registered auditors, and to raise awareness of the auditing profession at various levels. The capital may be used for high-profile disciplinary cases.

10. Operating Lease Liability

Figures in Rand	2025	2024
Non-current liability	(2 747 712)	(3 204 372)
Current liability	(394 286)	(394 286)
	(3 141 998)	**(3 598 658)**
Total lessor incentive	(788 571)	(1 182 856)
Add: Current liability	(394 286)	(394 286)
Lessor incentive	(1 182 857)	(1 577 142)
Operating lease accrual	(1 959 140)	(2 021 516)
	(3 141 997)	**(3 598 658)**

The building lessor gave an incentive on the extension of the lease. The incentive is set off against the rent payable over the term of the lease. The lease payment has an annual escalation of 6%.

11. Payables from Exchange Transactions

Figures in Rand	2025	2024
Trade payables	4 674 303	2 514 041
Other accruals	4 223 984	3 260 843
Registration application fees	1 151 905	1 066 060
Accrued leave pay	5 194 872	5 042 622
	15 245 064	**11 883 566**

Payables from exchange transactions principally comprise amounts outstanding for trade purchases and ongoing costs. The average payment period for payables is 30 days or less. The IRBA considers that the carrying amount of trade and other payables approximates the fair value.

12. Provisions

Reconciliation of provisions - 2025

	Opening Balance	Additions	Utilised during the year	Total
Legal proceedings	3 000 000	11 270 498	(3 000 000)	11 270 498

Reconciliation of provisions - 2024

	Opening Balance	Additions	Total
Legal proceedings	-	3 000 000	3 000 000

Legal proceedings provisions

The provision relates to cost orders in favour of various applicants. The bill of accounts are being reviewed will be settled at a future date.

13. Revenue

Figures in Rand	2025	2024
Government grants	47 421 000	45 857 000
Revenue from regulatory functions - exchange	55 419 362	52 895 977
Revenue from regulatory functions - non-exchange	94 743 467	100 402 227
Other income	237 774	312 459
	197 821 603	**199 467 663**

The amounts included in revenue from regulatory functions (exchange transactions) are as follows:

Figures in Rand	2025	2024
Licence fees	39 255 820	37 528 208
Monitoring fees	1 826 900	861 750
Proficiency test fees	66 960	116 160
Registration fees	1 672 542	2 406 959
Training contracts and levies	12 597 140	11 982 900
	55 419 362	**52 895 977**

The amount included in revenue arising from non-exchange transactions is as follows:

Figures in Rand	2025	2024
Contributions to disciplinary and investigation expenses	1 783 046	6 801 466
Sanctions for improper conduct	12 605 000	18 423 750
Assurance Fees	80 355 421	75 177 011
	94 743 467	**100 402 227**

14. Cash Generated from Operations

Figures in Rand	2025	2024
Surplus	1 986 531	19 646 674
Adjustments for:		
Depreciation and amortisation	4 247 905	4 110 190
Net (gain)/loss on sale of assets	(176 947)	70 994
Debt impairment	3 556 256	4 282 202
Movements in operating lease	(456 660)	(188 917)
Movements in provisions	8 270 498	3 000 000
Changes in working capital:		
Inventories	(70 300)	(100 481)
Receivables from exchange transactions	(1 582 888)	(358 505)
Impairment provision	(3 556 258)	(4 282 201)
Other receivables from non-exchange transactions	3 665 926	(1 564 729)
Payables from exchange transactions	3 361 500	(3 244 630)
	19 245 563	**21 370 597**

15. Financial Instruments

Figures in Rand	2025	2024
Financial assets at amortised cost		
Trade and other receivables from exchange transactions	2 126 305	2 508 732
Trade and other receivables from non-exchange transactions	11 844 340	15 510 266
Cash and cash equivalents	125 823 352	111 183 488
Restricted Cash	10 000 000	10 000 000
	149 793 997	**139 202 486**
Financial liabilities at amortised cost		
Trade and other payables from exchange transactions	**15 245 064**	**11 883 566**

16. Commitments

Authorised capital expenditure

Figures in Rand	2025	2024
Already contracted for but not provided for		
• Intangible assets	205 000	-
Operating leases - as lessee (expense)		
Minimum lease payments due		
- within one year	5 280 731	4 974 693
- in second to fifth year inclusive	11 237 546	16 518 277
	16 518 277	**21 492 970**

Operating lease payments represent rentals payable by the IRBA for its office properties and multi-functional printers. Leases are negotiated for an average term of three years and office property rentals escalate by 6% per annum. The current property lease term ends on 31 March 2028.

17. Contingencies

Accumulated Surplus

In terms of the PFMA, all accumulated surplus funds at the reporting date may be forfeited to National Treasury. The surplus at year-end has been allocated to maintain the National Treasury approved reserves. Subsequent to the year-end, an application has been lodged with National Treasury to reflect the balances in the reserves.

18. Bad Debts and Debt Impairment Provision

Figures in Rand	2025	2024
Bad debts - written off	1 745 437	485 000
Increase to debt impairment provision	1 810 819	3 797 202
	3 556 256	**4 282 202**

The increase to debt impairment provision is due to an increase in Receivables from non-exchange transactions being mainly fines, penalties and legal cost recoveries.

19. Auditors' Remuneration

Figures in Rand	2025	2024
Auditors' remuneration - external	1 341 495	840 891

Current year fees include billings for completion of the 2024 financial year audit and billings for the interim 2025 financial year audit.

20. Related Parties

Relationships

Members of key management   Refer to Note 21

21. Key Management and Board Members' Remuneration

Figures in Rand	2025	2024
Board members' fees		
F Tonelli*	908 755	919 285
N Ford-Hoon*	364 064	488 735
N Maharaj*	397 080	329 853
P Phili*	387 568	357 778
R Benjamin-Swales	335 771	254 157
R Hawkins	308 452	328 550
T Kutumela	309 042	264 958
Z Mshengu	384 215	352 160
M Mosala	335 771	209 325
P Sibiya*	372 265	203 187
	4 102 983	**3 707 988**

* Fees are inclusive of VAT at 15%.

Key management

2025	Annual remuneration	Contributions to retirement fund	Telephone allowance	Total
I Nagy, CEO	4 132 732	380 778	22 560	4 536 070
I Vanker, Director: Standards (Passed away: November 2024)	1 984 564	136 310	11 360	2 132 234
J Bailey, Director: Investigations	2 912 922	268 388	17 040	3 198 350
RN Motsepe, Director: Legal	2 976 072	205 238	17 040	3 198 350
NA Kater, Director: Education and Transformation	2 976 072	205 238	17 040	3 198 350
N Gulwa, Director: Inspections	2 960 284	221 026	17 040	3 198 350
P Narismulu, Director: Operations (Resigned: July 2024)	946 999	65 834	5 680	1 018 513
M Fourie, Director: Operations (Acting: May 2024 | Appointed: August 2024)	2 684 097	176 936	15 620	2 876 653
S Adam, Acting Director: Standards (Acting: December 2024)	922 895	44 271	5 374	972 540
	22 496 637	**1 704 019**	**128 754**	**24 329 410**

2024	Annual remuneration	Contributions to retirement fund	Telephone allowance	Total
I Nagy, CEO	3 944 473	366 229	21 540	4 332 242
I Vanker, Director: Standards	2 840 997	197 304	16 260	3 054 561
J Bailey, Director: Investigations	2 780 227	258 074	16 260	3 054 561
RN Motsepe, Director: Legal	2 840 997	197 304	16 260	3 054 561
NA Kater, Director: Education and Transformation	2 840 997	197 304	16 260	3 054 561
N Gulwa, Director: Inspections	2 825 804	212 497	16 260	3 054 561
P Narismulu, Director: Operations	2 840 997	197 304	16 260	3 054 561
	20 914 492	**1 626 016**	**119 100**	**22 659 608**

22. Risk Management

Financial risk management

The IRBA's activities expose it to a variety of financial risks, as detailed below.

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents and trade debtors. The IRBA only deposits cash with major banks that have a high-quality external rating, and limits exposure to any single counterparty. Refer to Note 15 for financial instruments.

Interest rate risk

The IRBA is exposed to interest rate risk as it places funds in the money market with the Reserve Bank. A significant balance of the cash is invested with the Reserve Bank, as instructed by National Treasury.

23. Going Concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

24. Events After the Reporting Date

The Accounting Authority is not aware of any matter or circumstance arising since the end of the financial year to the date of this report, in respect of matters that would require adjustments to or disclosure in the annual financial statements.

25. Service In-Kind

The IRBA received services in-kind from National Treasury for the shared internal audit activity; and similar services were also received in the prior year.

26. Budget Differences

The explanations for the significant variances from the publicly available budget are as follows:

a. Revenue from regulatory functions: Exchange transactions are lower than the budget, due to less annual license renewals and new registrations.
b. Revenue from regulatory functions: Non-exchange transactions are lower than the budget, due to lower contributions to disciplinary expenses received, that is offset by higher assurance fees charged to firms.
c. The overspending on debt impairment relates to the increase in the provision for debt impairment on contributions to disciplinary expenses and sanctions for improper conduct that were not budgeted for.
d. Direct and committee expenses are lower than budgeted for, owing to fewer disciplinary hearings taking place than what was expected.
e. The overspending in general expenses relates to additional services required for labour related matters, the drafting of the 2026-2030 five year strategy and the drafting of a digital transformation strategy.
f. Departmental expenses relate to an overspending in the provisions for general legal expenses.
g. Interest received is higher than budgeted for, and this is due to higher interest rates and the higher levels of unused funds that are due to reduced spending. The unused funds were invested in the Reserve Bank CPD account.

Detailed Income statement

Figures in Rand	Notes	2025	2024
Revenue			
Government grants		47 421 000	45 857 000
Other income		237 774	312 459
Revenue from regulatory functions - exchange		55 419 362	52 895 977
Revenue from regulatory functions - non-exchange		94 743 467	100 402 227
		197 821 603	**199 467 663**
Other income			
Interest received		11 892 599	10 907 949
Gains on disposal of assets		176 947	-
		12 069 546	**10 907 949**
Operating expenses			
Audit Development Programme assessments		(857 913)	(781 142)
Auditors' remuneration	19	(1 341 495)	(840 891)
Bad debts and debt impairment provision	18	(3 556 256)	(4 282 202)
Building operating expenses		(2 312 203)	(2 192 121)
Committee expenses		(7 010 762)	(7 002 422)
Computer expenses		(5 743 252)	(5 370 446)
Consulting and professional fees		(2 133 385)	(1 572 841)
Depreciation, amortisation and impairments		(4 247 905)	(4 110 190)
Disciplinary and investigation expenses		(18 725 721)	(15 613 568)
Employee costs		(144 013 481)	(132 485 648)
Insurance		(574 375)	(457 402)
Lease of building		(4 273 540)	(4 273 540)
Loss on disposal of assets		-	(70 994)
Other expenses		(3 347 205)	(2 853 058)
Placement fees		(1 030 512)	(2 514 727)
Printing and stationery		(500 125)	(651 112)
Proficiency tests		(21 436)	(54 853)
Public relations		(1 550 883)	(876 427)
Publications		(216 818)	(140 927)
Raising awareness and branding		(237 880)	(198 785)
Staff welfare		(2 235 851)	(1 231 910)
Travel - local		(1 402 936)	(1 222 464)
Travel - overseas		(2 464 394)	(1 843 032)
Workman's compensation		(106 290)	(88 236)
		(207 904 618)	**(190 728 938)**
Surplus for the year		**1 986 531**	**19 646 674**

The supplementary information presented above does not form part of the annual financial statements and is unaudited.

Notes: