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| **INDEPENDENT REGULATORY BOARD FOR AUDITORS**  **COMMITTEE FOR AUDITOR ETHICS**  **Proposed Amendments to the IRBA Code of Professional Conduct for Registered Auditors relating to the Definition of Public Interest Entities**  Johannesburg / 16 March 2015  The Committee for Auditor Ethics (the CFAE) approved the release of the Proposed Amendments to the IRBA Code of Professional Conduct for Registered Auditors (the IRBA Code) relating to the Definition of Public Interest Entities.  The rationale for the proposed amendments to the IRBA Code are as follow:   * In terms of Section 4(1)(b) of the Auditing Profession Act 2005, (Act No. 26 of 2005) the Regulatory Board must “take steps it considers necessary to protect the public in their dealings with registered auditors”; * Providing a definition of Public Interest Entity that can be more consistently applied among registered auditors in South Africa ; * In terms of Section 2(c) of the Auditing Profession Act 2005, one of the objectives of the Act is to “approve the developments and maintenance of internationally comparable ethical standards”; and * Clearing the confusion between Public Interest Entity and Public Interest Score.   The CFAE considered the firm’s responsibility to considered if an audit or review client is a Public Interest Entity, entities that are likely to be considered Public Interest Entities and the opportunity for a firm to consider a client not to be a Public Interest Entity with appropriate documentation. The CFAE has consulted with relevant regulators in determining the proposals made.  **How to comment:**  We invite stakeholders to submit any comments regarding the proposed changes to the IRBA by 15 May 2015. Comments should be submitted by e-mail to [standards@irba.co.za](mailto:standards@irba.co.za) , in pdf and word format.  The exposure draft is available in PDF and may be downloaded from the [IRBA website](http://www.irba.co.za/guidance-to-ras/technical-guidance-for-auditors/exposure-drafts-and-comment-letters). Should you have any further queries or experience any technical difficulties in downloading the documents please do not hesitate to contact the Standards Department by sending an email to [standards@irba.co.za](mailto:standards@irba.co.za) .  **Imran Vanker**  **Director: Standards**  ***About the IRBA***  *The objective of the IRBA is to endeavour to protect the financial interests of the South African public and international investors in South Africa through the effective and appropriate regulation of audits conducted by registered auditors, in accordance with internationally recognised standards and processes.*  *The statutory responsibility of the CFAE is to assist the IRBA to: determine what constitutes improper conduct by registered auditors by developing rules and guidelines for professional ethics, including a code of professional conduct; to interact on any matter relating to its functions and powers with professional bodies and any other body or organ of state with an interest in the auditing profession; and to provide advice to registered auditors on matters of professional ethics and conduct* |