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BOARD NOTICE

BOARD NOTICE 84 OF 2007

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INDEPENDENT REGULATORY BOARD FOR AUDITORS (IRBA)

AUDITING PROFESSION ACT, 2005 (ACT NO. 26 OF 2005)

1. ACCREDITATION OF PROFESSIONAL BODIES

Pursuant to the provisions of section 5 of Act No. 26 of 2005 we hereby publish for general information the following:

1. The Accreditation Model for the accreditation of professional bodies in terms of Part 1, Chapter 3 of Act No. 26 of 2005;
2. The application form for the accreditation of professional bodies in terms of section 32(1) of Act No. 26 of 2005;
3. In terms of section 5(c) of Act No. 26 of 2005 the period of validity of the accreditation, which remains valid unless terminated under section 35 of Act No. 26 of 2005;
4. In terms of section 33(e) of Act No. 26 of 2005 the form of register of members that must be kept by professional bodies, which must include as a minimum the following fields:
 - Membership number, full names, identity number, race, gender, addresses, contact details (e-mail, tel. no, cell no, fax), details of practice! firm details, qualifications and date of qualification, identify members who are Registered Auditors.
5. In terms of section 34 of Act No. 26 of 2005 an accredited professional body must comply with the monitoring procedures as outlined in the Accreditation Model and must continually meet the institutional and programme requirements in order to retain accreditation.
 As stipulated by section 3 of the Accreditation Model the following monitoring reports (regular formal report and self-evaluation report) must be submitted within the following time frame:

Institutional Accreditation:

End June

Programme Accreditation:

Education Programme:	End March
Core Assessment Programme:	Three months after publication of results
Academic Programme:	End of April
Training Programme:	End of March



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2. CONTINUING PROFESSIONAL DEVELOPMENT

Pursuant to the provisions of section 7(1)(c) of Act No. 26 of 2005 we hereby publish for general notice the requirements for the continuing professional development of registered auditors as contained in the IRBA CPO Policy.

3. TRAINING CONTRACTS

Pursuant to the provisions of section 7(1)(d) of Act No. 26 of 2005 we hereby publish for general notice the following:

The prescribed form for training contracts.

Take notice that the period of training is prescribed in terms of the recognition standards for training contracts as contained in section 3 D, Part 2.1 of the Accreditation Model.

4. PUBLIC PRACTICE EXAMINATION

Pursuant to the provisions of section 7 (1)(f) of Act No. 26 of 2005 we hereby recognise the Public Practice Examination as the competency requirement for registration as an Auditor.

Enquiries should be directed to:

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Chief Executive Officer

Independent Regulatory Board for Auditors



ACCREDITATION MODEL

ACCREDITATION MODEL



**THE
ACCREDITATION
MODEL**

2007

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Foreword

This document consists of three sections and one appendix.

Section 1: This section provides an overview of and orientation to the accreditation model. It explains the objectives to be achieved through the accreditation of professional bodies, the two levels of accreditation as defined by the Independent Regulatory Board for Auditors (IRBA) and the principles underlying the model.

Section 2: This section provides details of the requirements for the institutional accreditation of professional bodies by the IRBA.

Section 3: This section provides details of the requirements for the recognition of the programmes (academic, core assessment, training and education) of professional bodies by the IRBA.

Appendix 1: Appendix 1 contains the Curriculum Framework upon which section 3 relies.

April/2007

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SECTION 1

**INTRODUCTION AND OVERVIEW
OF THE
ACCREDITATION MODEL**

SECTION 1

Overview of the accreditation model

1-2

SECTION 1: OVERVIEW OF THE ACCREDITATION MODEL

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ORIENTATION TO THIS SECTION

This section serves as an introduction to the accreditation model prescribed by the IRBA. It explains the objectives to be achieved through the accreditation of professional bodies as a statutory mechanism through which the IRBA may achieve its objectives.

Two levels of accreditation are identified, namely institutional accreditation and programme accreditation. The former refers to the quality of a professional body as a whole and its ability to support the various accredited programmes. This includes its commitment to the maintenance and further development of professional competence and the advancement and implementation of high standards of ethics and discipline within the profession. Programme accreditation refers to the quality of the programmes used by professional bodies to develop and assess core competence. It may also involve programmes designed to develop the professional competence (education and training programmes) appropriate on entry to the profession.

This section defines the principles underlying the application of the model and describes the nature of the responsibilities implicit in accreditation as well as the relationship established between the IRBA and accredited professional bodies. A distinction is made between partially and fully accredited professional bodies.

1. ACCREDITATION AS STATUTORY MECHANISM

- 1.1 The primary objective of the IRBA as established in terms of section 3 of the Auditing Profession Act, 2005 ("the Act") is to protect the public in the Republic through regulation of the auditing profession. In terms of section 2 of the Act, such regulation is intended to advance the development and maintenance of internationally comparable ethical and auditing standards and to advance the implementation of appropriate standards of competence and good ethics. These objectives seek to advance the economic well-being of South Africa by promoting investment and ultimately employment. The Act provides for various statutory mechanisms necessary to achieve these objectives, one of which is the accreditation of professional bodies.
- 1.2 The reputation, relevance and value of the auditing profession depend on the ability of its members to continually meet the expectations of stakeholders and provide a service appropriate to the needs of the South African economy within the global context. The IRBA therefore has a duty to ensure that all Registered Auditors (RAs):
 - have the necessary professional competence on entering the auditing profession to serve the public interest and the needs of the economy;
 - further develop and maintain their professional competence after registration;
 - and
 - are subject to appropriate ethical requirements and disciplined where appropriate.

Supporting the realisation of the IRBA's objectives for the development, assessment and maintenance of the professional competence of auditors demands more than high-quality education, training, assessment and Continuing Professional Development (CDP) programmes. What is required is high-quality governance and management of these programmes by professional bodies devoted to providing relevant, effective and efficient services to members and other stakeholders.

For this reason, the accreditation of a professional body must address the institutional effectiveness and efficiency as well as the quality of programmes that develop and assess professional competence. It is therefore useful to distinguish between institutional and programme accreditation requirements'. In terms of section 33 of the Act, in order to qualify for accreditation a professional body must demonstrate, to the satisfaction of the IRBA, that -

Programme accreditation requirements

- a. It complies with the prescribed requirements for professional development and the achievement of professional competence;

Institutional accreditation requirements

- b. It has appropriate mechanisms for ensuring that its members participate in CPD as recognised by the Regulatory Board;
- c. It has mechanisms to ensure that its members are disciplined where appropriate;
- d. It is, and is likely to continue to be, financially and operationally viable for the foreseeable future;
- e. It keeps a register of its members in the form prescribed by the Regulatory Board;
- f. It has in place appropriate programmes and structures to ensure that it is actively endeavouring to achieve the objective of being representative of all sectors of the South African population; and
- g. It meets any other requirement prescribed by the IRBA from time to time.

In this regard the professional body must have appropriate technical support and guidance available to its members who are RAs.

Fig. 1. Structure of the accreditation model

Institutional accreditation (Section 33 (b) to (g))	Programme accreditation (Section 33(a))
All accredited professional bodies are required to comply with the following institutional accreditation requirements:	All accredited professional bodies must comply with the programme requirements for the development and assessment of core competence.
<ul style="list-style-type: none"> ■ Continuing Professional Development (CPD); ■ Disciplining of members where appropriate; ■ Financial and operational viability; ■ Maintaining a register of members in prescribed form; ■ Programmes endeavouring to achieve representative sectors; and ■ Other requirements <ul style="list-style-type: none"> ○ Appropriate technical support and guidance available to all its members who are RAs. 	Develop and assess core competence: <ul style="list-style-type: none"> ■ Recognised academic programmes; and ■ Recognised core assessment programmes; <p><i>In order to be fully accredited, a professional body must comply with the requirements for the development of professional competence:</i></p> <ul style="list-style-type: none"> ○ Recognised education programmes; and ○ Recognised training programmes.

2. INSTITUTIONAL AND PROGRAMME ACCREDITATION

Accreditation

2.1 Accreditation is the status granted by the IRBA to professional bodies that meet and continue to meet the prescribed accreditation standards. In this regard, a distinction is made between full and partial accreditation.

Full and partial accreditation

2.2 A fully accredited professional body complies with the requirements for institutional accreditation. In addition to this, the IRBA has recognised the academic and core assessment programmes as well as the education and training programmes of the professional body that enable admission to the final qualifying examination set by the IRBA for registration purposes. [This examination is currently referred to as the Public Practice Examination (PPE)].

A partially accredited professional body must comply with the institutional

accreditation requirements and the academic and core assessment programmes, and in addition the IRBA **may** have recognised the education **or** training programme that enables admission to the PPE. Therefore:

FULLY ACCREDITED	
Institutional requirements	Mandatory
Academic programme	Mandatory
Core assessment programme	Mandatory
Education programme	Mandatory
Training programme	Mandatory

PARTIALLY ACCREDITED	
Institutional requirements	Mandatory
Academic programme	Mandatory
Core assessment programme	Mandatory
Education or Training programme	Mandatory

Institutional accreditation requirements

- 2.3 Institutional accreditation is a prerequisite for full and partial accreditation. This is necessary to ensure that professional bodies recognised by the IRBA for conducting the academic and core assessment programmes are supported by high-quality institutions with appropriate infrastructure, policies and procedures capable of making a positive contribution to the auditing profession in South Africa. This contribution extends beyond the provision of recognised academic and core assessment programmes. It demands that all accredited professional bodies have in place mechanisms to ensure that members are disciplined where appropriate. In addition, the professional body should be financially and operationally viable for the foreseeable future and should provide adequate and appropriate technical support and guidance to its members. Within the particular South African context, accredited professional bodies should contribute towards endeavouring to be representative of all sectors of the population.
- 2.4 Compliance with the requirements for CPD is a fundamental aspect of accreditation. The maintenance and further development of the professional competence of RAs is necessary to ensure that they continue to meet stakeholder expectations not only at the point of registration, but throughout their professional lives. The realisation of the objectives of the IRBA to develop and maintain internationally comparable standards of competence and ethics in the auditing profession demands that all accredited professional bodies be required to

place significant emphasis on the continuing professional development of their members.

Institutional accreditation requirements are set out in section 3 of this document.

Programme accreditation requirements

2.5 In order to register and practise as an auditor an individual must, in terms of section 37(2), and in addition to various other requirements, satisfy the IRBA ...that the prescribed education, training and competency requirements for RAs have been complied with.

2.6 The requirements so prescribed are as follows:

Successful completion of a recognised academic programme (section 7(1)(0)1; and

Successful completion of a recognised core assessment programme [section 711)(0)]; and

Successful completion of a recognised education programme (section 7(1)HaJ; and

Successful completion of a recognised training programme of the prescribed period and form [section 7(1)(d)] and under a contract registered with the IRBA (section 7(1)He)) in the office of an RA recognised by the IRBA as a training officer (section 7(1)Hg)); and

Demonstration of a degree of professional competence appropriate on entering the profession through successful completion of the qualifying examination conducted by the IRBA in terms of section 7(1)(b), currently referred to as the PPE.

2.7 Section 7(1)(0) provides for the recognition of the programmes of educational institutions as well as accredited professional bodies. In this regard the following applies:

- a. The IRBA will give preference to the recognition of the programmes of accredited professional bodies. This is due to the partnership relationship established through the process of accreditation whereby the IRBA's objectives are supported by accredited professional bodies that have complied and continue to comply with the requirements for institutional accreditation.
- b. In the interests of providing continuous paths of access to the registered profession, where it is not possible to recognise the programmes of an accredited professional body and in order to enable such access, the IRBA may, subject to the relevant requirements being met, recognise the educational qualifications or programmes of educational institutions as provided for in terms of section 711)(0).

2.8 It is evident from the above that the following programmes Can be recognised by the IRBA in terms of section 7(1)(l):

- Recognised academic programme;
- Recognised core assessment programme;
- Recognised training programme; and
- Recognised education programme.

The recognition requirements, including programme objectives, standards and indicators, are described in section 3 of this document.

2.9 In terms of section 7(1)(d), (e) and (g) the IRBA must prescribe training requirements, including but not limited to the period of training and the form of training contracts. The IRBA must approve and register training contracts entered into by prospective RAs and must either conditionally or unconditionally recognise or withdraw the recognition of RAs as training officers. These statutory requirements as they relate to training are incorporated into the conditions for the recognition of the training programmes of professional bodies.

2.10 In terms of section 7(1)(b) the IRBA may recognise or withdraw the right of accredited professional bodies to conduct the final qualifying examination for registration purposes. It may also on its own conduct any such examination for registration purposes. However, given that the IRBA must, in terms of section 7(1)(f), prescribe competency requirements, it considers itself well placed to assess the competence of aspirant RAs against its prescribed requirements. The IRBA will therefore not recognise the examinations of professional bodies as constituting the final assessment of professional competence required for the purpose of registering as an auditor. The IRBA will assume full responsibility for conducting this assessment, currently referred to as the PPE.

3. PRESCRIBED ACCREDITATION REQUIREMENTS

Institutional and programme objectives

3.1 The IRBA must, in terms of section 5(0), prescribe minimum requirements for accreditation in addition to those provided for in the Act. This is achieved firstly through the definition of objectives (institutional and programme) that relate to each of the accreditation requirements specified in the Act. The objectives are a broad statement of the IRBA's minimum expectations and requirements at the institutional and programme levels.

Accreditation standards

3.2 Accreditation standards describe the fundamental characteristics that should be present either at an institutional or programme level to realise the stated

objectives. It should be noted, however, that the mere existence of such characteristics is not an assurance that the required standards will be achieved, but rather that the institution or its programme contains the necessary resources that, if effectively applied, are likely to achieve the stated objectives.

- 3.3 Accreditation standards describe the minimum institutional and/or programme requirements that must be complied with and it is likely that professional bodies may exceed these requirements for their own purposes.
- 3.4 The IRBA will seek to define its accreditation standards on the basis of appropriate experience and research and, where appropriate, after consultation with already accredited professional bodies. Standards will be periodically reviewed and revised so as to remain relevant to changed circumstance.
- 3.5 While the accreditation standards are intentionally general, the assessment thereof is based upon careful and detailed examination of the specific circumstances of the professional body. Their generality enables the IRBA to focus on the particular circumstances relevant to a specific professional body, rather than on establishing measures of conformity. The widely diverse purposes and scope of professional bodies demand that the accreditation standards be sufficiently broad to encompass this diversity, and thereby support innovation. At the same time, the accreditation standards must be sufficiently clear so as to promote quality.
- 3.6 The IRBA has articulated the following six principles that underpin the interpretation and application of accreditation standards:
 - (a) The accreditation standards are statements of good practice and are not intended to seek uniformity or conformity that may be applicable to a limited set of circumstances.
 - (b) The diversity and range of professional bodies in South Africa must be respected and accommodated, thus emphasising that good practice may be manifested in a wide range of practices,
 - (c) Accreditation standards focus on inputs and outcomes, thereby embracing a model of accreditation that requires the assessment of resources, processes and outcomes at both the institutional and programme level.
 - (d) The standards strive towards economy and clarity and avoid redundancy and ambiguity,
 - (e) No single accreditation standard is considered to have overriding importance for the purposes of granting or maintaining accreditation. Rather, standards are viewed as an interdependent set of requirements that, collectively, enable the institutional and programme objectives to be met.
 - (f) The standards recognise that the IRBA is a statutory regulatory body

charged with protecting public interest within the Republic, and therefore must advance the best interests of the profession in this regard.

Indicators of standards

- 3.7 In determining the extent to which an accreditation standard has been met, certain indicators that provide guidance on how the standard may be achieved in practice are included in the accreditation model.
- 3.8 The inability to adhere to a specific indicator will not be viewed in isolation in the accreditation and monitoring process. It is accepted that the standard may also be realised through alternative means not referred to in the indicators.
- 3.9 The indicators elaborate upon the accreditation standards defined by the IRBA. While they identify practices that the IRBA considers characteristic of the standard, they do not demand specific application nor carry any endorsements of particular practices. The indicators address major components of the accreditation standards but they are not designed to cover every aspect of the standard. Professional bodies are, however, encouraged to address each indicator, and to include, where appropriate, alternative or additional indicators where doing so would provide greater depth or more applicability to the individual institution.

4. THE ACCREDITATION PHILOSOPHY

The accreditation of professional bodies is intended to give rise to long-term partnerships between the regulator and relevant professional bodies that share an interest in advancing an appropriate standard within the auditing profession. No assurance is given or implied that every accredited professional body manifests all the accreditation standards to the same degree. Accredited bodies are expected to demonstrate these standards in a substantial measure and always to be in the process of striving toward improvement. The IRBA will base its accreditation processes and procedures upon the following broad principles:

4.1 Objectivity

Accreditation by the IRBA is an expression of confidence in a professional body's institutional and programme quality. Accreditation attests to the judgement of the IRBA that a professional body complies with certain minimum accreditation requirements. Such judgement is based, as far as possible, on an objective decision supported by evidence that arises both from a self-evaluation process conducted by the professional body, and an external validation process carried out by the IRBA.

4.2 Public assurance

Given the statutory objectives of the IRBA, accreditation must provide public assurance that a professional body has the resources that render it capable of delivering high-quality academic, education and core assessment programmes of an appropriate standard, supported by a high-quality institution. Accreditation cannot, however, provide assurance as to the quality of actual delivery, as this is a function of the extent to which available resources are actually applied.

4.3 Continual improvement

Accreditation seeks to achieve and maintain and constantly enhance high standards of programme delivery within the profession. It must therefore provide an opportunity for accredited professional bodies to continually evaluate stated objectives, and through innovation and change seek continuous improvement in quality. Thus, the accreditation process involves more than an examination of static requirements against predetermined criteria. It rather involves an elaborate and interactive process to evaluate the extent to which a professional body is able to support the realisation of the objectives of the IRBA.

4.4 Forum for consultation

The IRBA recognises that its statutory objectives are to be partly achieved through the mechanism of the accreditation of professional bodies. To this end, therefore, accreditation should provide a forum for consultation between the IRBA, accredited bodies and identified stakeholders that share a common interest in enhancing the development, assessment and maintenance of high standards of competence within the auditing profession.

4.5 Diversity and innovation

The accreditation process tolerates and encourages diverse and innovative means of achieving common objectives. For this reason, the focus of the accreditation process is on fostering a commitment to quality, rather than on prescribing specific quantitative measures of consistency in policies and procedures among professional bodies.

4.6 Access to the profession

The accreditation process is intended to provide access to the auditing profession to all who have the ability and desire to qualify, register and practise as RAs.

It is, however, not the policy of the IRBA to establish academic, core assessment, education and training programmes required for registration purposes. The IRBA believes that this function is best fulfilled by professional bodies that seek accreditation, either in full or in part. Given that the IRBA is to conduct the

assessment of professional competence for those persons wishing to register and practice as RAs, it is in the interests of the broader accountancy profession that programmes that prepare individuals for this assessment are conducted by accredited professional bodies. In this manner, access to the auditing profession through accredited professional bodies will be encouraged. The roles to be played by the accredited professional bodies and the IRBA will also be appropriately differentiated.

4.7 Appropriate standards

Given the status of the IRBA as a statutory regulatory body, the accreditation process must promote appropriate standards of professional competence that will ensure that only those persons who have demonstrated the prescribed degree of professional competence are able to register and practise as auditors. Accreditation must also ensure that, as South Africa continues to participate in a competitive global economy, standards of professional qualification and CPD are on par with international standards.

5. RESPONSIBILITIES IMPLICIT IN ACCREDITATION

Accreditation establishes a partnership relationship between the IRBA and the professional bodies that gives rise to certain responsibilities.

5.1 Responsibilities undertaken by the IRBA

In granting accreditation to professional bodies, the IRBA undertakes to:

- Constantly evaluate its own policies and practices to ensure that they represent best international accreditation practices that promote the autonomy of accredited professional bodies.
- Ensure that its accreditation policies and procedures are appropriate within South African circumstances, are responsive to the particular needs of the profession, and contribute towards achieving the objectives of the IRBA as defined in the Act.
- Provide opportunities whereby partially accredited professional bodies that appear to be capable of achieving full accreditation within a reasonable period are able to learn from the accreditation process and thereby enhance their programmes so as to make them capable over time, of full accreditation.
- Honour the relationships between accredited professional bodies and the providers of their various programmes to strengthen the relationships between the profession and those responsible for the development, assessment and training of individuals for the profession.
- Co-operate, where appropriate, with other statutory bodies and organs of

state and other professional institutes that shore the objectives of advancing the standards of competence of RAs within South Africa.

5.2 Responsibilities undertaken by an accredited professional body

The accreditation process is intended to strengthen and sustain the quality and integrity of the auditing profession, making it worthy of public confidence. The extent to which each accredited body accepts and fulfils the responsibilities inherent in the process is a measure of its concern for the quality of auditing and its commitment to striving for and achieving excellence in its own endeavours.

The IRBA accredits a professional body only after it is satisfied that its accreditation standards have been complied with. The process of accreditation provides an opportunity for critical self-analysis by the professional body, leading to improvements in quality. With the granting of accreditation status to a professional body, the body should undertake to:

- **Co-operate** fully with the IRBA in the monitoring activities carried out by the IRBA in respect of the accreditation standards;
- Inform the IRBA timeously of any anticipated changes in the professional body that might affect the extent to which it continues to meet accreditation standards;

Inform the IRBA of any anticipated intention to renounce its accreditation;

Bring to the attention of the IRBA any circumstances that may affect the accreditation or continued accreditation of the professional body;

Respond to correspondence from the IRBA in matters relating to accreditation within a reasonable period;

Demonstrate a commitment to the accreditation process by **remaining** informed about the process and by participating in the process to improve it through co-operation; and

Demonstrate commitment to a continuous improvement process by performing regular self-evaluations against stated objectives.

SECTION 2**INSTITUTIONAL
ACCREDITATION**

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OVERVIEW OF INSTITUTIONAL ACCREDITATION

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ORIENTATION TO THIS SECTION

The purpose of this section is to set out the requirements for the institutional accreditation of professional bodies by the IRBA. The section deals with each of the institutional accreditation requirements listed in section 33 (b) to (g) of the Act. For each requirement, an objective is defined from which accreditation standards and indicators are derived.

The accreditation standards describe the minimum requirements to be met by professional bodies seeking accreditation. The maintenance of accreditation is dependent upon the professional body continuing to comply with the accreditation standards. Indicators describe certain patterns of evidence that indicate the manner in which a particular standard may be met in practice.

Institutional accreditation is a prerequisite for both full and partial accreditation because it provides the foundation upon which an accreditation relationship is established between the IRBA and the relevant professional body. Institutional accreditation requirements are aimed at ensuring that accredited professional bodies can make a positive contribution to the auditing profession in South Africa, thereby supporting the IRBA in the achievement of its unique statutory objectives.

1. STATUTORY REQUIREMENTS

1.1 In terms of section 33, a professional body must demonstrate, to the satisfaction of the IRBA that:

It complies with the prescribed requirements for professional development and the achievement of professional competence;

It has appropriate mechanisms for ensuring that its members participate in CPD as recognised by the IRBA;

It has mechanisms to ensure that its members are disciplined where appropriate;

It is, and is likely to continue to be, financially and operationally viable for the foreseeable future;

It keeps a register of its members in the form prescribed by the IRBA;

It has in place appropriate programmes and structures to ensure that it is actively endeavouring to achieve the objective of being representative of all sectors of the South African population; and

It meets any other requirement prescribed by the IRBA from time to time. In this regard the professional body must have appropriate technical support and guidance available to its members who are RAs.

Fig. 1. Structure of the accreditation model

Institutional accreditation (Section 33(b) to (g))	Programme accreditation (Section 33(a))
All accredited professional bodies are required to comply with the following institutional accreditation requirements:	All accredited professional bodies must comply with the programme requirements for the development and assessment of core competence.
<ul style="list-style-type: none"> ■ Continuing Professional Development (CPD); ■ Disciplining and ethical conduct of members where appropriate; ■ Financial and operational viability; ■ Maintaining a register of members in prescribed form; ■ Programmes endeavouring to achieve representative sectors; and ■ Other requirements <ul style="list-style-type: none"> a Appropriate technical support and guidance available to all its members who are RAs. 	Develop and assess core competence: <ul style="list-style-type: none"> ■ Recognised academic programmes; and ■ Recognised core assessment programmes; <p><i>In order to be fully accredited, a professional body must comply with the requirements for the development of professional competence:</i></p> <ul style="list-style-type: none"> a Recognised education programmes; and a Recognised training programmes.

1.2 Accreditation is the status granted by the IRBA to professional bodies that meet and continue to meet the prescribed accreditation standards. In this regard, a distinction is made between full and partial accreditation.

1.3 Compliance with the institutional requirements is a prerequisite for both full and partial accreditation.

In addition to its compliance with the institutional requirements, in the case of a fully accredited professional body the IRBA has recognised its academic and core assessment programmes as well as both the education and training programmes that enable admission to the PPE.

In addition to its compliance with the institutional requirements, in the case of a partially accredited professional body the IRBA has recognised both the academic and core assessment programmes. (The IRBA may also have recognised either the education or training programme of the professional body.)

- 1.4 Institutional accreditation is a prerequisite for both full and partial accreditation. The objectives and functions of the IRBA as defined in the statute are rigorous. The promotion of investment and ultimately employment in the Republic must be sought in partnership with accredited professional bodies. The IRBA should therefore, in order to realise its objectives and where it is appropriate, draw on the support of accredited professional bodies so as to extend its sphere of influence into the broader accountancy profession. Thus, the requirements of accredited professional bodies extend beyond the delivery of development and assessment programmes. The IRBA accredits professional bodies committed to supporting the IRBA in its disciplinary and CPD objectives, where appropriate, and capable of making a positive contribution to the auditing profession specifically as well as to the broader accountancy profession in South Africa.

Continuing Professional Development (CPO)

- 1.5 Compliance with the requirements for CPD is a fundamental aspect of both full and partial accreditation. The maintenance and further development of professional competence among RAs is necessary to ensure that they continue to meet stakeholder expectations, not only at the point of registration, but throughout their professional lives. The realisation of the objectives of the IRBA to develop and maintain internationally comparable standards of competence and ethics in the auditing profession demands that all accredited professional bodies be required to place significant emphasis on the continuing professional development of their members.
- 1.6 Accredited professional bodies must have appropriate mechanisms for ensuring that members participate in CPD that is recognised by the IRBA.

Discipline and ethical conduct

- 1.7 Compliance with the accreditation requirements demonstrates the commitment of a professional body towards advancing the implementation of appropriate standards of ethical conduct within the broader profession. The level of professional standing for all members of an accredited professional body has direct implications for the regard of RAs who are members of the same professional body.

Financial and operational viability

- 1.8 The provision of consistent support for the IRBA's objectives and the making of a sustainable commitment to the broader profession over an extended period demand that an accredited professional body must be financially and operationally viable for the foreseeable future.

Register of members

- 1.9 A further institutional requirement for accreditation is that a professional body must maintain a register of its members in the appropriate form.

Representivity in the profession

- 1.10 Within the particular South African circumstances all accredited professional bodies should contribute towards endeavouring to be representative of all sectors of the population.

Other accreditation requirements

- 1.11 In addition to the above, the IRBA may from time to time prescribe any other accreditation requirements. This emphasises the fact that the accreditation relationship is not a static one, but must be adapted to changing circumstances. Accreditation standards and indicators will be regularly reviewed in order to ensure that they remain relevant to the particular needs of the South African auditing profession within the global context. In this regard, the following:

1.11.1 Technical support and guidance

The professional body must provide adequate technical support and guidance in order to assist its members to maintain and develop their professional **competence**.

2. MONITORING IN THE CONTEXT OF ACCREDITATION

- 2.1 Central to achieving the objectives of the IRBA is the monitoring of the institutional requirements to be complied with by accredited professional bodies.
- 2.2 The monitoring process is designed to encourage and assist accredited professional bodies to seek continuous improvement in those aspects of its CPD and disciplinary measures that relate to the support of the IRBA objectives within the context of the auditing profession specifically, as well as of the broader profession. In order to support these objectives, the monitoring process should also provide the IRBA with reasonable assurance that the accredited professional body is likely to be operationally and financially viable in the foreseeable future, maintains the appropriate membership register and is endeavouring to advance the representivity in the profession.
- 2.3 Once a professional body is accredited by the IRBA, either partially or fully, it shall be deemed accredited unless monitoring procedures reveal that it no longer complies with the accreditation requirements.
- 2.4 The maintenance of accreditation status is therefore dependent on the accredited professional body continuing to meet all the institutional accreditation

requirements, in addition to at least the recognition of its academic and core assessment programmes as determined through the continuous monitoring procedures carried out by the IRBA.

2.5 Every professional body that is accredited by the IRBA will be subjected to a monitoring process by the IRBA.

2.6 The following monitoring procedures apply to every institutional accreditation requirement:

- regular formal reporting by the professional body;
- self-evaluation by the professional body;
- external validation (where appropriate); and
- specific investigation (where appropriate).

2.7 The manner in which the above monitoring procedures are applied to the institutional requirements of a particular accredited professional body will be determined by means of a consultative process between the relevant professional body and the IRBA.

Regular formal reporting

2.8 It is essential for the accredited professional body to submit regular formal reports to the IRBA to ensure that the IRBA receives relevant and up to date information with respect to every institutional accreditation requirement.

Self-evaluation

2.9 The purpose of the self-evaluation is to provide the professional body with an opportunity to:

- determine the extent to which the institutional accreditation requirements defined by the IRBA continue to be complied with;
- recommend to the IRBA possible changes to accreditation requirements and/or monitoring procedures defined by the IRBA; and
- identify particular aspects relating to the regulation of the broader profession generally or the auditing profession in general that call for appropriate measures to be taken by the IRBA.

2.10 The absence of external validation procedures ordinarily carried out by the IRBA in respect of institutional accreditation requirements implies that a high degree of reliance is to be placed on the information forwarded to the IRBA by the professional body in the regular formal report and self-evaluation reports. Accordingly, the professional body should ensure that the information so provided is sufficient and appropriate to enable the IRBA to determine the

extent to which each of the institutional accreditation requirements is complied with. The IRBA therefore reserves the right to request the professional body to address particular aspects of the institutional accreditation requirements as part of its self-evaluation report.

External validation

- 2.11 The purpose of the external validation procedures is to provide the IRBA with an opportunity to assess, independently, the opinions expressed by the professional body in the self-evaluation report with regard to institutional accreditation requirements.
- 2.12 Given the nature of the institutional requirements for accreditation and the direct role that the IRBA plays with regard to the regulation of RAs through its own CPD and disciplinary functions, external validation procedures will not ordinarily be carried out with respect to institutional accreditation requirements. However, the IRBA reserves the right to conduct its own external validation procedures of the institutional requirements where appropriate in order to satisfy itself that the institutional requirements are complied with.

Specific investigation

- 2.13 Where the IRBA has reason to question the extent to which the institutional accreditation requirements are being complied with, it will investigate the matter and take appropriate action.

3. THE MONITORING REPORT

- 3.1. The IRBA will use the information gathered through the regular formal report and self-evaluation report (and external validation procedures and specific investigations, if undertaken) to compile a monitoring report that addresses each of the institutional accreditation requirements.
- 3.2. The IRBA will prepare a draft monitoring report, a copy of which will be forwarded to the professional body for comment.
- 3.3. A copy of the final monitoring report will be forwarded to the professional body.
- 3.4. On the basis of the final monitoring report and the recommendations contained therein, the IRBA will either resolve that accreditation of the professional body be continued or withdrawn immediately, or that a warning of possible withdrawal be issued.
- 3.5. The decision of the IRBA will be communicated to the professional body in writing.

4. WITHDRAWAL OF ACCREDITATION

- 4.1 The IRBA will, prior to cancelling accreditation, give notice in writing to the professional body concerned of its intention to cancel its accreditation and the reasons upon which this decision is based, and must afford the professional body a period of at least 21 days and not more than 30 days in which to submit grounds for not proceeding with the cancellation.
- 4.2 A warning of withdrawal of accreditation by the IRBA implies that if the situation is not rectified within the period specified in the warning, the accreditation of the professional body will be withdrawn.
- 4.3 Upon issuing a warning, the IRBA will set out the reasons for the warning and setspecific and c1eorobjectives that mustbe achieved by the professional body within the specified period in order to maintain its accreditation status.
- 4.4 During the warning period, the professional body will work closely with the IRBAwith a view to maintaining standards and rectifying the situation.
- 4.5 In deciding whether to withdraw accreditation immediately or 10 issue a warning, efforts will be mode to ovoid disodvantaging existing studentsto whom a commitment regarding access to a profession has been made. However, the IRBA will also recognise its commitment towards the protection of the public interest and the maintenance of appropriate standards.
- 4.6 If standards for institutional accreditation have not been complied with by the end of the warning period, accreditotion will be withdrawn.
- 4.7 Since compliance with institutional requirements is a prerequisite for accreditation, non-compliance with these requirements will have implications for the continued recognition of the academic and core assessment programmes (as well as the education and/or training programmes of the professional body, if applicable). Non-compliance with institutional occreditation requirements implies the withdrawal of recognition of such programmes.

5. INSTITUTIONAL ACCREDITATION REQUIREMENTS

- 5.1 The accreditation requirements as they relate to each of the institutional requirements for accreditation are set out as follows:
 - Section 2 A: Continuing Professional Development [CPO]
 - Section 2 B: Disciplining and ethical conduct of members
 - Section 2 C: Financial and operational viability
 - Section 2 D: Register of members
 - Section 2 E: Representivity in the profession

Section 2 F: Technical support and guidance

In each case, the following details relating to each requirement are set out:

Objectives

Recognition standards and indicators

Monitoring procedures

- 5.2 Recognition standards are those criteria that are regarded as essential for the realisation of the objective of each of the programmes. Standards reflect the minimum requirements for the recognition of the programmes of a professional body and the body may choose to include additional requirements for its own purposes.
- 5.3 In determining the extent to which a recognition standard has been met, certain indicators that give practical guidance on how the standard may be achieved have been described. The inability to comply with a specific indicator will not be viewed in isolation. It is accepted that a recognition standard may also be realised through alternative means not referred to in the indicators.

SECTION 2A: CONTINUING PROFESSIONAL DEVELOPMENT (CPD)

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1. OBJECTIVE

- 1.1 In order to protect the public interest, the IRBA must ensure that every RA has the necessary professional competence on entering the profession. As a direct consequence of this obligation, the IRBA also has a duty to ensure that all RAs engage in appropriate CPD programmes designed to maintain and further develop the competence they demonstrated on entering the profession. Thus, having been charged to act in the public interest, the IRBA must, in the context of the maintenance and further development of professional competence, prescribe and monitor the extent to which every RA engages in CPD.
- 1.2 The IRBA may either in full or in part recognise or withdraw the recognition of the continued education, training and professional development programmes of educational institutions and accredited professional bodies. However, since the IRBA will conduct the final assessment of professional competence on entry to the profession, it considers it appropriate to take direct steps to ensure that RAs engage in appropriate programmes designed to further develop and maintain this competence throughout their professional life.
- 1.3 Through the recognition of the academic and core assessment programmes (and in some cases education and training programmes), it is clear that accredited professional bodies share in the responsibility for developing the professional competence of those persons desiring to register as auditors. It is therefore appropriate for professional bodies to have appropriate mechanisms for ensuring that their members participate in CPD as recognised or prescribed by the IRBA.
- 1.4 Where appropriate, accredited professional bodies ought to co-operate with the IRBA by placing appropriate emphasis on CPD, by promoting lifelong learning and by providing support for and access to CPD interventions.
- 1.5 Compliance with the institutional accreditation requirements for CPD is a fundamental aspect of both full and partial accreditation. The maintenance and further development of professional competence among RAs is necessary to ensure that they continue to meet stakeholder expectations not only at the point of registration, but throughout their professional lives. The realisation of the objectives of the IRBA to advance the implementation of appropriate standards of competence and good ethics in the auditing profession demands that all accredited professional bodies be required to co-operate with the IRBA by placing significant emphasis on the CPD of their members.
- 1.6 This co-operative arrangement between the IRBA and the accredited professional body with regard to CPD is encompassed in the following accreditation standards designed to enable the professional body to provide support for the

CPD objectives of the IRBA:

- Standard 1: Mandatory CPD required for membership
- Standard 2: Fostering of commitment to lifelong learning
- Standard 3: Facilitation of access to CPD interventions

2. ACCREDITATION STANDARDS

2.1 Standard 1: Mandatory CPD required for membership

In order for RAs to support the CPD objectives of the IRBA, it is essential that they be bound not only by the CPD requirements prescribed by the IRBA, but also by the requirements of the professional body as an integral part of continued membership. Thus, the professional body of which the RA is to be a member, must have appropriate CPD policies that will require, as a condition for continued membership, that its members participate in appropriate CPD activities.

Standard

The professional body should ensure that all its members who are registered with the IRBA as RAs are subject to a mandatory programme of CPD as an integral component of continued membership of the professional body.

Indicators

The following indicators provide guidance on how this standard may be achieved in practice:

- a. Members of the accredited professional body who are/desire to become RAs should be required to undertake mandatory programmes of CPD as an integral component of their continued membership of the professional body. In keeping with the IFAC statement dealing with CPD, such CPD requirements may be input or output based, or a combination of both.
- b. In recognition of the self-directedness of lifelong learning and the personal commitment required for CPD, accredited professional bodies should as far as possible place the responsibility on the individual to identify development needs and undertake the appropriate learning interventions in those areas. The professional body should require all registered members to develop and maintain their professional competence in areas that are relevant and appropriate to the nature of the work they undertake and the level of responsibility they assume.
- c. The CPD policy of the professional body should require that members maintain appropriate records of CPD in as much detail as is necessary to describe the nature, extent and relevance of the learning activities undertaken.

- d. The CPD policy of the professional body should provide a mechanism through which an appropriate degree of monitoring of the extent to which the requirements are met may take place.
- e. The CPD policy of the professional body should stipulate the action that may be taken in instances of non-compliance with the CPD requirements.
- f. Given the continually changing environment in which RAs function, the professional body should reassess the appropriateness of its CPD policy on a continuous basis in order to address changing needs.

2.2 Standard 2: Fostering of commitment to lifelong learning

RAs should be professionally competent individuals who are capable of adopting to change and who are committed to a process of lifelong learning that will enable them to make a meaningful contribution to the profession and society throughout their professional lives. The maintenance of professional competence in a constantly changing environment makes it imperative that RAs develop and maintain a commitment to lifelong learning.

Standard

The professional body should foster a commitment to self-directed, lifelong learning as part of its education, training and assessment programmes that prepare individuals to enter the profession, as well as among its members.

Indicators

The following indicators provide guidance on how this standard may be achieved in practice:

- a. The professional body should place considerable emphasis on the development of lifelong learning capabilities among its students through appropriately focusing on the delivery of the recognised academic and education programmes that prepare students for entering the auditing profession. Assessment methods applied within these programmes should also be designed to encourage and assess the extent to which students are capable of carrying out systematic enquiries in unstructured circumstances. (In this regard, refer to the recognition standards relating to the academic and education programmes.)
- b. The professional body should ensure that the recognised academic and education programmes appropriately emphasise the ethical requirements of the profession. In particular, programmes in business ethics should emphasise the need to maintain competence in the interests of the public and the profession, and to undertake only those services commensurate with the appropriate degree of competence. (In this regard, refer to the recognition standards relating to the

academic and education programmes.)

- c. The professional body should require providers of the recognised training programmes to take appropriate measures to ensure that trainee accountants are afforded sufficient opportunities to maintain and develop their professional competence during the training period so as to help foster a personal commitment towards CPD among aspirant RAs. In this regard, refer to the recognition standards relating to the training programme.]
- d. The professional body should continuously take positive steps to promote the importance of the maintenance and development of competence and a commitment to lifelong learning among its registered members.

2.3 Standard 3: Facilitation of access to CPO interventions

Appropriate programmes of CPD should maintain and further develop the professional competence of RAs throughout their professional life. This lifelong learning is intended to provide for the self-directed and full professional development of every practitioner within a particular role, responsibility and context.

Standard

The professional body should facilitate access to CPD interventions and provide appropriate support and resources to its members so as to assist them in meeting their responsibility to undertake lifelong learning and in so doing, to maintain and develop their professional competence.

Indicators

The following indicators provide guidance on how this standard may be achieved in practice:

- a. The professional body should take steps to identify and communicate to its registered members relevant developments in national and international pronouncements on accounting, auditing and other regulations and statutory requirements pertaining to the profession, legislation, techniques and standards that may be of particular relevance to RAs in meeting their CPD requirements.
- b. The professional body should, where appropriate, collaborate with the IRBA, and in particular with its standard setting, practice review and disciplinary functions, in order to identify particular learning areas that may require further development and should therefore be included in CPD programmes. These should be communicated to members.
- c. The professional body should facilitate access to CPD opportunities through direct provision and/or through the identification and dissemination of

information relating to suitable providers, or through the establishment of collaborative partnerships with such providers. In this regard, however, it should be emphasised that CPD interventions need not be delivered directly by the professional body, nor need they be outsourced to particular providers under arrangement with the professional body. The professional body should provide details of available CPD activities to its members. These may extend to programmes undertaken by firms of registered auditors.

- d. The professional body should provide the necessary tools, support and assistance to members through the development and promotion of the use of CPD records for its members.
- e. The professional body should develop CPO documentation and other resources that may assist its registered members in reflecting on their performance, identifying areas that require maintenance or development of competence, undertaking and recording relevant CPO activities, and subsequently **assessing** their performance. This may include the development and promotion of the use of learning plans for its registered members.

3. **MONITORING OF INSTITUTIONAL ACCREDITATION REQUIREMENTS**

3.1 **Regular Formal reporting**

The submission of a regular formal report by the professional body is essential to ensure that the IRBA receives relevant and **up-to-date** information with respect to the CPD programmes of accredited professional bodies.

The information should relate to the previous calendar year and should be forwarded to the IRBA by a date to be determined in consultation between the IRBA and the accredited professional body. The information should include the following:

Details relating to the CPD policy of the professional body, including:

- the CPO requirements for continued membership;
- the maintenance of CPO records;
- monitoring of CPD requirements; and
- the effect of non-compliance with CPD requirements on membership.

Details relating to any anticipated changes in the CPO policy of the professional body.

To the extent possible through its monitoring activities, details as to the measure to which members have complied with the CPD requirements of the professional body, and an indication of the steps taken to address instances of non-compliance.

3.2 Self-evaluation

The self-evaluation report should provide the accredited professional body with an opportunity to reflect on the extent to which it continues to meet each of the accreditation standards and indicators defined by the IRBA in relation to CPD. In doing so the professional body should identify shortcomings in its CPD programme and reach specific conclusions as to whether or not the relevant accreditation requirements have been met.

Such an objective analysis by the professional body should assist in identifying the means by which co-operation between the professional body and the regulator may be extended so as to provide support for the CPD objectives of the IRBA. The analysis should also provide insights into specific deficiencies in the policies and procedures that have become apparent in the year under review.

The information should relate to the previous calendar year and should be forwarded to the IRBA by a date to be determined in consultation between the IRBA and the accredited professional body. In addition to the above requirements, the information should also include:

A description and critique of the specific educational philosophies, learning theories or other philosophies that explain and underpin the CPD policy of the professional body.

Details as to what actions the professional body has taken to advance lifelong learning capabilities among students through appropriate emphasis being placed upon the delivery of the recognised academic and education programmes that prepare students to enter the auditing profession. In addition to on-the-job training, students should be required to maintain and update their knowledge of new developments through more formalised courses. [Refer to the recognition requirements in respect of the recognised training programme in this regard.]

Details as to what actions the professional body has taken to ensure that recognised academic and education programmes sufficiently emphasise the ethical requirements of the profession through their inclusion in business ethics **courses**.

Details as to what actions the professional body has taken to ensure that trainee accountants are afforded sufficient opportunity to maintain and further develop their competence throughout the period of the registered training contract.

Details as to what actions the professional body has taken to promote the importance of lifelong learning and the maintenance and development of competence among its members.

A description of the steps taken to identify and communicate to the registered members relevant developments in the profession that may be of particular relevance to RAs in meeting their CPO requirements.

An overview of the general nature and availability of CPO interventions in the areas of professional knowledge, professional skills and ethical values and the steps taken by the professional body to facilitate access to such CPO opportunities.

Details of the tools, support or assistance that the professional body provides to its members in order to help foster a commitment towards CPO through the development and promotion of the use of learning plans, CPO records and other material.

3.3 External validation

Given the role of the IRBA in the prescription and monitoring of the extent to which individual auditors comply with CPO requirements, external validation procedures will not be carried out as a matter of course.

However, the IRBA reserves the right to conduct such procedures as it deems necessary, in addition to receiving the regular formal report and self-evaluation report, in order to satisfy itself that the accreditation requirements in relation to CPD are complied with.

3.4 Specific investigation

Where the IRBA has reason to question the extent to which accreditation standards continue to be met, it has a duty to investigate and take appropriate action.

SECTION 2B: DISCIPLINE AND ETHICAL CONDUCT OF MEMBERS

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2. Accreditation standards	2-20
3. Monitoring of accreditation requirements	2-22

I. OBJECTIVE

- 1.1 In order to be accredited, a professional body must demonstrate that it has mechanisms to ensure that its members are disciplined where appropriate. Compliance with the accreditation requirements demonstrates the commitment of a professional body towards advancing the implementation of appropriate standards of ethical conduct within the broader profession. The rigour of a professional body's own disciplinary processes and the actions taken against members in the case of improper conduct provide support for the IRBA's function to promote the integrity of the auditing profession.
- 1.2 The IRBA will take steps to promote the integrity of the auditing profession, including investigating improper conduct, conducting disciplinary hearings, and imposing sanctions for improper conduct. The IRBA prescribes standards of ethics and conduct to RAs.

These functions apply specifically to the IRBA and are designed to protect the public in South Africa by regulating audits performed by RAs. However, within the context of the broader profession, members of professional bodies, including those who are not RAs, must be required to conduct themselves according to a prescribed code of ethical conduct. Members of accredited professional bodies, including those who are not RAs, should also be held accountable in terms of the code of ethics.

- 1.3 The role of the accredited professional body in supporting the objectives of the IRBA as they relate to the disciplining of RAs is contained in the following accreditation standards:

Standard 1: Code of ethical conduct applicable to all members

Standard 2: Evidence of appropriate disciplinary proceedings

2. ACCREDITATION STANDARDS

2.1 Code of ethical conduct applicable to all members

Standard

The accredited professional body should have a code of ethical conduct that is applicable, where relevant, to all its members, including RAs and those members who are not RAs.

Indicators

The following indicators provide guidance on how this standard may be achieved in practice:

The accredited professional body should formally adopt and publish a code of ethical conduct. It is accepted that this code may be drawn from the ethical requirements applicable to international accounting bodies, but in such instances it should be adapted, where appropriate, to accommodate the specific South African circumstances.

The accredited professional body should prescribe a code of ethical conduct that, where relevant, is applicable to all members of the accredited professional body, including but not limited to those who are RAs.

The accredited professional body should subject the code of ethical conduct to regular review so as to ensure that it remains relevant to the particular South African circumstances.

The accredited professional body should ensure that, where appropriate, the ethical requirements prescribed by the IRBA as they relate to RAs are contained in the code as a minimum requirement for ethical conduct.

2.2 Appropriate disciplinary proceedings

Standard

The accredited professional body should have sufficient and appropriate resources and capacity to investigate alleged improper conduct, conduct disciplinary proceedings and impose appropriate sanctions. However, a duplication of the disciplinary proceedings required to be implemented by the IRBA is not considered to be in the best interests of the profession, and where appropriate the accredited professional body should place reliance on the IRBA's investigative powers.

Indicators

The following indicators provide guidance on how this standard may be achieved in practice:

The accredited professional body should have a disciplinary committee that has an appropriate number of RAs acting as full members thereof.

The accredited professional body should formally set out, adopt and publish the investigation and disciplinary processes and procedures that will be applicable when cases of alleged improper conduct are brought to its attention. These processes and procedures should provide for the following:

Charges of improper conduct that are laid directly with the professional body but that relate to the regulation of audits performed by an RA should be referred to the IRBA. The IRBA will, once the matter is finalised, inform the accredited professional body of the outcome and provide details of sanctions imposed (if any).

Charges of improper conduct laid with the IRBA but that do not relate to

the regulation of audits performed by an RA may, where the IRBA deems it appropriate, be referred to the accredited professional body and be subject to its investigation and disciplinary processes.

The accredited professional body should formally set out, adopt and publish the range of possible disciplinary sanctions it may impose on its members (including but not limited to RAs) who are found guilty of improper conduct. Such sanctions should include, where appropriate, possible expulsion.

The accredited professional body should establish a mechanism between itself and the IRBA whereby it has access to the outcome of disciplinary hearings and the sanctions imposed by the IRBA on RAs who are also members of the accredited professional body.

The accredited professional body should establish a mechanism whereby, without undue duplication of the disciplinary proceedings and sanctions of the IRBA, appropriate action may be taken in the case of members found guilty of improper conduct by the IRBA.

The accredited professional body should establish a mechanism whereby cases of alleged improper conduct that are brought to the attention of the IRBA but that do not relate to the regulation of audits performed by an RA may be referred to the disciplinary functions of the relevant accredited professional body of which that person is a member.

3. MONITORING OF ACCREDITATION REQUIREMENTS

3.1 Regular Formal report

The submission of a regular formal report by the professional body is essential to ensure that the IRBA receives relevant and up-to-date information with respect to the disciplinary programmes of accredited professional bodies.

The information should relate to the previous calendar year and should be forwarded to the IRBA on a date to be determined in consultation between the IRBA and the accredited professional body.

The information should include the following:

Details relating to the disciplinary regulations prescribed by the professional body, including:

the code of ethical conduct, including details of any revisions;

the applicability of the code to members, including RAs;

a description of the disciplinary policies and procedures of the professional body as they relate to complaints lodged, investigations, hearings and sentencing.

A report on the nature of disciplinary activities in the most recent calendar year, with specific reference to:

the number of complaints lodged directly with the professional body and on indication of the general nature thereof and the actions taken;

the number of hearings held and an indication of the findings and, where relevant, the sanctions imposed;

a report on the process and outcome of any disciplinary matter referred to the professional body by the IRBA that did not relate to the conduct of an audit by an RA; and

a report on the process and outcome of any findings by the IRBA in relation to an RA who is also a member of the professional body and who was found guilty of improper conduct by the IRBA.

Details relating to any anticipated changes in the disciplinary policies or procedures of the professional body.

3.2 Self-evaluation

The self-evaluation report should provide the accredited professional body with an opportunity to reflect on the extent to which it continues to meet each of the accreditation standards and indicators defined by the IRBA in relation to the disciplining of its members. In doing so, the professional body should identify shortcomings in its disciplinary policies and procedures and reach specific conclusions as to whether or not the relevant accreditation requirements have been met.

Such an objective analysis by the professional body should assist in identifying the means through which co-operation between the professional body and the IRBA may be extended so as to provide support for the disciplinary objectives of the IRBA. The analysis should also provide insights into specific deficiencies in the policies and procedures that have become apparent in the year under review.

The information should relate to the previous calendar year and should be forwarded to the IRBA by a date to be determined in consultation between the IRBA and the accredited body. In addition to the above, the information should also include the following:

A critique of the disciplinary policies and procedures of the professional body and on indication of the steps that may be taken to improve the quality of the process.

Details as to what actions the professional body has taken to promote ethical behaviour among its members.

Details as to what actions the professional body has taken to ensure that appropriate action is taken in instances where members are found guilty of

improper conduct.

Details as to what actions the professional body has taken to ensure that trainee accountants are aware of their responsibility to abide by the code of professional conduct and are subject to it.

Details as to what mechanisms the professional body may propose be investigated so as to implement effective and efficient disciplinary proceedings in the profession while drawing upon the resources of both the IRBA and the accredited body, where appropriate, so as to minimise duplication.

A description of any actions taken by the professional body to bring to the attention of its members any particular practices that may be subject to specific ethical concerns and issues.

3.3 External validation

Given the role of the IRBA in relation to the disciplining of individual RAs, external validation procedures will not be carried out as a matter of course. However, the IRBA reserves the right to conduct such procedures as it deems necessary, in addition to the receipt of the regular financial report and self-evaluation report, in order to satisfy itself that the accreditation requirements in relation to discipline are complied with.

3.4 Specific investigation

Where the IRBA has reason to question the extent to which accreditation standards continue to be met, it clearly has a duty to investigate and take appropriate action.

SECTION 2C: FINANCIAL AND OPERATIONAL VIABILITY

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1. OBJECTIVE

- 1.1 In order to be accredited, a professional body must demonstrate that it is and will continue to be financially and operationally viable for the foreseeable future. Providing consistent support for the IRBA's objectives and making a sustainable commitment to the broader accountancy profession over an extended period, demand that an accredited professional body be likely to remain financially and operationally viable for the foreseeable future.
- 1.2 Accreditation standards that focus on the financial and operational viability of a professional body address those aspects that relate to its resources and functioning that are necessary to support other accreditation requirements at both the institutional and programme level. Without appropriate resources and effective and efficient modes of operation, the CPD and disciplinary requirements (at institutional level and the academic and core assessment programmes (and including the education and/or training programmes where applicable) at the programme level are unlikely to remain sustainable in the long term.
- 1.3 Accordingly, the professional body should demonstrate that its resources are appropriate to sustain the relevance, effectiveness and efficiency of its operations over the long term.

The following accreditation standards are relevant:

- Standard 1: Clearly defined institutional objective
- Standard 2: Ongoing institutional self-study
- Standard 3: Appropriate financial and other resources
- Standard 4: Appropriate administration and governance functions

2. ACCREDITATION STANDARDS

2.1 Clearly defined institutional objective

Standard

An accredited professional body should have a clearly defined and publicly stated objective that is consistent with its operations and appropriate to an institution committed to making a positive contribution to the auditing profession in South Africa.

Indicators

The following indicators provide guidance on how this standard may be achieved in practice. The accredited professional body should:

- Be properly constituted as a juristic person in the Republic and therefore be capable of entering into contracts and of being held liable in its own name, subject to the South African constitution and the law.

Clearly express and actively pursue its objectives in relation to its members and other constituents. The objective should be expressed in terms of the results sought and the means by which they are to be attained, and should be applied within the professional body to guide decisions and actions and to conduct internal self-assessment.

Ensure that its programmes and services are consistent with its **defined** objective, within the scope of the available resources. While an accredited professional body should aspire to the highest standards of **operation**, it is also expected to establish objectives that are realistic in the light of such factors as the purpose for which the body was established, the constituencies it serves and the needs of its community.

As part of its stated objective, recognise the responsibility assumed as an accredited professional body and its commitment to uphold standards within the auditing profession in South Africa.

- Implement processes to ensure that relevant stakeholders are **identified** and consulted where appropriate and are included in decision-making processes.

Demonstrate institutional integrity in conducting its activities through equitable policies and practices in dealing with members, employees and other constituencies.

2.2 Ongoing institutional self-study

Standard

An accredited professional body should demonstrate a commitment to ongoing institutional self-study and be responsive to the need for institutional change and renewal in order to maintain and enhance the relevance, effectiveness and efficiency of its operations.

Indicators

The following indicators provide guidance on how this standard may be achieved in practice. The accredited professional body should:

Conduct institutional self-assessment, at the institutional level (financial, CPD and discipline) as well as at the programme level (including academic, core assessment, education and/or training programmes). Effectiveness should be assessed through processes designed to gather both qualitative and quantitative evidence on the extent to which institutional and programme objectives are being met. This process should in turn engender a commitment to continuous improvement as a cornerstone of the accreditation relationship.

Demonstrate that the information obtained through the self-assessment process is used as the basis for ongoing self-renewal. The results of the institutional

self-assessment may also provide an opportunity for the re-assessment of assumptions and priorities, and the identification of factors that may affect the professional body in the future.

2.3 Appropriate financial and other resources

Standard

An accredited professional body should demonstrate that it has access to sustainable financial, human and physical resources necessary to ensure the provision of relevant, effective and efficient programmes and services in the foreseeable future.

Indicators

The following indicators provide guidance on how this standard may be achieved in practice. The accredited professional body should:

Have access to a current and sustainable resource base and, where appropriate, be capable of levying fees from its members, and of raising funds within South Africa.

Have sufficient financial resources at its disposal so as to be in a position to fund its application costs payable to the IRBA in respect of the initial accreditation process, as well as the ongoing monitoring costs and accreditation fees payable.

Have appropriate financial resources available to support its ongoing operations in the foreseeable future. The extent to which the availability of resources may be assessed will depend, among other things, upon:

- the appropriateness of its fee income structure;
- the ownership of assets; and the
- extent of its liabilities, both long and short term.

Operate and manage an appropriate accounting and financial reporting system capable of accounting for and reporting on the source and application of resources within the South African context.

Appoint, at least on an annual basis, an external independent auditor to express an opinion as to whether or not the financial statements fairly reflect the financial position and results of operations at a specific date and over a specified period in accordance with a recognised reporting framework.

Have access to appropriate physical resources and operate from a permanent office located within South Africa.

2.4 Appropriate administration and governance

Standard

An accredited professional body should demonstrate sound administration and governance of its operations so as to facilitate the active fulfilment of its objective.

Indicators

The following indicators provide guidance on how this standard may be achieved in practice. The accredited professional body should:

Be governed by a board of executive and non-executive decision makers who demonstrate an interest in and understanding of the range and complexity of issues affecting the broad profession in South Africa and who are committed to preserving institutional integrity.

Be managed by a chief executive officer (or equivalent) appointed on a Full-time basis to oversee the operations of the professional body within South Africa and to be held accountable to the board.

Employ an appropriate complement of qualified and experienced professional staff on a Full-time basis to oversee institutional activities and exercise appropriate responsibility for them.

Allow an appropriate complement of Full-time administrative staff tasked with the implementation of well-defined organisational structures, policies and procedures to implement effective and efficient functions.

3. MONITORING OF ACCREDITATION REQUIREMENTS

3.1 Regular formal report

The submission of a regular Formal report by the professional body is essential to ensure that the IRBA receives relevant and up-to-date information on the Financial and operational viability of the accredited professional body.

The information should relate to the previous calendar year and should be forwarded to the IRBA on a date to be determined in consultation between the IRBA and the accredited professional body.

The information should include the Following:

Details relating to the juristic standing of the professional body in South Africa, including any specific by-laws to which it may be subject.

A statement of the institutional objective of the professional body, including the **constituents it serves**.

A copy of the most recent annual financial statements and report of the independent auditors.

Details of the staff complement, including full-time and part-time administrative and executive staff.

Details of the decision-making mechanisms within the professional body, including the executive and non-executive board members.

3.2 Self-evaluation

The self-evaluation report should provide the accredited professional body with an opportunity to reflect on the extent to which it continues to meet each of the accreditation standards and indicators defined by the IRBA. In doing so, the professional body should identify shortcomings in its financial and operational viability and reach specific conclusions as to whether or not the relevant accreditation requirements have been met.

Such an objective analysis by the professional body should assist in identifying the means through which improvement may be sought in the quality of institutional self-assessment that is aimed at improving the level of services and programmes provided. The analysis should also provide insights into specific deficiencies in the policies and procedures that have become apparent in the year under review.

The information should relate to the previous calendar year and should be forwarded to the IRBA by a date to be determined in consultation between the IRBA and the accredited body. In addition to the above, the following information should be included:

A description of the processes the professional body uses to conduct its self-assessment, both at the institutional and at the programme level.

A discussion of factors identified as part of the self-assessment process that may require further investigation and that may have the potential to enhance the quality of services and programmes offered by the professional body.

3.3 External validation

The IRBA reserves the right to conduct such procedures as it deems necessary, in addition to receiving the regular formal report and self-evaluation report, in order to satisfy itself that the accreditation requirements in relation to financial and operational viability are complied with.

3.4 Specific investigation

Where the IRBA has reason to question the extent to which accreditation standards continue to be met, it clearly has a duty to investigate and take appropriate action.

SECTION 2D: REGISTER OF MEMBERS

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1. OBJECTIVE

Statutory requirement

- 1.1 An institutional requirement for accreditation is that a professional body must maintain a register of its members in the appropriate form. In order to be accredited a professional body must demonstrate that it keeps a register of its members in the form prescribed by the IRBA.
- 1.2 An accredited professional body committed to making a contribution to the auditing profession in South Africa should be in a position to communicate with its members on matters relating to the profession. Its register of members should therefore distinguish between those members who are RAs and those who are not. In addition, members of the public may need to make enquiries as to the professional affiliations of an RA.

2. ACCREDITATION STANDARD

Standard

The accredited professional body should maintain a register of its members that is complete, valid and accurate, that contains appropriate information, is made reasonably available to members of the public and that enables efficient communication by the professional body with all its members.

Indicators

The accredited professional body should maintain a register of its members that:

Is maintained either in written or electronic form.

Specifically identifies which of its members are also RAs.

Is complete, accurate and valid. All persons included in the register should be members of the professional body, and all those who are members should be listed. In addition, the critical information maintained in the register in respect of all members should be accurate.

Is open to the public or accessible to the public at reasonable times for the purpose of enquiries.

Contains sufficient and appropriate information should members of the public make enquiries regarding the name of the member, date of qualification for membership, and contact details of the practice.

Contains relevant and accurate contact details in respect of all members so as to enable the professional body to communicate effectively and efficiently with them.

3. MONITORING OF ACCREDITATION REQUIREMENTS

Given the nature of this accreditation standard, the extent to which it is complied with should be discussed at least on an annual basis at a meeting held between representatives of the IRBA and the relevant accredited professional body.

The meeting should endeavour to:

explore ways in which the exchange of data between the IRBA and the accredited professional body may facilitate the maintenance of complete, accurate and valid information in the register of members; and

reach consensus as to what corrective action must be taken in order to rectify inaccurate or invalid data or omissions.

SECTION 2E: REPRESENTIVITY IN THE PROFESSION

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1. OBJECTIVE

- 1.1 In order to be accredited a professional body must demonstrate that it has in place appropriate programmes and structures to ensure that it is actively endeavouring to achieve the objective of being representative of all sectors of the South African population.
- 1.2 Within the particular South African circumstances, all accredited professional bodies should contribute towards endeavouring to be representative of all sectors of the population.

2. ACCREDITATION STANDARD

Standard

An accredited professional body must demonstrate a commitment to enhancing access to the auditing profession through the implementation of appropriate programmes designed to endeavour to make the profession representative of all sectors of the South African population.

Indicators

The accredited professional body should:

Establish realistic and measurable targets for enhancing representivity within the profession. Outcomes achieved should be measured against established targets and reported on a regular basis.

Collect, analyse and report data indicating the extent to which its membership is representative of various population groups and gender. Outcomes achieved should be measured against established targets and reported on a regular basis.

Collect, analyse and report data indicating the extent to which prospective members (i.e. students and trainees at various stages of qualification) are representative of various population groups and gender.

Either on its own or in conjunction with other parties, establish the necessary development programmes aimed at enhancing access to the profession from members of previously disadvantaged racial groups.

Establish practices and procedures for ensuring that its own staff complement and the membership of its relevant governing structures and various committees are representative of all sectors of the South African population.

Encourage the providers of its recognised academic, training and/or education programmes to implement proactive steps designed to enhance access to the profession.

Encourage providers of the training programmes to take proactive steps to address issues of employment and gender equity.

Implement programmes designed to attract persons from previously disadvantaged backgrounds who demonstrate an interest in and aptitude for accounting and auditing to enter the profession.

Implement programmes designed to support and assist those persons from academically disadvantaged backgrounds to successfully complete academic and education programmes that enable admission to the profession.

Where appropriate, participate in the activities of other bodies established for the purpose of developing skills appropriate to the accounting and auditing profession.

3. MONITORING OF ACCREDITATION REQUIREMENTS

Given the nature of this accreditation standard, the extent to which it is complied with should be discussed at least on an annual basis at a meeting held between representatives of the IRBA and the relevant accredited professional body.

The meeting should endeavour to:

- assess the contribution made by the accredited professional body towards ensuring that the profession is representative of all sectors of the South African population; and

- explore ways in which the accredited professional body may further enhance the extent to which the profession is representative of all sectors of the South African population.

SECTION 2F: TECHNICAL SUPPORT AND GUIDANCE

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1. OBJECTIVE

- 1.2 In order to protect the public interest the IRBA must ensure that every RA has the necessary professional competence at the point of registration and must ensure that this professional competence is maintained and developed further after initial registration. Maintenance and development of professional competence is achieved, inter alia, through CPO. The professional body must, in addition to its CPD responsibility, also provide adequate technical support and guidance in order to assist its members to maintain and develop their professional competence.
- 1.3 In order to be accredited a professional body must demonstrate that it has mechanisms to ensure that it provides adequate technical support and guidance to its members. Compliance with the accreditation requirements demonstrates the commitment of the professional body towards advancing the implementation of appropriate standards of technical expertise in the auditing profession.
- 1.4 Accreditation standards address the aspects that relate to the technical expertise and capacity available at the professional body and that will ensure the provision of adequate technical support and guidance of a high standard.
- 1.5 Accordingly, the professional body should demonstrate that its resources are appropriately and sufficiently qualified to provide technical support and guidance for its members who are RAs.

The following accreditation standards are relevant:

- Standard 1: Appropriate technical expertise
- Standard 2: Effective communication with members
- Standard 3: High-quality guidance
- Standard 4: High-quality support

2. ACCREDITATION STANDARDS

2.1 Appropriate technical expertise

Standard

It is essential that the accredited professional body has access to technical expertise that will ensure the provision of high-quality technical support and guidance to its members.

Indicators

The following indicators provide guidance on how this standard may be achieved in practice. The accredited professional body should:

Have access to persons who are appropriately qualified and experienced in the technical disciplines associated with the auditing profession. Such persons may be employed by the accredited professional body or may volunteer themselves through a formal committee structure of the body.

Have access to appropriately qualified and experienced persons so as to ensure that they:

- ∴ Remain abreast of relevant developments within each technical discipline associated with the auditing profession.
- . Prepare guidance for members in an appropriate form, where considered necessary.
- . Provide technical support for individual members where considered necessary and appropriate.

2.2 Effective communication with members

Standard

It is essential that the accredited professional body establish efficient and effective means of communicating technical guidance to members. It is also essential that the accredited professional body establish efficient and effective means by which individual members can seek technical support and that there be effective and efficient means for the provision of support to individual members.

Indicators

The following indicators provide guidance on how this standard may be achieved in practice. The accredited professional body should:

Ensure that technical guidance is communicated to members in any manner deemed to be appropriate. This could include, but is not limited to, newsletters, seminars, lectures and circulars.

Ensure that technical guidance is communicated to members in a timely manner that ensures members use the guidance appropriately.

Ensure that there are effective and efficient methods available to individual members to seek technical support from the professional body. These methods could include, but are not limited to, the communication of requests through the internet, telephone and postal service, and visits to the premises of the professional body. The professional body should clearly inform members of the accepted method(s) prescribed for seeking technical support.

Ensure that the response given to members who have sought technical support is appropriate. These may include, but are not limited to, the internet, telephone or postal service, or through a meeting.

Ensure that the response given to members who have sought technical

information is provided timeously in the circumstances.

2.3 High-quality guidance

The guidance provided by the professional body should be of a high quality commensurate with the level of competence expected of an RA.

Indicators

The following indicators provide guidance on how this standard may be achieved in practice. The accredited professional body should:

Ensure that all technical guidance communicated to its members is accurate, complete, reliable and relevant.

Ensure that all technical guidance communicated to its members is based on and relates to up-to-date practice, legislation and pronouncements.

Ensure that all technical guidance communicated to its members is presented in a manner that is clear, unambiguous and relevant.

2.4 High-quality support

The support provided by the professional body should be of a high quality commensurate with the level of competence expected of an RA. In this regard particular attention should be paid to the provision of support to registered auditors in small practices.

Indicators

The following indicators provide guidance on how this standard may be achieved in practice. The accredited professional body should ensure that support rendered to individual auditors:

Is accurate, complete, reliable and relevant.

Is based on and relates to current practice, legislation and pronouncements.

is clear, unambiguous and relevant.

The accredited professional body must further ensure that:

Appropriate technical support is provided for all RAs, including those in small practices.

3. MONITORING OF ACCREDITATION REQUIREMENTS

3.1 Regular formal report

The submission of a regular formal report by the professional body is essential to ensure that the IRBA receives relevant and up-to-date information with respect to the provision of technical support and guidance by professional accredited bodies.

The information should relate to the previous calendar year and should be forwarded to the IRBA on a date to be determined in consultation between the IRBA and the accredited professional body.

The information should include the following:

Details relating to the technical expertise employed by the professional body in the provision of technical guidance and support to its members.

Copies of all technical guidance rendered to members during the year under review.

Copies of all policies and procedures pertaining to technical guidance and support to members.

Details of policies and procedures relating to the communication of technical guidance to members.

Details of policies and procedures relating to communication between the professional body and individual registered auditors relating to technical support.

Mechanisms through which the need for guidance is identified.

3.2 Self-evaluation

The self-evaluation report should provide the accredited professional body with an opportunity to reflect on the extent to which it continues to meet each of the accreditation standards and indicators defined by the IRBA in relation to technical support and guidance. In doing so, the professional body should identify shortcomings in its provision of technical support and guidance and reach specific conclusions as to whether or not the relevant accreditation requirements have been met.

Such an objective analysis by the professional body should assist in identifying the means through which co-operation between the professional body and the regulator may be extended so as to provide support for the technical support and guidance objectives of the IRBA. The analysis should also provide insights into specific deficiencies in both the policies and procedures that have become apparent in the year under review.

The information should relate to the previous calendar year and should be forwarded to the IRBA by a date to be determined in consultation between the IRBA and the accredited professional body. In addition to the above requirements, the information should also include:

A description of the processes by means of which issues for publication of technical guidance are selected.

3.3 External validation

The IRBA reserves the right to conduct such procedures as it deems necessary in addition to receiving the regular formal report and self-evaluation report in order to satisfy itself that the accreditation requirements in relation to the provision of technical support and guidance are complied with.

3.4 Specific investigation

Where the IRBA has reason to question the extent to which accreditation standards continue to be met, it clearly has a duty to investigate and take appropriate action.

SECTION 3**PROGRAMME
ACCREDITATION**

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OVERVIEW OF PROGRAMME ACCREDITATION

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1. THE DEVELOPMENT AND ASSESSMENT OF COMPETENCE

- 1.1 The reputation, relevance and value of the auditing profession depend on the ability of its members to continually meet the expectations of stakeholders and provide a service appropriate to the needs of the South African economy within the global context. It is the responsibility of the IRBA to ensure that all RAs have the necessary professional competence on entry to serve the public interest and the needs of the economy, and subsequently maintain and further develop their competence.
- 1.2 The IRBA has a duty to ensure appropriate competence on entry to the profession by means of appropriate academic, education, training and assessment programmes. In this regard, a distinction should be made between professional and core competence.

Professional competence

- 1.3 Professional competence is the ability to perform the tasks and roles expected of an RA to standards that are appropriate locally and comparable internationally.
- 1.4 Professional competence reflects the minimum expectations of the public and not the distinguishing attributes of those individuals who are considered to be especially effective. It requires an ability to continuously learn and adapt to change and thereby make a positive contribution to the profession and society throughout an RA's professional life.
- 1.5 The demonstration of professional competence is a necessary condition for registration as an auditor. Accordingly, it can only be demonstrated in situations that reflect the multidisciplinary public practice environment. Professional competence at entry point to the profession is assessed in the PPE conducted by the IRBA.
- 1.6 The IRBA may recognise or withdraw the recognition of any accredited professional body to conduct a qualifying examination for registration purposes or conduct such an examination itself. The IRBA considers that a single admission examination, set and administered by the regulator, is in the best interests of the profession.
- 1.7 Professional competence is developed by means of a recognised education programme together with a recognised training programme. Training is received in the office of an RA under a training contract registered with the IRBA. The aim of the recognised education and recognised training programmes is to build on the foundation of core competence (that was developed during the recognised academic programme and assessed in the recognised core

assessment programme - see below] through learning experiences that reflect the public practice environment.

Core competence

- 1.8 An appropriate measure of core competence is a prerequisite for the demonstration of professional competence.
- 1.9 Core competence is the ability to apply the concepts and principles of a defined technical body of knowledge, skills and professional values in an integrated and analytical manner to a standard that provides a foundation appropriate for further professional development.
- 1.10 Core competence is developed by means of a recognised academic programme and assessed by means of a recognised core assessment programme.
- 1.11 The requirements for the development and assessment of professional and core competence, as described above, may be presented in the form of a competency model:

Programme	Objective	Responsibility
Recognised academic programme	Development of core competence	Professional body accredited by the IRBA
Recognised core assessment programmes	Assessment of core competence	Professional body accredited by the IRBA
Recognised education programme	Development of professional competence	Professional body accredited by the IRBA
Recognised training programme under contracts prescribed by the IRBA	Development of professional competence	Professional body accredited by the IRBA
Public Practice Examination (PPE) conducted by the IRBA	Assessment of professional competence	The IRBA

2. ADMISSION AND CREDIT REQUIREMENTS

- 2.1 The formal admission policies that define entry requirements to recognised academic, education, training and core assessment programmes are the responsibility of the relevant professional body.

Recognised academic programme

- 2.2 Successful completion of a recognised academic programme is required to gain admission to a recognised core assessment programme.
- 2.3 However, such successful completion does not grant automatic access to the recognised core assessment programme of another accredited professional body.
- 2.4 In cases where a recognised academic programme is not supported by a recognised core assessment programme, the IRBA will make arrangements for conducting a core assessment for the purpose of providing continuity in learning paths to registration as an RA.
- 2.5 For the purpose of admission to the PPE conducted by the IRBA, candidates retain credit for an indefinite period for successful completion of a recognised academic programme.

Recognised core assessment programme

- 2.6 A condition for admission to a recognised core assessment programme should be that a candidate has successfully completed a recognised academic programme.
- 2.7 For the purpose of admission to the PPE conducted by the IRBA, candidates retain credit for an indefinite period for successful completion of a recognised **core assessment programme**.
- 2.8 The core assessment programme may consist of a series of **assessments** conducted over a period of time, provided that the final component is administered only once a recognised academic programme has been successfully completed.

Recognised training programme

- 2.9 The terms and conditions of the contractual agreement between employer and employee as set out in an employment contract are the responsibility of the particular firm or person under which training is to take place. IRBA therefore does not become involved in the contractual employer/employee relationship established by such a contract. The IRBA approves the training contract.
- 2.10 For the purpose of admission to the PPE conducted by the IRBA, candidates retain credit for an indefinite period for successful completion of a recognised training programme.
- 2.11 Admission to a recognised training programme should require completion of a recognised academic programme, or registration for a recognised academic programme or registration for an alternative learning programme that enables

entry to a recognised academic programme.

Recognised education programme

- 2.12 Admission to a recognised education programme should at least be subject to a candidate having successfully completed a recognised academic programme and having entered into a recognised training and completed core assessment programme. This requirement is essential in order to ensure that there is a suitable foundation of core competence upon which further professional development may be based.
- 2.13 For the purpose of admission to the PPE, a recognised education programme is valid for a period of five calendar years after the calendar year in which the programme was successfully completed. This requirement is essential in order to ensure that a candidate's knowledge, skills and professional values remain

3. MONITORING IN THE CONTEXT OF RECOGNITION

- 3.1 Central to achieving the objectives of recognition is the monitoring of the recognised programmes of professional bodies.
- 3.2 The monitoring process is designed to encourage and assist professional bodies to seek continuous improvement in the quality of programmes through a process of self-evaluation.
- 3.3 Once recognition has been granted to the programme(s) of a professional body, such recognition extends to the future delivery of the programme, unless monitoring procedures reveal that recognition standards are no longer being complied with.
- 3.4 The maintenance of recognition status is thus dependent on the recognised programme of the professional body continuing to meet the recognition standards as determined through the continuous monitoring procedures carried out by the IRBA.
- 3.5 The manner in which the monitoring procedures are applied to a particular recognised programme will be determined by means of a consultative process between the relevant professional body and the IRBA.
- 3.6 Every programme that is recognised by the IRBA for the purpose of granting admission to the PPE will be subjected to a monitoring process by the IRBA.
- 3.7 The following monitoring procedures are applicable to each of the recognised programmes:
- regular formal reporting by the professional body;

- self-evaluation by the professional body;
- external validation by the IRBA;
specific investigation by the IRBA;

Regular formal reporting

3.8 The submission of regular formal reports to the IRBA by the professional body is essential to ensure that the IRBA receives relevant and up to date information with respect to each recognised programme that ultimately enables admission to the PPE.

Self-evaluation

3.9 The purpose of the self-evaluation is to provide the professional body with an opportunity to:

determine the extent to which the recognition standards defined by the IRBA continue to be met;

recommend to the IRBA possible changes in the prescribed Curriculum Framework;

recommend to the IRBA possible changes to recognition standards and monitoring procedures defined by the IRBA; and

identify particular aspects relating to the recognised programme that call for guidance and assistance from the IRBA.

External validation

3.10 The purpose of the external validation procedures is to provide the IRBA with an opportunity to assess independently the opinions expressed by the professional body in the self-evaluation report.

Specific investigation

3.11 Where the IRBA has reason to question the extent to which the recognition standards are being met, it will investigate the matter and take appropriate action.

4. EXTENT OF MONITORING PROCEDURES

Assessment of required monitoring intensity

4.1 The IRBA will determine the intensity of the monitoring procedures to be applied to a specific recognised programme in a particular year on the basis of its assessment of the programme. This assessment should take the following factors into consideration:

- The results of the previous monitoring reports that relate to the programme;
- Any anticipated changes in the nature of the programme from the previous **year**;
- The degree of understanding displayed by the IRBA and the relevant professional body of the requirements of the recognition and monitoring **process**;
- The intensity levels applied over a period of time; and
- Any other relevant information available to the IRBA at the time the monitoring procedures are determined,

Provided that:

- In the **first** year in which monitoring procedures are to be applied, a high level of intensity will be applicable;
- A high level of intensity will be applied to a recognised programme at least once every three years, regardless of the assessment and consideration of the factors identified above;
- A high level of intensity will be applied where the IRBA has reason to believe that the quality of the recognised programme, or aspects thereof, is at risk; and

Regardless of the monitoring intensity to be applied to a programme, where matters are brought to the attention of the IRBA that call for investigation, the matters will be appropriately addressed,

High.intensity monitoring

- 4.2 A "high" level of monitoring intensity implies that comprehensive external validation procedures should be performed by the IRBA in addition to the receipt of the regular formal reports and self-evaluation reports submitted by the relevant professional body.

Medium intensity monitoring

- 4.3 Where the risk of the programme is assessed as "medium", external validation procedures are to be performed to a limited extent, as determined by the IRBA at its discretion.
- 4.4 Regardless of the risk assessment and required monitoring intensity, the professional body is still required to submit the regular formal report and self-evaluation report required for the specific programme,
- 4.5 A medium intensity of monitoring places a fair degree of reliance on the information forwarded to the IRBA by the professional body in the regular formal report and self-evaluation reports. Accordingly, the professional body should ensure that the information so provided is sufficient and appropriate

to enable the IRBA to determine the extent to which the recognition standards continue to be met, with only limited reliance being placed on rigorous external validation procedures. The IRBA may therefore request the professional body to address particular aspects in its self-evaluation report.

Low-intensity monitoring

- 4.6 Where the risk of the programme is assessed as "low", no external validation procedures are to be performed.
- 4.7 Regardless of the risk assessment and required monitoring intensity, the professional body is still required to submit the regular formal report and self-evaluation report as required for the specific programme.
- 4.8 A low intensity of monitoring places extensive reliance on the information forwarded to the IRBA by the professional body in the regular formal report and self-evaluation reports. Accordingly, the professional body should ensure that the information so provided is sufficient and appropriate to enable the IRBA to determine the extent to which the recognition standards continue to be met, without relying on external validation procedures. The IRBA may therefore request the professional body to address particular aspects in its self-evaluation report.

Risk assessment and monitoring intensity

- 4.9 The relationship between the risk-assessment of the programme, the required monitoring intensity and the nature of procedures can be summarised as follows:

Risk assessment of the programme	HIGH	MEDIUM	LOW
Required monitoring intensity	High	Medium	low
Monitoring procedures			
Regular formal reports	Yes	Yes	Yes
Self-evaluation reports	Yes	Yes	Yes
External validation	Comprehensive	limited	None
Specific investigations	If need arises	If need arises	If need arises

5. THE MONITORING REPORT

- 5.1 The IRBA will use the information gathered through the regular formal report, self-evaluation report, external validation procedures and specific investigations, if undertaken, to compile a monitoring report in respect of each recognised programme.

- 5.2 The IRBA will prepare a draft monitoring report, a copy of which will be forwarded to the professional body for comment.
- 5.3 Such draft monitoring report will then be discussed at a meeting of members of the IRBA and representatives of the professional body.
- 5.4 The meeting should endeavour to reach consensus on issues arising from the report. Where this is not achieved, the opinions of both parties should be stated in the final monitoring report.
- 5.5 A copy of the final monitoring report will be forwarded to the professional body as well as to the IRBA.
- 5.6 On the basis of the final monitoring report and the recommendations it contains, the IRBA should either instruct that recognition of the programme be continued or withdrawn immediately, or that a warning of possible withdrawal be issued.
- 5.7 The decision of the IRBA should be communicated to the professional body in writing.

6. WITHDRAWAL OF PROGRAMME RECOGNITION

- 6.1 In cases where the monitoring procedures reveal that the applicable recognition standards are no longer being complied with, the IRBA should determine whether the recognition should be withdrawn immediately, or whether a warning of possible withdrawal should be issued.
- 6.2 The IRBA may recommend to the professional body that a specific provider of the recognised programme should no longer participate in the delivery of the programme. The IRBA may then instruct the professional body to notify the particular provider of this decision, failing which the recognition of the entire programme may be withdrawn.
- 6.3 A warning of possible withdrawal by the IRBA implies that if the situation is not rectified within the period specified in the warning, recognition of the programme will be withdrawn.
- 6.4 The responsibility of informing prospective students of any anticipated change in the recognition status of the programme within an appropriate period rests with the professional body.
- 6.5 Upon issuing a warning, the IRBA should set out the reasons for the warning and set specific and clear objectives that must be achieved by the professional body within the specified period in order for it to maintain recognition status.
- 6.6 During the warning period, the professional body should work closely with the IRBA with a view to maintaining standards and rectifying the situation.

- 6.7 When a decision is made whether to withdraw recognition immediately or to issue a warning, efforts should be made to avoid disadvantage to existing students to whom a commitment regarding access to the profession has been made. However, the IRBA shall also recognise its commitment toward the protection of the public interest and the maintenance of appropriate standards.
- 6.8 If standards for recognition have not been complied with at the end of the warning period, recognition should be withdrawn.
- 6.9 The professional body may then re-apply for recognition of the relevant programme at a later stage, and such application will be re-assessed in its entirety.
- 6.10 The withdrawal of recognition of an academic and/or core assessment programme implies that the professional body no longer complies with the requirements for accreditation as specified in the Act. In such instances, the procedures relating to the withdrawal of accreditation status will apply.

7. PROGRAMME ACCREDITATION REQUIREMENTS

- 7.1 The accreditation requirements relating to each of the following recognisable programmes are set out as follows:
- Section 3 A: Recognised academic programme
 - Section 3 B: Recognised core assessment programme
 - Section 3 C: Recognised education programme
 - Section 3 D: Recognised training programme
- In each case, the following details relating to each individual programme are set out:
- Programme objectives
 - Recognition standards and indicators
 - Monitoring procedures
- 7.2 Recognition standards are those criteria that are regarded as essential for the realisation of the objective of each of the programmes. Standards reflect the minimum requirements for the recognition of the programmes of a professional body and the body may choose to include additional requirements for its own purposes.
- 7.3 No single recognition standard will be considered to be of overriding importance for the purpose of granting recognition. Rather, standards should be viewed as an interdependent set of requirements that collectively enable the objectives of a programme to be met.

- 7.4 In determining the extent to which a recognition standard has been met, certain indicators that give practical guidance on how the standard may be achieved have been described. The inability to comply with a specific indicator will not be viewed in isolation. It is accepted that a recognition standard may also be achieved through alternative means not referred to in the indicators.

SECTION 3A: RECOGNISED ACADEMIC PROGRAMME

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3. Monitoring of the recognised academic programme	3-25

1. OBJECTIVE OF THE ACADEMIC PROGRAMME

- 1.1 The objective of the academic programme is to develop the core competence of a student to apply the concepts and principles of a defined technical body of knowledge, skills and professional values in an integrated and analytical manner to a standard that provides a foundation appropriate for further professional development.
- 1.2 In determining the desirable degree of core competence, the IRBA has defined the following seven attributes that embody its expectations of successful students of the academic programme:
 - a) The ability to analyse complex situations and to identify and define problems arising from them.
 - b) The ability to integrate knowledge from different technical fields in order to solve multiple-topic problems.
 - c) The ability to identify information relevant to a particular problem by distinguishing it from irrelevant information in a given body of data.
 - d) The ability to prioritise when dealing with multi-problem situations by identifying those problems that require immediate attention.
 - e) The ability to evaluate alternative solutions and apply objective reasoning in dealing with such alternatives.
 - f) The ability to communicate effectively with relevant stakeholders by formulating appropriate and feasible recommendations in a concise and logical manner.
 - g) The ability to continue to learn and adapt to change.
- 1.3 The degree of core competence to be developed should provide a suitable foundation on which training and education programmes can build in the development of the degree of professional competence required for success in the PPE.

2. RECOGNITION STANDARDS

The following standards are considered essential for the realisation of the above objective:

- Standard 1: Formal academic environment
- Standard 2: Sufficient educational breadth
- Standard 3: Representative content of the Curriculum Framework
- Standard 4: Effective instructional approach
- Standard 5: Appropriate standard, scope and form of assessment

- Standard 6: Provision for access and mobility
- Standard 7: Attraction and retention of staff
- Standard 8: Appropriate infrastructure
- Standard 9: Clearly defined mission statement
- Standard 10: Clearly defined and published delivery criteria
- Standard 11: Formal and effective communication channels to providers
- Standard 12: Formal and effective monitoring procedures.

2.1 Formal academic environment

Pre-qualification education in a formal academic environment is an essential characteristic that distinguishes a profession from other occupations. It is necessary to develop the personal characteristics of the learner and an awareness of the economic and social context of the profession.

Standard

The professional body should ensure that the academic programme is provided in a formal academic environment that develops the competence to exercise good judgement and interact with diverse groups of people, and initiates the process of personal growth leading to professional competence.

Indicators

- a. The professional body should promote a formal academic environment. A four-year university degree (or equivalent) is considered to be the minimum period for the development of the required core competencies.
- b. In determining whether a programme is equivalent to a four-year university degree, the following should be taken into account:
 - The rigour of tuition;
 - The recognition of prior learning; and
 - The achievement of a suitable basis for further professional development.
- c. The professional body should ensure that the providers of the academic programme meet the quality standards as determined by the relevant higher education quality assurance body.

2.2 Sufficient educational breadth

The multi-disciplinary public practice environment requires professionally competent practitioners to have a broad-based global perspective conducive to understanding the economic, political, social and technological context in which businesses and other organisations operate. RAs must be effective in key decision-making capacities

that require an understanding of issues not directly related to the accounting and auditing fields.

Standard

The professional body should promote sufficient educational breadth in their academic programmes, thus providing students with;

a global perspective of the historic events and current issues that shape modern society;

a basic understanding of human behaviour;

an appreciation of the breadth of contrasting economic, political and social issues, both locally and internationally;

an appreciation of art, literature and science; and

an awareness of different personal and social values.

Indicators

- o. The professional body should ensure that its curriculum provides appropriate exposure to fields of study that are not directly related to the technical fields, such as the arts, sciences and humanities. It is recommended that approximately 20% of the notional learning time in the programme be devoted to general education.
- b. The professional body should ensure that general education is incorporated in the academic programme in a structured and coherent manner. Whether sufficient educational breadth is achieved in accounting courses, accounting-related courses or in courses unrelated to accounting will depend on the circumstances of the academic programme. However, a random set of courses is unlikely to achieve this goal.

2.3 Representative content of the Curriculum Framework

Professional bodies seeking recognition of their academic programme will be required to demonstrate to the IRBA the extent to which the specific competencies defined by the IRBA in the Curriculum Framework are developed within their own relevant programmes.

Standard

The professional body should ensure that an appropriately representative content of the Curriculum Framework prescribed by the IRBA is adopted by the providers of the academic programme.

Indicators

- a. The professional body should define detailed outcomes-based syllabi that indicate the extent to which the academic programme develops core competence. Core competence is the ability to apply the concepts and principles of a defined technical body of knowledge, skills and professional values in an integrated and analytical manner to a standard that provides a foundation appropriate for further professional development.
- b. In defining the outcomes-based syllabus, the professional body should set out the knowledge, skills and professional values required to demonstrate core competence under each of the specific competencies defined under each of the six learning areas identified in the Curriculum Framework of the IRBA.
- c. The professional body should revise the content of its outcomes-based syllabus **and associated assessment criteria on a regular basis so as to maintain its** relevance and to suit changing needs, particularly within the local context.
- d. The professional body should communicate the content of its outcomes-based syllabus to the providers of the programme, to whom it should serve as a basis for the planning, delivery and assessment of the programme.
- e. The professional body should encourage its providers to communicate the content of its syllabus to each student in the form of a written study manual. This would enable students to approach their studies with clearly defined, outcomes-based learning objectives.
- f. The professional body should encourage its providers to plan and co-ordinate the delivery of the programme with a view to ensuring a unified educational experience and the integration of knowledge, skills and professional values.
- g. The professional body should ensure that the recognised academic programme places appropriate emphasis on the ethical requirements of the profession. In particular, programmes in business ethics should emphasise the need to maintain one's competence in the interests of the public and the profession, thus ensuring that an RA undertakes only those services for which the RA has the appropriate degree of competence. (In this regard, refer to the institutional accreditation requirements relating to CPD.)

2.4 Effective instructional approach

Pre-qualification programmes cannot be expected to be able to develop the full range of technical knowledge, skills and professional values required for continued professional competence. However, the maintenance of professional competence in a constantly changing environment makes it imperative for RAs to develop and maintain a commitment to lifelong learning. The instructional approach applied in the academic programme should address the following aspects of learning:

2.4.1 Learning content

The learning content should go beyond the transfer and recall of knowledge, and enable students to develop skills and values appropriate for self-directed enquiry and research.

2.4.2 Learning process

The instructional process should include a broad range of learner-centred instructional methods. These may include but are not limited to:

- the use of case studies that simulate real-life situations;
- the creative and diverse use of technology;
- **working in groups;**
- encouraging students to be active participants in the learning process; and
- encouraging students to question, seek answers for themselves and to **learn on their own.**

2.4.3 Learning attitude

Students should be encouraged to make a personal commitment to continuous learning throughout their lives.

The professional body should place considerable emphasis on the development of lifelong learning capabilities among its students through appropriate focus on the delivery of the recognised academic programme that prepares students to enter the auditing profession. (In this regard, refer to the institutional accreditation requirements relating to CPO.I)

Standard

The professional body should promote the use of an effective instructional approach that will provide a foundation for lifelong learning.

Indicators

- a. The professional body should encourage its providers to adapt instructional methods and materials constantly so as to reflect the ever-changing environment in which RAs function.
- b. The professional body should encourage its providers to present the programme in such a way that students become actively involved in the learning process. Interactive learning methodologies include but are not limited to:
 - the use of case studies that simulate real life situations;
 - the creative use of technology;
 - small-groups projects.

- c. The professional body should encourage its providers to develop students' attitude of learning to learn by encouraging them to question, to seek answers for themselves and to learn independently.

2.5 Appropriate standard, scope and form of assessment

Continuous assessment is necessary to evaluate the effectiveness of instruction and to provide feedback to students. The final assessment furthermore indicates the degree of core competence achieved.

Standard

The professional body should ensure that the standard, scope and form of assessment in the academic programme will achieve a valid and reliable evaluation of a student's core competence.

Indicators

- a. The professional body should encourage its providers to:
- utilise a variety of assessment interventions to cater for the diverse areas of knowledge, skills and professional values that need to be developed. These could include, but are not limited to, written examinations, interviews, group assignments, portfolio assessments or research assignments.
 - apply a continuous assessment process throughout the programme. The results of the assessment should be used to evaluate instructional effectiveness, identify students in need of support and provide students with regular progress reports.
- b. The professional body should ensure that as for as the final assessment of students for graduation from the relevant academic programme is concerned:
- the standard of the final assessment provides a graduate with rigorous preparation for the core assessment programme;
adequate security procedures are in place to safeguard the integrity and prevent any breach in the confidentiality of the assessment prior to its **occurrence**;
an appropriate percentage of the final assessment (at least 80%) is designed to evaluate the specific competencies in the Curriculum Framework defined by the IRBA;
the assessment is based on real-life problems and situations that require students to draw on the knowledge, skills and professional values developed in the academic programme, but need not require them to draw on practical experience gained in the practice of on RA;
 - the objective of the assessment is to assess the application of knowledge,

rather than merely recalling such knowledge;

in keeping with current IRBA examination policy and in preparation for the care assessment, at least 80% of the final assessment takes the form of a formal written examination; and

external moderation and external examination take place. Such an external moderator should be a person with appropriate experience and expertise in the particular subject area and should not be responsible for delivery of the academic programme.

- c. Assessment methods applied within the programme should be designed to encourage and assess the extent to which students are capable of carrying out systematic enquiry in unstructured circumstances. [In this regard, refer to the institutional accreditation requirements relating to CPD.]

2.6 Provision for access and mobility

The provision of a suitable standard of public practice services to the South African economy is dependent on adequate numbers of competent RAs. Policies and practices should therefore be aimed at attracting, supporting and retaining individuals who display potential and an aptitude for accounting.

Standard

The professional body should promote the provision of access to and mobility within the auditing profession through admission, retention and support policies within the academic programme.

Indicators

- a. The professional body should ensure that providers implement appropriate admission requirements to ensure that students entering the programme have a sufficient level of fundamental competence to provide an adequate base for the development of a high standard of core competence.
- b. The professional body should encourage its providers to recognise prior learning for admission purposes and to implement procedures whereby prospective students who have not undergone prior formal education are able to demonstrate that they are capable of successfully completing the programme.
- c. The professional body should initiate programmes that are designed to attract appropriate individuals to the study of accounting and auditing in general, and particularly to the auditing profession.
- d. The professional body should ensure that the admission policies of its providers are clearly set out and are made available to interested parties upon request.
- e. The professional body should encourage its providers to enter into formal articulation agreements with other providers that will enable transfer between

programmes, grant recognition for prior learning, **minimise** duplication and promote coherence in learning paths that lead to registration. Articulation standards should be clearly stated and should be based on a comparison of the level of knowledge, skills and professional values developed in the different programmes.

- f. The professional body should promote fair and equal access to its academic programmes for all individuals who have the ability and desire to enter the accountancy profession. To this end providers should be encouraged to develop bridging programmes and financial support initiatives.
- g. The professional body should encourage its providers to provide academic support facilities that assist students with the successful completion of the academic programme. Examples include mentor programmes, student counselling, advisory facilities and aptitude assessment facilities.
- h. The professional body should encourage its providers to implement appropriate channels for addressing concerns and grievances raised by students.

2.7 Attraction and retention of staff

The development of a high degree of core competence is dependent upon the number, qualification and expertise of the academic staff available to present the academic programme.

Standard

The professional body should implement practices designed to attract and retain adequate numbers of suitably qualified and experienced staff among the providers of the academic programme.

Indicators

The professional body should emphasise the importance of appropriate staff in the provision of the academic programme by promoting the following requirements among its providers:

- a. There should be a fair ratio between the number of staff members and student enrolment figures, in the light of the rigour of instruction.
- b. There should be balance between senior and junior staff members to ensure appropriate leadership.
- c. Academic staff should have appropriate qualifications and practical experience in the relevant subject areas.
- d. There should be opportunities for staff to develop their expertise in educational **instruction**.
- e. A substantial number of the academic staff members should hold permanent positions to ensure continuity and stability within the programme.

- f. An appropriate number of academic staff **members** should hold full-time appointments to ensure an appropriate level of interaction between staff and students.
- g. A process for regular appraisal of the effectiveness of academic staff should be in place.
- h. The staff development policy should encourage **continuous** professional development

2.8 Appropriate infrastructure

The characteristics of the academic environment have a significant effect on the effectiveness and stability of academic programmes.

Standard

The professional body should promote the utilisation of appropriate infrastructure among the providers of the academic programme to ensure that the necessary learning opportunities are provided.

Indicators

The professional body should place emphasis on the importance of appropriate infrastructure in the provision of the academic programme by promoting the following requirements among its providers:

- a. The academic programme should be administered by an academic institution that has a budget sufficient for supporting its continued operation.
- b. Appropriate instructional technology should be available to, and utilised by, the academic department.
- c. Students should have access to and be encouraged and required to make use of reference and library facilities;
- d. Students should have access to and be encouraged and required to make use of multi-media information technologies and computer facilities where appropriate.
- e. There should be sufficient and appropriate supportive resources and services to meet the objectives of the programme. These could include, but are not limited to, the following:
 - Administrative, secretarial and technical support;
 - **Instructional venues;**
 - Office accommodation;
Study facilities for students;
 - Venues for consultation between staff and students;

Instructional support media; and
 Duplication facilities.

2.9 Clearly defined mission statement

A clearly stated academic mission is of primary importance to the recognition and monitoring process. Academic programmes will be evaluated, recognised and monitored by the IRBA within the context of the academic mission defined by the professional body in question.

Standard

The professional body should formulate a clearly defined mission statement that reflects the priorities it has assigned to the achievement of the objectives of the academic programme defined by the IRBA.

Indicators

- a. The professional body should formulate a mission statement that relates to the academic programme. The statement should:
 - identify the particular stakeholder groupings and constituents that the professional body intends to serve through the academic programme;
 - specify the objectives of the academic programme and the standards to be pursued;
 - be reviewed and revised on a continuous basis; and
 - be consistent with the broad overall mission of the professional body.
- b. The professional body should ensure that its activities with regard to the academic programme are consistent with its mission statement.

2.10 Clearly defined and published delivery criteria

In cases where a professional body makes use of various institutions to deliver the academic programme, it is essential that potential providers be evaluated on an equal and transparent basis.

Standard

The professional body should have clearly defined and published delivery criteria that provide a fair and transparent basis upon which potential providers will be assessed, accredited and monitored and that reflect the minimum criteria for the achievement of the objective of the academic programme.

Indicators

- a. The professional body should issue formal guidelines that set out its criteria for participation in the provision of the academic programme.

- b. The professional body should issue guidelines that are clear and unambiguous and that are available to interested parties on request.
- c. The professional body should include in its guidelines the procedures for the application by and evaluation and approval of providers for participation in the delivery of the academic programme.

2.11 Formal and effective communication channels to providers

In order to properly oversee the providers of its academic programme, it is essential that the professional body has access to reliable, relevant and accurate information regarding the programme.

Standard

The professional body should establish formal and effective communication channels to the providers of the academic programme in order to exchange the necessary information.

Indicators

- a. The professional body should make provision for formal site visits to the provider(s) of the academic programme, and the making of reasonable enquiries relating to the programme.
- b. The professional body should require providers to submit information to the body on a regular basis to enable the latter to submit the general, statistical and other information required by the IRBA in terms of the monitoring procedures.

2.12 Formal and effective monitoring procedures

In order to properly oversee the providers of its academic programme, the professional body should co-operate with the providers to identify deficiencies and to take corrective actions as part of an unremitting effort to improve the quality of the programme.

Standard

The professional body should establish formal and effective monitoring procedures with the providers of the academic programme.

Indicators

- a. The professional body should actively monitor the provision of the programme by its providers to ensure that programme objectives are being met to an appropriate degree. This could be achieved by means of:
 - **student surveys;**
 - **monitoring of success rates in the core assessment programme;**
 - **employment placements and alumni surveys; and**

- direct monitoring through site visits.
- b. The professional body should conduct site visits to the providers of the programme on at least a five-yearly rotation basis in order to:
 - assess the relevance of course content;
 - evaluate and report on the effectiveness of instruction;
 - make recommendations for quality improvements;
 - suggest areas for co-operation; and
 - provide assistance where required.

3. MONITORING OF THE RECOGNISED ACADEMIC PROGRAMME

3.1 Regular formal reporting

In order to enable the IRBA to carry out its monitoring function effectively and efficiently, it requires certain information concerning the recognised academic programme of a professional body. The information should relate to the previous academic year and be forwarded to the IRBA by the relevant professional body by a date to be determined in consultation with the IRBA. The information should include the following general and statistical information:

3.1.1 General information

- a. A declaration of the academic mission statement of the particular professional body.
- b. A copy of the most recent rules and regulations prescribed by the professional body for the purpose of accrediting providers of its recognised academic programme.
- c. The name and contact details of each institution that participates in the delivery of the recognised academic programme.
- d. Details of the recognised professional examination(s) to which graduates of the recognised academic programme are admitted.
- e. Details of any policy relating to the admission to membership of the professional body to which graduates of the recognised academic programme may be entitled.
- f. Any other general information as may be required by the IRBA from time to time.

3.1.2 Statistical information

The following statistical information must be supplied for every institution that participates in the delivery of the recognised academic programme:

- a. The total number of students registered per academic level.
- b. The distribution of registered students per academic level on the basis of gender and race.
- c. Pass rates for each academic level.
- d. The number of full-time and part-time academic staff members responsible for the delivery of the recognised academic programme.

3.2 Self-evaluation

- 3.2.1 The professional body should prepare an independent self-evaluation report for every institution that participates in the delivery of the recognised academic programme.
- 3.2.2 The self-evaluation report should be submitted to the IRBA by the relevant professional body by a date to be determined in consultation with the IRBA.
- 3.2.3 Such self-evaluation report may be prepared on a rotation basis provided that the rotation period does not exceed five years for each participating institution.
- 3.2.4 Where an institution participates in the delivery of a recognised academic programme for the first time, a self-evaluation report must be submitted by the professional body within six months of the end of the first academic year. [Thereafter, the rotation basis may apply.]
- 3.2.5 The professional body is responsible for the preparation of the self-evaluation report, but may delegate this responsibility to a specific person, group of persons, committee or task group as appropriate.
- 3.2.6 It is recommended that the self-evaluation report be based on input from both the professional body and representatives from the institution that participates in the delivery of the recognised academic programme.
- 3.2.7 In the self-evaluation report the professional body should address critical aspects of the recognised academic programme as they relate to the specific provider that will demonstrate to the IRBA the extent to which the recognition standards as defined by the IRBA continue to be met.
- 3.2.8 In cases where the IRBA has reason to question the self-evaluation report, it retains the right to conduct its own evaluation of the recognised academic programme and the specific provider thereof. Recognition

status may be withdrawn as a result of such evolution.

3.3 External validation

- 3.3.1 The nature of the external validation procedures will be determined by collaboration between the professional body and the IRBA in order to ensure that the IRBNs monitoring objectives are met.
- 3.3.2 The validation procedures should include those procedures necessary for the IRBA to satisfy itself as to the extent to which the recognition standards defined by the IRBA continue to be met. These procedures may include, but are not limited to the following:
- a. Participation in site visits conducted by the professional body at the various institutions that participate in the delivery of the recognised academic programme.
 - b. Insight into reports on site visits at a provider of the recognised academic programme by the professional body.
 - c. External post facto moderation of the final assessment of students of the recognised academic programme by scrutiny of a selection of **assessments**.
 - d. Insight into surveys that address the recognised academic programme and conducted among students of the core assessment programme in the form of questionnaires.
 - e. Investigation of matters relating to the professional body and its recognised academic programme that are brought to the attention of the IRBA.
 - f. Observer status at meetings of the academic committee of the particular professional body.
 - g. Requesting the professional body to respond to specific matters raised by the IRBA regarding the recognised academic programme.
 - h. Insight into correspondence between the professional body and its providers that relates to a revision or clarification of policy issues concerning the recognised academic programme and its provision.
- 3.3.3 The information submitted in the self-evaluation report will be used as the basis for the performance of the external validation. This does not preclude the IRBA from obtaining additional information from other **sources**.

3.4 Specific investigations

- 3.4.1 Should a complaint be lodged with the IRBA regarding a recognised

academic programme or should the IRBA otherwise become aware of any deficiencies in the programme, it has a duty to ensure that the matter is attended to.

- 3.4.2 Where the IRBA deems it appropriate, it will request the professional body to investigate the matter and to report its findings to the IRBA.
- 3.4.3 On the basis of the outcome of such a report back, the IRBA may either instruct that recognition be continued or withdrawn immediately, or that a warning of possible withdrawal be issued.
- 3.4.4 In cases where the complaint relates to the internal administration of the recognised academic programme, the IRBA shall refer the matter to the professional body.

SECTION 3B: RECOGNISED CORE ASSESSMENT PROGRAMME

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1. OBJECTIVE OF THE CORE ASSESSMENT PROGRAMME

- 1.1 The objective of the core assessment programme is to assess the core competence of a candidate to apply the concepts and principles of a defined technical body of knowledge, skills and professional values in an integrated and analytical manner to a standard that provides a foundation appropriate for further professional development.
- 1.2 In determining the desirable degree of core competence, the IRBA has delineated the following seven attributes that embody its expectations of successful candidates of the core assessment programme:
 - a. The ability to analyse complex situations and to identify and define problems arising from it.
 - b. The ability to integrate knowledge from different technical fields to solve multiple topic problems.
 - c. The ability to identify information relevant to a particular problem by distinguishing it from irrelevant information in a given body of data.
 - d. The ability to prioritise when dealing with multi-problem situations by identifying those problems that require immediate attention.
 - e. The ability to evaluate alternative solutions and to apply professional judgement in dealing with such alternatives.
 - f. The ability to communicate effectively with particular users by formulating appropriate and feasible recommendations in a concise and logical manner.
 - g. The ability to continue to learn and adapt to change.
- 1.3 The degree of core competence should provide a suitable foundation on which training and education programmes can build in the development of the degree of professional competence required for success in the PPE.

2. RECOGNITION STANDARDS

The following standards are considered essential for the realisation of the above objective:

- Standard 1: Appropriate standard of assessment
- Standard 2: Appropriate scope of assessment
- Standard 3: Appropriate form of assessment
- Standard 4: Reliability of assessment
- Standard 5: Public regard for the assessment
- Standard 6: Integrity of the assessment process

- Standard 7: Effective and efficient professional administration.

2.1 Appropriate standard of assessment

The implication of the standard of assessment should be that a successful candidate has demonstrated an appropriate level of the core competence so as to provide a suitable foundation on which recognised training and education programmes can develop the level of professional competence required for successful completion of the PPE. The assessment should not be limited to a re-test of the theoretical knowledge acquired during the recognised academic programme.

Standard

The professional body should ensure that the standard of the assessment is appropriate so that the degree of core competence that has been achieved could serve as a foundation on which further professional development can take place.

Indicators

- a. The assessment standard should require candidates to demonstrate an appropriate degree of proficiency in the core competencies developed in the academic programme. The standard of assessment need not require candidates to draw on practical experience gained in the public practice environment.
- b. The standard of assessment should be at least comparable to the standard of the assessment of core competence required by the IRBA.
- c. Although it is accepted that the acquisition of a defined technical body of knowledge is an essential attribute of a professional, the professional body should ensure that the standard of assessment is sufficient to assess the application of that knowledge, rather than its mere recall.

2.2 Appropriate scope of assessment

The demonstration of core competence is a necessary prerequisite for the development of professional competence. The demonstration of core competence should not, however, require candidates to draw on practical experience gained in the public practice environment.

Standard

The professional body should ensure that the scope of the assessment encompasses a representative portion of the core competence required to demonstrate the specific competencies defined by the IRBA in its Curriculum Framework.

Indicators

- a. The professional body should ensure that at least 80% of the assessment

corresponds with the specific competencies defined by the IRBA under the relevant learning areas in the Curriculum Framework.

- b. The professional body should ensure that the assessment requires candidates to apply a suitable breadth and depth of integrated knowledge, skills and professional values that comprise the core competence to complex situations that need not require the candidate to draw on practical experience gained in the public practice environment.
- c. The assessment should allocate the following weighting to the specific competencies defined by the IRBA under the relevant learning areas in the Curriculum Framework:

Specific competence	%	Learning area
Financial accounting	32 to 48%	5.1
Managerial accounting and finance	16 to 24%	5.5 and 5.6
Taxation	16 to 24%	5.4
Auditing	8 to 12%	1,3 and 5.2
Auditing in the commercial environment	8 to 12%	6

- d. The professional body should ensure that the assessment gives due recognition to the following specific competencies defined by the IRBA under the relevant learning areas in the Curriculum Framework:

Learning areas	Specific competencies
2.1	Local economic and business environment
2.2	Global business environment
2.3	Organisational behaviour
2.4	Operations management
2.5	Corporate governance
2.6	Quantitative methods
5.3	Commercial laws and regulations

- c. The professional body should ensure that the assessment places appropriate emphasis on the fundamental skills and values defined by the IRBA in the Curriculum Framework, particularly on communication skills.

2.3 Appropriate form of assessment

The assessment should be designed to afford candidates the opportunity to demonstrate their core competence. It should not be limited to an assessment of the theoretical knowledge acquired during the academic programme. The form of assessment should enable a valid and independent assessment of the defined core competencies against defined performance criteria to take place.

Standard

The professional body should ensure that the particular form that the assessment takes provides a valid and independent assessment of the demonstration of the core competence, against defined performance criteria. In keeping with the IFAC requirement, core competence should be assessed by means of a formal written examination.

Indicators

- a. The professional body's core assessment should take the form of a formal written examination. While it is acknowledged that there is no preferred form of assessment, the nature of the core competence and the independent assessment thereof are best suited to a written examination.
- b. The professional body's core assessment should consist of complex, unstructured case studies and problems to be solved by the candidate.
- c. The professional body's core assessment should be of such a duration that it enables the candidate sufficient opportunity to demonstrate the core competence.

2.4 Reliability of assessment

If absolute reliability were required in assessment, it could result in the assessment becoming meaningless, for it would entail, firstly, removing contextual information that might be to the advantage of certain candidates and, secondly, reducing variation by removing any judgemental aspects. Such an oversimplification of the assessment would undermine its validity.

Standard

While it is accepted that an element of subjectivity is an inherent component of any form of assessment, the professional body should ensure that appropriate procedures are adopted to ensure consistency across assessors and fairness to all candidates, so as to enhance the reliability of the assessment.

Indicators

- a. The professional body should assess on appropriate representative sample of candidate responses. The results of the sample should be used to adjust the assessment criteria where appropriate so that all possible approaches are catered for and to limit the need for substantial final adjustments during adjudication.
- b. The professional body should ensure that all assessors share a common understanding of the performance criteria so as to ensure that these are consistently applied across all candidates throughout the assessment process.

- c. The professional body should ensure that each assessment is subject to a process of independent assessment by a person who is not responsible for the initial assessment to ensure reliability and consistency.
- d. The professional body should invite those providers who are responsible for the delivery of the academic programmes that grant access to the core assessment programme to submit written comments on the assessment.
- e. The professional body should conduct a formal adjudication process to objectively consider the results of the assessment and to allow for reasonable and educationally sound adjustments that are fair to all candidates.
- f. The professional body should invite those providers who are responsible for the delivery of the academic programmes that grant access to the core assessment programme to submit written comments on the assessment. Such comments should be taken into account in the adjudication process.
- g. The professional body should, in considering the results of the assessment, take into account comments received from those responsible for determining the assessment criteria, conducting the initial assessment, conducting the independent assessment, as well as providing the relevant academic programmes.

2.5 Public regard for the assessment

The public expectation that RAs are competent in those services they undertake is central not only to the reputation and status of the profession, but also to the very concept of the profession.

Standard

The professional body should ensure that the assessment of the core competence, which is an essential component of professional competence, is held in high public regard.

Indicators

- a. The professional body should ensure that the assessment is developed by those persons who have appropriate expertise and experience in a particular aspect of the competence to be demonstrated. The persons should be representative of a range of stakeholders from education and training, commerce and industry, and the practising profession.
- b. The professional body should ensure that the content of the assessment is original and has not been used before in any educational or instructional context whatsoever.
- c. The professional body should require that a candidate first successfully complete an academic programme that is recognised by the IRBA, before gaining **admission to the core assessment.**

2.6 Integrity of the assessment process

Maintenance of confidentiality throughout the assessment process is an indispensable component of a professional examination. A breach in confidentiality may have an adverse impact on the perception of the integrity underlying the examination and, indeed, on the profession itself.

Standard

The professional body should make every effort to safeguard the integrity of the assessment process by ensuring confidentiality in the following aspects relating to the assessment:

- Preparation, conduct, evaluation, reporting;
- Anonymity of candidates; and
- Disciplinary measures in respect of irregular or dishonest practices during the assessment.

Indicators

- a. The professional body should design and implement appropriate policies and procedures to ensure that the development, conduct, evaluation and reporting processes take place under stringent conditions of security.
- b. The professional body should define assessment policies and procedures that guard the anonymity of candidates throughout the process.
- c. The professional body should design and implement procedures to ensure that only those candidates who are eligible to undertake the assessment register and take part in the programme.
- d. The professional body should define formalised policies concerning irregular or dishonest practices and should communicate these to candidates prior to the conducting of the assessment.
- e. The professional body should take appropriate action in instances where a candidate is found guilty of irregular or dishonest practices. Such action could include disqualification from the examination, from subsequent examinations and/or from membership.
- f. The professional body should define formalised policies relating to re-assessments and should apply the policy to all candidates in all instances.

2.7 Effective and efficient professional administration

The procedures relating to the preparation, conducting, evaluation and reporting of the assessment should be carried out in a professional manner.

Standard

The professional body should ensure that sufficient and appropriate resources are available and applied to ensure that the assessment is effectively and efficiently administered in all respects.

Indicators

- a. The professional body should assign responsibility to a person or group of persons with appropriate experience in assessment administration to assume responsibility for co-ordinating the development, conducting, evaluation and reporting of the assessment.
- b. The professional body should document the assessment in a professional manner. In particular, the following aspects should receive attention:
 - Neat and orderly presentation;
 - Correct use of subject terminology;
 - Correct use of language;
 - Accurate and unambiguous information;
 - **Clear and concise instructions;**
 - Clearly stated mark and time allocations;
 - Accurate translations; and
 - Clearly stated assessment requirements.
- c. The professional body should correspond with individual candidates in writing on the following within a reasonable period prior to the conducting of the assessment:
 - **Confirmation of registration;**
 - **Index number;**
Information relevant to the scope, content and form of the assessment;
 - Regulations concerning the use of calculators, written text, etc.;
 - Logistical information relating to the date, time and venue of the assessment;
and
Regulations concerning alleged irregular or dishonest practices.

3. MONITORING OF THE RECOGNISED PROGRAMME

3.1 Regular formal report

- 3.1.1 In order to enable the IRBA to carry out its monitoring function effectively and efficiently, it requires certain information concerning the recognised core assessment programme conducted by a professional body.
- 3.1.2 The information should relate to the most recent core assessment and

should be forwarded to the IRBA by the relevant professional body within one month after publication of the results.

3.1.3 The information should include the following general and statistical information:

General information

- a. General information pertaining to the conducting of the assessment, including dates, times, venues, etc;
- b. A declaration of the assessment objective as defined by the relevant professional body;
- c. Details concerning the persons involved in the definition of performance criteria and the evaluation of individuals against those criteria;
- d. Details of the recognised academic programmes that underpin and allow admission to the core assessment.

Statistical information

- a. The number of candidates that registered and wrote the assessment in terms of specified categories such as gender, race and academic programme.
- b. The success rate of candidates in terms of specified categories such as gender, race and academic programme.
- c. The success rate of candidates in total for each component/question in the assessment described in terms of lowest mark awarded, highest mark awarded, average mark awarded and pass rate.
- d. The names of the ten most successful candidates and the relevant academic programme that each completed.

3.2 Self-evaluation

- 3.2.1 The professional body should prepare an independent self-evaluation report for every recognised core assessment programme conducted.
- 3.2.2 The self-evaluation report should be submitted to the IRBA within one month after the date on which the assessment results were first published.
- 3.2.3 The professional body is responsible for the preparation of the self-evaluation report, but may delegate this responsibility to a specific person, group of persons, committee or task group as appropriate.
- 3.2.4 It is recommended that the self-evaluation report be based on input from all the parties involved in the different aspects of the assessment process, rather than that of a single person.
- 3.2.5 In the self-evaluation report, the professional body should address critical aspects of the recognised core assessment programme that will

demonstrate to the IRBA the extent to which the recognition standards as defined by the IRBA continue to be met.

- 3.3.6 In cases where the IRBA has reason to question the self-evaluation report, it retains the right to conduct its own evaluation of the recognised core assessment programme. Recognition status may be withdrawn as a result of such evaluation.

3.3 External validation

- 3.3.1 The nature of the external validation procedures will be determined by collaboration between the professional body and the IRBA in order to ensure that the IRBA's monitoring objectives are met.
- 3.3.2 The validation procedures should include those procedures necessary for the IRBA to satisfy itself as to the extent to which the recognition standards defined by the IRBA continue to be met. These procedures may include, but are not limited to the following:
- a. Insight into surveys conducted among candidates of the recognised core assessment in the form of questionnaires.
 - b. Observation of some or all of the following aspects of the examination process: development, conducting, evaluation and adjudication.
 - c. External post facto moderation of the assessment.
 - d. External post facto examination of the assessment.
 - e. Investigation of matters relating to the professional body and its recognised core assessment programme that are brought to the attention of the IRBA.
 - f. Serving as an observer member of the committee responsible for setting the performance criteria for the recognised core assessment programme.
 - g. Serving as an observer member of the committee responsible for evaluating candidates against the performance criteria.
 - h. Observer status at adjudication meetings of the particular recognised core assessment programme.
 - i. Requesting the professional body to respond to specific matters raised by the IRBA regarding the recognised core assessment programme.
 - i. Insight into correspondence between the professional body and its stakeholders that relates to a revision or clarification of policy issues concerning the recognised core assessment programme.
- 3.3.3 The information submitted in the self-evaluation report will be used as

the basis for the performance of the external validation. This does not preclude the IRBA from obtaining additional information from other sources.

3.4 Specific investigations

- 3.4.1 Should a complaint be lodged with the IRBA regarding the recognised core assessment programme or should the IRBA otherwise become aware of any deficiencies in the process, the IRBA has a duty to ensure that the matter is attended to.
- 3.4.2 Where the IRBA deems it appropriate, it will request the professional body to investigate the matter and to report its findings or undertake its **own investigations**.
- 3.4.3 On the basis of the outcome of such a report back, the IRBA may either instruct that recognition be continued or withdrawn immediately, or that a warning of possible withdrawal be issued.
- 3.4.4 In cases where the complaint relates to the internal administration of the recognised core assessment programme, the IRBA shall refer the matter to the professional body.

SECTION 3C: RECOGNISED EDUCATION PROGRAMME

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1. Objective of the education programme

- 1.1 The objective of the education programme is to develop the professional competence of a student to apply integrated knowledge, skills and professional values appropriate to the practice of an RA at entry point, and to enable the student to continue to learn and adapt to change throughout his or her professional life.
- 1.2 In determining the desirable degree of professional competence to be developed, the IRBA has defined the following six attributes that embody its expectations of successful students of the education programme:
 - a. The ability to apply concepts and principles of a defined technical body of knowledge and intellectual and technical skills in an integrated and analytical manner to complex situations that are likely to be encountered in the multidisciplinary public practice environment.
 - b. The ability to draw on skills developed as a result of practical experience to solve problems related to the function of an RA.
 - c. The ability to apply professional judgement in assessing alternatives and recommending solutions to situations that reflect the public practice environment.
 - d. The ability to communicate effectively by formulating appropriate arguments and recommendations in a concise and logical manner appropriate to the specific user and particular level of assurance required within the public practice environment.
 - e. The ability to demonstrate and apply to public practice situations a comprehensive understanding of the professional values of the profession in general and the ethical requirements specific to the practice of an RA.
 - f. The ability to continue to learn and adapt to change.
- 1.3 The degree of professional competence to be developed should be appropriate for registration as an RA [i.e. it must develop a student's readiness to practise at the entry point to the profession].

2. RECOGNITION STANDARDS

The following standards are considered essential for the realisation of the above objective:

- Standard 1: Practical orientation
- Standard 2: Representative content of the Curriculum Framework
- Standard 3: Effective instructional approach
- Standard 4: Effective assessment methodology

- Standard 5: Effectively planned programme
- Standard 6: Clearly defined mission statement
- Standard 7: Clearly defined and published delivery criteria
- Standard 8: Formal and effective communication channels to providers
- Standard 9: Formal and effective monitoring procedures.

2.1 Practical orientation

The education programme should enable students to utilise the knowledge, skills and professional values developed in the academic and training programmes in the context of the multidisciplinary public practice environment.

Standard

The professional body should ensure that the education programme has a practical orientation to facilitate the integration of core competence with practical experience.

Indicators

- a. The professional body should ensure that, where appropriate, RAs are involved **in the** instruction process.
- b. The professional body should ensure that instruction incorporates learner-centred, real-life problems and case studies that are drawn from the public practice environment and that develop the ability to apply core competence and experience.
- c. The professional body should ensure that students are encouraged to draw on their own experiences in the training programme to develop their core competence to a point of professional competence.
- d. It is accepted that certain skills essential to professional competence are not examinable within the current form of the PPE. The professional body should therefore ensure that some of these skills are addressed in the education programme within the content of the public practice environment.
- e. The professional body should ensure that, where appropriate, information technology is utilised in an integrated manner in the instruction process.

2.2 Representative content of the Curriculum Framework

The professional body seeking recognition of their education programme will be required to demonstrate to the IRBA the extent to which the specific competencies defined by the IRBA in the Curriculum Framework are developed within their own relevant programmes.

Standard

The professional body should ensure that an appropriately representative content of the Curriculum Framework prescribed by the IRBA is adopted by the providers of the education programme. This Curriculum Framework is contained in Annexure I.

Indicators

- a. The professional body should define detailed outcomes-based syllabi that indicate the extent to which the education programme develops professional competence. Professional competence is the ability to perform the tasks and roles expected of an RA to standards that are appropriate locally and comparable internationally.
- b. In defining the outcomes-based syllabi, the professional body should set out the knowledge, skills and professional values required to demonstrate professional competence under each of the specific competencies defined under each of the six learning areas identified in the Curriculum Framework of the IRBA.
- c. The professional body should revise the content of its outcomes-based syllabus and associated assessment criteria on a regular basis so as to maintain its relevance and to suit changing needs, particularly within the local context.
- d. The professional body should communicate the content of its outcomes-based syllabus to the providers of the programme, to whom it should serve as a basis for the planning, delivery and assessment of the programme.
- e. The professional body should encourage its providers to communicate the content of its syllabus to each student in the form of a written study manual. This would enable students to approach their studies with clearly defined, outcomes-based learning objectives.
- f. The professional body should encourage its providers to plan and co-ordinate the delivery of the programme with a view to ensuring a unified educational experience and the integration of knowledge, skills and professional values.
- g. The professional body should ensure that the recognised education programme places appropriate emphasis on the ethical requirements of the profession. In particular, programmes in business ethics should place emphasis on the need to maintain one's competence in the interest of the public and the profession, and to undertake only those services for which one has the appropriate degree of competence. (In this regard, refer to the institutional accreditation requirements relating to CPD.)

2.3 Effective instructional approach

Professional competence requires an ability to continually learn and adapt to change and thereby make a positive contribution to the profession and society throughout

a person's professional life. The maintenance of professional competence in a constantly changing environment makes it imperative that RAs develop and maintain a commitment to lifelong learning. The instructional approach applied in the education programme should address the following aspects of learning:

2.3.1 Learning content

The learning content should go beyond the transfer and recall of knowledge, and enable students to develop skills and values appropriate for self-directed enquiry and research.

2.3.2 Learning process

The instructional process should include a broad range of learner-centred instructional methods. These may include but are not limited to:

- the use of case studies that simulate real-life situations in the public practice environment;
- the creative and diverse use of technology in the public practice environment;
- working in groups;
- encouraging students to be active participants in the learning process, **and**
- encouraging students to question, seek answers for themselves and to learn on their own.

2.3.3 Learning attitude

Students should be encouraged to make a personal commitment to continuous learning throughout their lives.

The professional body should place considerable emphasis on the development of lifelong learning capabilities among its students through appropriate focus on the delivery of the recognised education programme that prepares students for entering the auditing profession. (In this regard, refer to the institutional accreditation requirements relating to CPD.)

Standard

The professional body should promote the use of an effective instructional approach that will provide a foundation for lifelong learning.

Indicators

- a. The **professional** body should encourage its providers to adopt instructional methods and materials constantly so as to reflect the

ever-changing environment in which RAs function.

- b. The professional body should encourage its providers to present the programme in such a way that students become actively involved in the learning process. Interactive learning methodologies include but are not limited to:
 - the use of case studies that simulate real-life situations;
 - the creative use of technology;
 - small-group projects.
- c. The professional body should encourage its providers to develop students' attitude of learning to learn, by encouraging them to seek answers for themselves and to learn independently
- d. The professional body should encourage providers to develop students' awareness of the importance of remaining technically competent throughout their professional lives. Students should therefore be required to apply the most recent legislation and generally accepted accounting and auditing standards.

2.4 Effective assessment methodology

Continuous assessment is necessary to evaluate the effectiveness of instruction and to provide feedback to students. The final assessment furthermore indicates the degree of professional competence achieved.

Standard

The professional body should ensure that effective assessment methodologies are applied in the provision of the education programme.

Indicators

- a. In recognition of the diverse areas of knowledge, skills and professional values that constitute professional competence, the use of diverse forms of assessment mechanisms should be applied in a single programme. These could include, but are not limited to, written case studies, individual or group assignments, portfolio analysis, simulation exercises, oral interviews and written examinations.
- b. Where possible, attempts should be made to gain some form of assessment of performance in the actual workplace from the training officer under whom the student is registered to complete a training contract.
- c. The assessment should require the student to draw on an in-depth level of core competence as well as on an appropriate depth of practical experience.
- d. Assessment methods applied within the programme should be designed to encourage and assess the extent to which students are capable of carrying out systematic enquiry in unstructured circumstances. In this regard, refer to the

institutional accreditation requirements relating to CPD.)

- e. The breadth of the assessments should require students to apply integrated and diverse areas of knowledge, skills and professional values to situations that reflect the multi-disciplinary public practice environment.
- f. The form of assessment should be appropriate to enable a valid and reliable assessment of the defined professional competencies.
- g. The procedures for the administration of the assessment should ensure consistency across assessors and fairness to all candidates.

2.5 Effectively planned programme

The education programme should follow a structured approach in order to ensure that the foundation of the core competence is properly integrated with relevant practical experience, thus providing a progressive and unified programme for the development of professional competence.

Standard

The professional body should ensure that the education programme is effectively planned to address the prescribed Curriculum Framework within a structured approach that enables the realisation of the education objective.

Indicators

- a. The professional body should ensure that the programme allows for sufficient formal contact sessions between instructors and students, bearing in mind the particular form and rigour of the instruction medium.
- b. The professional body should ensure that the duration, rigour and form of instruction are appropriate to the development of a standard of professional competence sufficient to enable access to the PPE of the IRBA.
- c. The professional body should ensure that the content and timing of the delivery of each component of the programme is properly planned and co-ordinated to ensure coherence and progression, as well as a unified and integrated educational experience.
- d. The professional body should ensure that the education programme is delivered by a complement of persons with appropriate qualifications, experience and expertise, to ensure the development of professional competence appropriate to the public practice environment.

2.6 Clearly defined mission statement

A clear educational mission statement is of primary importance to the recognition and monitoring process. Education programmes will be evaluated, recognised and monitored by the IRBA within the context of the education policy defined by the

professional body in question.

Standard

The professional body should formulate a clearly defined mission statement that reflects the priorities it has assigned to the achievement of the objectives of the education programme defined by the IRBA.

Indicators

- a. The professional body should formulate a mission statement that relates to the education programme. The statement should:
 - identify the particular stakeholder groupings and constituents that the professional body or other body intends to serve through the education programme;
 - specify the objectives of the education programme and the standards to be pursued;
 - be reviewed and revised on a continuous basis;**
 - be consistent with the broad overall mission of the professional body.
- b. The professional body should ensure that its activities with regard to the education programme are consistent with its mission statement.

2.7 Clearly defined and published delivery criteria

In cases where a professional body makes use of various institutions to deliver the education programme, it is essential that potential providers be evaluated on an equal and transparent basis.

Standard

The professional body should formulate clearly defined and published delivery criteria that provide a fair and transparent basis on which potential providers will be assessed, accredited and monitored, and that reflect the minimum criteria for the achievement of the objective of the education programme.

Indicators

- a. The professional body should issue formal guidelines that set out its criteria for participation in the provision of the education programme.
- b. The professional body should issue guidelines that are clear and unambiguous and that are available to interested parties upon request.
- c. The professional body should include in its guidelines the procedures for the application by and evaluation and approval of providers for participation in the delivery of the education programme.

2.8 Formal and effective communication channels to providers

In order to properly oversee the providers of its education programme, it is essential for the professional body to have access to reliable, relevant and accurate information regarding the programme.

Standard

The professional body should establish formal and effective communication channels to the providers of the education programme in order to exchange the necessary information.

Indicators

- a. The professional body should make provision for formal site visits to the providers of the education programme, and the making of reasonable enquiries relating to the programme.
- b. The professional body should require providers to submit information to the body on a regular basis to enable the latter to submit the general and statistical information required by the IRBA in terms of the monitoring procedures.

2.9 Formal and effective monitoring procedures

In order to properly oversee the providers of its education programme, the professional body should ~~co-operate~~ with the providers to identify deficiencies and take corrective steps as part of an unremitting effort to improve the quality of the programme.

Standard

The professional body should establish formal and effective monitoring procedures with the providers of the education programme.

Indicators

- a. The professional body should actively monitor the provision of the programme by its providers to ensure that programme objectives are being met to an appropriate degree. This could be achieved by means of:
 - student surveys;**
 - monitoring of success rates in the PPE;
employment placements and alumni surveys; and
direct monitoring through site visits.
- b. The professional body should conduct site visits to the providers of the programme on at least a three-yearly rotation basis in order to:
 - **assess the relevance of course content;**
evaluate and report on the effectiveness of instruction;

make recommendations for quality improvements;
suggest areas for co-operation; and
provide assistance where required.

3. MONITORING OF THE RECOGNISED PROGRAMME

3.1 Regular formal reporting

- 3.1.1 In order to enable the IRBA to carry out its monitoring function effectively and efficiently, it requires certain information concerning the provision of the recognised education programme of a professional body.
- 3.1.2 The information should relate to the previous education year and be forwarded to the IRBA by the relevant professional body by a date to be determined in consultation with the IRBA.
- 3.1.3 The information should include the following general and statistical information:

General information

- a. A declaration of the education mission statement of the particular professional body.
- b. A copy of the most recent rules and regulations prescribed by the professional body for the purpose of accrediting providers of its recognised education programme.
- c. The name and contact details of each institution that participates in the delivery of the recognised education programme.
- d. Details of the recognised professional examination(s) to which graduates of the recognised education programme are admitted.
- e. Details of any policy relating to the admission to membership of the professional body to which graduates of the recognised education programme may be entitled.
- f. Any other general information as may be required by the IRBA from time to time.

Statistical information

The following statistical information must be supplied for every institution that participates in the delivery of the recognised education programme:

- a. The total number of registered students.
- b. The distribution of registered students on the basis of gender and race.
- c. Pass rates for the most recent year of provision of delivery.

- d. The number of full-time and part-time education staff responsible for the delivery of the recognised education programme.

3.2 Self-evaluation

- 3.2.1 The professional body should prepare an independent self-evaluation report for every institution that participates in the delivery of the recognised education programme.
- 3.2.2 The self-evaluation report should be submitted to the IRBA by a date to be determined in consultation with the IRBA.
- 3.2.3 Such self-evaluation report may be prepared on a rotation basis, provided that the rotation period does not exceed five years for each participating institution.
- 3.2.4 Where an institution participates in the delivery of a recognised education programme for the first time, a self-evaluation report must be submitted by the professional body within six months of the end of the first year of provision. (Thereafter, the rotation basis may apply.)
- 3.2.5 The professional body is responsible for the preparation of the self-evaluation report, but may delegate this responsibility to a specific person, group of persons, committee or task group as appropriate.
- 3.2.6 It is recommended that the self-evaluation report be based on input from the professional body as well as representatives from the institution that participates in the delivery of the recognised education programme.
- 3.2.7 In the self-evaluation report, the professional body should address critical aspects of the recognised education programme as they relate to the specific provider that will demonstrate to the IRBA the extent to which the recognition standards as defined by the IRBA continue to be met.
- 3.2.8 In cases where the IRBA has reason to question the self-evaluation report, it retains the right to conduct its own evaluation of the recognised education programme and the specific provider thereof. Recognition status may be withdrawn as a result of such evaluation.

3.3 External validation

- 3.3.1 The nature of the external validation procedures will be determined by collaboration between the professional body and the IRBA in order to ensure that the IRBA's monitoring objectives are met.
- 3.3.2 The validation procedures should include those procedures necessary for the IRBA to satisfy itself as to the extent to which the recognition standards defined by the IRBA continue to be met. These procedures may include, but are not limited to the following:
- a. Participation in site visits conducted by the professional body or the

various institutions that participate in the delivery of the recognised education programme.

- b. Insight into reports on site visits at a provider of the recognised education programme by the professional body.
- c. External post facto moderation of the final assessment of students of the recognised education programme by scrutiny of a selection of assessments.
- d. Insight into surveys that address the recognised education programme and are conducted among candidates of the PPE in the form of questionnaires.
- e. Investigation of matters relating to the professional body and its recognised education programme that are brought to the attention of the IRBA.
- f. Observer status at meetings of the education committee of the particular professional body.
- g. Requesting the professional body to respond to specific matters raised by the IRBA regarding the recognised education programme.
- h. Insight into correspondence between the professional body and its providers that relates to a revision or clarification of policy issues concerning the recognised education programme and its **provision**.

- 3.3.3 The information submitted in the self-evaluation report will be used as the basis for the performance of the external validation. This does not preclude the IRBA from obtaining additional information from other **sources**.

3.4 Specific investigations

- 3.4.1 Should a complaint be lodged with the IRBA regarding a recognised education programme or should the IRBA otherwise become aware of any deficiencies in the programme, the IRBA has a duty to ensure that the matter is attended to.
- 3.4.2 Where the IRBA deems it appropriate, it will request the professional body to investigate the matter and to report its findings to the IRBA.
- 3.3.3 On the basis of the outcome of such a report-back the IRBA may either instruct that recognition be continued or withdrawn immediately, or that a warning of possible withdrawal be issued.
- 3.3.4 In cases where the complaint relates to the internal administration of the recognised education programme, the IRBA shall refer the matter to the professional body.

SECTION 3D: RECOGNISED TRAINING PROGRAMME

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1. OBJECTIVE OF THE TRAINING PROGRAMME

- 1.1 The objective of the training programme is to complement the development of professional competence through practical experience gained in the office of an RA engaged in public practice.
- 1.2 In determining the desirable degree of professional competence, the IRBA has defined the following six attributes that embody its expectations of trainee accountants on completion of a training programme:
 - a. An ability to apply the appropriate technical body of knowledge, skills and professional values to situations encountered by an RA in public practice.
 - b. An ability to communicate effectively, both verbally and non-verbally, to present, discuss and defend views, and to negotiate acceptable solutions.
 - c. An ability to work with others, particularly in groups, through interaction with culturally and intellectually diverse people in a global environment
 - d. An ability to assume leadership positions in work situations, demonstrate managerial skills and the delegation of tasks, motivation and development of people, and the ability to withstand and resolve conflict.
 - e. An ability to identify, anticipate and comprehend problems through abstract logical thinking, inductive and deductive reasoning and critical analysis, and to find acceptable alternative solutions through a consultative process.
 - f. An ability to continue to learn and adopt to change.
- 1.3 The degree of professional competence to be developed should be appropriate for registration as an RA [i.e. it must develop a student's readiness to practise at the entry point to the profession).

2 RECOGNITION STANDARDS

The following standards are considered essential for the realisation of the above objective:

- Standard 1: Sufficient breadth and depth of practical exposure
- Standard 2: Appropriate training environment
- Standard 3: Properly planned and formally documented programme
- Standard 4: Effective administration of training contracts
- Standard 5: Clearly defined mission statement
- Standard 6: Clearly defined and published delivery criteria
- Standard 7: Formal and effective communication channels to providers
- Standard 8: Formal and effective monitoring procedures.

2.1 Sufficient breadth and depth of practical exposure

Formal academic and education programmes, although essential pre-qualification components, cannot by themselves guarantee the full development of professional competence. The knowledge, skills and professional values appropriate to the work of an RA should be consolidated through practical application in the public practice environment. Such practical experience should build on the core competence developed in an academic programme and should be gained in conjunction with an education programme to ensure integration of theory with practice.

Standard

The professional body must ensure that the training programme provides sufficient breadth and depth of practical exposure to meet the objective of the training programme to complement the development of professional competence.

Indicators

- a. The professional body should ensure that the minimum duration of a training contract is not less than the required minimum contract term, allowing for the minimum hours of work attendance and the minimum hours of core experience to be gained. The duration of the contract should take into account any remission, cancellation, transfer and extension. In view of the nature of the competencies to be acquired during training it is unlikely that it will be possible to acquire the prescribed competencies in any shorter period.

Entrance requirement category	Minimum contract term	Minimum hours	
		Work attendance	Core experience
Holder of a university degree (relevant or non-relevant)	36 months	4500	3600
Holder of a technical diploma (relevant or non-relevant)	48 months	6000	4800
Holder of a matriculation exemption certificate	60 months	7500	6000

- b. The professional body should ensure that contracts are registered with the IRBA timeously. The training contract commences only upon registration of the contract with the IRBA. In cases where contracts are lodged through the relevant professional body, the registration date with the IRBA shall coincide with the date of registration with that body.

- c. The professional body should ensure that the audit client portfolio of the training office is sufficiently broad and varied, in terms of the ownership structure as well as industry, to allow a trainee auditor to gain non-repetitive exposure of an appropriate breadth.
- d. The professional body should ensure that the client portfolio of a training office includes a significant portion of audit and related function engagements to provide a trainee auditor with sufficient breadth and depth of exposure to the following specific competencies defined under the relevant learning areas in the Curriculum Framework, within the duration of the **contract**:

Learning area number	Minimum% of core experience hours	Learning area title
3 and 4	40%	The auditing function and professional practice
5	15%	Financial accounting, taxation, managerial accounting and finance

- e. The professional body should ensure that in cases where a particular training office is not able to provide the required breadth or depth of experience, arrangements are made for experience to be gained by means of alternative interventions. These may include simulations or secondment.
- f. The professional body should ensure that the training programme directly addresses the development of fundamental skills and **values** defined by the IRBA in the Curriculum Framework.
- g. The professional body should ensure that the training programme is, where possible, sufficiently flexible to enable exposure to related financial disciplines that are outside the core areas. Such exposure could significantly benefit the total professional development of trainees and enhance their general commercial **sense and financial awareness**.

2.2 Appropriate training environment

Prospective RAs should gain practical experience through participation in work activities that require the application of knowledge, skills and professional values appropriate to the public practice environment. Such practical experience should be gained under the direction and supervision of an RA in audit and related **service** engagements.

Standard

The professional body must ensure that the training programme is delivered in the office of an RA engaged in public practice.

Indicators

- a. The professional body should ensure that training is conducted in an office of an RA who is engaged in public practice and who is registered with the IRBA.
- b. The professional body should ensure that each training contract is registered with the IRBA in the manner prescribed by the IRBA from time to time.
- c. The professional body should ensure that each registered trainee auditor is assigned to a specific training officer. The training officer should be a partner in a firm or a sole practitioner who is registered with the IRBA. It is the responsibility of this person to ensure that training contracts are properly administered and that each trainee auditor receives the appropriate depth and breadth of training.

2.3 Properly planned and formally documented programme

Each trainee should be exposed to sufficient breadth and depth of experience and progression in responsibility to achieve the objectives of the training programme within the prescribed period. This implies that the training programme be properly planned to ensure the maximum personal and professional development of every trainee.

Standard

The professional body should ensure that the training programme is properly planned and formally documented by every RA office that participates in the provision of the programme.

Indicators

- a. The professional body should ensure that the training department enjoys the full support of the top management of the training office. There should accordingly be direct reporting lines between the training officer, those responsible for the administration of the training programme and executive management.
- b. The professional body should ensure that the training programme is specifically planned for every individual trainee auditor to ensure that there is progression in responsibility throughout the contract term, and that the required breadth and depth of exposure can be reasonably obtained within the minimum contract term.
- c. The professional body should ensure that the training office allocates sufficient resources for supplementary practical training courses. These will provide a valuable means for integrating and consolidating practice with theory. Such courses may be provided in-house, through group training sessions, external courses, on-the-job training and simulation.
- d. The professional body should ensure that the training office has a formally

documented training policy in which the responsibilities of the training officer and the trainee auditor are set out and training procedures applicable to the particular office, such as reporting lines, performance measurement and promotion criteria, are described.

- e. The professional body should ensure that the training office provides an environment that affords a trainee auditor a reasonable opportunity to complete the academic, education and examination requirements prescribed by the IRBA for registration purposes.
- f. The professional body should ensure that the training environment provides the trainee auditor with an opportunity to advance computer literacy through the regular use of and exposure to computerised auditing, financial and data processing, word processing and spreadsheet applications.
- g. The professional body should ensure that the training environment develops a trainee's awareness of the importance of remaining technically competent throughout his or her professional life. Trainee auditors should therefore be required to apply the most recent legislation and generally accepted accounting and auditing standards. In this regard, in addition to on-the-job training received as part of the training contract, trainees should maintain their knowledge and awareness of new developments in the profession through participation in more formalised learning interventions and courses. These formalised courses may extend to programmes presented by the firm itself (in this regard, refer also to the institutional accreditation requirements relating to CPDL).
- h. The professional body should ensure that the training environment provides trainee auditors with a framework of professional values for exercising judgement and an opportunity to observe the application of ethics in the workplace through:
 - a commitment to integrity, objectivity and independence;
 - o knowledge of the standards of professional ethics;
 - a concern for the public interest and sensitivity to social responsibilities;
 - and
 - a commitment to lifelong learning.

The professional body should ensure that the training environment makes provision for effective communication between trainee auditors and the training officer to allow concerns to be raised and addressed in an appropriate **manner,**

- j. The professional body should ensure that the training programme contains a mechanism by means of which trainee auditors can receive formal feedback from their supervisors after completion of every significant assignment. The feedback should indicate the nature of the competence developed and the

level of competence achieved by the trainee. This will enable trainees to identify areas for development, set personal development objectives and accordingly to take responsibility for their own professional development.

- k. The professional body should ensure that the feedback is reviewed formally on at least a biannual basis between the trainee auditor and the mentor to identify and address specific training needs and opportunities.
- l. The professional body should ensure that the number of RAs performing the audit function of a particular training office is large enough to ensure that each trainee auditor receives sufficient individual attention to acquire the necessary professional skills.
- m. The professional body should ensure that the responsibility for the training programme in each training office is assigned to a training officer who is an RA and who is aware of and understands the importance of the training programme in the development of professional competence.
- n. The professional body should ensure that each trainee auditor is supervised by appropriately senior members of staff who have been trained to provide on-the-job training and who understand their responsibility to develop the professional competence of the individual assigned to them.
- o. The professional body should ensure that every trainee auditor is assigned to an appropriately experienced RA in the training office who is willing to act as a mentor throughout the period of the training contract. The mentor should be responsible for monitoring the professional development of the trainees assigned to him/her and to provide individual career counselling and professional guidance to them.
- p. The professional body should ensure that every trainee auditor undergoes an appropriate induction prior to undertaking responsible practical work or contact with clients. The induction programme should introduce the trainee to the work, practices and ethics of the training office.
- q. The professional body should ensure that an official, written Professional Development Record (PDR) is maintained for every trainee auditor. The PDR should contain a log of the completed work assignments, with notes on the standard and nature of the competence achieved. The PDR should be signed off by the relevant supervisor on every assignment and by the training officer on completion of the training contract. The PDR should be forwarded to the IRBA upon discharge from the training contract.
- r. The professional body should ensure that trainee auditors are encouraged to take responsibility for their own professional development by ensuring that the PDR is up to date and that the prescribed competencies are signed off by the training officer once they have been achieved.

2.4 Effective administration of training contracts

As the statutory body charged with the regulation of RAs, the IRBA has been assigned particular duties in relation to training contracts. Section 7(1)(d) of the Act enables the IRBA to prescribe training requirements, including but not limited to the period of training and the form of training contracts. Section 7(1)(e) states that the IRBA must approve and register training contracts entered into by prospective registered auditors. In terms of section 7(1)(g) the IRBA must either conditionally or unconditionally recognise or withdraw the recognition of RAs as training officers.

Standard

The professional body must ensure that the training programme is administered in the manner prescribed by the IRBA.

Indicators

- a. The professional body should ensure that a formal written training contract is completed on the document prescribed by the IRBA or on a document of the accredited professional body that contains the elements prescribed by the IRBA. In terms of the contract, the trainee auditor should be duly bound to serve an RA for a specified period, and be entitled to receive training in the practice and profession of an RA.
- b. The professional body should ensure that its training department has the **necessary expertise, experience and resources to register, discharge, transfer, suspend, remit and cancel training contracts** timeously and efficiently.

2.5 Clearly defined mission statement

A clear training mission statement is of primary importance to the recognition and monitoring process. Training programmes will be evaluated, recognised and monitored by the IRBA within the context of the training policy defined by the professional body in question.

Standard

The professional body should formulate a clearly defined mission statement that reflects the priorities it has assigned to the achievement of the objectives of the recognised training programme defined by the IRBA.

Indicators

- a. The professional body should ensure that its mission statement identifies the particular stakeholder groupings and constituents that the professional body intends to serve through the relevant training programme, specifies the objectives

of the relevant training programme and the standards it must strive to achieve, is reviewed and revised on a continuous basis and is consistent with the broad overall mission of the professional body.

- b. The professional body should ensure that its activities with regard to the relevant training programme are consistent with its mission statement.

2.6 Clearly defined and published delivery criteria

In cases where a professional body makes use of various training offices to deliver the training programme, it is essential that potential providers be evaluated on an equal and transparent basis.

Standard

The professional body should have clearly defined and published delivery criteria that provide a fair and transparent basis on which potential providers will be assessed, accredited and monitored and that reflect the minimum criteria for the achievement of the objective of the recognised training programme.

Indicators

- a. The professional body should issue formal guidelines that set out its criteria for participation by training offices in the provision of the recognised training programme.
- b. The professional body should ensure that the guidelines are clear and unambiguous and are available to interested parties upon request.
- c. The professional body should ensure that the guidelines set out the procedures for the application, evaluation and approval of training offices for participation in the delivery of the recognised training programme.

2.7 Formal and effective communication channels to providers

In order to properly oversee the providers of its training programme, it is essential that the professional body has access to reliable, relevant and accurate information regarding the programme.

Standard

The professional body should establish formal and effective communication channels to the providers of the training programme in order to exchange the necessary information.

Indicators

- a. The professional body should make provision for formal site visits to the providers of the training programme, and for making reasonable enquiries relating to the programme.

- b. The professional body should require providers to submit information to the body on a regular basis to enable the latter to submit the general, statistical and other information required by the IRBA in terms of the monitoring procedures.

2.8 Formal and effective monitoring procedures

In order to properly oversee the providers of its training programme, the professional body should co-operate with the providers to identify deficiencies and take corrective actions, as part of its unremitting effort to improve the quality of the programme.

Standard

The professional body should establish formal and effective monitoring procedures with the providers of the training programme.

Indicators

- a. The professional body should actively monitor the provision of the programme to ensure that programme objectives are being met to an appropriate degree. This could be achieved by means of:
- trainee surveys;**
- direct monitoring through site visits to registered training offices;
 - Monitoring of PDRs.
- b. The professional body should conduct site visits to the providers of the programme on both a regular and practical basis in order to:
- assess the breadth and depth of exposure;
 - evaluate and report on the effectiveness of the training programme;
 - make recommendations for quality improvements;
 - suggest areas for co-operation; and
 - provide assistance where required.

3. MONITORING OF THE RECOGNISED PROGRAMME

3.1 Regular formal reporting

- 3.1.1 In order to enable the IRBA to carry out its monitoring function effectively and efficiently, it requires certain information concerning the provision of the recognised training programme of a professional body.
- 3.1.2 The following information must be supplied on an annual basis, should relate to the previous calendar year and should be forwarded to the IRBA by the relevant professional body by a date to be determined in consultation with the IRBA:
- a. A copy of the training policy and regulations of the particular

professional body. This policy and these regulations should give details of the following:

Rules governing the registration, discharge, transfer, suspension, cancellation and remission of a training contract;

Rules governing the approval or withdrawal of approval of a training office to provide training for prospective RAs.

b. Relevant statistical information including:

The total number of registered trainees at 1 January of each year;

The total number of registered trainees at 31 December of each year;

A reconciliation of the movement in trainee numbers, with a breakdown Of new registrations, transfers, cancellations and discharges;

The number of approved training offices at 1 January of each year;

The number of approved training offices at 31 December of each year;

A reconciliation of the movement in training offices, with a breakdown of new registrations and withdrawals.

The total number of registered trainees at 31 December of each year, with a breakdown according to race and gender categories.

3.1.3 The following information should be supplied and forwarded to the IRBA on a monthly basis, within one month of the registration of or alteration to a registered training office or training contract:

a. Information relating to the training office:

Details relating to each new training office approved for the provision Of training to prospective RAs:

.. **Name of training office**

.. **Name of training officer**

.. Date of approval

.. Details of any restrictions for training purposes.

Details relating to training offices whose approval to provide training has been withdrawn:

.. **Name of training office**

.. **Name of training officer**

∴ Date of withdrawal of approval
 ∴ Details of reasons for the withdrawal of approval.
 Details relating to applications for approval as a training office that were denied:

∴ Name of applicant
 ∴ Reason for denial of approval.

b. Information relating to trainee contracts:

Details relating to each new registration of a training contract:

∴ Name and identity number of trainee
 ∴ Postal and residential address
 ∴ **Name of training office**
 ∴ **Name of training officer**
 ∴ **Date of registration of contract.**

Details relating to any amendment of a registered training contract:

∴ Name and identity number of trainee
 ∴ **Nature of alteration (remission, transfer, suspension, cancellation, discharge, office change, address change)**
 ∴ Effective date of alteration
 ∴ **Changes in name of training office, training officer**
 ∴ Changes in postal or residential address.

3.2 Self-evaluation

- 3.2.1 The professional body should prepare an independent self-evaluation report for each calendar year in which the training programme was recognised.
- 3.2.2 The self-evaluation report should be submitted to the IRBA by a date to be determined in consultation with the IRBA.
- 3.2.3 The self-evaluation reports may be prepared on a rotation basis provided that the rotation period is sufficiently regular and practical, bearing in mind the number of training offices that participate in the delivery of the programme.
- 3.2.4 Where a training office participates in the delivery of a recognised training programme for the first time, the self-evaluation report should identify the office and the conditions under which it was accredited.
- 3.2.5 The professional body is responsible for the preparation of the self-evaluation report, but may delegate this responsibility to a specific

person, group of persons, committee or task group as appropriate.

- 3.2.6 It is recommended that the self-evaluation report be based on input from both the professional body and representatives from training offices that participate in the provision of the recognised training programme.
- 3.2.7 In the self-evaluation report the professional body should address critical aspects of the recognised training programme as they relate to the specific offices that will demonstrate to the IRBA the extent to which the recognition standards as defined by the IRBA continue to be met.
- 3.2.8 In cases where the IRBA has reason to question the self-evaluation report, it retains the right to conduct its own evaluation of the recognised training programme and the specific provider thereof. Recognition status may be withdrawn as a result of such evaluation.

3.3 External validation

- 3.3.1 The nature of the external validation procedures will be determined by collaboration between the professional body and the IRBA in order to ensure that the IRBA's monitoring objectives are met.
- 3.3.2 The validation procedures should include those procedures necessary for the IRBA to satisfy itself regarding the extent to which the recognition standards defined by the IRBA continue to be met. These procedures may include, but are not limited to the following:
 - a. Participation in site visits conducted by the professional body at the various training offices that participate in the delivery of the recognised training programme.
 - b. Insight into reports on site visits of a provider of the recognised training programme by the professional body.
 - c. Insight into surveys that address the recognised training programme and are conducted among individuals of the core or professional assessment programme in the form of questionnaires.
 - d. Investigation of matters relating to the professional body and its recognised training programme that are brought to the attention of the IRBA.
 - e. Observer status at meetings of the training committee of the particular professional body.
 - f. Requesting the professional body to respond to specific matters raised by the IRBA regarding the recognised training programme.
 - g. Insight into correspondence between the professional body and its providers that relates to a revision or clarification of policy issues

concerning the recognised training programme.

- 3.3.3 The information submitted in the self-evaluation report will be used as the basis for the performance of the external validation. This does not preclude the IRBA from obtaining additional information from other sources.

3.4 Specific investigations

- 3.4.1 Should a complaint be lodged with the IRBA regarding a recognised training programme or should the IRBA otherwise become aware of any deficiencies in the programme, the IRBA has a duty to ensure that the matter is attended to.
- 3.4.2 Where the IRBA deems it appropriate, it will request the professional body to investigate the matter and to report its findings to the IRBA.
- 3.4.3 On the basis of the outcome of such a report the IRBA may either instruct that recognition be continued or withdrawn immediately, or that a warning of possible withdrawal be issued.
- 3.4.4 In cases where the complaint relates to the internal administration of the recognised training programme, the IRBA shall refer the matter to the professional body.

APPENDIX 1

<p style="text-align: center;">THE CURRICULUM FRAMEWORK FOR REGISTERED AUDITORS IN SOUTH AFRICA</p>
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SECTION 1: OVERVIEW OF THE CURRICULUM FRAMEWORK

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1. THE OBJECTIVE OF THE CURRICULUM FRAMEWORK

The Independent Regulatory Board for Auditors (IRBA) has prescribed recognition standards for the purpose of recognising the academic and core assessment (as well as, where appropriate, the education and training) programmes of professional bodies. The Curriculum Framework provides the basis upon which these programmes can be assessed in order to determine the extent to which the relevant recognition standards defined by the IRBA have been met. This Curriculum Framework specifies what competencies an individual should be able to demonstrate on entering the auditing profession.

Professional bodies seeking recognition of their programmes will be required to demonstrate to the IRBA the extent to which the specific competencies defined by the IRBA in the Curriculum Framework are developed and assessed within their own relevant programmes. Recognition is based on an appropriate degree of match with the IRBA's requirements, rather than on absolute conformity. The Curriculum Framework is therefore flexible in its design to cater for diverse modes of implementation.

2. PRINCIPLES UNDERLYING THE CURRICULUM FRAMEWORK

The IRBA has established four fundamental principles to guide the development of the Curriculum Framework. In essence, the Curriculum Framework should:

- define requirements at entry point;
- be competence based;
- be internationally comparable; and
- have a South African focus.

3. STRUCTURE OF THE CURRICULUM FRAMEWORK

3.1 Fundamental skills and values

An appropriate general education is essential to develop individuals who are able to think laterally, who have reasonable interpersonal skills and who are able to communicate effectively and exercise sound judgement in a variety of circumstances.

General education develops the fundamental skills and values that are essential to enable Registered Auditors (RAs) to place decisions in the larger context of society, to exercise good judgement, to conduct enquiries, and to carry out abstract logical thinking and critical analyses. The following fundamental skills and values are identified:

- Intellectual skills;

Interpersonal skills;
 Communication skills; and
 Professional values.

It is accepted that these fundamental skills and values are seldom developed or assessed through specific programmes devoted to them. However, their inclusion in a meaningful and integrated manner should be addressed within the programme.

3.2 Specific competencies in defined learning areas

The Curriculum Framework recognises that auditing is an integral component of evolving systems of accountability and takes a view of auditing that extends beyond the statutory audit of financial statements to include the broader attest function and other reporting engagements. Auditing is examined in relation to a number of auditing contexts, namely social, organisational, functional, practice management, financial and information technology. RAs should be able to demonstrate competence in each of these contexts. Each context therefore gives rise to a learning area, as follows:

Auditing context		Learning area
Social	1	Social accountability and responsibility
Organisational	2	Organisational and business
Functional	3	The auditing function
Practice management	4	Professional practice
Financial	5	Financial accounting, taxation, managerial accounting and finance
Information technology	6	Information technology

A number of specific competencies are defined for each of the six learning areas in the Curriculum Framework. The specific competencies are not mutually exclusive and should be viewed as parts of an integrated framework.

Inherent in each of the specific competencies defined in the Curriculum Framework are the knowledge, skills and values essential for the demonstration of professional competence when a person enters the auditing profession.

Professional bodies seeking recognition will therefore be required to submit detailed curricula, setting out the knowledge, skills and professional values that are necessary to demonstrate each of the specific competencies defined by the IRBA in the Curriculum Framework.

THE CURRICULUM FRAMEWORK

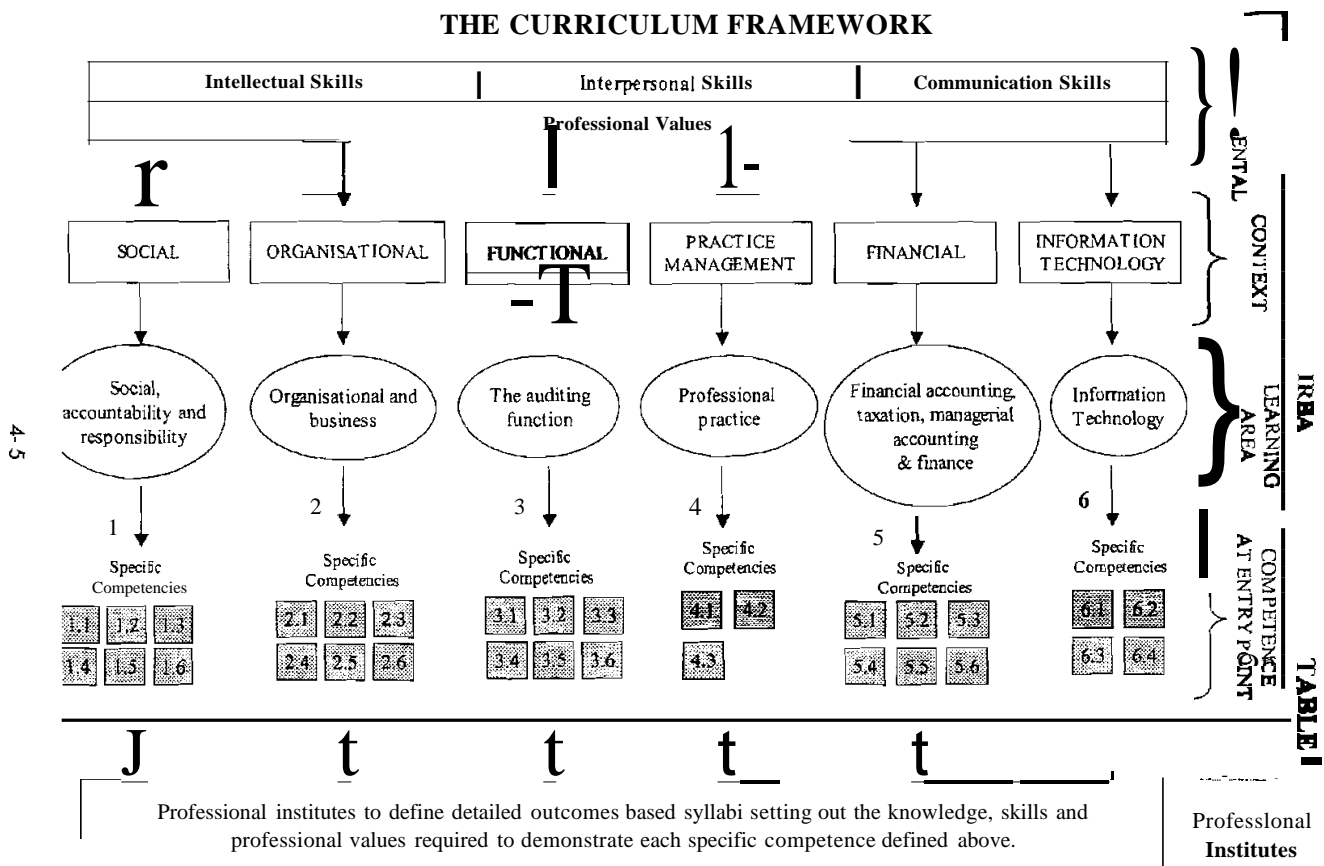


TABLE 1

Professional Institutes

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4 PROFESSIONAL COMPETENCE

The reputation, relevance and value of the auditing profession depend on the ability of its members to continually meet the expectations of stakeholders and provide a service appropriate to the needs of the South African economy within the global context. It is the responsibility of the IRBA to ensure that all RAs have the necessary professional competence on entering the profession to serve the public interest and the needs of the economy, and maintain their competence thereafter.

Professional competence is the ability to perform the tasks and roles expected of an RA to standards that are appropriate locally and comparable internationally.

One of the characteristics considered to be essential to a profession is the existence of a recognised body of competencies that is regularly reviewed and modified appropriately to suit changed needs. Professionals are expected to possess core competencies that, together with fundamental skills and values, enable them to demonstrate professional competence.

Core competence is the ability to apply the concepts and principles of a defined technical body of knowledge, skills and professional values in an integrated and analytical manner to a standard that provides a foundation appropriate for further professional development.

In particular, the characteristics considered to be essential to registration and practice as an RA include:

- the ability to apply accounting skills in a variety of situations in accordance with local requirements and a recognised accounting framework;
- a commitment to abide by a code of conduct and professional ethics, and an ability to identify and respond appropriately to ethical and moral issues;
- a commitment to put the interest of the public first, and exercise skills in an independent and objective manner;
- the ability to identify and solve problems in unfamiliar and changing situations, to think logically, to reason and to analyse critically; and
- an understanding of the impact of economic, social, market and technological forces on the economy and individual organisations.

Implicit in these characteristics is the obligation of RAs to engage in lifelong learning and to keep abreast of developments that influence their professional positioning and the quality of services provided to others.

RAs must be responsive to changes in the broad profession and in their environment. To remain relevant, they should also consider the efficient and effective utilisation of **restricted resources**.

Of particular concern in the South African context is the need to ensure that the profession becomes demographically representative. This requires that the profession as a whole, particularly through programmes that lead to registration as an RA, should take proactive and positive steps to build its cultural diversity.

5. CURRICULUM OBJECTIVES

5.1 The recognition of programmes by the IRBA

The IRBA has prescribed standards for recognising the academic, education, training and assessment programmes of professional bodies. The Curriculum Framework is intended to provide the basis upon which these programmes can be assessed in order to determine the extent to which the relevant recognition standards defined by the IRBA have been met. The globalisation of business and the accounting profession is recognised in the Curriculum Framework, which has drawn on and is consistent with the principles contained in the relevant education guidelines of the International Federation of Accountants (IFAC).

The objective of the Curriculum Framework is to define the professional competencies required of persons entering the auditing profession. The Curriculum Framework specifies what competencies an individual should be able to demonstrate and the context in which such competencies should be demonstrated.

The Curriculum Framework therefore provides:

- a. the specific competencies required for the purpose of practising as an RA, and
- b. a basis upon which the academic, education, training and assessment programmes of professional bodies can be assessed in order to determine whether or not they meet the relevant recognition standards defined by the IRBA to an appropriate degree.

5.2 Professional bodies seeking recognition

A professional body seeking recognition of its programmes will be required to satisfy the IRBA that it meets the relevant recognition standards to an appropriate degree.

As part of the recognition process, professional bodies must demonstrate the extent to which their programmes develop and assess the specific competencies defined in the Curriculum Framework.

In this regard, a professional body seeking recognition of its programmes will be required to submit detailed curricula. These curricula should set out:

- a. the detailed knowledge, skills and professional values that are necessary to demonstrate the specific competencies defined in the Curriculum Framework, and

- b. the assessment criteria to be used to assess such competencies. This implies a description of the methodologies used to assess each competence and the proficiency level, i.e. the standard to be achieved in the demonstration of each competence. This may best be achieved by submitting examples of actual assessments conducted within the programme.

Because the Curriculum Framework focuses on specific competencies at entry point, it allows professional bodies to adopt a wide variety of different methodologies to develop and assess the required competencies.

6. THE CONTEXT OF AN OUTCOMES-BASED CURRICULUM

RAs function in an environment that is characterised by rapid change on all fronts. Developments in business locally and globally result in continual changes in the social, political, economic and legislative environments. The ability to cope with these changes is an essential characteristic of an RA.

RAs must draw on an increasingly broader base of knowledge and skills in order to remain abreast of change. The rote learning of statements, standards and legislation is therefore insufficient preparation for their role.

Prospective RAs must be encouraged to take responsibility for their own learning through a positive attitude towards lifelong learning and a personal commitment to CPD.

In spite of the ever-broadening knowledge base, RAs must develop a sound understanding of the fundamentals of auditing in order to make it possible to apply particular knowledge, skills and professional values across various contexts.

In order to be able to function effectively and efficiently, RAs must also develop life skills. These skills enable RAs to communicate, manage and lead, and to build the personal and inter-personal relationships necessary for operating in a local and global context.

It is imperative for the economy that there should be local and international confidence in the standard of auditing services provided in South Africa. In addition, the globalisation of business has increased the need for consistency of financial reporting between countries in respect of both accounting and auditing standards. South African auditing and accounting standards are aligned with international standards. Accordingly, the education, training and assessment of RAs should also be comparable with international standards.

If RAs are to provide a relevant service to a market that is responsive to global trends and influences, an understanding of broad economic issues is essential. The curriculum should therefore encourage an awareness of international trends that are likely to impact on our economy.

Of all the aspects of the changing environment, none is considered to be more pertinent than technological advancement. RAs must be able to cope with the challenges of continually changing technologies and their impact on business.

The statutorily prescribed company audit makes it imperative for auditors to be able to discharge their duties in accordance with the framework provided by relevant statutes. Therefore, an understanding of such legislation, which requires a level of application, is essential to the RA.

On entering the profession the auditor must also be aware of other legislation that is likely to impact on particular clients operating under specific statutes. In addition, auditors require a sound knowledge of legislation that influences the manner in which business is conducted in South Africa to properly serve the South African public interest and the needs of the economy.

The need for a high degree of awareness, acceptance and practise of the ethos of accountability as an underpinning principle for the profession requires little justification. Auditing provides an appropriate vehicle for the promotion within society of the concept of accountability as an essential element of principled behaviour for the individual, for organisations, and society. Ethics in practice should be extended beyond their inclusion in a code of professional conduct. Such practice should be characterised by the ability to recognise and deal with ethical issues in a manner that enhances the reputation, relevance and value of the auditing profession.

7. PRINCIPLES UNDERLYING THE CURRICULUM FRAMEWORK

From the above discussion it is clear that the principles underlying the Curriculum Framework are the following:

7.1 The framework should define requirements at entry point

Because the Curriculum Framework is to be used to assess the degree of match between the IRBA's requirements and the curricula of other professional bodies, the framework should reflect the requirements for professional competence at entry point. (In this context, "entry point" refers to the point where an individual has successfully completed the academic, education, training and assessment requirements prescribed by the IRBA, and is therefore eligible for registration as an RA.) It is accepted that other professional bodies may choose to include additional requirements for their own membership purposes. Recognition of a programme is based on an appropriate degree of match with the IRBA's requirements, rather than on absolute conformity. The Curriculum Framework should therefore be flexible in its design to cater for diverse modes of implementation and the recognition of the autonomy of professional bodies.

7.2 The framework should be competence based

The Curriculum Framework should specify the competencies to be achieved and the context within which such competencies may be demonstrated. Professional bodies seeking recognition of their programmes will be required to demonstrate how these competencies are developed and assessed within their relevant programmes.

7.3 The framework should be internationally comparable

The need for South African business to operate in the global market makes it imperative that the Curriculum Framework should be internationally comparable and globally relevant.

7.4 The framework should have a South African focus

The Curriculum Framework should take cognisance of the South African social and economic climate in which RAs function.

8. FUNDAMENTAL SKILLS AND VALUES

The education and experience of RAs must provide a base that enables them to continue to learn and adapt to change throughout their professional lives. This is in accordance with the education guideline (IEG 9) of IIFAC.

General education develops the fundamental skills and values that are essential to enable RAs to place decisions in the larger context of society, to exercise good judgement, to conduct enquiry, and to carry out abstract logical thinking and critical analysis. The way in which general education is acquired may differ between programmes, but regardless of the form, broad-based general education is critical to lifelong learning.

The following fundamental skills and values are specifically identified:

- a. Intellectual skills
- b. Interpersonal skills
- c. Communication skills
- d. Professional values.

It is accepted that these fundamental skills and values are seldom developed or assessed through specific programmes devoted to them. They should rather be included in the programme in an integrated and meaningful way.

8.1 Intellectual skills

Intellectual skills enable a professionally competent person to solve problems, make decisions and exercise good judgement in complex organisational

situations. Capabilities that collectively comprise an individual's intellectual skills are:

- a. The capacity for inquiry, research, abstract logical thinking, inductive and deductive reasoning, and critical analysis.
- b. The ability to identify and solve unstructured problems in unfamiliar settings and to apply problem-solving skills.
- c. The ability to select and assign priorities within restricted resources and to organise work to meet predefined parameters.
- d. The ability to adapt to change.

8.2 Interpersonal skills

Interpersonal skills are those skills that enable a professionally competent person to work with others towards achieving a common objective. The components of interpersonal skills are:

- a. The ability to work with others in a consultative process, particularly in groups, to organise and delegate tasks, to motivate and develop people, to withstand and resolve conflict and to lead others where appropriate.
- b. The ability to interact and co-operate with others within a society that is culturally diverse.
- c. The ability to negotiate acceptable solutions and agreements in professional situations.
- d. The ability to work effectively in cross-cultural settings.

8.3 Communication skills

Communication skills enable one to receive and transmit information, form reasoned judgements and make decisions effectively. Communication skills include the following:

- a. The ability to present, discuss and defend views effectively through formal and informal, written and spoken language.
- b. The ability to listen, read and comprehend effectively, including a sensitivity to cultural and language differences.
- c. The ability to locate, obtain, organise, report and use information from spoken, written and electronic sources.

8.4 Professional values

Professional education and experience must provide prospective RAs with a framework of professional values for exercising good judgement and for acting in an ethical manner that is in the best interests of society and the profession.

Professional values comprise the attitudes that identify RAs as members of a profession. They are essential to making a continual contribution to the development of the profession and the society in which it operates. The attributes that collectively comprise the values and attitudes of RAs are:

- a. A commitment to act with integrity and objectivity and to be independent while operating under applicable professional standards.
- b. A knowledge of the standards of professional ethics of the IRBA in particular, and of the broader accountancy profession.
- c. A concern for the public interest and sensitivity to social responsibilities, the building of national identity and social equity.
- d. An acceptance of multi-culturalism and a commitment to building on the strengths of diverse cultural backgrounds and values.
- e. A commitment to lifelong learning.

9. PROFESSIONAL EDUCATION

Professional competence is developed within a comprehensive programme that provides for learning in a controlled academic environment as well as in the actual practice environment. In addition, the comprehensive learning programme must draw on a range of appropriate assessment methodologies in order to assess professional competence in all its elements.

The primary aim of this comprehensive professional learning programme is to produce practitioners who have a professional ideology and who are aware of and who comply with, through their practice and behaviour, the standards of competence of the profession. In other words, practitioners who are competent to perform in the professional practice environment and who understand good practice and service. Secondary aims of the comprehensive professional learning programme are to:

- a. Provide new recruits with sufficient knowledge, skills and professional attitudes to enter the profession (relating to pre-qualification programmes).
- b. Provide continuing practitioners with enhanced knowledge, skills and professional attitudes to continue in the profession (relating to lifelong learning).
- c. Ensure the emancipation of the practitioner by developing an increased sense of critical awareness and an increased ability to apply reflective thinking.

Comprehensive professional learning programmes must contribute towards the profession and meeting its social accountability responsibility by presenting society with a clear framework detailing the competence requirements of the profession, as well as providing for various methods of assessment of those requirements.

Competence requirements for the profession must focus on all three of the essential

elements of professional competence, namely knowledge, skills and professional values.

9.1 Knowledge

Knowledge is gained when a person internalises information from various sources through thinking, learning and experience. Knowledge gained and possessed can be at a propositional level and/or at a procedural level. Propositional knowledge represents an awareness and comprehension - the "knowing that" in respect of identified subject matter. Procedural knowledge represents the application, analysis, synthesis and evaluation of propositional knowledge - the "knowing how" in respect of identified subject matter. Knowledge is a fundamental element of competence, yet it is separately identifiable from skills and professional attitudes.

9.2 Skills

Skills are special abilities that are gained and developed through experience and performance in the practice environment and reflect the complexity, uncertainty, instability, uniqueness and value-conflict of real practice situations and involve knowing-in-action, reflection-in-action and reflection-about-action. Skills with regard to specific occupational processes and methods can be ranked in descending order as mastery, proficiency or ability.

9.3 Values

Professional values relate to an individual's emotional and perceptual commitment to, and behaviour in the practice environment, and reflect the complexity, uncertainty, instability, uniqueness and value-conflict of real practice situations. Attitudes are developed through experience and performance in the practice environment. The following attitudes are representative of the practitioner's value system as it relates to professional practice, which is built up and maintained by accepting, responding to, valuing, organising and characterising conduct: commitment, credibility, friendliness, good manners, honesty, independence, integrity, objectivity, respecting confidentiality, responsibility, self-discipline, sincerity, sympathy, trustworthiness and absence of bias.

Professional learning programmes will only succeed in their aims if the educational process provides for an appropriate mixture of development and assessment methodologies that will ensure that the competence of the aspirant practitioner or the continuing practitioner is developed and assessed in all its elements.

10. AUDITING CONTEXTS

In terms of IFAC, an audit of financial statements is defined as follows:

'... to enable the auditor to express an opinion whether the financial statements are prepared in accordance with an applicable financial reporting framework.'

Auditing is an integral component of evolving systems of accountability within organisations and society. Although an audit may be mandated by statute, it may also be a condition to borrowing or a matter of contract. In addition, it may be undertaken voluntarily by an organisation as a means of ascertaining the fairness of representations, the degree of compliance with rules and regulations or the efficiency, effectiveness and economy of operations.

Auditing should therefore be viewed as a subject that extends beyond the statutory audit of financial statements to include the broader attest function and other reporting engagements.

Each of these situations reflects the changing needs of society in response to growing expectations of accountability and can be examined in relation to a number of auditing contexts, namely:

- Social
- Organisational
- Functional
- Practice management
- Financial
- Information technology.

RAs should be able to demonstrate competence in each of these contexts. Each context therefore gives rise to a learning area that forms the basis for the development of the Curriculum Framework. The competencies defined in each learning area are not mutually exclusive and should be viewed as parts of an integrated and complex framework. It is therefore accepted that some degree of overlap between learning areas is inevitable.

10.1 Social context

Within the continually evolving contexts of accountability, RAs are increasingly called upon to express opinions outside the limits of the statutory audit of financial statements as defined above. There is a call for more diverse forms of auditing that address the needs of society for different forms of accountability.

Within our current context of accountability, the outcome of the audit is the expression of an opinion or the issuing of a report relating to one or more of the following within an organisation:

- a. The fairness of representations (assertions) made by the management of the organisation in relation to an identified reporting framework.
- b. The degree of compliance within the organisation with specific rules or regulations.
- c. The efficiency, effectiveness and economy of organisational processes.

In each case there are expectations that the audit is conducted independently, and that critical and professional qualities of mind are brought to bear on the task.

Learning area 1:

The social accountability and responsibility area

An RA should be able to:

Evaluate the circumstances of a specific situation and make appropriate decisions and take appropriate actions regarding the lines of accountability and responsibility between relevant parties.

10.2 Organisational context

Auditing is conducted within diverse organisational settings in both the public and private sectors and has to contend with complex and changing institutional environments. New organisational forms, innovative financing and technological arrangements and international and multi-national operations must be accommodated, as must changes in capital markets, laws, and regulations.

A broad knowledge of *the* business environment in which private, public and non-profit organisations are organised, financed and managed and the global environment in which they operate, is essential to the work of an RA.

Learning area 2:

The organisational and business area

An RA should be able to:

Analyse, evaluate and take appropriate action and/or give advice, as appropriate, with respect to the business sector, organisational structure, business strategies and processes of a particular client within the context of the audit or related service engagement.

10.3 Functional context

The auditing process involves the design and implementation of methodologies that are appropriate to the particular type of auditor related service engagement. The outcome of the audit is the expression of an opinion relating to one or more

of the following within an organisation:

- a. The fairness of representations made by the management of the organisation

Representational audits focus on the financial representations made by management through external reports on the financial position as a whole (annual financial statements), or on specific elements of those reports or data that are supplementary to those reports, for example royalties, profit forecasts or statistical analyses,

- b. The degree of compliance within the organisation with specific rules or regulations

Compliance audits focus on the degree of compliance of activities, processes and systems within an organisation with internally or externally generated policies, rules, standards, regulations or other requirements. For example, a compliance audit may seek to determine whether or not the requirements of a loan agreement are being met.

- c. The efficiency, effectiveness and economy of organisational processes

Performance audits focus on an assessment of how well an organisation achieves its objectives in terms of the effectiveness, efficiency and economy of its managerial, operational and procedural processes,

Learning area 3:

The auditing function area

An RA should be able to, with respect to the relevant engagement:

Representational audits

Design and implement methodologies for examining, verifying, evaluating and reporting on financial or non-financial representations of organisations.

Compliance audits

Design and implement methodologies for examining, verifying, evaluating and reporting on the degree of compliance of activities, systems or processes within an organisation with internally or externally generated policies, standards, legislation or other requirements.

Performance audits

Design and implement methodologies for evaluating and reporting on the effectiveness, efficiency and economy of managerial, operational or procedural processes in organisations.

10.4 Practice management context

Auditing is itself an organised process involving analytical studies performed by a team of persons utilising appropriate forms of technology, adhering to acceptable standards of quality control and drawing on managerial skills.

Learning area 4:

The professional practice area

An RA should be able to:

Identify, consider the impact of and take appropriate decisions and actions regarding quality control policies and procedures, professional relationships and related aspects of practice management.

10.5 Financial context

The globalisation of business has increased the need for the consistency of financial reporting between countries and this affects both accounting and auditing standards. The statutory audit of financial statements takes place within a recognised accounting framework. In addition, the auditor is often required to integrate knowledge of business and financial processes for the provision of other related service engagements.

Learning area 5:

The functional area of accounting, taxation, managerial accounting and finance

An RA should be able to:

Identify and take appropriate decisions regarding the application of concepts and principles relating to financial and managerial accounting and finance in the context of the audit or related service engagement.

10.6 Information technology context

When attempting to define specific competencies and related performance criteria for information technology, there are several important factors that must be recognised, including the fact that the accountancy profession is a diverse profession whose members operate in several domains. Within each of these domains, RAs may be engaged in a variety of roles. In these different roles, specific needs and opportunities will vary. However, RAs should have the broad competencies necessary to function effectively as users, managers, designers and evaluators of information technology systems.

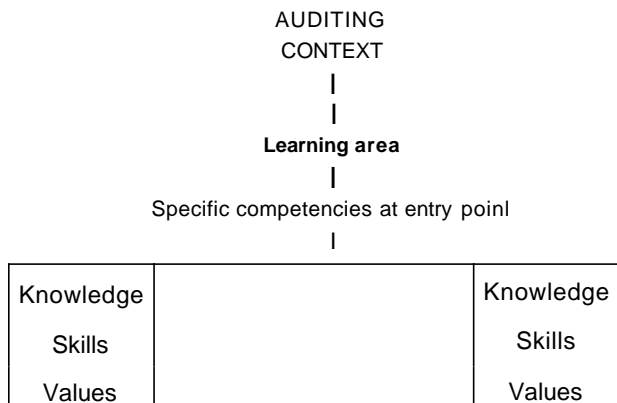
Learning area 6:
The information technology area
An RA should be able to:
Use and evaluate information technology systems and provide input into the design and management of those systems as they relate to the audit or related service engagement.

11. SPECIFIC COMPETENCIES DEFINED BY THE IRBA

Each of the auditing contexts described above gives rise to a learning area. Within each of the learning areas, specific competencies are defined that a candidate should be able to demonstrate in order to meet the requirements of the particular learning area. The specific competencies in each learning area are set out in Table 1.

The competencies defined in each learning area are not mutually exclusive and should be viewed as parts of an integrated framework. It is therefore accepted that some degree of overlap between learning areas is inevitable. Collectively, the specific competencies across all the learning areas and contexts comprise the professional knowledge, skills and values essential for the demonstration of professional competence at entry point to the auditing profession.

The relationships between auditing contexts, learning areas, specific competencies and related knowledge, skills and professional values can be presented schematically as follows:



The specific competencies defined by the IRBA in each learning area are set out in section 3 of this document.

12. PROFESSIONAL BODIES SEEKING RECOGNITION OF THEIR PROGRAMMES

As part of the recognition process, professional bodies must demonstrate the extent to which their programmes develop and assess the specific competencies defined by the IRBA in the Curriculum Framework (section 3 of this document). Inherent in each of the specific competencies defined in the Curriculum Framework are the essential elements that comprise professional competence, namely professional knowledge, skills and values.

In order to demonstrate the extent to which the programmes of a professional institute develop and assess the specific competencies, a professional institute seeking recognition of its programmes will be required to submit detailed curricula.

These detailed curricula should set out the measurable outcomes as well as the related assessment criteria necessary to develop and assess the competencies as defined in the Curriculum Framework.

It is recommended that each specific competence in each of the six learning areas defined in the Curriculum Framework be addressed separately. For each specific competence, the following should be stated:

12.1 Measurable outcomes

- a. The skills and values that are necessary to demonstrate the specific competence; and
- b. The knowledge which underpins the set of measurable outcomes.

12.2 Related assessment criteria

- a. A description of the methodologies used to assess each competence; and
- b. The proficiency level, i.e. standard to be achieved in the demonstration of these methodologies. This description of standards may best be achieved through the submission of examples of actual assessments conducted in the programme.

An example of the requirements for the submission of the detailed curriculum is contained in Table II.

TABLE I

Specific competencies in each learning area

LEARNING AREA J - THE SOCIAL ACCOUNTABILITY AND RESPONSIBILITY AREA

- 1.1 ACCOUNTABILITY
- 1.2 PROFESSIONAL CONDUCT
- 1.3. AUDITING STANDARDS
- 1.4 AUDITING PROFESSION ACT
- 1.5 OTHER LAWS AND REGULATIONS
- 1.6 AUDITOR LIABILITY

LEARNING AREA 2 - THE ORGANISATIONAL AND BUSINESS AREA

- 2.1 LOCAL ECONOMIC AND BUSINESS ENVIRONMENT
- 2.2 GLOBAL BUSINESS ENVIRONMENT
- 2.3 ORGANISATIONAL BEHAVIOUR
- 2.4 OPERATIONS MANAGEMENT
- 2.5 CORPORATE GOVERNANCE
- 2.6 QUANTITATIVE METHODS

LEARNING AREA 3 - THE AUDITING FUNCTION AREA

- 3.1 RESPONSIBILITIES
- 3.2 PLANNING
- 3.3 INTERNAL CONTROL
- 3.4 AUDIT EVIDENCE
- 3.5 USING WORK OF OTHERS
- 3.6 CONCLUDING AND REPORTING

LEARNING AREA 4 - THE PROFESSIONAL PRACTICE AREA

- 4.1 QUALITY CONTROL POLICIES AND PROCEDURES
- 4.2 PROFESSIONAL RELATIONSHIPS
- 4.3 PERSONNEL MANAGEMENT
- 4.4 VALUE-ADDED OPPORTUNITIES

LEARNING AREA 5 - THE FINANCIAL ACCOUNTING, TAXATION, MANAGERIAL ACCOUNTING AND FINANCE AREA

- 5.1 FINANCIAL ACCOUNTING

5.2 CONTROL PROCESSES

5.3 COMMERCIAL LAWS AND REGULATIONS

5.4 TAXATION

5.5 MANAGERIAL ACCOUNTING

5.6 FINANCE

LEARNING AREA 6 . THE INFORMATION TECHNOLOGY AREA

6.1 INFORMATION TECHNOLOGY APPLICATION

6.2 INFORMATION TECHNOLOGY MANAGEMENT

6.3 INFORMATION TECHNOLOGY DESIGN

6.4 INFORMATION TECHNOLOGY EVALUATION

TABLE II

Example:

Requirements for submission of detailed curriculum

<p>Extract from the Curriculum Framework of the IRBA: " "</p> <p>Learning area 1: Social accountability and responsibility</p> <p>Specific competence 1.4: Auditing Profession Act</p> <p><i>"Within the context of the audit or related service engagement ...</i></p> <p>Identify, consider the impact of, make decisions and take appropriate actions, or make appropriate recommendations regarding the application of the requirements of the Auditing Profession Act."</p>

Example of a detailed syllabus submitted by professional body seeking recognition of academic programme:

Learning area 1: Social accountability and responsibility

Specific competence 1.4: *Auditing Profession Act (APA)*

a. Measurable outcomes:

iii Skills and values necessary to demonstrate competence.

In order to meet this specific competence, candidates should be able to:

- Critically evaluate a given set of circumstances and comment on the extent to which the provisions of the APA were or were not adhered to; and

(ii) Knowledge that underpins this outcome.

The APA, with particular reference to those sections dealing with:

- Registration of individuals as RAs (section 37)
- Registration of firms as RAs (section 38)
- Duties in relation to audit (section 44)
- Inspection (section 47)
- Reportable irregularities and false statements in connection with audit (section 52)

b. Related assessment criteria

(i) Description of the methodologies used to assess each competence

Candidates are given a case study describing an actual situation in the public

practice environment. Candidates are required to analyse the information and then, with respect to the particular situation, to:

- identify instances where the APA was contravened;
- discuss what action should have been taken in terms of the APA.

{iii} The proficiency level, i.e. standard to be achieved in the demonstration of the methodologies.

This description of standard may best be achieved through the submission of examples of actual assessments conducted within the programme.

An indication of the expected standards to be achieved in the various programmes is contained in the most recent examinations conducted by the IRBA:

- The desired standard of core competence to be achieved in an academic programme is contained in SAICA's Qualifying Examination.
- The desired standard of professional competence to be achieved in the education and training programme is contained in the PPE conducted by the IRBA.

SECTION 3: THE CURRICULUM FRAMEWORK OF SPECIFIC COMPETENCIES

Contents	Page
LEARNING AREA	
1. The social accountability and responsibility area	4-26
2. The organisational and business area	4-27
3. The auditing function area	4-28
4. The professional practice area	4-29
5. The financial C ccounting, taxation, managerial accounting and finance area	4-30
6. The information technology area	4-32

LEARNING AREA 1**THE SOCIAL ACCOUNTABILITY AND RESPONSIBILITY AREA**

An RA should be able to:

Evaluate the circumstances of a specific situation and make appropriate decisions and take appropriate actions regarding the lines of accountability and responsibility between relevant parties.

Specific competencies

In order to meet the requirements of this learning area, an RA should be able to, within the context of the audit or related service engagement:

1.1 Accountability

Assess, consider the impact of and explain the role of the auditing profession in society with reference to broad accountability issues.

1.2 Professional conduct

Identify, assess and make appropriate decisions and take appropriate actions regarding his/her professional and ethical conduct so as to comply with the code of professional conduct and disciplinary rules prescribed by the IRBA.

1.3 Auditing standards

Identify, consider the impact of, explain and apply relevant statements of auditing standards.

1.4 Auditing Profession Act

Identify, consider the impact of, make decisions and take actions and/or make appropriate recommendations regarding the application of the requirements of the APA.

1.5 Other laws and regulations

Identify, consider the impact of, and make decisions and take actions, including seeking appropriate professional advice regarding the requirements of relevant statutes and regulations and the consequences thereof for the operations of private and public sector entities.

1.6 Auditor liability

Identify, consider the impact of, and make decisions and take actions, including seeking appropriate professional advice regarding the possible legal liability of the auditor in relation to clients and third parties.

LEARNING AREA 2**THE ORGANISATIONAL AND BUSINESS AREA****An RA should be able to:**

Analyse, evaluate and take appropriate action and/or give advice, as appropriate, with respect to the business sector, organisational structure, business strategies and business processes of a particular client within the context of the audit or related service engagement.

Specific competencies

In order to meet the requirements of this learning area, an RA should be able to, within the context of the audit or related service engagement:

2.1 Local economic and business environment

Identify, consider the impact of and comment on the strategic objectives of private and public entities and non-profit organisations with reference to the economic, legal, political, social, and cultural factors that affect the environments in which these entities operate, and the effect of macro- and micro-economics on the entity.

2.2 Global business environment

Identify, consider the impact of and comment on the possible effect of international trade and finance on a particular organisation on the basis of a general understanding of the ways in which international business is conducted.

2.3 Organisational behaviour

Identify, consider the impact of and comment on the possible effect of organisational behaviour on the entity.

2.4 Operations management

Identify, consider the impact of and comment on the appropriateness of management processes, including organisational strategy, and personnel, operational and marketing issues.

2.5 Corporate governance

Make decisions and take actions and make appropriate recommendations with regard to the principles of corporate governance and the effectiveness of the implementation of corporate governance policies and procedures.

2.6 Quantitative methods

Apply quantitative methods and statistics to particular business problems, analyse and evaluate the results of these methods, draw appropriate conclusions and make appropriate recommendations to management.

LEARNING AREA 3

THE AUDITING FUNCTION AREA

<p>An RA should be able to, with respect to the relevant engagement:</p> <p><u>Representational audits</u></p> <p><i>Design and implement methodologies for examining, verifying, evaluating and reporting on financial or non-financial representations of organisations.</i></p> <p><u>Compliance audits</u></p> <p><i>Design and implement methodologies for examining, verifying, evaluating and reporting on the degree of compliance of activities, systems or processes within an organisation with internally or externally generated policies, standards, legislation or other requirements.</i></p> <p><u>Performance audits</u></p> <p><i>Design and implement methodologies for evaluating and reporting on the effectiveness, efficiency and economy of managerial, operational or procedural processes in organisations.</i></p>
--

Specific competencies

In order to meet the requirements of this learning area, an RA should be able to, within the context of the audit or related service engagement:

3.1 Responsibilities

Identify and establish the criteria to govern the audit report, define responsibilities relating to the detection and prevention of fraud, consider the impact of applicable laws and regulations, and appropriately communicate the terms of the engagement to clarify the respective rights, duties and responsibilities of relevant parties.

3.2 Planning

Obtain sufficient knowledge and understanding of the business to be able to determine materiality, assess material misstatement at the financial statement and assertions level, and develop and document the overall audit plan and

related audit programmes that will result in an effective audit.

3.3 Internal control

Identify, interpret and document:

- the accounting, internal control and financial reporting process,
- the significance and complexity of information technology systems,
- management's attitudes, awareness and actions regarding the importance of internal controls,

and then, on the basis of the above, use professional judgement to assess control risk at both the financial statements and assertions level.

3.4 Audit evidence

Give consideration to and evaluate alternatives and make appropriate decisions and take appropriate actions to obtain, through a combination of tests of control and substantive procedures, sufficient (quantitative) and appropriate (qualitative) evidence to reduce audit risk to an acceptably low level and to draw reasonable conclusions on which to report.

3.5 Using work of others

Identify circumstances in which reliance could be placed on the work of another RA, an internal auditor or an expert, design and perform procedures to establish the extent of reliance and obtain sufficient appropriate audit evidence to evaluate the adequacy of their work for the purpose of the specific engagement.

3.6 Concluding and reporting

Evaluate the evidence obtained and reach appropriate conclusions in order to determine and prepare the appropriate type of report to be issued for the specific engagement.

LEARNING AREA 4

THE PROFESSIONAL PRACTICE AREA

An RA should be able to:

Identify, consider the impact of and make appropriate decisions and take the actions regarding quality control policies and procedures, professional relationships and related aspects of practice management.

Specific competencies

In order to meet the requirements of this learning area, an RA should be able to within the context of the audit or related service engagement:

4.1 Quality control policies and procedures

Identify, consider the impact of and make appropriate decisions and take appropriate actions to implement those quality control policies and procedures that are, in the context of the policies and procedures of the audit firm and the specific engagement, necessary to ensure that the engagement is conducted in accordance with statements of relevant auditing standards.

4.2 Professional relationships

Make appropriate decisions and take appropriate actions to proactively build professional relationships by managing interactions and possible conflicts of interest between the client and the RA and other parties.

4.3 Personnel management

Within the sphere of responsibility for a particular audit or related service engagement, communicate effectively with staff in order to develop individual skills, and also provide appropriate direction, monitor and supervise the progress of work and review work performed against stated objectives.

4.4 Value-added opportunities

Seek opportunities to add value to the client's operations and make appropriate recommendations within the ambit of the professional and ethical responsibilities of an RA.

LEARNING AREA 5

THE FINANCIAL ACCOUNTING, TAXATION, MANAGERIAL ACCOUNTING AND FINANCE AREA

An RA should be able to:

Recognise the applicability of and make appropriate decisions regarding the integration and application of concepts and principles relating to financial accounting, taxation, and managerial accounting and finance in the context of the particular environment of the audit or related service engagement.

Specific competencies

In order to meet the requirements of this learning area, an RA should be able to within the context of the audit or related service engagement:

5.1 Financial accounting

Identify and make appropriate decisions regarding the accounting information

applicable to satisfy the needs of financial decision-makers and other stakeholders for financial information regarding an entity, in order to prepare, analyse and evaluate financial statements for an entity in terms of statements of Generally Accepted Accounting Practice and applicable legislation.

5.2 Control processes

Identify, consider the impact of, make decisions and take actions and make appropriate recommendations regarding the concepts, methods and processes of control that provide for the accuracy and integrity of financial data and the safeguarding of business assets.

5.3 Commercial laws and regulations

Identify, consider the impact of, make decisions and take actions and seek appropriate professional advice regarding the possible legal rights and obligations between parties and the possible legal consequences thereof in relation to the operations of private and public entities.

5.4 Taxation

Explain and assess the impact of taxation on financial and managerial decisions and apply the provisions of the law in given situations as they relate to the taxation of entities in South Africa.

5.5 Managerial accounting

Identify, consider the impact of and make appropriate decisions with regard to financial management techniques, including financial statement analysis, planning and budgeting, cost management, resource management, quality control and benchmarking.

5.6 Finance

Identify, consider the impact of and make appropriate decisions with regard to treasury functions, financial instruments and capital markets, including the obtaining of professional advice, where appropriate.

LEARNING AREA 6

THE INFORMATION TECHNOLOGY AREA

Learning area 6: Information technology framework

An RA should be able to:

Use and evaluate information technology systems and provide input into the design and management of those systems as they relate to the audit or related service engagement.

Specific competencies

In order to meet the requirements of this learning area, an RA should be able to, within the context of the audit or related service engagement:

6.1 Information technology application

Utilise hardware and software products and apply an understanding of information system operations and management system processes to provide input for the task of information production and information systems development, management and control.

6.2 Information technology management

Identify, consider the impact of and provide meaningful input into the design and implementation of information technology management principles and practices (including strategic, administrative, financial and operational issues) as they relate to system acquisition, development, implementation and maintenance functions.

6.3 Information technology design

Identify user requirements for information and provide meaningful input into the design and implementation of internal control practices to guide the development of information systems that will meet the organisation's business and service objectives.

6.4 Information technology evaluation

Obtain and document an understanding of the flow of transactions and elements of the control structure, test and evaluate relevant information system controls over financial reporting processes and asset safeguarding, and test computer-based records to establish their accuracy and substantiate financial representations.



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 PO Box 25195 Garden View 2047
 Johannesburg
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 E-mail: board@irba.co.za
 Web: www.irba.co.za

APPLICATION FOR ACCREDITATION

This application form must be completed by the professional body seeking accreditation and should be read in conjunction with the Independent Regulatory Board for Auditors' (IRBA's) Accreditation Model. It is the responsibility of the professional body to demonstrate to the satisfaction of the IRBA that it complies with the prescribed accreditation standards. Accordingly, the information provided should be sufficient and appropriate to enable the IRBA to determine the extent to which the applicant meets the requirements. Applications for accreditation should be based upon a process of self-evaluation by the professional body. The self-evaluation¹ should address each of the indicators defined for each of the relevant accreditation standards prescribed by the IRBA. In preparing the self-evaluation, the professional body should provide objective evidence as to the extent to which each indicator is met in practice. Where the indicator is not met, the professional body should describe what alternative measures have been implemented in order to ensure that the professional body complies with the accreditation standard.

Specific documentary evidence together with the payment of the accreditation fee must be submitted with the application². The onus is on the applicant body to submit any additional information which they may consider applicable to their submission, which is not included in the Accreditation Model.

1. Professional Body Details

Name of professional body:		Click here and type	
Physical Address:	Click here and type	Code:	0000
Postal Address:	Click here and type	Code:	0000
Tel:	Click here and type	Fax:	Click here and type
Website Address (if any):		Click here and type	
Name & details of CEO/equivalent:		Click here and type	
Name & surname of contact person:		Click here and type	
Designation:	Click here and type		
Tel:	Click here and type	Cell:	Click here and type
Email address:	Click here and type		

¹ Applicants must use the same self-evaluation framework as required under "monitoring", as outlined in the Accreditation Model.

² The IABA requires the submission of applications in hard as well as electronic (CD) format.

2. Accreditation Status

Accreditation is the status granted by the IRBA to professional bodies that meet and continue to meet the prescribed accreditation standards. In this regard, a distinction is made between partial and full accreditation (See Accreditation Model Pages 1-4 to 1-6).

Please indicate the type of accreditation sought:

Type of Accreditation	Please Tick
2.1. Partial accreditation	<input type="checkbox"/>
2.2. Full accreditation	<input type="checkbox"/>

3. Institutional Accreditation

All professional bodies seeking accreditation are required to comply with the institutional accreditation requirements. Please attach and record all appropriate documentation³ which provides evidence that the accreditation standards and indicators are met.

Institutional Accreditation Requirements
3.1. Continuing Professional Development
3.2. Discipline and ethical conduct of members
3.3. Financial and operational viability of the professional body
3.4. Register of members
3.5. Representivity in the profession
3.6. Technical support and guidance to members

Please attach a schedule of the documents submitted

4. Programme Accreditation

All professional bodies seeking accreditation must comply with the programme requirements, for full accreditation (academic, core assessment, education and training programmes) or partial accreditation (academic, core assessment, and education or training programmes). Please attach and record all appropriate documentation which provides evidence that the accreditation standards and indicators are met.

Programme Accreditation
4.1. Academic Programme; and
4.2. Core Assessment Programme; and
4.3. Education Programme; and/or
4.4. Training Programme

Please attach a schedule of the documents submitted

³ All documentary evidence must indicate the reference(s) to the Accreditation Model.

5. Declaration

Please sign and include this declaration with your application.

I, _____, (professional body representative), on behalf of _____, hereby declare that all information provided in this application for accreditation is a true reflection of _____ (professional body).

I further declare that I have read and understood the Accreditation Model published by the IRBA and accept that the IRBA reserves the right to request additional information relating to matters included in this application, or conduct inspections or any other process(es) for the purpose of evaluating the information supplied.

I accept that the responsibility to communicate changes to any aspects relating to my application for accreditation rests with me and that the IRBA is solely responsible for all decisions regarding the granting of accreditation.

I undertake to make payments as determined by the IRBA, relating to this application and its assessment.

Signed: _____ (as duly authorised)

Capacity: _____

Name: _____

Date: _____

CHECKLIST

Please ensure that the supporting documentation relating to each of the requirements and as described in the IRBA Accreditation Model, has been included with your application.

- Institutional Accreditation
 - Continuing Professional Development
 - Discipline and ethical conduct of members
 - Financial and operational viability
 - Register of members
 - Representivity in the profession
 - Technical support and guidance

- Programme Accreditation
 - Academic programme
 - Core assessment programme

- For full / part accreditation:
 - Education programme and/or
 - Training programme

This application, together with all supporting documentation as indicated in the Accreditation Model should be sent to:

The Director: Education, Training and Professional Development

Hand deliveries: Maneo
 7 Ernest Oppenheimer Ave
 Bruma
 Johannesburg

Postal deliveries: P.O. Box 751595
 Garden View
 2047

E-mail: unaidoo@irba.co.za

The prescribed application fee must be deposited in:

Bank name: Standard Bank
 Account name: IRBA
 Type of account: Current
 Branch & branch code: Eastgate, 01-85-05-93
 Account no: 221290532



CONTINUING PROFESSIONAL DEVELOPMENT (CPO) POLICY

INTRODUCTION

- 1.1 The knowledge, skills and *values* needed to function effectively as an RA continuously expand, change and develop. RAs face increased and constantly changing knowledge and skill expectations and scrutiny about the quality of independent audits. Oue to the dynamic *environment* in which auditors function, the competence demonstrated through the PPE is likely to lose *relevance* and require modification over relatively short periods of time. Professional competence is therefore first and foremost a dynamic knowledge, skill and value concept, requiring that it be maintained throughout professional life.
- 1.2 Continuing Development (CPO) is the means by which members of a profession maintain, improve and broaden their knowledge and skills and develop the personal qualities required in their professional lives to achieve excellence.
- 1.3 The International Federation of Accountants' (IFAG) International Education Standard 7 (IES7) emphasises the professions commitment to serving the worldwide public interest and presents CPO as a key means of meeting this commitment. IES 7 prescribes mandatory CPO for all members of the profession, including those in public practice. It also calls on IFAC member bodies to facilitate access to CPO opportunities and resources to assist professional accountants in meeting their responsibility for life long learning. Further IES 8 prescribes competency requirements for audit professionals including those working in specific environments and industries. According to IFAC, the responsibility for the development and assessment of the required competence is shared by IFAC member bodies, audit organisations, regulatory authorities and other third parties. Although the Independent Regulatory Board for Auditors (IRBA) is not an IFAC member body, its policies are cognisant of the IFAC standards.
- 1.4 In terms of the Code of Professional Conduct of the IRBA, an RA has a continuing duty to maintain professional knowledge and skill at the required level which will ensure that a client receives the *advantage* of

competent professional service, based on up-to-date developments in practice, legislation and techniques.

- 1.5 The CPD policy proposed herein is based upon the Auditing Profession Act, 2005 ("the Act"). In terms of the Act the Regulatory Board must "prescribe minimum qualifications, competency standards and requirements for registration of auditors" (section 6(1)(a)). From this duty to ensure competence at entry point to the profession, it must be argued that the regulator has a similar duty to ensure that those persons, who are registered, continue to develop and maintain their professional competence throughout the period in which they engage in public practice. Section 7(1)(1) requires that the regulator prescribe competency requirements and these would not only be relevant at entry point but throughout the period of registration as an auditor. The Act thus provides, in section 7(1)(c.), that the Regulatory Board "prescribe requirements for and conditions relating to the nature and extent of continued education, training and professional development".
- 1.6 Accredited professional bodies must, in terms of section 33(b) have appropriate mechanisms for ensuring that members participate in continuing professional development, as either recognised or prescribed by the Regulatory Board. It is envisaged that, since it is likely that the regulator will conduct the final assessment of professional competence at entry point to the profession, it will prescribe and monitor the extent to which individual registered auditors engage in continuing professional development. The role of the accredited professional body in this instance would be to support the CPD objectives of the regulator through fostering a commitment to lifelong learning and facilitating access to continuing education interventions.

Objective of Continuous Professional Development

The objectives of the CPD programme are to enable RA's to:

- 2.1 Maintain and further develop professional competence so as to meet the ever increasing and new knowledge, skill and value demands of the profession as a response to knowledge expansion, technological advancement and the requirements of specialist areas.
- 2.2 Meet stakeholder expectations by ensuring that they maintain and further develop the professional competence required to perform any particular engagement which is undertaken in order that clients may receive the advantage of competent professional service, based upon up-to-date developments in practice, legislation and techniques and other requirements of the profession.

- 2.3 Meet their ethical obligations to maintain and further develop their professional competence at the level appropriate to the types of engagements and levels of responsibility which they undertake.

PRESCRIPTIONS

Primary responsibility

- 3.1 All RAs (attest and non-attest) will be required to undertake and maintain a record of CPO activities.

Reporting period

- 4.1 The reporting period for CPO will commence on 1 January and extend to 31 December of each calendar year. RAs admitted during the first six months of the year will be expected to meet the CPO requirements apportioned on a monthly basis. RA's who register in the latter half of the year (after 30 June) may commence reporting on 1 January of the following year.

Measurement of CPO

- 5.1 In a three year period, an RA will be expected to have completed at least 90 hours of CPO of which at least 50% (45 hours) must be in the area of professional knowledge. The remainder of the CPO must be devoted to the development of professional skills and ethical values, with no less than 10% (9 hours) of the total CPO requirement being devoted to each of these aspects.
- 5.2 The three year reporting period of each individual RA will commence from first registration with the IRBA or 1 January 2007, whichever is the later.
- 5.3 In anyone year reporting period within the three year reporting cycle, the minimum number of CPD hours is twenty (20). The onus is on the RA to ensure that the minimum number of hours acquired over the three year reporting cycle is at least 90 hours and in the respective categories.

Quality Programmes

- 6.1 The IRBA recognises that there are a variety of forms which CPO activities may take including both structured and unstructured learning. It is however believed that, due to its objective-driven nature, structured learning is more likely to provide the IRBA with an indication of the nature of specific competencies that particular CPO interventions set out to

develop and maintain. This is of particular importance, since it enables the regulator to better demonstrate that its policies are consistent with acting in the public interest. Unstructured learning such as reading of research journals, private study and discussion with colleagues, while considered to be valuable forms, will not be recognised for CPO purposes by the IRBA. The IRBA will recognise formally structured courses, workshops, seminars, conferences, in-house training and verifiable e-learning, as constituting verifiable CPO. An important characteristic of verifiable learning is that it is planned and documented.

- 6.2 Having been charged with regulating the statutory audit function, the CPO requirements of the IRBA are focussed on the audit relevant requirements to be met by each RA.

Record-keeping

- 7.1 Each RA is expected to maintain a record of the CPO activities undertaken and to produce such record at the time of practice review, or for monitoring purposes.
- 7.2 RAs may complete the form CPO I or download and submit their CPO record from the professional body; both reporting methods will be accepted.

Monitoring of CPO

- 8.1 CPO activities undertaken by RAs will be monitored annually through an annual return¹ submitted with the renewal of the licence to practice. An RA's registration with the IRBA will be dependent on the CPO activities being up to date and relevant to the work they undertake.
- 8.2 RAs who have not complied with the IRBA's CPO requirements will be given a limited time period in which to either obtain the required CPO hours or give an indication of how the deficit will be managed and may be required to complete a CPO training and development plan (CPO II). Should an RA, however, not comply after the agreed upon time, the IRBA will not renew the licence to practice.
- 8.3 For RAs who are subject to practice review, the IRBA will draw upon the processes and procedures carried out by its practice review function" in order to assess, based upon documentation supplied by the RA, the nature and relevance of CPO activities and the extent to which the maintenance and further development of competence was sought by an

¹ RAs may complete the form sent to them by the IRBA or download and submit their CPD record from their Professional Body; both reporting methods will be accepted.

² See Section 47 of the Auditing Profession Act, 2005

RA. Although the process is not designed to assess competence as such, it provides the (RBA with an understanding of the particular role and responsibility assumed by each RA. Thus, the practice review function provides an understanding of context, which is essential in order to determine the appropriateness of the particular CPO activities undertaken by an individual RA.

Sanctions

- 9.1 RA's who continue to be non-compliant may have their licence to practice not renewed.

Exemptions

- 10.1 The IRBA does not offer any exemption for RAs based on retirement, extended leave of absence or for any other similar reasons.

CONCLUSION

11. It should be emphasised that CPD does not provide any assurance that all RAs will deliver high quality services at all times. The provision of audit relevant services is not limited to the application of professional competence alone, but also encompasses the exercise of judgement and professional scepticism. In addition, it should be **noted** that participation in programmes of CPD does not provide assurance that all participants in programmes of CPO will necessarily maintain and develop their professional competence to the fullest extent.

TRAINING CONTRACT (must be completed in duplicate, only ONE copy to be sent to IRBA)

This contract is entered into between

Name of training office
(represented by)

Branch

Name of training officer

and

Name of trainee

Definitions

In this document, unless the context otherwise indicates-

"training contract" includes a reference to a learnership agreement;

"trainee" includes a reference to a learner;

the "training officer" is a partner or sole practitioner of the training office, who is registered with the Independent Regulatory Board for Auditors (IRBA) and is a member of (a professional body). Such person must be based at the training office, and is responsible for the training of trainees carried out at or from the training office and who, in the case of a partnership, by virtue of a resolution of the partners, is empowered to act on behalf of the training office pertaining to the training of trainees employed at that training office;

the "training office" is a firm that is a sole practitioner, or a partnership of practitioners or incorporated in terms of the Companies Act, 1973, registered auditors) in terms of the Auditing Profession Act, No. 26 of 2005 and as such actively engaged in public practice, and includes a reference to a workplace provider; and

the training contract is entered into between the parties in order to enable the IRBA to regulate the effectiveness of the practical training undergone by the trainees in terms of such regulations ("the Regulations") regarding trainees may from time to time prescribe.

- 1 THE PARTIES TO THE TRAINING CONTRACT AGREE THAT -
 - 1.1 this training contract is entered into in terms of, and is subject to, such provisions of the Act as are applicable and the Regulations pertaining to trainees prescribed by the IRBA from time to time;
 - 1.2 any amendments of or additions to the Regulations that affect this training contract will be deemed to be incorporated in this training contract upon promulgation, notwithstanding that notice of such amendments or additions may not have been given to the parties;
 - 1.3 (The professional body) may act, in relation to the training contract, in accordance with the powers conferred on it by the Regulations;

- 1.4 a written contract of employment has been entered into between the training office and the trainee for a period not less than the duration of this training contract as prescribed by the Regulations;
- 1.5 if conflict should arise between the terms and conditions of this training contract and the terms and conditions of the contract of employment, the training contract will prevail;
- 1.6 the transfer to another training officer of another training office, or the suspension or cancellation of this training contract, may only occur if the parties mutually agree thereto or when the transfer, suspension or cancellation has been ordered by (the professional body). The transfer, suspension or cancellation is only *effective* once it has been approved and registered by the IRBA;
- 1.7 any dispute between the parties arising from this contract must be referred to (the professional body) for settlement and the decision of (the professional body) will be final and binding on the parties;
- 1.8 should the IRBA not approve the registration of, or cancel the registration of this training contract, the contract will be null and *void*;
- 1.9 the effective date of this training contract will be the date approved and registered by the IRBA as such;
- 1.10 the commencement date of this training contract will not be backdated by more than six months; and
- 1.11 interruption in the duration of this training contract, as defined in (the professional body's) training regulations, as a result of temporary absence from employment will be limited to the maximum periods prescribed in the Regulations.

2 THE TRAINING OFFICER AGREES THAT -

- 2.1 the trainee will be afforded every reasonable opportunity to obtain sufficient exposure to the range of core experience, as defined by (the professional body) from time to time, to enable him/her effectively to apply knowledge in a variety of relevant situations;
- 2.2 the trainee will be properly instructed in the standards of professionalism and ethics expected of a registered auditor;
- 2.3 the training officer will comply with his/her duties in terms of all applicable legislation, including:
 - the Basic Conditions of Employment Act (Act 75 of 1997);
 - Any applicable determination made in terms of section 18(3) of the Skills Development Act (Act 97 of 1998);
 - the Labour Relations Act (Act 66 of 1995);
 - the Employment Equity Act (Act 55 of 1998);
 - the Occupational Health and Safety Act (Act 85 of 1993); and
 - the Compensation of Occupational Injuries and Diseases Act (Act 130 of 1993);
- 2.4 the training officer will provide appropriate facilities to train the trainee;
- 2.5 the training officer will provide the trainee with adequate supervision;
- 2.6 the training officer will conduct on-the-job assessment, or cause it to be conducted;
- 2.7 the training officer will keep up-to-date records of training and periodically discuss the trainee's progress with him/her;

- 2.8 the training officer will advise the trainee of -
- the terms and conditions of his/her employment; and
 - training office policies and procedures;
- 2.9 the training officer will apply the same disciplinary, grievance and dispute resolution procedures to the trainee as to any other employee;
- 2.10 the trainee will be employed in the office of the firm that has been accredited by (the professional body) as a registered training office;
- 2.11 the training officer will lodge with (the professional body), before the event, written notice in the prescribed form of the transfer of the trainee to another training office;
- 2.12 the training officer will fulfil all obligations imposed on him/her by (the professional body) pertaining to the training of the trainee;
- 2.13 the training office will bear the cost of fees payable to (the professional body) in terms of this training contract;
- 2.14 the trainee will be required to work at least 7½ hours per day, five days per week;
- 2.15 the training officer will inform (the professional body) in writing of circumstances where, in the opinion of the training officer, the trainee has conducted himself/herself in a manner that may constitute improper conduct as defined in the Regulations or in the disciplinary rules, code of conduct or by-laws prescribed by (the professional body) from time to time;
- 2.16 the training officer will make available to (the professional body) all documents regarding the alleged improper conduct of the trainee, including the record of any disciplinary procedures in the training office in which the trainee may have been involved;
- 2.17 the training contract will be submitted to (the professional body) for cancellation within a period of 30 days in the event of -
- automatic cancellation in circumstances as described in the Regulations, and
 - the parties entering into a mutual written agreement not to proceed with the training contract; and
- 2.18 Within 30 days after completion of the duration of the training contract, the training officer will submit a duly completed Final assessment – Training record and a duly completed Certificate of Completion to (the professional body).

3 1. THE TRAINEE AGREES THAT -

- 3.1 he/she will diligently serve the training office in the profession of the qualification of the registered auditor;
- 3.2 he/she will diligently pursue his/her studies in the theory and practice of the profession of the qualification of the registered auditor and that he/she will notify the training officer immediately he/she ceases to be registered for a course that would lead to the eventual award of a Certificate in the Theory of Accountancy or equivalent;
- 3.3 he/she will during the currency of this training contract not engage in any other business or occupation without the express written authority of the training officer;
- 3.4 he/she will at all times keep the affairs of the training office and its clients confidential and will not breach any codes of professional conduct, disciplinary rules or by-laws that apply to the profession of the qualification of the registered auditor;
- 3.5 he/she will comply with any training office policies and procedures;

- 3.6 he/she will complete any timesheets and/or other assessment tools supplied by the training officer to record training experience;
- 3.7 he/she agrees that the training officer will be entitled, and is hereby authorised to, disclose to (the professional body) any circumstances which in the opinion of the training officer may constitute improper conduct on the part of the trainee. The trainee further agrees that the training officer may make available to (the professional body) all information regarding disciplinary procedures in the training office in which the trainee may have been involved, including the record of those procedures; and
- 3.8 within 30 days after completion of the duration of the training contract, he/she will submit a duly completed Final assessment - Training record form to the training officer for onward submission to (the professional body).

SIGNED BY THE PARTIES AS FOLLOWS:

By the training officer at _____ **on** _____ **20** _____

Training officer

 Signature Initials & surname

Witness _____ Witness _____

By the trainee at _____ **on** _____ **20** _____

Trainee

 Signature Initials & surname

Witness _____ Witness _____

APPROVED BY: _____ **Date:** _____
 On behalf of the IRBA