

BACKGROUND NOTE ON ACTION PLANS

SMO Action Plans are developed by IFAC Members and Associates to demonstrate fulfillment of IFAC Statements of Membership Obligations (SMOs). SMOs require IFAC Members and Associates to support the adoption¹ and implementation² of international standards and other pronouncements issued by independent standard-setting boards under the auspices of IFAC as well as by the International Accounting Standards Board (IASB); and to establish a Quality Assurance (QA) review and Investigation and Disciplinary (I&D) systems.

IFAC Members and Associates conduct a self-assessment against the requirements of SMOs and identify areas where improvements are needed. Based on the results of the assessment, Members and Associates develop an SMO Action Plan to (a) demonstrate how they fulfill the requirements of the SMOs and (b) where some requirements are not yet addressed, to present plans towards their fulfillment.

SMO Action Plans are designed to be ever-green documents that provide a comprehensive description of the accountancy profession and its legislative and regulatory environment in the jurisdiction as well as the actions undertaken by IFAC Members or Associates to support adoption and implementation of international standards and best practices.

Regular updates of the SMO Action Plans are required as part of the IFAC Member Compliance Program.

Use of Information

Please refer to the Disclaimer published on the Compliance Program website.

ACTION PLAN

IFAC Member:	South African Institute of Chartered Accountants (SAICA)
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¹ *Adoption* is concerned with the decision that international standards are appropriate for use in specific national financial reporting environments and with the actions necessary to effect those decisions, including incorporation into national requirements or requiring the use of international standards through law. Adoption may include a process to review draft international standards, translation, public exposure of proposed standards, approval, incorporation into national requirements as necessary, and promulgation of final standards, and, where applicable, a convergence process to eliminate or minimize differences between international and national standards.

² *Implementation* may include a process to build awareness of the adopted standards, provide relevant education and training, develop or disseminate implementation guidance and any other activities that promote proper understanding and use of the standards in practice.

GLOSSARY

AGA(SA)	Associate General Accountants (South Africa)
AGC	Assurance Guidance Committee
APA	Auditing Profession Act (Act 26 of 2005)
APB	Accounting Practices Board
APC	Accounting Practices Committee
ASB	Accounting Standards Board
CA(SA)	Chartered Accountant (South Africa)
CFAE	Committee for Auditor Ethics
CFAS	Committee for Auditing Standards
CIPC	Companies and Intellectual Property Commission
CPD	Continuing Professional Development
DTI	Department of Trade and Industry
FRIP	Financial Reporting Investigation Panel
FRSC	Financial Reporting Standards Council
FRTC	Financial Reporting Technical Committee
GAAP	Generally Accepted Accounting Practice
GRAP	Generally Recognised Accounting Practice
IAASB	International Auditing and Assurance Standards Board
IAESB	International Accounting Education Standards Board
IAPS	International Accounting Practice Statements
IAS	International Accounting Standard
IASB	International Accounting Standards Board
IES	International Education Standards
IESBA	International Ethics Standards Board of Accountants
IFAC	International Federation of Accountants
IFRS	International Financial Reporting Standards
IFRS for SMEs	International Financial Reporting Standards for Small and Medium-Sized Entities
IPSAS	International Public Sector Accounting Standards
IPSASB	International Public Sector Accounting Standards Board
IRBA	Independent Regulatory Board for Auditors
ISA	International Standard on Auditing
ISAE	International Standard on Assurance Engagements
ISQC	International Standard on Quality Control
ISRE	International Standard on Review Engagements
ISRS	International Standard on Related Services
JSE	Johannesburg Stock Exchange Limited
MFMA	Municipal Finance Management Act, 2003 (Act No. 56 of 2003)
NT	National Treasury
NSMP	National Small Medium Practices Committee
PAO	Professional Accountancy Organisation

GLOSSARY (CONTINUED)

PFMA	Public Finance Management Act, 1999 (Act No. 1 of 1999)
PIE	Public Interest Entity
RA	Registered Auditor
ROSC A&A	Report on the Observance of Standards and Codes – Accounting and Auditing
SA	South Africa / South African
SAICA	South African Institute of Chartered Accountants
SARB	South African Reserve Bank
SME	Small-and-Medium-sized Entities
SMO	Statement of Membership Obligations
SMP	Small and Medium-sized Practitioners
SPF	Senior Partners Forum
TQMS	Technical Query Management System

General Information:

Regulation of the accountancy profession in South Africa, including audit oversight arrangements

The auditing profession in South Africa is regulated; however, there is no national supervision over the professional accountancy organizations (PAOs). The Independent Regulatory Board for Auditors (IRBA) is established under the Auditing Profession Act 2005 (APA) and is mandated to regulate the auditing profession in the public interest. The objectives of the IRBA are to create the framework and principles to contribute to the protection of the public who rely on the services of registered auditors (RAs). The IRBA is also the auditing and assurance standards-setter in South Africa.

The APA provides for the education, training and professional development of RAs, for the accreditation of professional bodies whose members will be eligible to register as RAs with the IRBA and to regulate the conduct of RAs. Under the APA, the IRBA has responsibilities relating to the registration, inspection and discipline of RAs, as well as for setting auditing standards and standards of professional competence, ethics and conduct for RAs.

During May to October 2013 the World Bank conducted the second Report on the Observance of Standards and Codes – Accounting and Auditing (ROSC A&A) review in South Africa at the request of the Minister of Finance. The ROSC A&A, published in June 2013, recommended inter alia that appropriate legislation should be enacted to provide for the regulation of both PAOs and an audit regulatory body. While each PAO would continue to support and regulate its members, the proposed regulatory body should ensure that the education and training offered by PAOs is appropriate to the types of services being offered by the PAO membership. The regulatory body would accredit, register, monitor, and sanction the PAOs, as well as monitor compliance in accordance with the accreditation criteria on an ongoing basis. It was further recommended that the regulatory body would continue with the existing IRBA functions in addition to the proposed oversight function over PAOs (i.e. providing for the comprehensive regulation of the accountancy profession).

Based on the ROSC A&A recommendations, National Treasury (NT) commenced a process of consultations and stakeholder engagements from January 2014. In September 2015 the Office of the Accountant-General (in NT) hosted a collaborative stakeholder engagement meeting to engage stakeholders, soliciting additional comments and views on the establishment of a new regulator including the impact it might have on their respective institutes and members.

- In principle the initial proposal is that a new regulator for both the accounting and auditing spheres be established, and that the current mandate of the IRBA be expanded to allow it to be the new regulator of the accountancy profession, under new legislation, i.e. a proposed Accountancy Profession Act.
- Furthermore, the initial proposal includes the adoption of an accreditation model in terms of which the Regulator will prescribe minimum requirements for accreditation of PAOs.
- PAOs and other stakeholders provided input at the September 2015 meeting, and were granted an additional opportunity to submit information and views to NT by the end of October 2015.

- NT was to prepare and submit a Memorandum to the Minister of Finance for his consideration and approval, and direction on how to progress this project.
- The process has been temporarily delayed during 2016 owing to various factors, including the appointment of a new Accountant-General, the appointment of a new Finance Minister and the effect of the municipal elections in South Africa.

As at the date of publication of this report, the legal and regulatory framework has not been amended and no new legislation has been enacted.

The South African Institute of Chartered Accountants (SAICA)

SAICA's mission is to promote and lead the chartered accountancy profession so as to create sustainable value for its members and other stakeholders. As a membership organisation, SAICA's primary role is to serve, represent and promote the interests of its members and associates. In meeting this objective, SAICA's long-term professional interests are always in line with public interest and responsible leadership.

The chartered accountancy profession in South Africa receives its license to operate through the Chartered Accountants Designation (Private) Act 67 of 1993 in terms of which chartered accountants may offer a professional service to the public on condition that they are members of SAICA. In return, chartered accountants need to operate in accordance with a strict code of professional conduct.

SAICA operates as a voluntary association not-for-gain and is registered in terms of the Non-profit Organisations Act 71 of 1997.

SAICA is governed by a Board (the SAICA Board) who is elected and appointed in terms of the SAICA constitution and operates in terms of the by-laws and board charter. The Board is representative of the SAICA membership base and is committed to implementing the principles of the King Report on Corporate Governance in South Africa.

As at June 2016, SAICA has **40,724** members (Chartered Accountants (SA)) (CA(SA)s). Of these, 32,880 (81%) are members in South Africa and 7,844 (19%) are members outside South Africa. Member constituencies can be summarised as follows:

- | | | |
|---|-----|----------|
| • In public practice | 30% | [11 952] |
| • In business (finance, accounting, internal auditing, management, executive) | 49% | [19 935] |
| • In the public sector | 4% | [1 814] |
| • In education | 2% | [840] |
| • Retired, unemployed and other | 15% | [6 183] |

Professional accountancy organisations (PAOs) in South Africa

PAOs in South Africa which are full members of IFAC

- The South African Institute of Chartered Accountants (SAICA) ### ***

- The South African Institute of Professional Accountants (SAIPA) ***

The following PAOs in South Africa are associated with parent organizations in the UK (the UK parent organizations are full members of IFAC)

- The Chartered Association of Certified Accountants – SA (ACCA) ***
- The Chartered Institute of Management Accountants – SA (CIMA) ***

PAOs in South Africa which are not members of IFAC

- Chartered Secretaries Southern Africa (CSSA) ***
- Institute of Accounting and Commerce (IAC) ***
- The South African Institute of Business Accountants (SAIBA) ***
- The Members of the Chartered Institute for Business Management (MCIBM) ***
- The Southern African Institute of Government Auditors (SAIGA) ***
- Association of Accounting Technicians – SA (AAT)
- The Institute of Certified Bookkeepers (ICB)
- The Institute of Internal Auditors – SA (IIA)

Notes:

SAICA is currently the only PAO in South Africa that is accredited by the IRBA in terms of the Auditing Profession Act 2005. CA(SA)s can apply for registration with the IRBA and provide services as registered auditors (RAs) in South Africa.

*** The members of these nine PAOs are permitted to perform the duties of an accounting officer of a close corporation in terms of the Close Corporations Act 1984, and are allowed to be appointed as independent reviewers to perform the reviews of the financial statements of certain categories of companies in accordance with the Companies Act 2008 and Companies Regulations 2011. With respect to the latter only CA(SA)s and RAs can perform independent reviews of qualifying companies with a public interest score of 100 or more.

SAICA is accredited by the IRBA

SAICA is accredited by the IRBA in terms of sections 32 to 34 of the APA. Individuals must apply to the IRBA for registration as registered auditors (RAs) in terms of section 37 of the APA. Firms may also be registered as RAs, subject to the requirements under section 38 of the APA.

Accreditation is the status granted by the IRBA to professional bodies that meet and continue to meet the prescribed accreditation standards. A professional body (i.e. PAO) 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 recognized by the Regulatory Board;
- 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 Regulatory Board;
- It has in place appropriate programs and structures to ensure that it is actively endeavoring 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, including that the professional body must have appropriate technical support and guidance available to its members who are RAs.

The *IRBA Accreditation Model* sets out the detailed accreditation standards for each of the above accreditation requirements. SAICA is required to submit an annual *Institutional Requirements Report* to the IRBA in the form of a formal report and a self-evaluation. The SAICA report for the year 2015 was submitted to the IRBA on 6 May 2016.

Action Plan Subject: SMO 1–Quality Assurance
Action Plan Objective: Maintain and continue to enhance compliance with Quality Assurance requirements

Background:

Regulation and standard-setting

The Independent Regulatory Board for Auditors (IRBA) is the audit regulator and the auditing and assurance standard-setter in South Africa, under the Auditing Profession Act 2005 (APA). SAICA members, i.e. CA(SA)s are eligible to register as RAs with the IRBA, and if admitted, they are subject to full regulation by the IRBA.

As from 1 January 2005, the predecessor body of the IRBA, the Public Accountants and Auditors Board (PAAB) adopted, without modification, the International Standards issued by the International Auditing and Assurance Standards Board (IAASB). Following the promulgation of the APA, effective from 1 April 2006, the IRBA confirmed the adoption of the International Standards issued by the IAASB.

By virtue of SAICA being accredited by the IRBA, all CA(SA)s registered as RAs with the IRBA are required to use and comply with the International Standards issued by the IAASB, including with respect to quality control:

- At firm level: ISQC 1, Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements.
- At engagement level: ISA 220, Quality Control for an Audit of Financial Statements, as well as the relevant engagement standards for services other than audits, including ISRE 2400 (Revised), ISAE 3000 (Revised), ISRS 4410 (Revised), etc.

Those CA(SA)s in public practice who are not RAs (and therefore do not perform audits of financial statements) are required by SAICA, as part of their membership obligations, to use and comply with ISQC 1 and the relevant engagement standards issued by the IAASB relevant to the professional services they provide, which may include reviews, other assurance engagements and related services.

Quality assurance reviews performed by the IRBA

In terms of section 4(1)(a) of the APA, the IRBA is required to take steps to promote the integrity of the auditing profession, including, in terms of section 4(1)(a)(iv), “conducting practice reviews or inspections”. The IRBA Inspections Department performs inspections of firms and of individual partners (i.e. assurance engagements). The objective of *firm inspections* is to inspect the design and implementation of an audit firm’s system of quality control. The objective of *engagement inspections* is to monitor RAs’ compliance with the relevant professional standards, pronouncements and codes in the performance of the assurance function.

The IRBA’s inspection process is mandatory for all RAs and ensures that all mandatory audits in South Africa, i.e. audits that are required in terms of legislation or regulation, are subject to a quality assurance review process. Inspections are performed in terms of section 47 of the APA that requires, amongst other, that the IRBA must, at least every three years, inspect or review the practice of a RA who audits a public company. The IRBA prioritizes the inspection of firms performing audits of financial statements of public interest entities (PIEs), but all firms performing statutory

audits are subject to be selected for inspection. Within a particular inspection cycle, the IRBA will inspect a risk-based sample from a population comprising all mandatory audits; however, there is also an element of unpredictability with some random selections from time to time.

Audit firms that are accredited by the Johannesburg Stock Exchange Limited (the JSE) to audit the financial statements of listed entities are subject to a full firm inspection. The larger firms are inspected on an annual basis, based on the number of audits of PIEs, while other firms are selected based on risk factors. Firms that perform high risk audits may be selected for a firm inspection (the larger a firm is in terms of its audits of PIEs, the more likely that a firm inspection will be performed). When a firm inspection is performed, a sample of the high risk assurance engagements performed by the individual partners of the firm is subject to engagement inspection (per individual partner). If a firm inspection is not applicable, but individual partners in a firm perform high risk assurance engagements, a sample of such engagements is subject to engagement inspection (per individual partner).

The IRBA applies the following approach to categorizing assurance engagement risk:

Category A: High risk audits and related assurance work

This refers to audits performed by RAs and firms that are required in terms of legislation or regulation. These include:

- Audits required in terms of the Companies Act, 2008 of:
 - public companies
 - state-owned enterprises
 - private companies with a public interest score of 350 and above (per the Companies Act)
- Audits of subsidiaries of listed companies as required by the JSE until the listing requirement 3.88 was amended with effect from 30 September 2014.
- Audits of banks and regulatory returns to the South African Reserve Bank (SARB) in terms of the regulations to the Banks Act, 1990.
- Audits required by legislation under the Financial Services Board (FSB), of:
 - insurance companies
 - collective investment schemes
 - pension and retirement funds
 - provident funds
 - any other audits required by the Financial Advisory and Intermediary Services Act, 2002
- Audits of Medical Schemes
- Audits on behalf of the Auditor-General

- Audits of Attorneys trust accounts
- Audits of Estate Agents
- Audits of Co-operatives
- Audits of non-profit organizations where the turnover is more than R50 million
- Audits of all tertiary educational institutions
- Assurance work related to other regulatory returns in respect of any of the above audit clients
- Audits of private companies with a public interest score below 350 where its Memorandum of Incorporation has been altered to include an audit requirement

Category B: Low risk assurance work

This refers to all assurance work not already stated above and including:

- Voluntary audits
- Independent reviews required in terms of the Companies Act, 2008
- Other assurance work.

Note: Assurance work in Category B is only subject to inspection or investigation on a reactive basis, based on a complaint or allegation made directly to the IRBA, or made to SAICA and subsequently referred to the IRBA.

Cases of possible improper conduct, including those linked to alleged non-compliance with applicable technical and professional standards, are referred either from SAICA to the IRBA or from IRBA to SAICA. In the former, SAICA is obliged to refer cases to the IRBA in matters where an accused is both a RA and a CA(SA) at the time of the alleged offence. Upon conclusion of cases referred to the IRBA, SAICA then institutes proceedings in terms of its By-laws and takes the necessary action against the accused. Furthermore, the IRBA Inspections Department may refer RAs, when necessary, to the IRBA Investigations Department who, after investigation, can make a referral to the IRBA Legal Department. If there is reason to believe that the RA involved is to be disciplined, the case is also referred to SAICA.

In the case of RAs who are SAICA members, the link between quality assurance (SMO 1) and investigations and discipline (SMO 6) is made by the IRBA. **[Refer to SMO 6 in this Action Plan for further detail]**

Other quality assurance arrangements

SAICA does not apply a separate quality assurance system similar to that of the IRBA for CA(SA)s who are not RAs, but rather deals with cases of possible improper conduct that are linked to alleged non-compliance with applicable technical and professional standards in accordance with its investigation and discipline processes. Furthermore, the following quality assurance arrangements are reactive and will result in consideration and, if applicable further investigation, by SAICA Legal division, based on a complaint or allegation made directly to SAICA, or referred to SAICA

by one of the identified intermediaries, or by the IRBA or by any other person or organisation. **[Refer to SMO 6 in this Action Plan for further detail]**

The JSE

In terms of the JSE Listings Requirements, a listed entity may only appoint as its auditor and reporting accountant an audit firm, individual auditor and reporting accountant who is accredited as such on the JSE List of Auditors and their advisers, as set out in section 22 of the JSE Listings Requirements. This section prescribes requirements pertaining to the qualifications, roles and responsibilities, status, and termination of accreditation of an accredited audit firm, individual auditor, IFRS adviser, reporting accountant and/or reporting accountant specialist. Monitoring by the JSE, including sanctions against an accredited firm or individual, is also linked to the outcomes of the IRBA inspections process at firm level and at engagement level. The JSE does not have a quality assurance system similar to that of the IRBA, but rather monitor's compliance with the JSE Listings Requirements relevant to the accreditation of audit firms and individual auditors.

As at the date of publication of this Action Plan, the JSE had issued proposed amendments to the JSE Listings Requirements that include, amongst other amendments, the introduction of a new accreditation model for the accreditation of audit firms and individual auditors. The proposed changes are subject to the comments received through the exposure process and the JSE's due process in finalising the amendments. In essence it entails the following: Where the current model relies heavily on the external inspections results of the IRBA as an indicator that the audit quality of audit firms and individual partners is at an appropriate level, the proposed revised model will allow for a more diverse and comprehensive approach that will recognise and take into account the IRBA inspections findings at firm level and at engagement level (external inspections), the results of the audit firm's internal engagement quality monitoring results (internal inspections), confirmation by the audit firm of the individual auditor's competence, capabilities and experience (on initial accreditation), and oversight by the listed entity's audit committee (on an ongoing basis) that includes requesting and considering the IRBA inspections results from both the audit firm and audit partners, as well as the audit firm's internal engagement quality monitoring inspections, and the outcome of any disciplinary or legal action taken by the IRBA against the individual or the firm. The JSE will retain the right to remove an auditor's accreditation based on the outcome of an IRBA inspection, subject to the IRBA first concluding any investigation process.

Companies and Intellectual Property Commission (CIPC)

CIPC is established in terms of section 185 of the Companies Act 2008.

Only RAs are permitted to perform audits of financial statements. As discussed in the "General information" section at the start of this Action Plan, the members of nine PAOs are permitted to perform independent reviews of company financial statements; however, only CA(SA)s and RAs can perform independent reviews of qualifying companies with a public interest score of 100 or more (this would include a CA(SA) that is not a RA). Any non-conformances of companies are directly reported to CIPC (in lieu of RAs reporting Reportable Irregularities identified during audits to the IRBA in terms of the APA). SAICA members who are not RAs may also perform other assurance engagements and related services, provided that they do not hold themselves out to be RAs.

Regulation 29(12) of the Companies Regulations 2011 determines that every profession (i.e. PAOs) recognised by the Minister whose members are entitled to perform an independent review of company financial statements, is required to annually file a report with CIPC demonstrating that:

- it has proper mechanisms for ensuring that its members participate in continued professional development and achievement of professional competence;
- 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 and maintains a proper register of its members;
- it has in place appropriate programmes and structures to ensure that 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 requirements that may be determined by CIPC from time to time.

CIPC does not have a quality assurance system similar to that of the IRBA in relation to independent reviews and reviewers, but rather relies on the relevant systems and processes of the various PAOs, which it monitors as provided for in regulation 29(12). CIPC commenced its monitoring in terms of the above regulation in 2014. SAICA has submitted annual reports to CIPC in July 2015 (with respect to the 2014 year) and in March 2016 (with respect to the 2015 year).

Financial Reporting Investigation Panel (FRIP)

The FRIP (the Panel) is an advisory panel that performs an investigation function linked to the JSE's review process to proactively monitor compliance by JSE listed entities with applicable financial reporting requirements. The FRIP only considers cases referred to it by the JSE Issuer Regulation Division. The function of the Panel is to advise the JSE Issuer Regulation Division in relation to alleged cases of non-compliance with financial reporting standards in annual and interim reports and any other company publications. The JSE Issuer Regulation Division will consider the advice of the FRIP and take such action it deems appropriate. To assist those responsible for the regulation of RAs, CA(SA)s and other professionals, the JSE Issuer Regulation Division may provide information to the relevant professional bodies and regulators. **[Refer to SMO 7 in this Action Plan for further detail]**

Responsibilities

Owing to its legislative mandate and functions the following elements of SMO 1 is the responsibility of the IRBA. SAICA is not directly involved in the inspection process. SAICA's role is to provide support to RAs in implementing and maintaining appropriate systems of quality control and to engage with the IRBA on matters of quality control and audit quality. The following are examples of SAICA's activities related to QA:

- Quality control standards – To assist all members in understanding the objectives of quality control and in implementing and maintaining appropriate systems of quality control;
- Participating in the IRBA's processes to develop and issue local practice statements and guidance;
- Participating in and influencing local processes with respect to the development of new, or revisions to legislation and regulations that affect members in public practice;

- Participating in international standard-setting – SAICA’s own efforts to evaluate and comment on the outputs of the standard-setting activities of the IAASB;
- Proactively engage with the IRBA (providing for effective two-way communication) on matters relating to inspections, quality control and audit quality, and disseminating IRBA related information to SAICA members;
- Participating in international standard-setting – In the context of collaborating with the IRBA (and other relevant stakeholders) in evaluating and commenting on the outputs of standard-setting activities of the IAASB.

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Maintaining Ongoing Processes</i>					
1.	06/2015	<p>A more formalised and collaborative approach of proactive engagement with the IRBA on matters relating to inspections (the inspections process and common inspections findings), quality control and audit quality:</p> <ul style="list-style-type: none"> • Open and direct communication channels between SAICA and the IRBA. • Regular meetings with the IRBA Director Inspections and other senior staff from the Inspections Department. • Utilising SAICA’s committee structure (primarily the Assurance Guidance Committee) to facilitate a forum for the IRBA to provide constructive feedback to auditors relating to inspections and matters of audit quality and for SAICA to escalate matters that come to its attention to the IRBA. 	Ongoing	Senior Executive Assurance and Practice	SAICA and IRBA technical staff, and SAICA committees

#	Start Date	Actions	Completion Date	Responsibility	Resource
2.	Ongoing	<p>Continue to offer and facilitate relevant and appropriate CPD activities on the International Standards issued by the IAASB and adopted and prescribed for use by the IRBA, and other accountancy profession developments. Due to the diverse professional roles SAICA members are involved in, SAICA allows its members to identify and record learning activities that fall outside the scope of courses and seminars, such as preparation for and attendance at Board meetings, provided such activities contribute towards the learning and development of the member in his or her specific role.</p> <p>SAICA annually hosts a variety of CPD events (seminars, workshops, information sessions, etc.). Besides knowledge and skills development and information sharing, they also enable SAICA to promote the importance of quality control and audit quality.</p> <p>In general, all technical audit and assurance events / interventions encapsulate matters relating to quality control and improving audit quality (compliance with standards and laws and regulations, promoting good practice and ensuring that the auditor's report (or other engagement report) is appropriate in the circumstances). However, examples of recent events that have specifically focused on, or incorporated quality control are:</p> <ul style="list-style-type: none"> • SAICA interviews the IRBA on the 2015 Public Inspections Report. • Audit back to basics seminar (informed by inspection findings in particular areas of the audit). • Enhancing audit quality seminar, linked to an online survey – the IAASB ITC, Enhancing audit quality in the public interest. • SAICA Quality Control Workshop. • 2015 and 2016 SME / SMP Technical seminars (specific modules informed by general recurring inspection findings / themes). 	Ongoing	Senior Executive Assurance and Practice, and Senior Executive Member Engagement	SAICA staff and external resources (including access to expertise on / through SAICA's committees, collaboration with stakeholders, networks of specialists, externally contracted subject matter experts)

#	Start Date	Actions	Completion Date	Responsibility	Resource
3.	Ongoing	<p>Maintaining and, as applicable, improving the Technical Query Management System (TQMS) and raising awareness of the TQMS amongst members.</p> <p>The TQMS enables the extraction of business intelligence from the system to assist SAICA with the identification of member needs and the development of training interventions to address those needs.</p> <p>The TQMS continues to provide members with assistance in order to keep them abreast of changes in legislation and technical Standards.</p>	Ongoing	The three Senior Executives responsible for Standards (Assurance, Corporate Reporting and Tax)	<p>Project Directors and Project Managers within each of the technical areas, as well as external resources as may be required</p> <p>TQMS</p>
4.	Ongoing	<p>The IRBA has CPD requirements that are specific to RAs which require that CPD be performed in learning areas of professional skills, professional knowledge and ethical values relevant to RAs. This encourages SAICA members who are RAs to participate in relevant and appropriate CPD.</p> <p>SAICA's web-based CPD systems enable members to record their CPD activities for monitoring and reporting purposes.</p>	Ongoing	<p>Senior Executive Member Engagement</p> <p>Project Directors in each of the technical areas</p>	SAICA staff
5.	Ongoing	<p>Ongoing communication of matters of relevance to SAICA members:</p> <ul style="list-style-type: none"> • Publish all applicable Standards or links to Standards on the SAICA website, including maintaining dedicated webpages in each of the technical areas. • Publish articles in SAICA's monthly journal, ASA (short for Accountancy South Africa). • Standards and Legislation electronic newsletter. • Other constituency focused communications, for example the SMP Newsletter. • Social media platforms. 	Ongoing	The three Senior Executives responsible for Standards (Assurance, Corporate Reporting and Tax)	<p>SAICA technical staff</p> <p>Articles and other content submitted to SAICA (vetted by SAICA technical staff)</p> <p>SAICA communications staff</p>
6.	Ongoing	Annually update the SAICA online Members Handbook on SAICA's secure members' website.	Ongoing	Senior Executive Member Engagement	<p>SAICA technical staff</p> <p>SAICA communications staff</p>

#	Start Date	Actions	Completion Date	Responsibility	Resource
7.	Ongoing	Continue to collaborate with the IRBA in the delivery of members' needs, including participating in, and contributing to the IRBA's processes to develop and issue guidance relating to auditing, assurance and ethics.	Ongoing	Senior Executive Assurance and Practice	SAICA Project Directors and Project Managers within each of the technical areas IRBA Standards Department SAICA's Assurance Guidance Committee (AGC) IRBA's Committee for Auditing Standards (CFAS) (and the Standing Committees of CFAS) SAICA's Ethics Committee (EC) IRBA's Committee for Auditor Ethics (CFAE)
8.	Ongoing	Development of SAICA Guides and Circulars (communicated to members when issued and accessible on the SAICA website).	Ongoing	Three Senior Executives responsible for Standards (Assurance, Corporate Reporting and Tax)	Project Directors and Project Managers within each of the technical areas SAICA technical committees and project groups
9.	Ongoing	Participate in international standard-setting by making submissions to the IAASB in response to requests for comment. This could involve SAICA preparing its own comment letters, or collaborating with the IRBA and contributing to the IRBA's processes to prepare comment letters.	Ongoing	Senior Executive Assurance and Practice	SAICA Project Directors and Project Managers within each of the technical areas SAICA's Assurance Guidance Committee (AGC) (and other committees, as appropriate), including task groups IRBA Standards Department and the IRBA's CFAS (including standing committees and task groups)

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Review of SAICA's Compliance Information</i>					
10.	Biennially	<p>There is a need to review the SMO 1 information biennially as there may have been changes to the legislative and or administrative landscape.</p> <p>Carry out periodic reviews of SAICA's responses and update sections relevant to SMO 1 as necessary. Once updated, SAICA informs IFAC compliance staff about the updates in order for them to republish the updated information.</p>	Biennially	<p>Executive Director Members and Global Alliances Senior Executive Legal and Governance</p>	SAICA staff

Action Plan Subject: SMO 2–International Education Standards for Professional Accountants and Other Pronouncements Issued by the IAESB

Action Plan Objective: Continue to use best endeavors to ensure SAICA’s Chartered Accountants’ education and training continues to comply with International Education Standards (IES) requirements

Overview of the SAICA qualification process to become a CA(SA) (this is a full member of SAICA):	
Formal competency-based academic education (= academic programme)	Acquired through accredited academic education programmes delivered by universities (an undergraduate degree followed by a postgraduate programme known by SAICA as the Certificate in the Theory of Accountancy (CTA))
A standard setting examination - Initial Test of Competence (ITC)	This ensures that all candidates have the requisite level of core competence before embarking on the professional programme
Formal competency-based professional education (= professional programme)	Acquired through accredited professional programmes delivered by universities and other providers
A professional examination (Assessment of Professional Competence (APC))	This assesses professional competence before entry to the profession
Practical experience (= training programme)	This is acquired through a training contract of at least three years with a registered training office
<p>Refer above for the overview of the qualification process to become a SAICA member – CA(SA). SAICA is fully responsible for setting the qualification framework (process) and curriculum for its members (i.e. CA(SA)s only). In order to register as an auditor, further requirements that are set by the IRBA, need to be met once qualified as a CA(SA).</p> <p>To become an Associate General Accountant (AGA(SA)), the following steps from the above process are required:</p> <ol style="list-style-type: none"> 1. Formal academic based education – 3 year undergraduate degree accredited by SAICA (same degree as done by the CA stream). 2. Practical experience – 3 year training contract under the same conditions as the CA stream. <p>It should be noted that AGA(SA)s are associates of SAICA.</p> <p>SAICA is currently the only professional body in SA accredited by the regulator, the IRBA to provide education, training and assessment requirements for entry level CA(SA)s, who after a further professional development period can register with the IRBA to be a registered auditor</p>	

(RA). The IRBA is responsible for education and training of RAs only, which occurs post that of the CA(SA) qualification. SAICA offers training activities for RAs (and non-RA members of SAICA) in support of the IRBA's mandate.

SAICA reviews and updates the content and delivery of its qualification programme on a regular basis in order to ensure it has an efficient and relevant process. Any revisions are done with reference to the IES although SAICA often goes above and beyond the actual requirements of these IES. SAICA has recently undertaken a review of the most recent IES's to ensure that it is complying with all aspects expected of member bodies.

It is SAICA's objective to comply with all aspects of the IES's but would like to report the following in relation to IES 8 – Competence requirements for engagement partners:

- The qualification path to become a registered auditor in South Africa is determined by the Independent Regulatory Board for Auditors (IRBA) and not SAICA (SAICA is the only professional body recognised by the IRBA, having met their recognition criteria);
- Since 2015 new requirements to become a RA are in place. Post qualifying as a CA(SA) a registered candidate auditor (RCA) must undertake the Audit Development Programme (ADP) before being able to register with the IRBA as a RA. This is a period of work experience undertaken by a qualified professional accountant that is relevant to the work of a RA. The work experience enables the individual's development of professional competence in the workplace and provides a means whereby individuals can demonstrate the achievement of professional competence in a RA firm. RCAs are required to complete the following:
 - A minimum of 18 months in an audit and assurance environment.
 - A minimum of 1 500 productive hours in audit and assurance.
 - Successful demonstration of the competences outlined in the competency framework prescribed by the IRBA.
- The ADP is the joint responsibility of the IRBA and the RA firms. It builds on the competence of a professional accountant and focuses on the competence required for a specialist role within the field of professional accountancy; that of a RA. The ADP develops RCAs for the role of a RA.

SAICA therefore has no direct responsibility in carrying out the requirements of IES 8 which requires member bodies to establish competence for engagement partners as defined in the IES. While SAICA does effectively monitor that RAs (who are also CA(SA)s) do undertake CPD, the IRBA also undertakes its own evaluation of a RA's CPD and imposes specific requirements (above that of a CA(SA)) on such RAs. SAICA has requested a meeting with the IRBA to confirm that the competence requirements for engagement partners aligns to those in IES 8 but as the IRBA was represented on the IAESB at the time the standard was being finalised, we have no doubt that these competencies are aligned.

Detailed information about SAICA's professional education, training and CPD requirements can be found in the relevant sections on the SAICA website www.saica.co.za.

Oversight of SAICA / Certification process

SAICA's qualification process is subject to several quality assurance checks as follows:

- The IRBA recognizes SAICA and its qualification as leading towards that of a RA. As a result SAICA is reviewed through various mechanisms by the IRBA on an annual basis.
- The South African Qualifications Authority (SAQA) recognizes SAICA as a professional body having to meet certain minimum requirements and as a result SAICA is required to report regularly to SAQA.
- SAICA is also recognized by the South African Revenue Service (SARS) as a professional body which means that SAICA members can be registered as Tax Practitioners. This is also subject to oversight by SARS and having to meet certain requirements.

SAICA does not have direct responsibility for all aspects and requirements of the IESs. Some aspects are shared with the IRBA, some aspects SAICA has direct responsibility for and other areas SAICA has no jurisdiction or control as the IRBA is mandated to perform those functions in terms of the APA.

SAICA shares responsibility for:

- Academic programme (primary responsibility for this lies with the universities whose programmes are accredited by SAICA).
- Professional programme (primary responsibility for this lies with the universities and other providers whose programmes are accredited by SAICA).

SAICA works very closely with both academic programme providers and the professional programme providers on an ongoing basis. This is done by:

- Having a SAICA developed competency framework which is used as the basis on which academic and training programmes are designed and developed. Staff from academic and the professional programme providers play a crucial role in the development of such documents so getting their buy in for implementation is not difficult (This competency framework is updated every 2 to 3 years);
- Maintaining good stakeholder relationships with key staff at the providers;
- Having a formal monitoring and accreditation process in place where a peer review is done at least once every 5 years on the detailed material that is covered in the academic and professional programmes. This is an excellent mechanism also for discussion with the universities on the implementation of a competency based approach;
- Holding meetings twice a year with the Heads of Department from all of the providers to discuss matters related to education, training and development of prospective CAs including in depth discussions about the SAICA competency framework which covers the requirements of the IES's;
- Holding an annual meeting with academic staff from each of the core discipline areas to discuss the necessary changes to the SAICA competency framework as well as discuss matters related to implementation of a competency based framework;
- The IAESBs work and the IESs are discussed when relevant (i.e. new changes etc.). The IAESB has also had opportunity twice in the last 6 years to hold conferences in South Africa and on both occasions sessions (outreach programmes) were held with academics and the IAESB where matters related to the work of the IAESB were discussed;

- While SAICA is not directly responsible for the delivery of these programmes the assessments that SAICA sets (ITC and APC) drive the academic programmes to implement and develop the competencies required.

SAICA is directly responsible for:

- Training programme
- Assessments of competence – ITC and APC
- CPD

SAICA provides support to the IRBA for the following areas:

- Audit Development Programme for RCAs
- RA registration
- Accrediting and monitoring professional bodies

New developments

Following are new SAICA developments in 2015 / 2016:

- Electronic writing in the APC was successfully piloted in 2015 and will now be implemented over a 3 year period (2016 – 2018).
- Review of the competency framework taking into account the expected roles of CAs in 2025 is to commence in 2016 and run over a 3 year period. This formal research will be conducted with the help of a group of academics and will culminate in a new competency framework. This may result in some further changes to the overall qualification process as described at the start of this section.
- Reviews of all our education and training processes are reviewed regularly for improvement.

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Maintaining Ongoing Processes</i>					
11.	Ongoing	For all IES: continue to ensure new developments to Chartered Accountant pre and post qualification education and training are consistent with IESs. (Senior Executive: Professional Development was a technical advisor to a member on the IAESB (up to end of 2013) and remains close to developments with the revision and redrafting of IES.) SAICA provides detailed comment on all new exposure drafted /revisions to standards and guidelines issued. While we would submit our own response, we often hold discussions to share our views before submitting our comments.	Ongoing	Professional Development Unit	SAICA appropriate Committees and Boards, staff of the Professional Development Unit of SAICA, consultants
<i>Review of SAICA's Compliance Information</i>					
12.	Biennially	There is a need to review the SMO 2 information biennially as there may have been changes to the legislative and or administrative landscape. Carry out periodic review of SAICA's responses and update sections relevant to SMO 2 as necessary. Once updated, SAICA informs IFAC compliance staff about the updates in order for them to republish the updated information.	Biennially	Professional Development Unit	SAICA appropriate Committees and Boards, staff of the Professional Development Unit of SAICA, consultants

Action Plan Subject: SMO 3–International Standards and Other Pronouncements Issued by the IAASB
Action Plan Objective: To continue using best endeavors to maintain an ongoing process to adopt ISAs and assist in the implementation of the adopted Standards

Background:

The Independent Regulatory Board for Auditors (IRBA) is the audit regulator and the auditing and assurance standard-setter in South Africa, under the Auditing Profession Act 2005 (APA). In terms of section 4(1)(e) of the APA, the IRBA is required to prescribe auditing standards for use by RAs in South Africa. SAICA members, i.e. CA(SA)s are eligible to register as RAs with the IRBA, and if admitted, they are subject to full regulation by the IRBA.

The International Standards issued by the International Auditing and Assurance Standards Board (IAASB) has been adopted (without modification), issued and prescribed for use by the IRBA since 1 April 2006 (and by the IRBA's predecessor body since 1 January 2005). This included the full adoption, without modification, of the clarified ISAs which have been effective for audits of financial statements for periods beginning on or after 15 December 2009. The most recent Board Notice from the IRBA was included in the government Gazette on 18 December 2015 and resolves that the IRBA adopts, issues and prescribes for use by RAs, the IAASB *Handbook of International Quality Control, Auditing, Review, Other Assurance, and Related Services Pronouncements*, 2015. The IAASB Handbook (Volumes I, II and III) is issued by the IRBA under copyright permission from the International Federation of Accountants (IFAC). IAASB Standards that are issued subsequent to the adopted Handbook and before the issue of a successive Board Notice that adopts a successive Handbook are approved for adoption, issue and prescription for use by RAs on an individual basis and subject to the IRBA Committee for Auditing Standards (CFAS) *Due Process Policy*.

Therefore, all of the IAASB's standards are applicable in South Africa; i.e. ISQC 1, ISAs, ISREs, ISAEs and ISRSs. Owing to the significance of the developments around auditor reporting, we wish to specifically state that the *New and Revised Auditor Reporting Standards* of the IAASB have been adopted, without modification, by the IRBA in South Africa, as well as all of the other related reporting standards, namely ISA 720 (Revised), ISA 800 (Revised), ISA 805 (Revised) and ISA 810 (Revised).

Those CA(SA)s in public practice who are not RAs (and therefore do not perform audits of financial statements) are required by SAICA, as part of their membership obligations, to use and comply with ISQC 1 and the relevant engagement standards issued by the IAASB relevant to the professional services they provide, which may include reviews, other assurance engagements and related services.

The IRBA also has the authority to develop and issue additional auditing and assurance pronouncements as may be necessary in the context of local requirements, following the CFAS *Due Process Policy*. Such pronouncements may include South African Standards, South African Practice Statements and South African Guides. The IRBA has issued an authority document, *Status and Authority of Quality Control, Auditing, Review, Other Assurance and Related Services Pronouncements* (November 2013), which has the purpose of facilitating an understanding of the status and authority of the auditing pronouncements developed, adopted, issued and prescribed by the IRBA (i.e. international standards and pronouncements and local standards and pronouncements).

SAICA activities related to the IAASB's pronouncements

SAICA seeks to participate, contribute and influence the regulatory environment and development of auditing, review, other assurance and related services standards by evaluating and commenting on exposure drafts and redrafting proposals issued by the IAASB. SAICA has established technical committees to be utilised as enablers in the delivery of members' needs, including influencing the regulatory environment and standards, providing technical support and guidance to members in implementing and complying with relevant standards and legislation, and informing the public as to the role and scope of audit, review, other assurance and related services engagements. One such committee, the SAICA Assurance Guidance Committee (AGC) focuses on the auditing and assurance practitioner constituency of SAICA's membership in the context of issues that concern members within the auditing and assurance profession, including auditing and assurance standard-setting processes.

SAICA also undertakes research and development of relevant products and services for the benefit of practicing members to maintain and enhance their competence in audit and assurance. These products include a variety of seminars, workshops and other events, publishing of technical articles, the issue of Guides and Circulars, staff communications, technical webpages etc. that address members' needs in terms of technical support and guidance.

Because the IRBA is the audit regulator and standard-setter in South Africa, all of their standards, including related pronouncements and implementation guidance, are considered authoritative according to its powers granted by the APA. The IRBA is primarily responsible for issuing any auditing and assurance implementation or practical guidance for RAs. SAICA liaises with the IRBA on any guidance required and a decision is then taken about what is required and whether it is appropriate for the IRBA or SAICA to issue guidance, or whether the issuing of joint guidance is appropriate. The IRBA and SAICA are always represented and involved in one another's committees and task groups, including the IRBA's CFAS which SAICA attends as an observer and SAICA's AGC where the IRBA is a permanent invitee. Roundtable discussions / discussion forums between SAICA, SAICA's members and the IRBA are also held outside the committees with regard to individual projects.

The IRBA is responsible for communicating new standards and pronouncements to RAs (dissemination of standards), but SAICA also communicates the issuance of those standards and pronouncements to its members (raising awareness amongst all CA(SA)s), and provides, in consultation with the IRBA, relevant and appropriate CPD activities on those standards and pronouncements.

Types of companies that are required to have their financial statements audited

The summary provided here relates to the audit or review of companies in terms of the Companies Act, 2008 and the Companies Regulations, 2011. There are also other laws and regulations that prescribe the audit of financial statements of other types of entities in certain industries [also **refer to SMO 1** that provides an overview in this regard, related to the IRBA's inspections process applicable to all audits performed in terms of legislation or regulation].

In terms of the Companies Act 2008 read together with the Companies Regulations 2011 the annual financial statements of all companies are subject to either an annual audit or an annual independent review, depending on its categorisation, unless the company is exempt from audit or review in terms of section 30(2A). Section 30(2A) determines: "If, with respect to a particular company, every person who is a holder of, or has a beneficial interest in, any securities issued by that company is also a director of the company, that company is exempt from the requirements in this section to have its annual financial statements audited or independently reviewed." However, this exemption will not apply to a company that falls into a class of company that is required to have its annual financial statements audited in the first instance in terms of the Companies Act 2008 or the Companies Regulations 2011, or in terms of another law, or in terms of any agreement to which the company is a party.

The following categories of companies are subject to **audit**:

- Stated-owned companies.
- Public companies (whether listed or not).
- Any profit or non-profit company if, in the ordinary course of its primary activities, it holds assets in a fiduciary capacity for persons who are not related to the company, and the aggregate value of such assets held at any time during the financial year exceeds ZAR 5 million.
- Non-profit companies which were incorporated directly or indirectly by the state, an organ of state, a state-owned company, an international entity, a foreign state entity or a foreign company; or which were incorporated primarily to perform a statutory or regulatory function in terms of any legislation, or to carry out a public function at the direct or indirect initiation or direction of any such organ or organisation.
- Private companies or close corporations or non-profit companies whose public interest score in that financial year is 350 or more.
- Private companies or close corporations or non-profit companies whose public interest score in that financial year is at least 100, but less than 350, and its annual financial statements for that year were internally compiled.

The following categories of companies are subject to **independent review**:

- Private companies or close corporations or non-profit companies whose public interest score in that financial year is at least 100, but less than 350, and its annual financial statements for that year were independent compiled and reported.
- Private companies or close corporations or non-profit companies whose public interest score in that financial year is less than 100.

However, if any company in these categories is required by its own Memorandum of Incorporation to have its annual financial statements audited, or has voluntarily had its annual financial statements audited, the independent review requirements will not apply.

SAICA provides support by:

- Commenting on local and international exposure drafts, discussion papers, consultation papers and similar.
- Participating in the IRBA's CFAS as an invitee, and contributing to standard-setting through the CFAS's standing committees and task groups.
- Collaborating with the IRBA's Standards Department with respect to participating in SAICA's committee structures, and engaging on individual projects.
- Providing CPD activities to members who are RAs.
- Communicating new and revised standards and pronouncement, and related developments to members who are RAs.

Elements of direct responsibility

- To provide technical support and guidance to members with respect to the implementation of the IAASB's standards and pronouncements as adopted by the IRBA, and additional auditing pronouncements issued by the IRBA.

- Participating in the IRBA's processes to develop and issue local practice statements and guidance.
- Participating in and influencing local processes with respect to the development of new, or revisions to legislation and regulations that affect members in public practice.
- SAICA's process of disseminating information regarding standard-setting and related activities and developments to RAs, including promoting the use of IAASB practice notes and other non-authoritative publications.
- Participating in international standard-setting – SAICA's own efforts to evaluate and comment on the outputs of the standard-setting activities of the IAASB.
- With respect to members and associates other than RAs performing reviews, other assurance and related services engagements:
- Developing and issuing additional guides and circulars in the context of local requirements:
 - Dissemination information on relevant standards and pronouncements.
 - Raising awareness to members who are not RAs.
 - Providing relevant CPD activities to all members (RAs and non-RAs).

Elements of shared responsibility

- SAICA supports RAs in implementing the standards and pronouncements adopted and issued by the IRBA.
- SAICA confirms the adoption of, and requires the implementation of all the engagement standards issued by the IAASB by all of its members in public practice – both RAs and members who are not RAs (as relevant to the services they provide).
- Participating in international standard-setting – In the context of collaborating with the IRBA (and other relevant stakeholders) in evaluating and commenting on the outputs of standard-setting activities of the IAASB.

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Maintaining Ongoing Processes</i>					
13.	Ongoing	<p>Continue to provide support and guidance to members in the form of technical training (seminars, workshops, information sessions, etc.). Technical audit and assurance events focus on knowledge and understanding of auditing, review, other assurance and related services standards and pronouncements (as well as local pronouncements and laws and regulations) – the requirements and their implementation. Examples of these include:</p> <ul style="list-style-type: none"> • Auditor reporting – the new and revised requirements – getting to grips with the changes; • Audit back to basics seminar; • Audit of estate agents information session; • Audit of attorneys trust accounts seminar; • SMP Technical seminar, Audit and Assurance module (focus on selected topics linked to recent developments and in-practice issues - ISAs and ISRE 2400 (Revised)); • SAICA Quality Control Workshop; • SAICA Annual Audit and Assurance Update. 	Ongoing	Senior Executive Assurance and Practice	<p>SAICA's Project Director and Project Manager, Assurance SAICA's AGC</p> <p>External resources as may be required (including access to expertise through SAICA's committees, collaboration with stakeholders, networks of specialists, externally contracted subject matter experts)</p>
14.	Ongoing	<p>Ongoing communication of matters of relevance to SAICA members:</p> <ul style="list-style-type: none"> • Publish all applicable standards and pronouncements or links thereto on the SAICA website, including maintaining dedicated audit and assurance webpages; • Informing members and providing access to webcast recordings of certain technical seminars and events; • Publish articles in SAICA's monthly journal, ASA (short for Accountancy South Africa); • Use SAICA's Standards and Legislation electronic newsletter to keep members abreast of recent and emerging developments; 	Ongoing	Senior Executive Assurance and Practice	<p>SAICA technical staff Articles and other content submitted to SAICA (vetted by SAICA technical staff) SAICA communications staff</p>

#	Start Date	Actions	Completion Date	Responsibility	Resource
		<ul style="list-style-type: none"> Other constituency focused communications, for example the SMP Newsletter. 			
15.	Ongoing	Continue to collaborate with the IRBA in the delivery of members' needs, including participating in, and contributing to the IRBA's processes to adopt and issue the IAASB's standards, and develop and issue additional guidance relating to auditing, review, other assurance and related services engagements.	Ongoing	Senior Executive Assurance and Practice	SAICA's Project Director and Project Manager, Assurance IRBA Standards Department SAICA's Assurance Guidance Committee (AGC) IRBA's Committee for Auditing Standards (CFAS) (and the Standing Committees of CFAS)
16.	Ongoing	Development of SAICA Guides and Circulars (communicated to members when issued and accessible on the SAICA website).	Ongoing	Senior Executive Assurance and Practice	SAICA's Project Director and Project Manager, Assurance SAICA's AGC External resources as may be required
17.	Ongoing	<p>Participate in international standard-setting by making submissions to the IAASB in response to requests for comment. This could involve SAICA preparing its own comment letters, or collaborating with the IRBA and contributing to the IRBA's processes to prepare comment letters.</p> <p>This includes, notifying members and other interested parties of all IAASB consultation papers and exposure drafts as they are released (see ongoing communications, above).</p>	Ongoing	Senior Executive Assurance and Practice	SAICA's Project Director and Project Manager, Assurance SAICA's AGC (including task groups) IRBA Standards Department and the IRBA's CFAS (including standing committees and task groups)
<i>Review of SAICA's Compliance Information</i>					
18.	Biennially	<p>There is a need to review the SMO 3 information biennially as there may have been changes to the legislative and or administrative landscape.</p> <p>Carry out periodic reviews of SAICA's responses update sections relevant to SMO 3 as necessary. Once updated, SAICA informs IFAC compliance staff about the updates in order for them to republish the updated information.</p>	Biennially	Senior Executive Assurance and Practice	Project Director: Assurance Project Manager: Assurance

Action Plan Subject: SMO 4–IESBA Code of Ethics for Professional Accountants
Action Plan Objective: To continue to use best endeavours to maintain SAICA's Code of Professional Conduct's consistency in all material respects with the IESBA Code

Background:

The IRBA, in 2010, adopted the International Ethics Standards Board for Accountants (IESBA) *Code of Ethics for Professional Accountants* (the IESBA Code) as the IRBA *Code of Professional Conduct for Registered Auditors* (the IRBA Code) with additional requirements for auditors in South Africa. No changes are made to the IESBA Code that will result in a less onerous requirement or application in South Africa. Subsequent amendments to the IESBA Code are considered by the Committee for Auditor Ethics (CFAE) prior to adoption by the IRBA. The local amendments are to address local issues not specifically addressed in the IESBA Code, to provide local context to RAs and to enable the IRBA to effectively perform its functions within South African legislation.

The SAICA Code of Professional Conduct (SAICA Code) is consistent with the IESBA Code of Ethics for Professional Accountants (IESBA Code). There are certain South African specific additions to the SAICA Code. The SAICA Code also conforms to the IRBA *Code of Professional Conduct for Registered Auditors* (the IRBA Code). The SAICA Code applies to all SAICA members and associates; CA(SA)s who are also registered as RAs with the IRBA are required to also comply with the IRBA Code. In Part B of the SAICA Code, reference to audit services is applicable only to CA(SA)s who are registered with the IRBA as RAs. Compliance with both Codes is facilitated by the fact that these two codes are aligned and both are consistent with the IESBA Code.

Changes to the IESBA Code approved by the IESBA and the IFAC Board are incorporated into the SAICA Code. The SAICA Code was updated in December 2015 using the Handbook of the Code of Ethics for Professional Accountants, 2015 Edition and was released in January 2016 as the 2015/2016 edition of the SAICA Code. No changes are made to the IESBA Code that will result in a less onerous requirement or application of the IESBA Code. Therefore the SAICA Code is consistent with the IESBA Code.

The South African specific additions in the SAICA Code include the addition of definitions of a chartered accountant and an associate, in line with South African legislation and the SAICA Constitution. A definition of professional services is also included. Other inclusions relate to multiple firms and signing conventions as prescribed by the IRBA. The SAICA Code also includes additional requirements stating that chartered accountants are not allowed to charge contingent fees for assurance services or for the completion of an original or amended tax return (a specific requirement for Tax Practitioners required by the South African Revenue Services). The SAICA Code also includes additional information in terms of the keeping of client monies.

SAICA endeavors to comment IESBA exposure drafts, and SAICA has provided comments on Exposure Drafts in 2015 and 2016.

SAICA is monitoring the proposed amendments to the IESBA Code and plan to roll out training and further events with the release of the amendments. SAICA will be updating the 2015/2016 Code in December 2016 to be aligned with the Handbook of the Code of Ethics for Professional Accountants, 2016 Edition, once released.

Owing to the significance of the developments around responding to Non-Compliance with Laws and Regulations (NOCLAR), we wish to highlight the following information: The IRBA has adopted the changes regarding NOCLAR, without any modifications, to the IRBA Code per Board decision

on 24 November 2016. SAICA is in the process of making the changes to the SAICA Code, as indicated in the previous paragraph. The 2016 SAICA Annual Audit and Assurance Update Seminar that was presented in October 2016 included a module on NOCLAR, and we have communicated all developments during 2016 to our entire membership base, including rolling out the related video recordings available from the IESBA. We have compiled a communication plan for 2017 regarding NOCLAR, including additional training interventions to all our members and associates (auditors, other members in practice and members in business), various engagements with regulators in South Africa to raise awareness regarding their potential involvement in terms of receiving reports regarding NOCLAR from professional accountants, publishing articles in the Accountancy SA magazine, and continued ongoing communication through our newsletters and website to maintain a high level of awareness amongst all professional accountants about their responsibilities with respect to NOCLAR.

SAICA has an Ethics Committee, which includes technical advisors to IESBA board members, advising and assisting SAICA staff in the rollout of changes and in the drafting of comment letters.

SAICA provides support to its members by:

- Implementation guidance to all members
- Dissemination of standards to all members
- Participating in international standard-setting by commenting on proposed standards and revisions to standards issued by the IESBA
- Raising awareness to all members
- Providing relevant and appropriate CPD activities for all members

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Maintaining Ongoing Processes</i>					
19.	Ongoing	Continue to monitor developments as issued by IESBA, and amend the SAICA Code as appropriate.	Ongoing	Project Director: Governance and Non-IFRS Reporting	Project Director: Governance and Non-IFRS Reporting Project Manager: Governance SAICA's Ethics Committee IFAC website (IESBA) External resources as may be required (including access to expertise through SAICA's committees, collaboration with stakeholders, networks of specialists, externally contracted subject matter experts)

#	Start Date	Actions	Completion Date	Responsibility	Resource
20.	Ongoing	<p>Ongoing communication of matters of relevance to SAICA members:</p> <ul style="list-style-type: none"> • Publish all applicable standards or links thereto on the SAICA website, including maintaining a dedicated ethics webpage; • Informing members and providing access to webcast recordings of certain technical seminars and events; • Publish articles in SAICA's monthly journal, ASA (short for Accountancy South Africa); • Use SAICA's Standards and Legislation electronic newsletter to keep members abreast of recent and emerging developments; • Other constituency focused communications, for example the SMP Newsletter; • Social media platforms. 	Ongoing	Project Director: Governance and Non-IFRS Reporting	<p>Project Director: Governance and Non-IFRS Reporting</p> <p>Project Manager: Governance Articles and other content submitted to SAICA (vetted by SAICA technical staff)</p> <p>SAICA communications staff</p>
21.	Ongoing	<p>Continue to provide support and guidance to members in the form of technical training (seminars, workshops, information sessions, etc.).</p> <p>Links to relevant ethical requirements are incorporated in events across the various technical areas, for example in the SAICA SME / SMP Technical seminars presented in 2015 and 2016, and the 2016 Quality Control workshop. Furthermore, focused events are presented, for example the 2015 SAICA Code of Conduct seminar – Professional Conduct for Chartered Accountants in Practice and in Business.</p> <p>Note: A dedicated ethics seminar is planned for later in 2016 and SAICA is engaging with the Ethics Institute of South Africa in order to provide a broader range of products to members.</p>	Ongoing	Project Director: Governance and Non-IFRS Reporting	<p>Project Director: Governance and Non-IFRS Reporting</p> <p>Project Manager: Governance</p> <p>Project directors and project managers in each of the other technical areas</p> <p>SAICA's Ethics Committee</p> <p>External resources as may be required (including access to expertise through SAICA's committees, collaboration with stakeholders, networks of specialists, externally contracted subject matter experts)</p>

#	Start Date	Actions	Completion Date	Responsibility	Resource
22.	Biennially	<p>There is a need to review the SMO 4 information biennially as there may have been changes to the legislative and or administrative landscape.</p> <p>Carry out periodic reviews of SAICA's responses to IFAC in accordance with the IFAC Member Compliance Program and update sections relevant to SMO 4 as necessary. Once updated, SAICA informs IFAC compliance staff about the updates in order for them to republish the updated information.</p>	Biennially	Project Director: Governance and Non-IFRS Reporting	Project Manager: Governance

Action Plan Subject: SMO 5–International Public Sector Accounting Standards and Other Pronouncements Issued by the IPSASB
Action Plan Objective: To maintain the equivalent South African Public Sector standards in line with International Public Sector Accounting Standards (IPSAS)

Background:

The Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA) requires the Accounting Standards Board (ASB) to develop standards of “generally recognised accounting practice”.

In setting standards the ASB is required to take into account all relevant factors, including best accounting practices, both locally and internationally; and the capacity of the relevant institutions to comply with the standards. The Act makes provision for the ASB to set different standards for different categories of institutions to which these standards apply. The standards set by the ASB are further required to promote transparency in and effective management of revenue, expenditure, assets and liabilities of the institutions to which these standards apply.

The National Treasury (NT) is responsible for development of implementation guidance, dissemination of standards, guidance, directives, etc, raising awareness, training.

Applicable financial reporting frameworks and the status of adoption of IPSAS

Accrual IPSAS have been adopted in South Africa as accounting standards for public sector entities indirectly through national standards, referred to as Generally Recognised Accounting Practice (GRAP) which are based on IPSASs with local adaptation for country specific issues.

Most government departments currently apply a modified cash basis of accounting. However, the NT has developed a roadmap to implement accrual accounting for those departments.

At present, the following financial reporting frameworks are applicable:

- Government departments – NT Modified Cash Basis of Accounting
- National and provincial public entities under the PFMA – Standards of GRAP
- Constitutional institutions – Standards of GRAP
- National and provincial government business enterprises – Statements of GAAP or IFRSs
- Municipalities and municipal entities – Standards of GRAP
- Parliament and Provincial Legislatures – Standards of GRAP

SAICA’s overall involvement in public sector

SAICA’s public sector project team consist of a Project Director and a Project Manager who drive SAICA’s interventions in the public sector in the following areas:

<ul style="list-style-type: none"> Public Sector Reporting Public Sector Assurance Public Sector Governance, Legislation and Risk Management; and Public Sector Capacity Building <p>SAICA supports the ASB and NT by:</p> <ul style="list-style-type: none"> Raising awareness for members through communication of recent developments in GRAP, IPSASs and related public sector reporting developments in technical newsletters, website updates and social media posts. Providing relevant and appropriate CPD activities for members through seminars covering recent developments and basics in GRAP and IPSASs and technical articles in SAICA'S Accountancy SA magazine. Commenting on documents issued on exposure to influence local and international standard-setting. Participating in the ASB's processes to develop and issue GRAP and related local guidance. 					
#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Maintaining Ongoing Processes</i>					
23.	Ongoing	Comment on IPSASB discussion documents/ exposure drafts issued by the ASB within the timeframes set by the ASB and participate in the roundtable discussions held to formulate a South African response to the IPSASB documents.	Ongoing	Project Director: Public Sector	Project Director and Project Manager: Public Sector SAICA Public Sector Committees / Interest Groups
24.	Ongoing	Support the ASB by providing technical assistance when necessary. The technical assistance process is established and working well. It is measured regularly as well in an effort to maintain effectiveness and efficiency.	Ongoing	Project Director: Public Sector	Project Director and Project Manager: Public Sector
25.	Ongoing	Provide training with respect to the public sector regulatory environment and public sector reporting, including the GRAP Standards. Examples of events presented and planned for 2016/2017 include: <ul style="list-style-type: none"> ASB-SAICA GRAP Update Live Webcast (2 x seminars per year); Overview of recent developments in the public sector (2 x information sessions per year); 	Ongoing	Project Director: Public Sector	Project Director and Project Manager: Public Sector SAICA Public Sector Committees / Interest Groups External resources as may be required (including access to expertise through SAICA's committees, collaboration with

#	Start Date	Actions	Completion Date	Responsibility	Resource
		<ul style="list-style-type: none"> • GRAP Reporting Framework seminar; • PFMA Basics seminar; • MFMA Basics seminar; • Predetermined Objectives seminar. 			stakeholders, networks of specialists, externally contracted subject matter experts)
26.	Ongoing	<p>Ongoing communication of matters of relevance to SAICA members:</p> <ul style="list-style-type: none"> • Publish applicable standards, guidance, legislation and related information or links thereto on the SAICA website, including maintaining a dedicated public sector webpage; • Informing members and providing access to webcast recordings of certain technical seminars and events; • Publish articles in SAICA's monthly journal, ASA (short for Accountancy South Africa); • Use SAICA's Standards and Legislation electronic newsletter to keep members abreast of recent and emerging developments; • Use social media platforms to inform members. 	Ongoing	Project Director: Public Sector	<p>Project Director and Project Manager: Public Sector</p> <p>Articles and other content submitted to SAICA (vetted by SAICA technical staff)</p> <p>SAICA communications staff</p>
<i>Review of SAICA's Compliance Information</i>					
27.	Biennially	<p>There is a need to review the SMO 5 information periodically as there may have been changes to the legislative and or administrative landscape.</p> <p>Carry out periodic reviews of SAICA's responses and update sections relevant to SMO 5 as necessary. Once updated, SAICA informs IFAC compliance staff about the updates in order for them to republish the updated information.</p>	Biennially	Project Director: Public Sector	Project Director and Project Manager: Public Sector

Action Plan Subject: SMO 6–Investigation and Discipline

Action Plan Objective: To continue to use best endeavours to maintain the operation of a fair and effective investigative and disciplinary regime that is in line with the requirements of SMO 6

Background:

Requirements at jurisdictional level

SAICA's disciplinary process is governed by the provisions of SAICA's Constitution and By-laws. SAICA is accredited as a Professional Body by the Regulator, The Independent Regulatory Board for Auditors (IRBA). One of the requirements for accreditation in terms of Section 33(c) of the Auditing Profession Act 2005 (Act 26 of 2005) (APA) is that the professional body demonstrate to the satisfaction of the IRBA that there are mechanisms in place to ensure that members are disciplined where appropriate. SAICA is required to submit annual monitoring reports to the IRBA which includes content on the investigation and disciplinary function for the year under review. Regulation 29(12) to the Companies Act 2008 (Act 71 of 2008) requires SAICA to submit an annual report to the Companies and Intellectual Property Commission (CIPC) demonstrating that, among other criteria, SAICA has mechanisms to ensure that its members are disciplined where necessary. SAICA is a Recognised Controlling Body (RCB) under The Tax Administration Act 2011 (Act 28 of 2011) and under section 243 the South African Revenue Service (SARS) will refer matters of improper conduct by tax practitioners to the relevant RCB to handle in terms of their rules.

The SAICA disciplinary process

A system of investigation and discipline exists for SAICA members, associates and trainees in accordance with SAICA's Constitution and By-laws. This system is implemented, maintained and managed by SAICA Legal and Discipline, supported by a Professional Conduct Committee and a Disciplinary Committee. To ensure fairness in the process, the Professional Conduct Committee and Disciplinary Committee are chaired by members of the legal profession. The disciplinary process is only concerned with the professional behavior of SAICA members, associates and trainee accountants, and it does not have the power to award compensation or damages to complainants.

SAICA's Investigation and Discipline system is in line with the following requirements of SMO 6:

- Scope of the system (operational in terms of investigations and discipline; public access to disciplinary stats).
- Initiation of proceedings (including both a "complaints-based" and "information-based" approach).
- Investigative process (a separate Professional Conduct Committee).
- Disciplinary process (a separate Disciplinary Committee).
- Sanctions (imposing appropriate penalties, which may include suspension of membership and exclusion from membership which are linked to loss of professional designation).
- Rights of representation and appeal (while no third appeals body exists within SAICA, the defendant may take the matter on Judicial Review).

- Administrative processes (including timeframe targets, tracking of cases and records of investigations and disciplinary processes).
- Public interest consideration (awareness of the investigative and disciplinary system and reporting of results).

[Note: While no process for independent review exists within SAICA, the complainant may take the matter on Judicial Review]

In 2017-2018, SAICA will work towards compliance with:

- Liaison with outside bodies: To establish an appropriate process for liaison with outside bodies on involvement in serious crimes and offences. While SAICA does liaise with the IRBA on matters related to RAs and with the Commercial Crimes Unit of the South African Police Services where persons are found to be 'holding out' as Chartered Accountants in contravention of the Chartered Accountants Designation (Private) Act 67 of 1993, SAICA Legal and Discipline plans to, during 2017-2018, engage with Commercial Crimes to establish a process for reporting serious crimes and offences which have come to SAICA's attention through our investigation and disciplinary processes.
- Regular review of implementation and effectiveness: A review of the system to be included in the 2017 SAICA audit plans.

In the case of registered auditors (RAs) who are SAICA members, the link between quality assurance (SMO 1) and investigations and discipline (SMO 6) is made by the IRBA, since the IRBA has direct responsibility for the quality assurance review system – SMO 1 of this Action Plan addresses the quality assurance review system. The IRBA's Investigation and Discipline system is in line with the requirements of SMO 6:

- Scope of the system (operational in terms of sections 48-51 of the APA in terms of investigations and discipline systems, powers and composition).
- Initiation of proceedings (including both a "complaints-based" and "information-based" approach).
- Investigative process (a separate Investigating Committee established in terms of section 20(2)(e) of the APA, as well as a Disciplinary Advisory Committee established as a sub-committee of the Board under section 20(1) of the APA).
- Disciplinary process (a separate Disciplinary Committee established in terms of section 20(2)(f) of the APA,).
- Sanctions (imposing appropriate sentences in accordance with section 51(3) of the APA: a caution or reprimand; a monetary fine; a suspension of the right to practice as a RA for a specific period; and the cancellation of registration as an RA and the removal of the RA's name from the Register of Registered Auditors).
- Rights of representation and appeal (rights of representation as provided for in section 50(8) of the APA; the complainant can take the matter on judicial review).
- Administrative processes (well established processes including timeframe targets, tracking of cases and records of investigations and disciplinary processes).
- Public interest consideration (public awareness of the investigative and disciplinary system and the reporting of results via the IRBA quarterly newsletter and annual report).

- Liaison with outside bodies (SAICA observer attends Investigation Committee meetings; monitoring of cases to identify those that need to be reported in terms of the Prevention and Combating of Corrupt Activities Act (Act 12 Of 2004)).
- Regular review of implementation and effectiveness (both internal and external audit reviews of implementation; ROSC review of effectiveness by the World Bank on a cyclical basis).

Recent disciplinary stats of SAICA

For 2015 (Jan to Dec) a total of **177** complaints were on record and can be accounted for as follows (as at 31 December 2015):

- 31 cases were referred to the IRBA
- 55 cases were resolved through the Professional Conduct Committee
- 15 cases were resolved through the Disciplinary Committee
- 26 cases were closed/withdrawn outside of committees
- 18 cases were holding-out matters
- 32 ongoing cases

For 2016 (Jan to Jul) a total of **388** complaints were on record and can be accounted for as follows (as at 31 July 2016):

- 14 cases were referred to the IRBA
- 41 cases were resolved through the Professional Conduct Committee
- 4 cases were resolved through the Disciplinary Committee
- 20 cases were closed/withdrawn outside of committees
- 5 cases were holding-out matters
- 304 ongoing cases

SAICA supports the IRBA with I&D of RAs by:

- Participating in IRBA committees and vice versa
- Reacting on and initiating disciplinary procedures against members when alerted by the IRBA

Direct responsibility

Investigate and discipline all members:

- Investigate complaints received from the public (all members)

<ul style="list-style-type: none"> Investigate complaints originating from the IRBA (members who are also RAs) Investigate matters of alleged improper conduct notwithstanding the absence of a complaint 					
#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Maintaining Ongoing Processes</i>					
28.	Ongoing	Continue to monitor developments and trends in the nature of complaints, report appropriately to SAICA's Board and provide guidance to members. SAICA's Legal and Discipline function liaises with the relevant business units on the outcomes of disciplinary matters for various acts of improper conduct and collaborates with the business units in communicating these to members by way of publications, committee structures and SAICA information sessions (also refer to actions in relation to SMO 1 and SMO 4). SAICA provides guidance to members in interpreting their obligations under the SAICA Code of Professional Conduct, By-laws and applicable regulations.	Ongoing	Senior Executive: Legal and Governance	Project Director: Legal and Discipline Project Manager: Legal
<i>Review of SAICA's Compliance Information</i>					
29.	Biennially	There is a need to review the SMO 6 information biennially as there may have been changes to the legislative and or administrative landscape. Carry out periodic reviews of SAICA's responses and update sections relevant to SMO 6 as necessary. Once updated, SAICA informs IFAC compliance staff about the updates in order for them to republish the updated information.	Biennially	Senior Executive: Legal and Governance	Project Director: Legal and Discipline Project Manager: Legal

Action Plan Subject: SMO 7–International Financial Reporting Standards and Other Pronouncements issued by the IASB
Action Plan Objective: Continue to use best endeavors to ensure adoption and implementation of IFRS

Background:

Companies in the private sector, other than very small ones, are required to apply International Financial Reporting Standards (IFRS) or the International Financial Reporting Standard for Small and Medium-Sized Entities (IFRS for SMEs) as issued by the International Accounting Standards Board (IASB), depending on the company's category in accordance with the Companies Act 2008 and Companies Regulations 2011. The JSE Limited Listings Requirements have required listed companies to use IFRS with effect from 1 January 2005.

The Companies Act requires the Companies and Intellectual Property Commission (CIPC) to monitor patterns of compliance with IFRS. There have been no significant developments to date in this regard.

History

Until 2011, the Accounting Practices Board (APB) was the financial reporting standard-setter in South Africa. During this time, the Companies Act of 1973 referred to 'generally accepted accounting practice' (GAAP). The APB was established in 1973 to consider what should be GAAP and to issue South African Statements of Generally Accepted Accounting Practice (SA GAAP). In 2003, the APB decided to harmonise SA GAAP with IFRS and, after due process, issued the IFRS Standards as SA GAAP without amendment.

The Companies Act of 1973 was superseded by the Companies Act 71 of 2008 (Companies Act) which became effective in 2011. The Companies Act and the Regulations thereto prescribe the applicable financial reporting frameworks based on each individual company's public interest score. The Regulations permit the use of either IFRS, IFRS for SMEs or SA GAAP in specific instances.

In addition, the Companies Act established a new standard-setting body for companies, namely the Financial Reporting Standards Council (FRSC). Its function is to advise the Minister on matters relating to financial reporting standards. The FRSC was formed in late 2011. As a consequence of the establishment of the FRSC, the fundamental motivation for the existence of the APB fell away. Whilst the APB has not been formally wound up, this body has not been operational since the FRSC was established.

Given that the Companies Act refers to IFRS, there is no need for SA GAAP (which in 2011 was identical to IFRS at that date). Accordingly, the APB and the FRSC jointly announced that SA GAAP would be withdrawn with effect from financial years beginning on or after 1 December 2012. Additionally, requests have been made by the FRSC to have the Companies Regulations 2011 amended to delete the reference to SA GAAP. However, these changes have still not been made. But, due to the APB and the FRSC announcement, for all intents and purposes, SA GAAP no longer exists. Affected companies were required to convert to IFRS or IFRS for SMEs as appropriate.

SAICA's Accounting Practices Committee (APC), which acted as the technical advisory committee to the APB, has continued to exist subsequent to the establishment of the FRSC. The APC has been the technical accounting committee of SAICA. It exists to be the leading African financial reporting technical body, with a view to improving financial reporting in South Africa, Africa and globally. In order to fulfil its purpose, the APC seeks to play a leadership and influential role by keeping informed of developing trends, developing guidance where necessary, making proactive and reactive submissions on all relevant pronouncements and legislation that affect financial reporting, communicating to and educating SAICA

members and business leaders and working with relevant stakeholders to address financial reporting issues in South Africa, Africa and globally. As at August 2016, the role of the APC is being reviewed with a view to changing it to more of an advisory group to support the SAICA Secretariat.

The FRSC established a technical committee in 2015, called the Financial Reporting Technical Committee (FRTC), to assist in the execution of its duties.

SAICA supports the implementation of IFRS by:

- Raising awareness
- Providing relevant CPD opportunities for members
- Commenting on proposed new or revised standards to influence local and international standard-setting
- Providing non-authoritative guidance
- Investigating referred cases of potential non-compliance with IFRS
 - The JSE and SAICA established the Financial Reporting Investigations Panel (FRIP), previously known as the GAAP Monitoring Panel (GMP) to review referred instances of potential non-compliance with IFRS for JSE listed companies. Since 2011 the JSE has been conducting a proactive monitoring process whereby the financial statements of every listed company are reviewed at least once every five years to identify areas of non-compliance with IFRS. Where necessary, cases are referred to the FRIP. The JSE penalises companies depending on the nature of non-compliance and at the same time reports the auditors and professional members involved to the respective professional bodies i.e. the IRBA and SAICA.

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Influence in the Standard-Setting Process</i>					
30.	Ongoing	<p>Continue to be involved in standard-setting processes locally and internationally. Specifically:</p> <ol style="list-style-type: none"> SAICA members serve on the FRSC and the FRTC and SAICA serves on the FRTC. SAICA continues to issue comments on all IASB and IFRS Foundation related documents and outreach requests and will also comment on any FRSC pronouncements when issued. Members of the APC are technical partners of auditing firms, preparers from different industries, academics, users, etc. SAICA submits comments on draft documents issued by the FRSC. Participate in all IFRS Foundation structures by nominating SAICA members or supporting the FRSC nomination of SAICA members to serve. SAICA members are currently represented on the Trustees of the IFRS Foundation, IASB, IFRS Interpretations Committee, IFRS Advisory Council, the ASAF (Accounting Standards Advisory Forum), the SME Implementation Group, the Emerging Economies Group (EEG) and various other working groups. Collaborate with the FRSC on all matters related to financial reporting, when needed. 	Ongoing	<p>Senior Executive: Corporate Reporting</p> <p>Project Director: Financial Reporting</p>	<p>SAICA's APC</p> <p>SAICA members</p> <p>Senior Executive: Corporate Reporting</p> <p>Project Director and Project Manager: Financial Reporting</p>
31.	Ongoing	Solicit views of SAICA members on all accounting documents being issued locally and internationally (mainly IASB and IFRS Interpretations Committee documents).	Ongoing	<p>Senior Executive: Corporate Reporting</p> <p>Project Director: Financial Reporting</p>	<p>SAICA members</p> <p>SAICA's APC</p>

#	Start Date	Actions	Completion Date	Responsibility	Resource
32.	Ongoing	Continue to work closely with the JSE to obtain feedback on IFRS implementation challenges and determine initiatives to address the challenges.	Ongoing	Senior Executive Corporate Reporting Project Director: Financial Reporting	Project Director and Project Manager: Financial Reporting
<i>Implementation of IFRS</i>					
33.	Ongoing	<p>Continue to offer CPD activities on IFRS and IFRS for SMEs.</p> <p>SAICA hosts a variety of CPD activities (seminars, workshops, roadshows, physical products, on-line products/guides, eLearning, IFRS certificate courses) on different accounting topics. These include:</p> <ul style="list-style-type: none"> SAICA IFRS Certificate which is a comprehensive IFRS learning programme comprised of both face-to-face sessions and e-learning, and addresses all IFRSs. SAICA IFRS Back to Basics – which is a two-day refresher course on IFRSs. Annual IFRS updates. Ad hoc seminars, especially when major standards have been issued (e.g. the new standard on leases). Electronic Guide on applying IFRS for SMEs for Micro Entities. 	Ongoing	Senior Executive Corporate Reporting Senior Executive Member Engagement Project Director: Financial Reporting	Presenters that SAICA identifies to deliver training Senior Executive Corporate Reporting Project Director and Project Manager: Financial Reporting
34.	Ongoing	<p>Offer technical query service to members.</p> <p>Repetitive IFRS and IFRS for SMEs queries from members have been identified and made into Frequently Asked Questions (FAQs) that have been placed on the SAICA website and revised quarterly.</p> <p>SAICA continues to receive accounting related queries which it strives to answer within three business days.</p>	Ongoing	Senior Executive: Corporate Reporting Project Director: Financial Reporting	Senior Executive: Corporate Reporting Project Director and Project Manager: Financial Reporting, as well as external resources as may be required

#	Start Date	Actions	Completion Date	Responsibility	Resource
35.	Ongoing	Develop accounting guidance, templates and circulars to assist members in understanding and applying the requirements of IFRS and IFRS for SMEs.	Ongoing	Senior Executive: Corporate Reporting Project Director: Financial Reporting	SAICA's APC members and sub-committees Senior Executive Corporate Reporting Project Director and Project Manager: Financial Reporting, as well as external resources as may be required
36.	Ongoing	Annually a SAICA handbook that contains IFRS, SAICA circulars, the auditing and ethics Standards is printed. While this is mainly used by students, this is also purchased by SAICA members and the general public.	Annually	Senior Executives from Corporate Reporting and Education Project Directors: Financial Reporting; Education	IFRS Foundation and IFAC SAICA staff from Financial Reporting and Education
37.	Ongoing	Communicate regularly to members on IFRS and IFRS for SMEs developments and issue media releases to the public on these developments and the impact for SA entities.	Ongoing	Senior Executive: Corporate Reporting Project Director: Financial Reporting	Senior Executive: Corporate Reporting Project Director and Project Manager: Financial Reporting Articles and other content submitted to SAICA (vetted by SAICA technical staff) SAICA communications staff
38.	Ongoing	Continue to partner with JSE in maintaining the FRIP that reviews referred cases of potential non-compliance with IFRS for JSE listed entities.	Ongoing	Senior Executive: Corporate Reporting Project Director: Financial Reporting JSE	Senior Executive: Corporate Reporting Project Director and Project Manager: Financial Reporting JSE

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Review of SAICA's Compliance Information</i>					
39.	Biennially	<p>There is a need to review the SMO 7 information biennially as there may have been changes to the legislative and or administrative landscape.</p> <p>Carry out periodic reviews of SAICA's responses and update sections relevant to SMO 7 as necessary. Once updated, SAICA informs IFAC compliance staff about the updates in order for them to republish the updated information.</p>	Biennially	Senior Executive Corporate Reporting	<p>Project Director: Financial Reporting</p> <p>Project Manager: Financial Reporting</p>