ORIENTATION TO THIS SECTION

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

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

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

1. ACCREDITATION AS STATUTORY MECHANISM

1.1 The primary objective of the IRBA as established in terms of section 3 of the Auditing Profession Act, 2005 ("the Act") is to protect the public in the Republic through regulation of the auditing profession. In terms of section 2 of the Act, such regulation is intended to advance the development and maintenance of internationally comparable ethical and auditing standards and to advance the implementation of appropriate standards of competence and good ethics. These objectives seek to advance the economic well-being of South Africa by promoting investment and ultimately employment. The Act provides for various statutory mechanisms necessary to achieve these objectives, one of which is the accreditation of professional bodies.

1.2 The reputation, relevance and value of the auditing profession depend on the ability of its members to continually meet the expectations of stakeholders and provide a service appropriate to the needs of the South African economy within the global context. The IRBA therefore has o duty to ensure that all Registered Auditors (RAs):

- have the necessary professional competence on entering the auditing profession to serve the public interest and the needs of the economy;
- further develop and maintain their professional competence after registration; and
- are subject to appropriate ethical requirements and disciplined where appropriate.

2.8 Formal and effective communication channels to providers

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

Standard

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

Indicators

a. The professional body should make provision for formal site visits to the provider(s) of the education programme, and the making of reasonable enquiries relating to the programme.

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

2.9 Formal and effective monitoring procedures

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

Standard

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

Indicators

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

b. The professional body should conduct site visits to the providers of the programme on at least a three-yearly rotation basis in order to:
   - assess the relevance of course content;
   - evaluate and report on the effectiveness of instruction;

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

k. The professional body should ensure that the feedback is reviewed formally on at least a biannual basis between the trainee auditor and the mentor to identify and address specific training needs and opportunities.

l. The professional body should ensure that the number of RAs performing the audit function of a particular training office is large enough to ensure that each trainee auditor receives sufficient individual attention to acquire the necessary professional skills.

m. The professional body should ensure that the responsibility for the training programme in each training office is assigned to a training officer who is an RA and who is aware of and understands the importance of the training programme in the development of professional competence.

n. The professional body should ensure that each trainee auditor is supervised by appropriately senior members of staff who have been trained to provide on-the-job training and who understand their responsibility to develop the professional competence of the individual assigned to them.

o. The professional body should ensure that every trainee auditor is assigned to an appropriately experienced RA in the training office who is willing to act as a mentor throughout the period of the training contract. The mentor should be responsible for monitoring the professional development of the trainees assigned to him/her and to provide individual career counselling and professional guidance to them.

p. The professional body should ensure that every trainee auditor undergoes an appropriate induction prior to undertaking responsible practical work or contact with clients. The induction programme should introduce the trainee to the work, practices and ethics of the training office.

q. The professional body should ensure that an official, written Professional Development Record (PDR) is maintained for every trainee auditor. The PDR should contain a log of the completed work assignments, with notes on the standard and nature of the competence achieved. The PDR should be signed off by the relevant supervisor on every assignment and by the training officer on completion of the training contract. The PDR should be forwarded to the IRBA upon discharge from the training contract.

r. The professional body should ensure that trainee auditors are encouraged to take responsibility for their own professional development by ensuring that the PDR is up to date and that the prescribed competencies are signed off by the training officer once they have been achieved.

2.4 Effective administration of training contracts

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

Standard

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

Indicators

a. The professional body should ensure that a formal written training contract is completed on the document prescribed by the IRBA or on a document of the accredited professional body that contains the elements prescribed by the IRBA. In terms of the contract, a trainee auditor should be duly bound to serve an RA for a specified period, and be entitled to receive training in the practice and profession of an RA.

b. The professional body should ensure that its training department has the necessary expertise, experience and resources to register, discharge, transfer, suspend, remit and cancel training contracts timeously and efficiently.

2.5 Clearly defined mission statement

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

Standard

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

Indicators

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

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

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

2.6 Clearly defined and published delivery criteria

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

Standard

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

Indicators

a. The professional body should issue formal guidelines that set out its criteria for participation by training offices in the provision of the recognised training programme.

b. The professional body should ensure that the guidelines are clear and unambiguous and are available to interested parties upon request.

c. The professional body should ensure that the guidelines set out the procedures for the application, evaluation and approval of training offices for participation in the delivery of the recognised training programme.

2.7 Formal and effective communication channels to providers

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

Standard

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

Indicators

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

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

2.8 Formal and effective monitoring procedures

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

Standard

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

Indicators

a. The professional body should actively monitor the provision of the programme to ensure that programme objectives are being met to an appropriate degree. This could be achieved by means of:
   - trainee surveys;
   - direct monitoring through site visits to registered training offices;
   - Monitoring of PDRs.

b. The professional body should conduct site visits to the providers of the programme on both a regular and practical basis in order to:
   - assess the breadth and depth of exposure;
   - evaluate and report on the effectiveness of the training programme;
   - make recommendations for quality improvements;
   - suggest areas for co-operation; and
   - provide assistance where required.

3. MONITORING OF THE RECOGNISED PROGRAMME

3.1 Regular formal reporting

3.1.1 In order to enable the IRBA to carry out its monitoring function effectively and efficiently, it requires certain information concerning the provision of the recognised training programme of a professional body.

3.1.2 The following information must be supplied on an annual basis, should relate to the previous calendar year and should be forwarded to the IRBA by the relevant professional body by a date to be determined in consultation with the IRBA:

a. A copy of the training policy and regulations of the particular

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

- Rules governing the registration, discharge, transfer, suspension, cancellation and remission of a training contract;
- Rules governing the approval or withdrawal of approval of a training office to provide training for prospective RAs.

b. Relevant statistical information including:

- The total number of registered trainees at 1 January of each year;
- The total number of registered trainees at 31 December of each year;
- A reconciliation of the movement in trainee numbers, with a breakdown of new registrations, transfers, cancellations and discharges;
- The number of approved training offices at 1 January of each year;
- The number of approved training offices at 31 December of each year;
- A reconciliation of the movement in training offices, with a breakdown of new registrations and withdrawals.
- The total number of registered trainees at 31 December of each year, with a breakdown according to race and gender categories.

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

a. Information relating to the training office:

- Details relating to each new training office approved for the provision of training to prospective RAs:
  - ❖ Name of training office
  - ❖ Name of training officer
  - ❖ Date of approval
  - ❖ Details of any restrictions for training purposes.
- Details relating to training offices whose approval to provide training has been withdrawn:
  - ❖ Name of training office
  - ❖ Name of training officer

- ❖ Date of withdrawal of approval
- ❖ Details of reasons for the withdrawal of approval.

- Details relating to applications for approval as a training office that were denied:
  - ❖ Name of applicant
  - ❖ Reason for denial of approval.

b. Information relating to trainee contracts:

- Details relating to each new registration of a training contract:
  - ❖ Name and identity number of trainee
  - ❖ Postal and residential address
  - ❖ Name of training office
  - ❖ Name of training officer
  - ❖ Date of registration of contract.
- Details relating to any amendment of a registered training contract:
  - ❖ Name and identity number of trainee
  - ❖ Nature of alteration (remission, transfer, suspension, cancellation, discharge, office change, address change)
  - ❖ Effective date of alteration
  - ❖ Changes in name of training office, training officer
  - ● Changes in postal or residential address.

3.2 Self-evaluation

3.2.1 The professional body should prepare an independent self-evaluation report for each calendar year in which the training programme was recognised.

3.2.2 The self-evaluation report should be submitted to the IRBA by a date to be determined in consultation with the IRBA.

3.2.3 The self-evaluation reports may be prepared on a rotation basis provided that the rotation period is sufficiently regular and practical, bearing in mind the number of training offices that participate in the delivery of the programme.

3.2.4 Where a training office participates in the delivery of a recognised training programme for the first time, the self-evaluation report should identify the office and the conditions under which it was accredited.

3.2.5 The professional body is responsible for the preparation of the self-evaluation report, but may delegate this responsibility to a specific

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

3.2.6 It is recommended that the self-evaluation report be based on input from both the professional body and representatives from training offices that participate in the provision of the recognised training programme.

3.2.7 In the self-evaluation report the professional body should address critical aspects of the recognised training programme as they relate to the specific offices that will demonstrate to the IRBA the extent to which the recognition standards as defined by the IRBA continue to be met.

3.2.8 In cases where the IRBA has reason to question the self-evaluation report, it retains the right to conduct its own evaluation of the recognised training programme and the specific provider thereof. Recognition status may be withdrawn as a result of such evaluation.

3.3 External validation

3.3.1 The nature of the external validation procedures will be determined by collaboration between the professional body and the IRBA in order to ensure that the IRBA's monitoring objectives are met.

3.3.2 The validation procedures should include those procedures necessary for the IRBA to satisfy itself regarding the extent to which the recognition standards defined by the IRBA continue to be met. These procedures may include, but are not limited to the following:

a. Participation in site visits conducted by the professional body at the various training offices that participate in the delivery of the recognised training programme.

b. Insight into reports on site visits at a provider of the recognised training programme by the professional body.

c. Insight into surveys that address the recognised training programme and are conducted among individuals of the core or professional assessment programme in the form of questionnaires.

d. Investigation of matters relating to the professional body and its recognised training programme that are brought to the attention of the IRBA.

e. Observer status at meetings of the training committee of the particular professional body.

f. Requesting the professional body to respond to specific matters raised by the IRBA regarding the recognised training programme.

g. Insight into correspondence between the professional body and its providers that relates to a revision or clarification of policy issues

concerning the recognised training programme.

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

3.4 Specific investigations

3.4.1 Should a complaint be lodged with the IRBA regarding a recognised training programme or should the IRBA otherwise become aware of any deficiencies in the programme, the IRBA has a duty to ensure that the matter is attended to.

3.4.2 Where the IRBA deems it appropriate, it will request the professional body to investigate the matter and to report its findings to the IRBA.

3.4.3 On the basis of the outcome of such a report the IRBA may either instruct that recognition be continued or withdrawn immediately, or that a warning of possible withdrawal be issued.

3.4.4 In cases where the complaint relates to the internal administration of the recognised training programme, the IRBA shall refer the matter to the professional body.

APPENDIX 1

THE CURRICULUM FRAMEWORK FOR REGISTERED AUDITORS IN SOUTH AFRICA

SECTION 1 4-2
Overview of the Curriculum Framework

SECTION 2 4-6
Principles underlying the Curriculum Framework

SECTION 3 4-25
The Curriculum Framework of specific competencies

SECTION 1: OVERVIEW OF THE CURRICULUM FRAMEWORK

Contents *Page*

1.	The objective of the Curriculum Framework	4-3
2.	Principles underlying the Curriculum Framework	4-3
3.	Structure of the Curriculum Framework	4-3
TABLE I:	Diagrammatic representation of the Curriculum Framework	4-5

1. THE OBJECTIVE OF THE CURRICULUM FRAMEWORK

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

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

2. PRINCIPLES UNDERLYING THE CURRICULUM FRAMEWORK

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

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

3. STRUCTURE OF THE CURRICULUM FRAMEWORK

3.1 Fundamental skills and values

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

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

- Intellectual skills;

- Interpersonal skills;
- Communication skills; and
- Professional values.

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

3.2 Specific competencies in defined learning areas

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

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

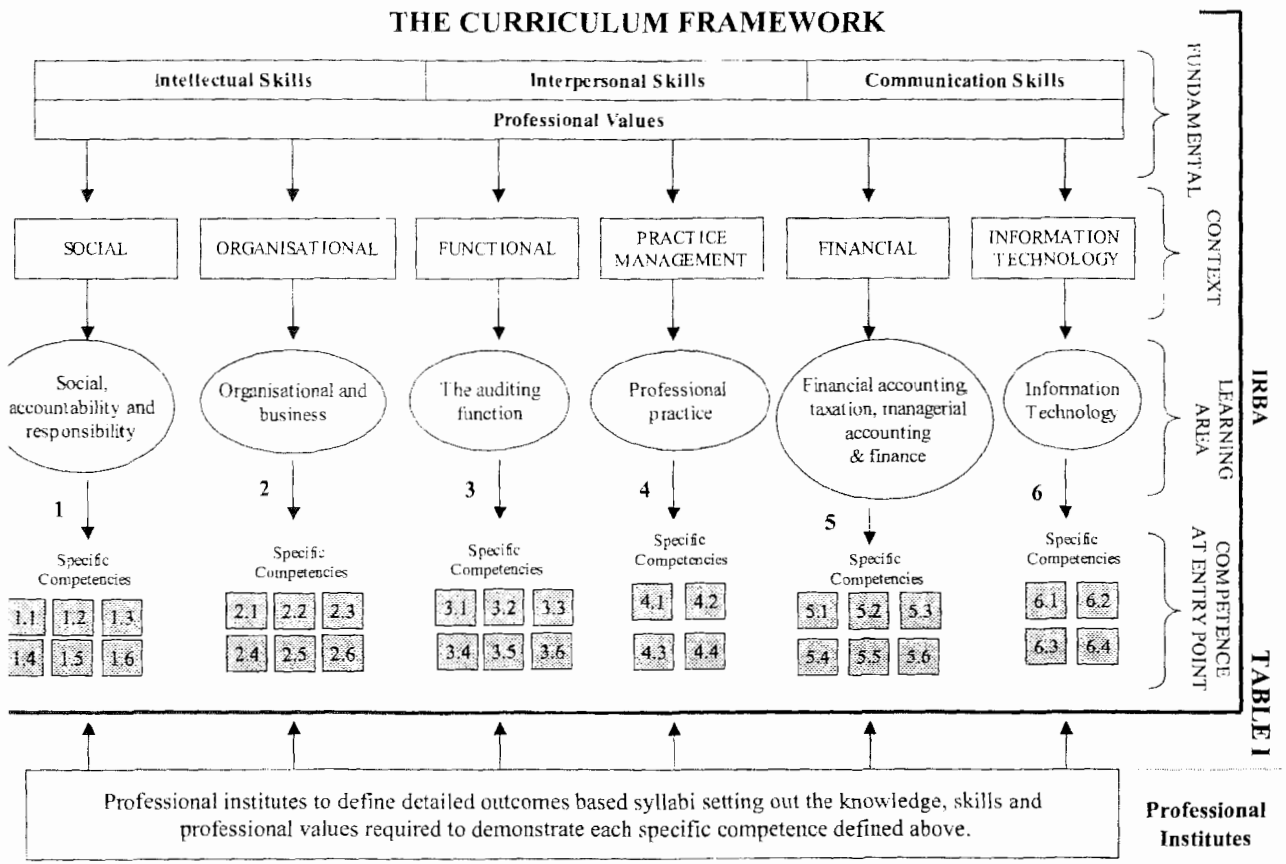
A number of specific competencies are defined for each of the six learning areas in the Curriculum Framework. The specific competencies are not mutually exclusive and should be viewed as parts of an integrated framework.

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

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

IRBA

TABLE 1


THE CURRICULUM FRAMEWORK
Intellectual Skills
Interpersonal Skills
Communication Skills
Professional Values
FUNDAMENTAL
SOCIAL
ORGANISATIONAL
FUNCTIONAL
PRACTICE MANAGEMENT
FINANCIAL
INFORMATION TECHNOLOGY
CONTEXT
Social, accountability and responsibility
Organisational and business
The auditing function
Professional practice
Financial accounting, taxation, managerial accounting & finance
Information Technology
LEARNING AREA
1
2
3
4
5
6
Specific Competencies
1.1 1.2 1.3 1.4 1.5 1.6
2.1 2.2 2.3 2.4 2.5 2.6
3.1 3.2 3.3 3.4 3.5 3.6
4.1 4.2 4.3 4.4
5.1 5.2 5.3 5.4 5.5 5.6
6.1 6.2 6.3 6.4
COMPETENCE AT ENTRY POINT
Professional institutes to define detailed outcomes based syllabi setting out the knowledge, skills and professional values required to demonstrate each specific competence defined above.
Professional Institutes

SECTION 2: PRINCIPLES UNDERLYING THE CURRICULUM FRAMEWORK

Contents *Page*

4.	Professional competence	4-7
5.	Curriculum objectives	4-8
6.	The context of an outcomes-based curriculum	4-9
7.	Principles underlying the Curriculum Framework	4-10
8.	Fundamental skills and values	4-11
9.	Professional education	4-13
10.	Auditing contexts	4-15
11.	Specific competencies defined by the IRBA	4-19
12.	Professional institutes seeking recognition of their programmes	4-20

Tables

I.	Specific competencies in each learning area	4-21
II.	Example of detailed syllabus for recognition purposes	4-23

4 PROFESSIONAL COMPETENCE

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

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

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

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

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

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

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

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

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

5. CURRICULUM OBJECTIVES

5.1 The recognition of programmes by the IRBA

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

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

The Curriculum Framework therefore provides:

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

5.2 Professional bodies seeking recognition

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

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

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

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

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

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

6. THE CONTEXT OF AN OUTCOMES-BASED CURRICULUM

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

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

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

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

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

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

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

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

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

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

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

7. PRINCIPLES UNDERLYING THE CURRICULUM FRAMEWORK

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

7.1 The framework should define requirements at entry point

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

7.2 The framework should be competence based

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

7.3 The framework should be internationally comparable

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

7.4 The framework should have a South African focus

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

8. FUNDAMENTAL SKILLS AND VALUES

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

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

The following fundamental skills and values are specifically identified:

a. Intellectual skills

b. Interpersonal skills

c. Communication skills

d. Professional values.

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

8.1 Intellectual skills

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

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

a. The capacity for inquiry, research, abstract logical thinking, inductive and deductive reasoning, and critical analysis.

b. The ability to identify and solve unstructured problems in unfamiliar settings and to apply problem-solving skills.

c. The ability to select and assign priorities within restricted resources and to organise work to meet predefined parameters.

d. The ability to adapt to change.

8.2 Interpersonal skills

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

a. The ability to work with others in a consultative process, particularly in groups, to organise and delegate tasks, to motivate and develop people, to withstand and resolve conflict and to lead others where appropriate.

b. The ability to interact and co-operate with others within a society that is culturally diverse.

c. The ability to negotiate acceptable solutions and agreements in professional situations.

d. The ability to work effectively in cross-cultural settings.

8.3 Communication skills

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

a. The ability to present, discuss and defend views effectively through formal and informal, written and spoken language.

b. The ability to listen, read and comprehend effectively, including a sensitivity to cultural and language differences.

c. The ability to locate, obtain, organise, report and use information from spoken, written and electronic sources.

8.4 Professional values

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

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

a. A commitment to act with integrity and objectivity and to be independent while operating under applicable professional standards.

b. A knowledge of the standards of professional ethics of the IRBA in particular, and of the broader accountancy profession.

c. A concern for the public interest and sensitivity to social responsibilities, the building of national identity and social equity.

d. An acceptance of multi-culturalism and a commitment to building on the strengths of diverse cultural backgrounds and values.

e. A commitment to lifelong learning.

9. PROFESSIONAL EDUCATION

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

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

a. Provide new recruits with sufficient knowledge, skills and professional attitudes to enter the profession (relating to pre-qualification programmes).

b. Provide continuing practitioners with enhanced knowledge, skills and professional attitudes to continue in the profession (relating to lifelong learning).

c. Ensure the emancipation of the practitioner by developing an increased sense of critical awareness and an increased ability to apply reflective thinking.

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

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

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

9.1 Knowledge

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

9.2 Skills

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

9.3 Values

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

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

10. AUDITING CONTEXTS

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

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

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

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

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

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

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

10.1 Social context

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

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

a. The fairness of representations (assertions) made by the management of the organisation in relation to an identified reporting framework.

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

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

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

Learning area 1:

The social accountability and responsibility area

An RA should be able to:

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

10.2 Organisational context

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

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

Learning area 2:

The organisational and business area

An RA should be able to:

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

10.3 Functional context

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

of the following within an organisation:

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

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

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

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

c. The efficiency, effectiveness and economy of organisational processes

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

Learning area 3:

The auditing function area

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

Representational audits

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

Compliance audits

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

Performance audits

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

10.4 Practice management context

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

Learning area 4:

The professional practice area

An RA should be able to:

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

10.5 Financial context

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

Learning area 5:

The financial accounting, taxation, managerial accounting and finance area

An RA should be able to:

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

10.6 Information technology context

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

Learning area 6:

The information technology area

An RA should be able to:

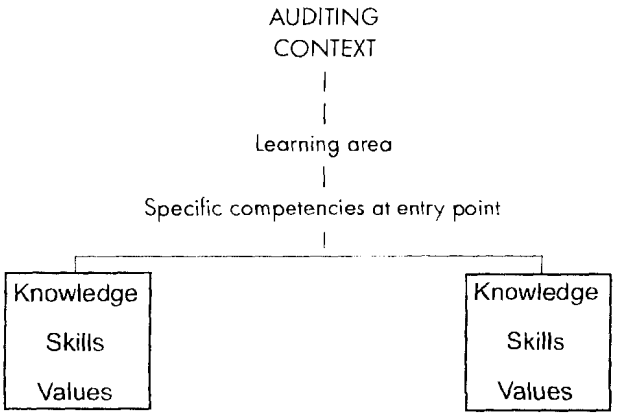
Use and evaluate information technology systems and provide input into the design and management of those systems as they relate to the audit or related service engagement.

11. SPECIFIC COMPETENCIES DEFINED BY THE IRBA

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

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

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



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

12. PROFESSIONAL BODIES SEEKING RECOGNITION OF THEIR PROGRAMMES

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

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

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

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

12.1 Measurable outcomes

a. The skills and values that are necessary to demonstrate the specific competence; and

b. The knowledge which underpins the set of measurable outcomes.

12.2 Related assessment criteria

a. A description of the methodologies used to assess each competence; and

b. The proficiency level, i.e. standard to be achieved in the demonstration of these methodologies. This description of standards may best be achieved through the submission of examples of actual assessments conducted in the programme.

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

TABLE I

Specific competencies in each learning area

LEARNING AREA 1 - THE SOCIAL ACCOUNTABILITY AND RESPONSIBILITY AREA

1.1 Accountability

1.2 Professional Conduct

1.3. Auditing Standards

1.4 Auditing Profession Act

1.5 Other Laws And Regulations

1.6 Auditor Liability

LEARNING AREA 2 - THE ORGANISATIONAL AND BUSINESS AREA

2.1 Local Economic And Business Environment

2.2 Global Business Environment

2.3 Organisational Behaviour

2.4 Operations Management

2.5 Corporate Governance

2.6 Quantitative Methods

LEARNING AREA 3 - THE AUDITING FUNCTION AREA

3.1 Responsibilities

3.2 Planning

3.3 Internal Control

3.4 Audit Evidence

3.5 Using Work Of Others

3.6 Concluding And Reporting

LEARNING AREA 4 - THE PROFESSIONAL PRACTICE AREA

4.1 Quality Control Policies And Procedures

4.2 Professional Relationships

4.3 Personnel Management

4.4 Value-added Opportunities

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

5.1 Financial Accounting

5.2 Control Processes

5.3 Commercial Laws And Regulations

5.4 Taxation

5.5 Managerial Accounting

5.6 Finance

LEARNING AREA 6 - THE INFORMATION TECHNOLOGY AREA

6.1 Information Technology Application

6.2 Information Technology Management

6.3 Information Technology Design

6.4 Information Technology Evaluation

TABLE II

Example:

Requirements for submission of detailed curriculum

Extract from the Curriculum Framework of the IRBA:

Learning area 1: Social accountability and responsibility

Specific competence 1.4: Auditing Profession Act

"Within the context of the audit or related service engagement ...

Identify, consider the impact of, make decisions and take appropriate actions and/or make appropriate recommendations regarding the application of the requirements of the Auditing Profession Act."

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

Learning area 1: Social accountability and responsibility

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

a. Measurable outcomes:

(i) Skills and values necessary to demonstrate competence.

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

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

(ii) Knowledge that underpins this outcome.

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

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

b. Related assessment criteria

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

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

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

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

(ii) The proficiency level, i.e. standard to be achieved in the demonstration of the methodologies.

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

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

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

SECTION 3: THE CURRICULUM FRAMEWORK OF SPECIFIC COMPETENCIES

Contents *Page*

LEARNING AREA

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

LEARNING AREA 1

THE SOCIAL ACCOUNTABILITY AND RESPONSIBILITY AREA

An RA should be able to:

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

Specific competencies

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

1.1 Accountability

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

1.2 Professional conduct

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

1.3 Auditing standards

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

1.4 Auditing Profession Act

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

1.5 Other laws and regulations

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

1.6 Auditor liability

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

LEARNING AREA 2

THE ORGANISATIONAL AND BUSINESS AREA

An RA should be able to:

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

Specific competencies

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

2.1 Local economic and business environment

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

2.2 Global business environment

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

2.3 Organisational behaviour

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

2.4 Operations management

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

2.5 Corporate governance

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

2.6 Quantitative methods

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

LEARNING AREA 3

THE AUDITING FUNCTION AREA

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

Representational audits

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

Compliance audits

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

Performance audits

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

Specific competencies

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

3.1 Responsibilities

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

3.2 Planning

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

related audit programmes that will result in an effective audit.

3.3 Internal control

Identify, interpret and document:

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

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

3.4 Audit evidence

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

3.5 Using work of others

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

3.6 Concluding and reporting

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

LEARNING AREA 4

THE PROFESSIONAL PRACTICE AREA

An RA should be able to:

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

Specific competencies

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

4.1 Quality control policies and procedures

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

4.2 Professional relationships

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

4.3 Personnel management

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

4.4 Value-added opportunities

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

LEARNING AREA 5

THE FINANCIAL ACCOUNTING, TAXATION, MANAGERIAL ACCOUNTING AND FINANCE AREA

An RA should be able to:

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

Specific competencies

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

5.1 Financial accounting

Identify and make appropriate decisions regarding the accounting information

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

5.2 Control processes

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

5.3 Commercial laws and regulations

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

5.4 Taxation

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

5.5 Managerial accounting

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

5.6 Finance

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

LEARNING AREA 6

THE INFORMATION TECHNOLOGY AREA

Learning area 6: Information technology framework

An RA should be able to:

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

Specific competencies

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

6.1 Information technology application

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

6.2 Information technology management

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

6.3 Information technology design

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

6.4 Information technology evaluation

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

7 Ernest Oppenheimer Avenue
Bruma, Johannesburg
Tel: 011 622 8533
Fax: 011 622 4029

PO Box 751595
Garden View 2047
Johannesburg
Docex. 158 Johannesburg
Email: board@irba.co.za
Web: www.irba.co.za

APPLICATION FOR ACCREDITATION

This application form must be completed by the professional body seeking accreditation and should be read in conjunction with the Independent Regulatory Board for Auditors' (IRBA's) Accreditation Model. It is the responsibility of the professional body to demonstrate to the satisfaction of the IRBA that it complies with the prescribed accreditation standards. Accordingly, the information provided should be sufficient and appropriate to enable the IRBA to determine the extent to which the applicant meets the requirements. Applications for accreditation should be based upon a process of self-evaluation by the professional body. The self-evaluation[1] should address each of the indicators defined for each of the relevant accreditation standards prescribed by the IRBA. In preparing the self-evaluation, the professional body should provide objective evidence as to the extent to which each indicator is met in practice. Where the indicator is not met, the professional body should describe what alternative measures have been implemented in order to ensure that the professional body complies with the accreditation standard.

Specific documentary evidence together with the payment of the accreditation fee must be submitted with the application[2]. The onus is on the applicant body to submit any additional information which they may consider applicable to their submission, which is not included in the Accreditation Model.

1. Professional Body Details

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

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

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

2. Accreditation Status

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

Please indicate the type of accreditation sought:

Type of Accreditation	Please Tick
2.1. Partial accreditation	☐
2.2. Full accreditation	☐

3. Institutional Accreditation

All professional bodies seeking accreditation are required to comply with the institutional accreditation requirements. Please attach and record all appropriate documentation[3] which provides evidence that the accreditation standards and indicators are met.

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

Please attach a schedule of the documents submitted

4. Programme Accreditation

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

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

Please attach a schedule of the documents submitted

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

5. Declaration

Please sign and include this declaration with your application.

I, _____, (professional body representative), on behalf of

_____, hereby declare that all information provided in this

application for accreditation is a true reflection of _____

(professional body).

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

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

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

Signed: _____ (as duly authorised)

Capacity: _____

Name: _____

Date: _____

CHECKLIST

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

- Institutional Accreditation ☐
  - Continuing Professional Development ☐
  - Discipline and ethical conduct of members ☐
  - Financial and operational viability ☐
  - Register of members ☐
  - Representivity in the profession ☐
  - Technical support and guidance ☐
- Programme Accreditation ☐
  - Academic programme ☐
  - Core assessment programme ☐
- For full / part accreditation: ☐
  - Education programme and/or ☐
  - Training programme ☐

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

The Director: Education, Training and Professional Development

Hand deliveries: Maneo
7 Ernest Oppenheimer Ave
Bruma
Johannesburg

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

E-mail: unaidoo@irba.co.za

The prescribed application fee must be deposited in:

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

CONTINUING PROFESSIONAL DEVELOPMENT (CPD) POLICY

INTRODUCTION

1.1 The knowledge, skills and values needed to function effectively as an RA continuously expand, change and develop. RAs face increased and constantly changing knowledge and skill expectations and scrutiny about the quality of independent audits. Due to the dynamic environment in which auditors function, the competence demonstrated through the PPE is likely to lose relevance and require modification over relatively short periods of time. Professional competence is therefore first and foremost a dynamic knowledge, skill and value concept, requiring that it be maintained throughout professional life.

1.2 Continuing Development (CPD) is the means by which members of a profession maintain, improve and broaden their knowledge and skills and develop the personal qualities required in their professional lives to achieve excellence.

1.3 The International Federation of Accountants' (IFAC) International Education Standard 7 (IES7) emphasises the professions commitment to serving the worldwide public interest and presents CPD as a key means of meeting this commitment. IES 7 prescribes mandatory CPD for all members of the profession, including those in public practice. It also calls on IFAC member bodies to facilitate access to CPD opportunities and resources to assist professional accountants in meeting their responsibility for life long learning. Further IES 8 prescribes competency requirements for audit professionals including those working in specific environments and industries. According to IFAC, the responsibility for the development and assessment of the required competence is shared by IFAC member bodies, audit organisations, regulatory authorities and other third parties. Although the Independent Regulatory Board for Auditors (IRBA) is not an IFAC member body, its policies are cognisant of the IFAC standards.

1.4 In terms of the Code of Professional Conduct of the IRBA, an RA has a continuing duty to maintain professional knowledge and skill at the required level which will ensure that a client receives the advantage of

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

1.5 The CPD policy proposed herein is based upon the Auditing Profession Act, 2005 ("the Act"). In terms of the Act the Regulatory Board must "prescribe minimum qualifications, competency standards and requirements for registration of auditors" (section 6(1)(a)). From this duty to ensure competence at entry point to the profession, it must be argued that the regulator has a similar duty to ensure that those persons, who are registered, continue to develop and maintain their professional competence throughout the period in which they engage in public practice. Section 7(1)(f) requires that the regulator prescribe competency requirements and these would not only be relevant at entry point but throughout the period of registration as an auditor. The Act thus provides, in section 7(1)(c.), that the Regulatory Board "prescribe requirements for and conditions relating to the nature and extent of continued education, training and professional development".

1.6 Accredited professional bodies must, in terms of section 33(b) have appropriate mechanisms for ensuring that members participate in continuing professional development, as either recognised or prescribed by the Regulatory Board. It is envisaged that, since it is likely that the regulator will conduct the final assessment of professional competence at entry point to the profession, it will prescribe and monitor the extent to which individual registered auditors engage in continuing professional development. The role of the accredited professional body in this instance would be to support the CPD objectives of the regulator through fostering a commitment to lifelong learning and facilitating access to continuing education interventions.

Objective of Continuous Professional Development

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

2.1 Maintain and further develop professional competence so as to meet the ever increasing and new knowledge, skill and value demands of the profession as a response to knowledge expansion, technological advancement and the requirements of specialist areas.

2.2 Meet stakeholder expectations by ensuring that they maintain and further develop the professional competence required to perform any particular engagement which is undertaken in order that clients may receive the advantage of competent professional service, based upon up-to-date developments in practice, legislation and techniques and other requirements of the profession.

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

PRESCRIPTIONS

Primary responsibility

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

Reporting period

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

Measurement of CPD

5.1 In a three year period, an RA will be expected to have completed at least 90 hours of CPD of which at least 50% (45 hours) must be in the area of professional knowledge. The remainder of the CPD must be devoted to the development of professional skills and ethical values, with no less than 10% (9 hours) of the total CPD requirement being devoted to each of these aspects.

5.2 The three year reporting period of each individual RA will commence from first registration with the IRBA or 1 January 2007, whichever is the later.

5.3 In any one year reporting period within the three year reporting cycle, the minimum number of CPD hours is twenty (20). The onus is on the RA to ensure that the minimum number of hours acquired over the three year reporting cycle is at least 90 hours and in the respective categories.

Quality Programmes

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

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

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

Record-keeping

7.1 Each RA is expected to maintain a record of the CPD activities undertaken and to produce such record at the time of practice review, or for monitoring purposes.

7.2 RAs may complete the form CPD I or download and submit their CPD record from the professional body; both reporting methods will be accepted.

Monitoring of CPD

8.1 CPD activities undertaken by RAs will be monitored annually through an annual return[1] submitted with the renewal of the licence to practice. An RA's registration with the IRBA will be dependent on the CPD activities being up to date and relevant to the work they undertake.

8.2 RAs who have not complied with the IRBA's CPD requirements will be given a limited time period in which to either obtain the required CPD hours or give an indication of how the deficit will be managed and may be required to complete a CPD training and development plan (CPD II). Should an RA, however, not comply after the agreed upon time, the IRBA will not renew the licence to practice.

8.3 For RAs who are subject to practice review, the IRBA will draw upon the processes and procedures carried out by its practice review function[2] in order to assess, based upon documentation supplied by the RA, the nature and relevance of CPD activities and the extent to which the maintenance and further development of competence was sought by an

[1] RAs may complete the form sent to them by the IRBA or download and submit their CPD record from their Professional Body; both reporting methods will be accepted.
[2] See Section 47 of the Auditing Profession Act, 2005

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

Sanctions

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

Exemptions

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

CONCLUSION

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

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

This contract is entered into between

Name of training office (represented by)	Branch

Name of training officer

and

Name of trainee

Definitions

In this document, unless the context otherwise indicates –

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

"trainee" includes a reference to a learner;

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

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

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

1 THE PARTIES TO THE TRAINING CONTRACT AGREE THAT –

1.1 this training contract is entered into in terms of, and is subject to, such provisions of the Act as are applicable and the Regulations pertaining to trainees prescribed by the IRBA from time to time;

1.2 any amendments of or additions to the Regulations that affect this training contract will be deemed to be incorporated in this training contract upon promulgation, notwithstanding that notice of such amendments or additions may not have been given to the parties;

1.3 (The professional body) may act, in relation to the training contract, in accordance with the powers conferred on it by the Regulations;

1.4 a written contract of employment has been entered into between the training office and the trainee for a period not less than the duration of this training contract as prescribed by the Regulations;

1.5 if conflict should arise between the terms and conditions of this training contract and the terms and conditions of the contract of employment, the training contract will prevail;

1.6 the transfer to another training officer of another training office, or the suspension or cancellation of this training contract, may only occur if the parties mutually agree thereto or when the transfer, suspension or cancellation has been ordered by (the professional body). The transfer, suspension or cancellation is only effective once it has been approved and registered by the IRBA;

1.7 any dispute between the parties arising from this contract must be referred to (the professional body) for settlement and the decision of (the professional body) will be final and binding on the parties;

1.8 should the IRBA not approve the registration of, or cancel the registration of this training contract, the contract will be null and void;

1.9 the effective date of this training contract will be the date approved and registered by the IRBA as such;

1.10 the commencement date of this training contract will not be backdated by more than six months; and

1.11 interruption in the duration of this training contract, as defined in (the professional body's) training regulations, as a result of temporary absence from employment will be limited to the maximum periods prescribed in the Regulations.

2 THE TRAINING OFFICER AGREES THAT –

2.1 the trainee will be afforded every reasonable opportunity to obtain sufficient exposure to the range of core experience, as defined by (the professional body) from time to time, to enable him/her effectively to apply knowledge in a variety of relevant situations;

2.2 the trainee will be properly instructed in the standards of professionalism and ethics expected of a registered auditor;

2.3 the training officer will comply with his/her duties in terms of all applicable legislation,

including:

- the Basic Conditions of Employment Act (Act 75 of 1997);
- Any applicable determination made in terms of section 18(3) of the Skills Development Act (Act 97 of 1998);
- the Labour Relations Act (Act 66 of 1995);
- the Employment Equity Act (Act 55 of 1998);
- the Occupational Health and Safety Act (Act 85 of 1993); and
- the Compensation of Occupational Injuries and Diseases Act (Act 130 of 1993);

2.4 the training officer will provide appropriate facilities to train the trainee;

2.5 the training officer will provide the trainee with adequate supervision;

2.6 the training officer will conduct on-the-job assessment, or cause it to be conducted;

2.7 the training officer will keep up-to-date records of training and periodically discuss the trainee's progress with him/her;

2.8 the training officer will advise the trainee of –

- the terms and conditions of his/her employment; and
- training office policies and procedures;

2.9 the training officer will apply the same disciplinary, grievance and dispute resolution procedures to the trainee as to any other employee;

2.10 the trainee will be employed in the office of the firm that has been accredited by (the professional body) as a registered training office;

2.11 the training officer will lodge with (the professional body), before the event, written notice in the prescribed form of the transfer of the trainee to another training office;

2.12 the training officer will fulfil all obligations imposed on him/her by (the professional body) pertaining to the training of the trainee;

2.13 the training office will bear the cost of fees payable to (the professional body) in terms of this training contract;

2.14 the trainee will be required to work at least 7½ hours per day, five days per week;

2.15 the training officer will inform (the professional body) in writing of circumstances where, in the opinion of the training officer, the trainee has conducted himself/herself in a manner that may constitute improper conduct as defined in the Regulations or in the disciplinary rules, code of conduct or by-laws prescribed by (the professional body) from time to time;

2.16 the training officer will make available to (the professional body) all documents regarding the alleged improper conduct of the trainee, including the record of any disciplinary procedures in the training office in which the trainee may have been involved;

2.17 the training contract will be submitted to (the professional body) for cancellation within a period of 30 days in the event of -

- automatic cancellation in circumstances as described in the Regulations, and
- the parties entering into a mutual written agreement not to proceed with the training contract; and

2.18 Within 30 days after completion of the duration of the training contract, the training officer will submit a duly completed Final assessment – Training record and a duly completed Certificate of Completion to (the professional body).

3 1. **THE TRAINEE AGREES THAT –**

3.1 he/she will diligently serve the training office in the profession of the qualification of the registered auditor;

3.2 he/she will diligently pursue his/her studies in the theory and practice of the profession of the qualification of the registered auditor and that he/she will notify the training officer immediately he/she ceases to be registered for a course that would lead to the eventual award of a Certificate in the Theory of Accountancy or equivalent;

3.3 he/she will during the currency of this training contract not engage in any other business or occupation without the express written authority of the training officer;

3.4 he/she will at all times keep the affairs of the training office and its clients confidential and will not breach any codes of professional conduct, disciplinary rules or by-laws that apply to the profession of the qualification of the registered auditor;

3.5 he/she will comply with any training office policies and procedures;

3.6 he/she will complete any timesheets and/or other assessment tools supplied by the training officer to record training experience;

3.7 he/she agrees that the training officer will be entitled, and is hereby authorised to, disclose to (the professional body) any circumstances which in the opinion of the training officer may constitute improper conduct on the part of the trainee. The trainee further agrees that the training officer may make available to (the professional body) all information regarding disciplinary procedures in the training office in which the trainee may have been involved, including the record of those procedures; and

3.8 within 30 days after completion of the duration of the training contract, he/she will submit a duly completed Final assessment - Training record form to the training officer for onward submission to (the professional body).

SIGNED BY THE PARTIES AS FOLLOWS:

By the training officer at _____ on _____ 20

Training officer _____ _____
Signature Initials & surname

Witness _____ Witness _____

By the trainee at _____ on _____ 20

Trainee _____ _____
Signature Initials & surname

Witness _____ Witness _____

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