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Johannesburg, Wednesday, January 19, 2022 – The Independent Regulatory Board for Auditors (IRBA) welcomes the issue of the first part of the State Capture Commission's Report and confirms that it had fully cooperated with the Commission. While the IRBA was not requested to appear at the Commission, it did respond to a subpoena from the Commission on matters relating to the audit of South African Airways (SAA) in September 2019.

All SAA matters were fully investigated during the 2017 to 2019 years. The results of these investigations have been through all the appropriate committee structures within the IRBA.

On the audit-related matters, the individual joint auditors were found guilty in total on five charges. Both respondents accepted the monetary sanctions determined by the IRBA. On the non-audit related complaints, one of the respondents opted not to accept the monetary sanction and this matter has been referred for a disciplinary hearing. This matter is on the IRBA roll and will be set down for a hearing in due course.

The investigation relating to the other non-audit complaint was finalised in 2018 and the complaint was dismissed in terms of Disciplinary Rule 3.5.1.4, being that there were no reasonable prospects of success to succeed with a charge of improper conduct against the respondent at that time.

IRBA also welcomes confirmation of SAICA's investigation of Yakhe Kwinana (former SAA board director and audit committee chair) and other implicated CAs. We support initiatives by law enforcement agencies and other relevant authorities in taking appropriate action. The IRBA will continue to support the process of accountability for professionals implicated in state capture and corruption.

It is important to note that the IRBA's disciplinary processes, particularly the investigations, were completed in ample time to make the relevant submissions to the Commission. In regard to the audit-related matters, the sanctions had already been finalised before the Commission's Report Part 1 was issued.

The IRBA in terms of its new five-year strategy remains committed to restoring confidence and rebuilding trust in the financial eco-system. Firstly, by working to improve audit quality and secondly, by engaging financial sector players on issues around reforms to the eco-system relating to financial reporting, governance and ultimately audit quality. The IRBA's strengthened enforcement powers will greatly assist it in delivering effectively on its mandate.

Ends

More about the IRBA:

The IRBA is a public protection statutory body established to protect the financial interests of the public by ensuring registered auditors and their firms deliver services of the highest quality. It upholds audit firm independence to ensure that audit quality is such that it enhances the accuracy and credibility of financial performance reporting. In this way, the IRBA has an important role to play in building the reputation of South Africa as an investment market for both local and global investors and driving economic growth for the country.

The IRBA also registers suitably qualified accountants as auditors, who must adhere to the highest ethics standards, and promotes the auditing profession through the effective regulation of assurance conducted in accordance with internationally recognised standards and processes.

Issued by: Lorraine van Schalkwyk APR
Manager: Marketing Communications and Media Relations
The Independent Regulatory Board for Auditors (IRBA)
Contact: 087 940 8800
Mobile: 083 626 3762

On behalf of: Imre Nagy
Acting Chief Executive Officer

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