

**AUDITED ANNUAL FINANCIAL STATEMENTS: REQUIREMENT TO DISCLOSE
REMUNERATION AND BENEFITS OF DIRECTORS AND PRESCRIBED OFFICERS**

Johannesburg / 5 August 2020

The purpose of this communicate is to alert registered auditors and other interested parties to [Notice 38 of 2020](#), *Audited Annual Financial Statements: Requirements to Disclose Remuneration and Benefits of Directors and Prescribed Officers* (the Notice), which was issued by the Companies and Intellectual Property Commission (CIPC). The following is a summary of the Notice:

- The CIPC has observed a trend where some companies are not disclosing directors' or prescribed officers' remuneration, as required and prescribed by the Companies Act, 2008 (Act No. 71 of 2008) (the Act).
- In terms of Section 30(4) of the Act, the remuneration, as defined in subsection (6), and benefits received by each director, or individual holding any prescribed office in the company, must be disclosed. This is required in all audited (including voluntarily audited) annual financial statements.
- Illustrative examples of what is expected to be disclosed in terms of the Act are provided.

Registered auditors may also need to consider any reportable obligations that may arise from non-compliance with this disclosure in terms of section 360 of the IRBA Code of Professional Conduct for Registered Auditors (Revised 2018) and reportable irregularities, as per Section 45 of the Auditing Profession Act, 2005 (Act No. 26 of 2005).

Imran Vanker

Director: Standards

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.