
INDEPENDENT REGULATORY BOARD FOR AUDITORS
COMMITTEE FOR AUDITOR ETHICS

**The IRBA Issues for Comment an Exposure Draft on the Use of Electronic Signatures
When Signing Audit, Review or Other Assurance Reports**

Johannesburg / 18 August 2020

The Independent Regulatory Board for Auditors' (IRBA) Committee for Auditor Ethics (CFAE) approved the issuing of the proposed amendments to Subsection 115, *Professional Behaviour: Signing Conventions for Reports*, of the IRBA Code of Professional Conduct for Registered Auditors (Revised November 2018): *Electronic Signatures* (proposed amendments to the IRBA Code), on exposure in August 2020 for public comment by **21 September 2020**.

The Electronic Communications and Transactions Act, 2002 (No. 25 of 2002) (ECT Act) legislates the use of electronic signatures in South Africa. The main object of the ECT Act is to enable and facilitate electronic communications and transactions in the public interest.

The use of ordinary electronic signatures and advanced electronic signatures by registered auditors to sign their audit, review or other assurance reports has become more widespread in recent years. This is due to more financial statements being made available electronically on company websites, fewer paper-based engagement files and remote working arrangements.

During the COVID-19 pandemic, it has become even more prevalent for registered auditors to make use of electronic signatures in signing their audit, review or other assurance reports. It is expected that electronic signatures may continue to be widely used.

The proposed amendments to the IRBA Code include the following:

Signing Convention for Reports

- The inclusion of an introductory section, with a background on the use of electronic signatures, as required by the ECT Act.
- The inclusion of a requirement that the individual registered auditor responsible for the audit, review or other assurance engagement shall, when signing any audit, review or other assurance report, make use of either:
 - (a) A wet-ink signature;
 - (b) A licenced and secure ordinary electronic signature; or
 - (c) An advanced electronic signaturethat is/are the firm's authorised means of signing any audit, review or other assurance report.
- The inclusion of application material to support the requirement.
- Minor conforming and other amendments.

In accordance with the provisions of Section 10(1)(a) of the Auditing Profession Act, 2005 (Act No. 26 of 2005) (the Act), the IRBA may, by notice in the Government Gazette and pursuant to the provisions of Section 4(1)(c) of the Act, publish, for public information and comment, an amendment

to the IRBA Code. Accordingly, a Board Notice to the same effect will be published in the Government Gazette for public comment for a minimum period of 30 days.

Request for Comments

The CFAE welcomes comments on all matters addressed in the proposed amendments to the IRBA Code, especially those identified in the Request for Specific Comments section of the Explanatory Memorandum.

We invite registered auditors and other interested parties to submit to the IRBA any comments regarding the proposed amendments to the IRBA Code by **21 September 2020**. Comments, in Word format, should be submitted by e-mail to standards@irba.co.za. All comments will be considered a matter of public record.

A copy of the exposure draft is available in PDF format and may be downloaded from the exposure drafts page on the [IRBA website](#).

Should you have any further queries, please do not hesitate to contact the Standards Department by sending an email to standards@irba.co.za.

Imran Vanker

Director: Standards

About the IRBA

The objective of the IRBA is to endeavour to protect the financial interests of the South African public and international investors in South Africa through the effective and appropriate regulation of audits conducted by registered auditors, in accordance with internationally recognised standards and processes.

The statutory responsibilities of the CFAE are to assist the IRBA to determine what constitutes improper conduct by registered auditors by developing rules and guidelines for professional ethics, including a code of professional conduct; to interact on any matter relating to its functions and powers with professional bodies and any other body or organ of state with an interest in the auditing profession; and to provide advice to registered auditors on matters of professional ethics and conduct.