
South Africa - Alternative routes suggested for audit independence

[Organisations](#) affected by the Independent Regulatory Board for Auditors' (IRBA) mandatory audit firm rotation (MAFR) proposal have suggested alternative routes to address auditor independence concerns.

In submissions to the Parliamentary Standing Committee on Finance, these organisations emphasised that 'MAFR is not the correct instrument' to achieve the [goals proposed by IRBA](#), nor is the regulator the 'correct vehicle to drive such initiatives'.

Submissions to parliament included the [CFO Forum](#), the [Association for Savings and Investment SA](#), the [Institute of Directors](#), the [King Committee](#) and the [Audit Committee Forum](#) the Institute of Chartered Accountants, and large audit firms.

The organisations highlighted that the MAFR proposal has [implications beyond the audit profession](#) and that more effective ways to enhance the profession's transformation are available.

In their submissions, the organisations identified possible alternate proposals including:

- Independent research, including impact analysis, led by the South African Standing Committee on Company Law (SCCL)
- Recommendations and options from the SCCL
- A white paper on auditor independence
- Public participation process through the South African Parliament

The organisations concluded that auditor independence should be assessed by the SCCL under existing company law and the [King Code of Governance Principles™](#).

In response to the submission by the CFO Forum, IRBA stated in a press conference that auditor independence (including MAFR) is under its domain and should not be handed to another statutory body.