

**CIRCULAR 1/2025/26 - GUIDELINE ON FEES FOR AUDITS PERFORMED BY PRIVATE FIRMS ON BEHALF OF THE AUDITOR GENERAL OF SOUTH AFRICA (AGSA)****Introduction**

1. The work done by the Audit-General of South Africa (AGSA) is governed by legal prescripts of the Republic of South Africa. Section 188 of the Constitution of the Republic of South Africa (1996), mandates to the AGSA to audit and report on the accounts, financial statements and financial management of national and provincial departments, national and provincial administrations, all municipalities and any other institution or accounting entity required by national or provincial legislation to be audited by the AGSA. This mandate is further described in section 4 and 5 of the Public Audit Act 25 of 2004 (the "PAA").
2. The Auditor-General performs his or her functions with the assistance of an administration established in terms of section 30(1) of the PAA. Section 12 of the PAA permits the AGSA to make use of suitably qualified private auditors to perform public sector audits and provide audit related services on behalf of the AGSA.
3. Because the AGSA is committed to contributing towards transformation of the accountancy profession, the provisions of section 12 of the PAA enable the AGSA to realize this commitment through building capacity of the private audit firms by outsourcing some of its work.

**Basis for the calculation of fees: Contract-in and contract-out**

4. On an annual basis, the AGSA reviews the charge-out rates applicable to private audit firms and pre-issuance reviewers, ensuring alignment with the approved internal rates of the AGSA.
5. The correlation between the AGSA's internal rates and the CWC rates is crucial to ensure that the government is charged a consistent rate for similar resources, regardless of whether the resource is internal or external.
6. This alignment further mitigates potential losses for the AGSA that may arise from discrepancies between the rates charged to auditees and the rates paid to private auditors.
7. The CWC charge-out rates consider the AGSA's 2025-26 revenue pricing guidelines and transition to a fixed, value-based, financially sustainable, and efficient audit fee structure that incorporates the costs of technology and artificial intelligence, thereby enhancing auditee satisfaction.
8. The 2025-26 CWC charge-out rates shift away from a time-and-material basis, allowing for monitoring of productivity. This will be transitioned over time based on the AGSA pricing model.
9. When calculating fees in the form of charge-out rates, the AGSA considers the following factors:
  - The state of the economy,
  - Government budgetary policy, and
  - Measures taken by the government to contain the rate of inflation.
10. The rates are considered and listed according to professional level, designation, highest recognized qualification, and stage of professional traineeship.

11. The professional levels and required qualifications in this circular have been aligned to those of a similar resource within the AGSA.
12. The AGSA confirms that the charge-out rates set out in Annexure A of this circular are appropriate for audit work performed by private firms and pre-issuance reviewers on behalf of the AGSA, and that these fees are intended solely for audits conducted on behalf of the AGSA.
13. These rates apply from 1 April 2025 to 31 March 2026 for all contract-in/contract-out audits and pre-issuance reviews, including any other special AGSA projects.

**Basis for the calculation of fees: Secondments**

14. Secondment rates were aligned with the internal cost structure of a similar resource within the AGSA, increased by a mark-up rate.

**Application of the fee's circular: 1 April 2025 to 31 March 2026**

15. The AGSA's engagement manager will advise the audit firm of the budgeted cost of the audits and whether the audit will be contracted-out or a contacted-in engagement. The engagement manager will further advise on the components and procedures that should be completed during a contracted-in engagement. Should it be necessary to increase the budgeted cost because of exceptional circumstances requiring additional work to be performed to express an opinion, the AGSA should be advised in writing prior to any work carried out. The increase in fees for these circumstances must be negotiated with the AGSA's engagement manager, who will in turn engage the auditee.
16. The fees provided to the CWC firms and pre-issuance reviewers constitute the maximum charge-out rates that the auditors can use to determine the tariff rate applicable to each of their resources.
17. CWC firms and pre-issuance reviewers are obliged to review their audit approaches to ensure that up-to-date techniques are used to minimize inefficiencies in audits. The audit approach must be in line with the International Standards of Auditing and consider the AGSA's guidelines as indicated in directives issued from time to time in terms of the Public Audit Act. They should also consider any other directives that may be issued during the period covered by the circular and should consult with the AGSA's engagement manager in this regard. However, they should carry out their duties free from any restrictions whatsoever.
18. The rates charged by private firms are to be linked to the highest qualification obtained and not a qualification in progress (i.e. resources must have completed the qualifications). The minimum qualification requirements for AGSA assignments are a bachelor's degree (NQF Level 7).
19. The approved charge out rates commence at an entry-level rate of R289 (R272 - 2024/25) for a first-year graduate trainee accountant. The maximum charge out rate for partners, directors, specialists, and pre-issuance reviewers is R3 491 (R3 341 - 2024/25).
20. The fees provided in the form of charge-out rates exclude value added tax (VAT).
21. These rates are only applicable to audit work performed by members on behalf of the AGSA as they are based on factors existing in this environment. Fees for other work performed for government entities should be negotiated directly with the entities concerned.

**CWC audit tools, systems, and technologies**

22. The AGSA under CWC processes may procure tools, systems and technologies owned by the CWC firms to utilize within AGSA audits at a rate or fee to be agreed upon by the AGSA and the CWC firm for that tool, system, or technology. The fee to be agreed must relate to the use and operation of the tool, system, or technology by the AGSA. The audit firms that have technology tools that will enhance the operational efficiencies of an audit and lower the cost of audit are encouraged to approach the AGSA and negotiate a fee.

**Pretoria**

**28 March 2025**

**Proposed by:**



Emelia Potgieter

**DBUL: Resource Management Unit (RMU)**

**Recommended ~~or Not Recommended~~ by:**



Polani Sokombela

**Chief Financial Officer**

**Approved ~~by or Not Approved~~ by:**



Vonani Chauke

**Deputy Auditor General**

Date: 30 March 2025

**ANNEXURE A: RATES FOR AUDITS PERFORMED ON BEHALF OF THE AUDITOR- GENERAL OF SOUTH AFRICA FOR THE PERIOD 1 APRIL 2025 TO 31 MARCH 2026**

**Regulatory audit (RA) charge-out rates – 3 - 5-year training programme**

<b>First year trainee accountant: Three, four and five-year training programme Trainee accountant charge-out rates – 2025/26</b>			
<b>Professional level</b>	<b>Recognized qualification</b>	<b>Year of traineeship</b>	<b>AGSA approved rates</b>
Post-graduate	CTA/ CTA level 2 (Eligible to write IAC)	1st	521
Graduate	CTA level 1	1st	405
Graduate	B.Com. degree in accounting or equivalent Bachelor of Accounting Science Advanced Diploma in Accounting Sciences ACCA F1 - F9	1st	289
Semi-professional	IAC (ITC)	1st	627

<b>Second year trainee accountant: Three, four and five-year training programme Trainee accountant charge-out rates – 2025/26</b>			
<b>Professional level</b>	<b>Recognized qualification</b>	<b>Year of traineeship</b>	<b>AGSA approved rates</b>
Semi-professional	APC/ RGA (FQE)	2nd	906
Post-graduate	CTA/ CTA level 2 (Eligible to write IAC)	2nd	627
Graduate	CTA level 1	2nd	540
Graduate	B.Com. degree in accounting or equivalent Bachelor of Accounting Science Advanced Diploma in Accounting Sciences ACCA F1 - F9	2nd	380
Semi-professional	IAC (ITC)	2nd	681

<b>Third, fourth- or fifth-year trainee accountant: Three, four and five-year training programme Trainee accountant charge-out rates – 2025/26</b>			
<b>Professional level</b>	<b>Recognized qualification</b>	<b>Year of traineeship</b>	<b>AGSA approved rates</b>
Semi-professional	APC/ RGA (FQE)	3 <sup>rd</sup> / 4 <sup>th</sup> / 5 <sup>th</sup>	906
Post-graduate	CTA/ CTA level 2 (Eligible to write IAC)	3 <sup>rd</sup> / 4 <sup>th</sup> / 5 <sup>th</sup>	665
Graduate	CTA level 1	3 <sup>rd</sup> / 4 <sup>th</sup> / 5 <sup>th</sup>	573
Graduate	B.Com. degree in accounting or equivalent Bachelor of Accounting Science Advanced Diploma in Accounting Sciences ACCA F1 - F9	3 <sup>rd</sup> / 4 <sup>th</sup> / 5 <sup>th</sup>	444
Semi-professional	IAC (ITC)	3 <sup>rd</sup> / 4 <sup>th</sup> / 5 <sup>th</sup>	694

**Regulatory audit (RA) charge-out rates – post-article resources**

<b>Audit supervisor charge-out rates – 2025/26</b>		
<b>Professional level</b>	<b>Recognized qualification</b>	<b>AGSA approved rates</b>
Graduate	SAICA accredited B.Com. degree and bridging programmes.  Advanced Diploma in Accounting Sciences (Bridging) ACCA F1 - F9 CTA Level 1 (Postgraduate Diploma in Accounting Sciences) GASP  PGDA (post-graduate diploma in accounting – previously eligible to write IAC, not eligible any longer to write IAC)	444
Post-Graduate	PGDA/ CTA/ CTA level 2 or equivalent (Eligible to write IAC). IAC (ITC) ACCA P1 - P3 APC/ RGA FQE/ ACCA P4 (not yet registered as a professional with the relevant professional body)	733

<b>Assistant manager charge-out rates – 2025/26</b>		
<b>Professional level</b>	<b>Recognized qualification</b>	<b>AGSA approved rates</b>
Professional	CA (SA), ACCA, RGA	1 331

<b>Manager charge-out rates – 2025/26</b>		
<b>Professional level</b>	<b>Recognized qualification</b>	<b>AGSA approved rates</b>
Professional	CA (SA), ACCA, RGA	1 961

<b>Senior manager/ specialist charge-out rates – 2025/26</b>		
<b>Professional level</b>	<b>Recognized qualification</b>	<b>AGSA approved rates</b>
Professional	CA (SA), ACCA, RGA	3 057

**Information systems audit (ISA) charge-out rates**

<b>Information Systems Audit (ISA) Charge-Out Rates – 2025/26</b>		
<b>Professional level</b>	<b>Recognized qualification</b>	<b>AGSA approved rates</b>
Senior Manager (ISA)	CISA	3 057
Manager (ISA)	CISA	1 961
Assistant Manager (ISA)	CISA	1 331
Senior IT Auditor	CISA	709
Senior IT Auditor	BCom degree	
IT Auditor	CISA	292
IT Auditor	BCom degree	

**Investigations audit charge-out rates**

<b>Investigations audit charge-out rates – 2025/26</b>			
<b>Professional level</b>	<b>Recognized qualification</b>	<b>Minimum number of years of experience post qualification</b>	<b>AGSA approved rates</b>
Director/Partner	CA (SA)/LLB/ACFE/ ICFP or other relevant qualifications	>12 years	3 491
Associate Director	CA (SA)/LLB/ACFE/ ICFP or other relevant qualifications	>10 years	3 491
Senior Manager (Investigations)	CA (SA)/LLB/ACFE/ ICFP or other relevant qualifications	>8 years	3 057
Manager (Investigations)	CA (SA)/LLB/ACFE/ ICFP or other relevant qualifications	7-8 years	1 961
Assistant Manager (Investigations)	CA (SA)/LLB/ACFE/ ICFP or other relevant qualifications	5-6 years	1 331
Senior Associate	Hons or bachelor's degree with articles or relevant forensic training	4 years	733
Associate	Hons or bachelor's degree with articles or relevant forensic training	1-3 years	634
Associate in training	Hons or bachelor's degree under articles or relevant forensic training	1 <sup>st</sup>	405
		2 <sup>nd</sup>	444
		3 <sup>rd</sup>	598
Associate in training	Bachelor's degree under articles or relevant forensic training	1 <sup>st</sup>	289
		2 <sup>nd</sup>	380
		3 <sup>rd</sup>	444
Support staff	Bachelor's degree or diploma	None	289

**Secondment charge-out rates**

<b>Professional level</b>	<b>Recognized qualification</b>	<b>AGSA approved rates</b>
Audit Senior Manager	CA (SA), ACCA, RGA	2 341
Audit Manager	CA (SA), ACCA, RGA	1 231
Assistant Manager	CA (SA), ACCA, RGA	774
Senior Auditor	PGDA/ CTA/ CTA level 2 or equivalent (Eligible to write IAC). IAC (ITC) ACCA P1 - P3 APC/ RGA FQE/ ACCA P4 (not yet registered as a professional with the relevant professional body)	466
Senior IT Auditor	CISA, B.Com degree	557
IT Auditor	CISA, B.Com degree	206
Audit Clerk	SAICA accredited B.Com. degree and bridging programmes.  Advanced Diploma in Accounting Sciences (Bridging) ACCA F1 - F9 CTA Level 1 (Postgraduate Diploma in Accounting Sciences) GASP  PGDA (post-graduate diploma in accounting – previously eligible to write IAC, not eligible any longer to write IAC)	263
Trainee Auditor 3rd year	SAICA accredited B.Com degree up to APC	284
Trainee Auditor 2nd year	SAICA accredited B.Com degree up to APC	264
Trainee Auditor 1st year CTA	SAICA accredited CTA up to APC	260
Trainee Auditor 1st year Degree	SAICA accredited B.Com degree	188

**Pre-issuance review and special projects charge-out rates- directors and partners**

Partners, directors, specialists and pre-issuance reviewers must charge a maximum AGSA approved rate of R3 491 per hour (2024/25: R3 341).