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Assessing the Factors and Effects of the Decline of Registered Auditors in the South African Audit Firms

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Abstract:

The article assessed the factors and effects of the decline of registered auditors (RAs) in South African audit firms. The decrease in the number of registered auditors has become a pressing issue, raising concerns about the assurance industry's ability to maintain the number of registered auditors and continue providing assurance services to public and private entities. A mixed methodology surveyed RAs registered with the South African Institute of Chartered Accountants and the Independent Regulatory Board of Auditors to identify trends, challenges, and opportunities in the audit profession, and to assess how the decline of RAs impacts the assurance industry. The decline of RAs strains client demands, raises workloads, and causes a shortage of audit firms, affecting audit quality and methodologies. Firms struggle to attract talent due to regulatory, economic, and work-life issues, leading to higher fees, compliance costs, and training needs. Smaller firms are disproportionately impacted, scaling back assurance services. This study highlights the urgent need for regulatory bodies to address the compliance issues faced by audit firms and find solutions to attract and retain talent. This study contributes to the audit profession's ability to sustain itself during a decline of RAs.

Keywords:

Assurance, Audits, Independent Regulatory Board for Auditors, Technology Advancements, Regulatory Challenges

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Introduction

The assurance industry in South Africa conducts external audits of companies and public sector entities to ensure financial integrity. Non-assurance services are usually for individuals in academia or financial roles who are not directly involved in audits. (Irba, 2019). Registered Auditors (RAs) provide independent scrutiny of financial statements, strengthening stakeholder trust. The Independent Regulatory Board for Auditors (IRBA), South Africa's regulator, ensures high-quality audits to protect investors and the public, fostering confidence in financial reporting. (National Government of South Africa, 2006).

Recent trends show a concerning global decline of auditors, raising alarms for the assurance industry's sustainability (Abrahams and Phesa, 2025). According to the IRBA's 2023 and 2024 annual reports, the total number of registered auditors, including assurance and non-assurance auditors, declined by 14% from 2019 to 2024 (4,019 in 2019 and 3,527 in 2024) (Irba, 2024, Irba, 2023a). In the same period, the number of assurance auditors declined by 6% (2,889 in 2019 and 2,703 in 2024) (Irba, 2024, Irba, 2023a). Factors contributing to auditors' decline include regulatory changes like increased IRBA fines, overregulation, expectation gaps, talent shortages, technological impacts, financial pressures, and risk factors such as reputational and financial risks, with audit fees often not covering penalties (Abrahams and Phesa, 2025).

Furthermore, according to (Saica, 2023b), Thandokuhle Myoli, Executive for Audit and Assurance at the South African Institute of Chartered Accountants (SAICA), said IRBA's proposed fines could discourage entry or retention in auditing, especially amid declining registered auditors. He added that professional emigration worsens this issue. He was concerned that reducing auditors threatens the South African economy, especially harming Small and Medium-Sized Enterprises (SMEs). Limited RAs, especially in small and medium practices, may unfairly disadvantage SMEs in choosing audit firms, (Saica, 2023b).

The purpose of the study is to unearth the impact of the decline of RAs in South African audit firms. To conduct the study, we design the research question. The research question guiding this study is: What are the factors and effects of the decline of RAs in South African Audit Firms?

To answer this research question, we conducted a survey as outlined in the methodology section. The study highlights the contagious issue of assurance auditor shortages in South Africa, straining the industry. It assesses the impact of declining RAs in South African audit firms. As the first of its kind in this context, the study adds to the literature and ongoing debate on RAs' impact in the assurance industry.

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The following sections of the article outline the literature review, methodology, analysis, findings, and conclusions. The conclusion includes the contribution of the study, limitations, recommendations for practice and policy and directions for future research.

Literature review

This section offers an overview of previous researchers' findings and identifies gaps in the existing research. Furthermore, it establishes a foundation for the theoretical studies upon which this thesis is based.

Theoretical Review: Behavioural Theory

According to Ajzen (1991), there are three different considerations that influence an individual's behaviour: behavioural, normative, and control beliefs. The author states that behavioural belief is about the outcomes, whether good or bad, and this shapes an individual's attitude towards a behaviour. Furthermore, the author stated that normative belief is the perceived expectation of others and motivation to comply with these expectations, and lastly, control beliefs are how easy or hard a behaviour seems and are based on past experiences as well as expected challenges (Ajzen, 1991). In addition, the journal focuses on the Theory of Planned Behaviour (TPB), a psychological theory that explains how individuals' intentions, attitudes, subjective norms, and perceived behaviour influence their behaviour.

The behavioural theory underpins this study as the study will consider the psychological factors that influence auditors' behaviour that leads to the reduction of registration and lack of interest to the auditing profession by prospective RAs. Empirical literature will offer evidence-based insights into the decrease in number of RAs over time, allowing us to analyse the trends seen in the IRBA annual reports. The study aims to investigate the reasons behind this decline, such as changes in regulatory requirements, economic factors, and shifts in the job market, per the study performed by Harber (2018). Additionally, the study will examine the impact of the decreasing number of auditors and the impact it may have. Behavioural theory can help enlighten auditors' actions and decisions. This theory is deemed relevant as it will reveal the psychological factors that influence auditors' behaviour, such as motivation, decision-making processes, and responses to regulatory changes (Harber, 2018). The following section covers empirical literature.

Empirical Literature

The decline of RAs in South Africa is a concern within the profession and has been discussed amongst regulatory boards such as SAICA and IRBA. Various factors contribute to the decline, including regulatory changes, economic pressures, and shifts in the job market. This section reviews empirical studies investigating the causes and current and future impacts of the decline of RAs in South Africa.

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An empirical study completed in South Africa concerning the decline of RA was done by Harber (2018), his research utilised both interviews and surveys, collecting responses from 336 auditors. Furthermore, his findings were that public misunderstandings make the profession less appealing, the field is high risk, requires complex work, and is highly regulated. These concerns are still ongoing, and we will analyse previous research findings and identify gaps that require further investigation.

According to Harber (2018), his journal explored the nature and consequences of a possible decline in the appeal of the South African audit profession. The author has a similar view on the reasons for the decline in registered auditors; however, the journal was written in 2018, and many factors have evolved since then (Harber, 2018). The IRBA fines became more stringent; during and after COVID-19, many people were allowed to work from home in South Africa for overseas companies, and there was a higher demand for CAs to work overseas. In addition, his research included the impact of MAFR, which is no longer the case since the court ruled that MAFR is no longer applicable in South Africa. The Mandatory Audit Firm Rotation (MAFR) was removed in South Africa (Mantshantsha, 2023), and the stringent fines by IRBA have increased. The MAFR initially imposed a maximum audit tenure of ten years on audit firms. After the ten-year mark, the audit firm is no longer eligible to continue auditing the client due to impaired independence. Maintaining independence is crucial to conducting a quality audit, and the Code of Professional Conduct outlines various threats to independence that auditors must consider before accepting or continuing to audit a client (Set aside of MAFR poses little risk to investors since the majority of public interest entity auditors have already rotated, 2023). Furthermore, the journal he wrote examines the perception regarding the diminishing attractiveness of the audit profession in South Africa and its potential impact on audit quality. His studies utilised a mixed-methods approach focusing on interviews with senior audit practitioners. In addition, his study identified a significant concern over the decreasing interest in auditing as a career choice, which may adversely affect audit quality. His findings were that the primary reasons for this trend include heightened regulation and risk in the audit sector and better remuneration in alternative careers. His journal also highlights a perceived over-regulation in the industry and an expectations gap between the public's understanding of an auditor's role and the actual responsibilities, contributing to the profession's declining appeal.

In summary, his journal calls for further research to understand the implications of this trend. His findings suggest that regulators, academics, and the profession must address these challenges to sustain audit quality (Harber, 2018). The stringent IRBA fines imposed on RAs could be due to scandals within the profession, which may further discourage people from entering the profession because the profession may seem too risky. The scandals that brought disrepute to the profession were the VBS Bank and Steinhoff (Mdhluli et al., 2023). According to Mdhluli et al. (2023) the failure of VBS Bank was linked to KPMG, who, as auditors, reportedly neglected to disclose financial misstatements. This scandal emphasis the ethical shortcomings and the need for accountability within auditing firms. Furthermore,

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the VBS Bank scandal involved accounting fraud, where profits were overstated by $7.4 billion from 2009 to 2017, which led to the loss of shareholder equity and resignations. According to Oben (2021), the author states that challenges and recurring accounting malpractices in South Africa's accounting sector focus heavily on the controversies surrounding the KPMG within South Africa, and it is part of a global company. The author further emphasises the significant effect these scandals have on the integrity of the accounting profession and the need for stringent regulatory measures. The next section outlines the methodology used to conduct the study in detail.

Methodology

This study used a mixed-methods approach with the Honeycomb model for coherence in philosophy, strategy, design, data collection, and analysis. Data were collected via survey and analysed with descriptive and thematic methods to meet objectives. It follows a pragmatic philosophy supporting quantitative and qualitative integration, aligning with the mixed-method design and goal to produce relevant, practitioner-informed insights. The survey targeted existing and potential RAs to understand their decline and impact on South African assurance audit firms. It was distributed via email to firms in South Africa, using addresses from the IRBA website. In addition, SAICA distributed the survey via their connect newsletters on 3 April, 17 April and 2 May 2025 to reach out to the CA(SA)s. The survey was open for response from 1 March to 7 May 2025. Regarding the data analysis, we analysed survey data to identify patterns and trends in certain keywords in the qualitative data collection. The sample for the survey was based on Cochran's formula. The formula was applied because the total number of CAs is 37,940, per the Saica (2023a) report. The reason for the CAs number used is that we were surveying existing RAs and potential RAs. The gatekeepers' letters were obtained from IRBA and SAICA. These potential RAs were in the population pool of CAs. We excluded ACCA, as this is a new accreditation with IRBA that does not affect the numbers significantly. Furthermore, we have limited time available to survey all existing and potential RAs in the assurance industry. In addition, the number is too large, according to Bartlett et al. (2001). The Cochran's formula is as follows:

$$no = \frac{(t)^2(p)(q)}{(d)^2}$$

The variables in the formula are:

no = minimum sample size

t = the value of the selected alpha level (1.96). This indicates the level of risk the researcher is willing to accept if the true margin of error exceeds the acceptable margin of error (Bartlett et al., 2001).

p and q = the (estimated) proportion which has the attribute in question is 0.5.

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d = is the margin of error (at a 95% confidence level, the result is 0.05).

$$no = \frac{(1.96)^2(0.5)(0.5)}{(0.05)^2}$$

Therefore, the minimum sample size is 384.

However, Cochran's formula further allows the use of the population per Bartlett et al. (2001). In our case, the number of CAs at the end of 2023 was 37,940. Therefore, the final formula to determine the sample size for the surveys will be as follows:

$$n1 = \frac{no}{(1 + \frac{no}{population})}$$

The variables in the formula are:

n1 = required return sample size because sample > 5% of population

no = minimum sample size per the first formula.

population = population size of the number of CAs at the end of 2023.

$$n1 = \frac{384}{(1 + \frac{384}{37940})}$$

$$n1 = \frac{384}{(1{,}010121244069584)}$$

$$n1 = 380$$

Therefore, the final sample size for this study was based on 380 existing and potential RAs to be surveyed within South Africa.

We used Cronbach's alpha to verify data reliability and axial coding for surveys, which were completed via Microsoft Forms. Data was collected in Excel and analysed with the latest Statistical Package for the Social Sciences (SPSS). The analysis included demographic, descriptive, and inferential statistics. This analysis method is consistent with the recent study of Mdhluli et al. (2023) about perceptions of accounting professionals about the current state of the profession.

Analysis and Results

This chapter presents findings from a survey of 201 respondents, a 53% response rate from an expected 380. Distributed via email to about 1,600 audit firm addresses across South Africa and included in a SAICA newsletter for CA(SA)s, the survey faced challenges, but still garnered 201 valid responses, achieving a 53% response rate. This is considered high for professional survey research and exceeds

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the averages typically reported in the literature for both organisational (35.7%) and individual (52.7%) survey targets (Baruch and Holtom, 2008). This indicates high engagement among respondents, including auditors, accountants, and assurance professionals in South Africa. Findings, organised by research questions and framework, combine quantitative and qualitative data to assess the drivers, impact, and perceptions of the decline in RAs on South African assurance firms.

Demographic Overview

The respondent pool was demographically diverse and suitable for the study's objectives. The age distribution shows a mature professional base, with the largest groups being 35–44 years (24.4%), 45–54 years (24.9%), and 55–64 years (22.9%), indicating longstanding exposure to regulatory and market changes. Their insights are valuable for assessing long-term trends, such as the decline in RAs, and the impact of policy reforms like ADP and IRBA. The gender distribution is 61.2% male and 38.8% female, reflecting broader gender roles in South African auditing firms, with male dominance common among partners and registered auditors. Racially, 69.2% of respondents were white, with minorities including Black African (17.4%), Coloured (5.5%), and Indian (6.0%), aligning with IRBA's historical composition. This highlights ongoing challenges related to transformation and equity. Geographically, most respondents were from Gauteng (45.3%) and Western Cape (21.9%), with fewer from other provinces and a small international group (2.5%). Urban concentration is typical, as most firms and regulatory bodies are based in economic hubs. Respondents from these regions often have experience with larger firms and higher-risk clients, relevant to audit regulation debates. Notably, 65.7% were RAs and 61.2% held the CA(SA) designation, ensuring credible insights based on direct engagement with standards and regulatory issues. These figures reflect some overlap, as many RAs also hold the CA(SA) designation. This demographic profile indicates a knowledgeable and experienced group, providing a solid foundation for analysing trends and responses to industry pressures.

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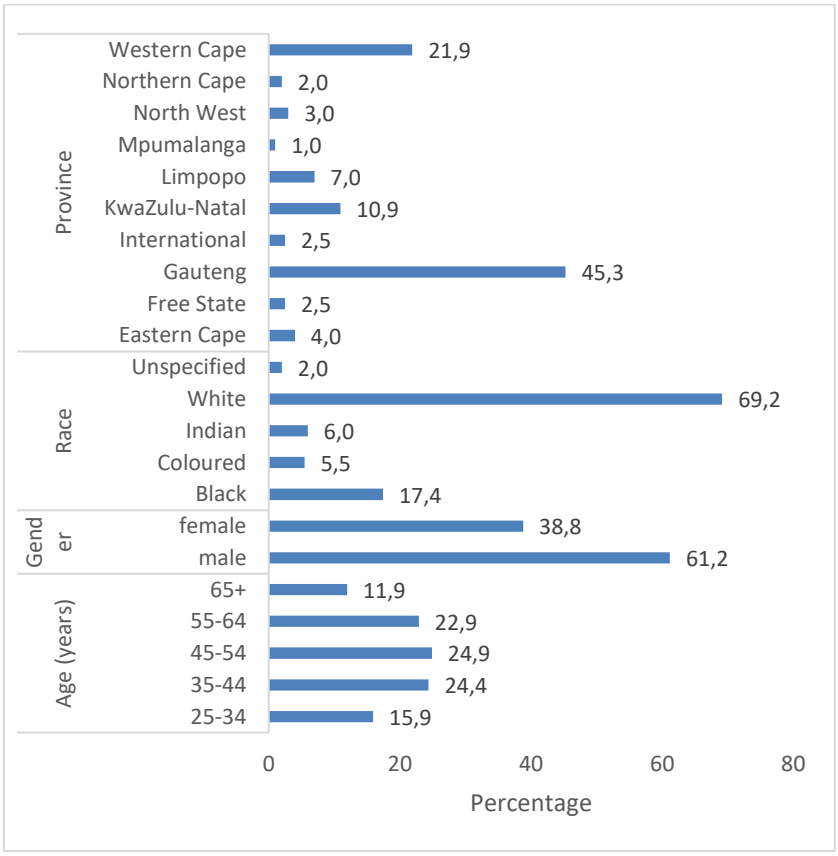

Figure 1: Demographic Overview

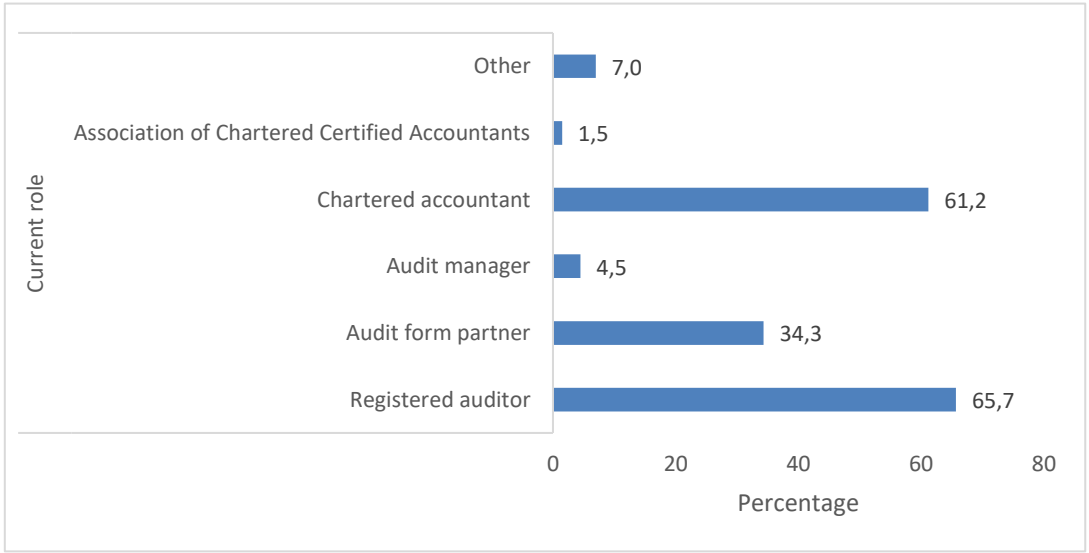

Figure 2: Current Roles of Survey Respondents

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Perception of Decline in RA Numbers

When asked whether they had observed changes in the number of RAs over the past five years, 85.6% reported a perceived decline, with only 2% citing an increase and 12.4% reporting stability. A chi-square goodness-of-fit test confirmed the statistical significance of this trend ($\chi^2 = 250.119$, $df = 2$, $p < .001$). This overwhelmingly consistent perception across roles and provinces suggests a structural rather than anecdotal shift in the professional landscape.

Item	Responses as Frequency (%)			X^2	df	p-value
	Increase	**Decrease**	**Stable**			
Changes in the number of Registered Auditors in South Africa over the past 5 years	4 (2.0)	172 (85.6)	25 (12.4)	250.119	2	<.001

Table 1: Perceived Changes in RA Numbers

Contributing Factors to the Decline of RAs in South Africa

The binomial tests conducted on potential contributing factors revealed statistically significant support for regulatory changes (84%, $p < .001$) and economic conditions (72%, $p < .001$) as primary drivers. While frequently cited in qualitative responses, technological advancement, mental health, and work-life balance concerns were not statistically supported as dominant factors.

Factors contributing to changes	Frequency (%)		n	p-value
	Yes	No		
Regulatory changes	169 (84)	32 (16)	201	<.001
Economic conditions	145 (72)	56 (28)	201	<.001
Technological advancements	26 (13)	175 (87)	201	<.001
Mental health	59 (29)	142 (71)	201	<.001
No work-life balance	98 (49)	103 (51)	201	.778

Table 2: Contributing Factors Identified

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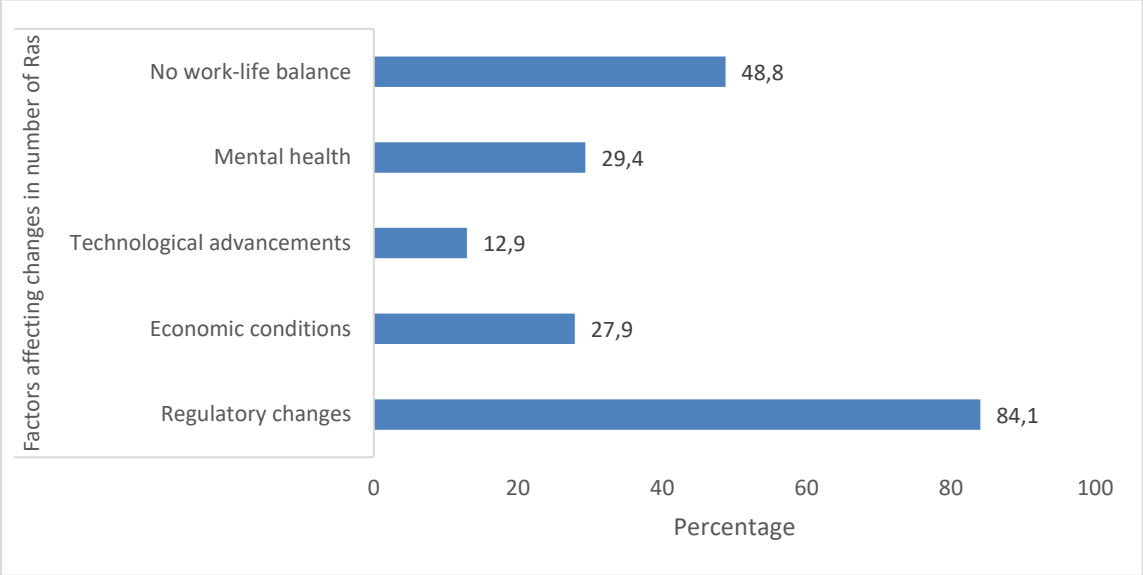

Figure 3: Factors Affecting Changes in Number of Ras

Qualitative data contextualised these results. Respondents criticised the Independent Regulatory Board for Auditors (IRBA) for its "punitive culture," "excessive fines", and a "compliance-driven" approach that disproportionately affects smaller firms. Many framed their disillusionment with phrases such as "the risk is no longer worth the reward" and "we are over-regulated and under-supported." The recurring theme was the 18-month Audit Development Programme (ADP), cited as a significant barrier to entry for newly qualified CA(SA)s.

Fines Charged by IRBA

The majority of respondents (63.7%) acknowledged that IRBA-imposed fines had influenced their decision not to pursue RA registration. This finding ($\chi^2 = 92.448$, $df = 2$, $p < .001$) highlights how regulatory enforcement, rather than promoting professional standards, may be functioning as a deterrent to professional participation. Additionally, 31.8% reported that audit scandals, notably involving large firms, had negatively impacted their view of the profession ($\chi^2 = 49.164$, $df = 2$, $p < .001$).

Quotes from participants reinforce this tension:

"*I left the profession because the fines were absurd and the support from IRBA was non-existent.*"

"*Being treated like a criminal for errors has made me reconsider my future as an auditor*."

Effect of Change in Numbers on Audit Firm

Although most respondents did not perceive increased competition within the audit firms (91% answered "no"), 52% indicated difficulty in hiring qualified audit staff, which was the most prominent firm-level

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challenge. Interestingly, changes in audit fees and client acquisition rates were not seen as statistically significant problems, though narrative data suggested that fee pressure was a major underlying stressor.

Effect of change in numbers on audit firm	Frequency (%)		n	p-value
	Yes	No		
Increased competition	18 (9)	183 (91)	201	<.001
Difficulty in hiring qualified auditors	104 (52)	97 (48)	201	.672
Changes in audit fees	53 (26)	148 (74)	201	<.001
Changes in client acquisition and retention	59 (29)	142 (71)	201	<.001

Table 3: Perceived Firm-Level Challenges

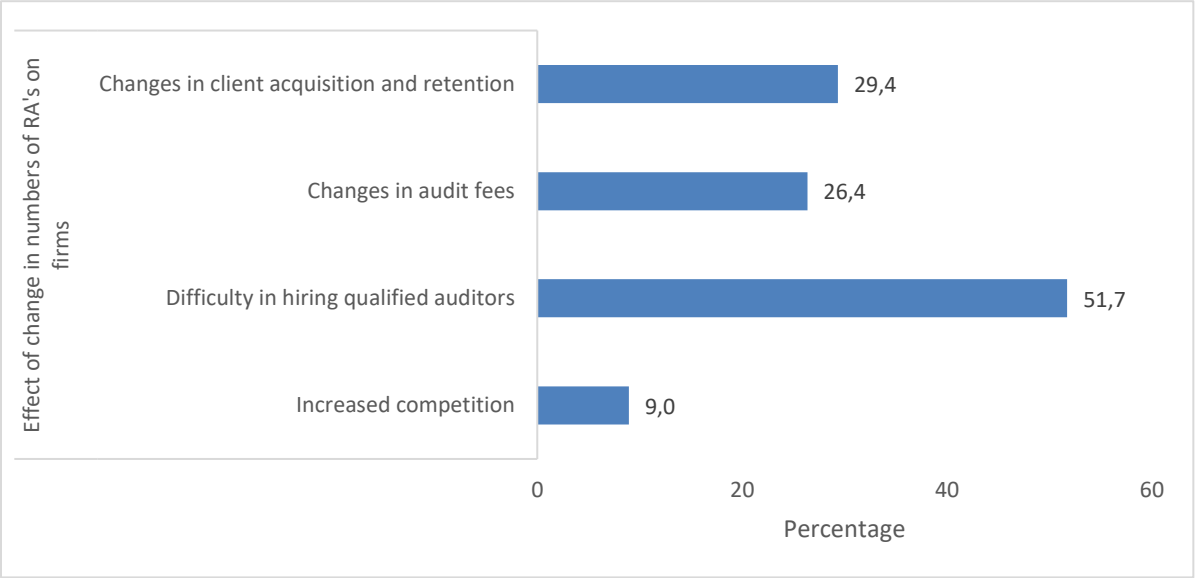

Figure 4: Effect of Change in Number of RAs on Audit Firms

Effect of Regulatory Changes on the Audit Firm

A focused binomial test was conducted to assess perceptions regarding the effect of regulatory changes on audit firms. The results reveal several statistically significant impacts. Firstly, 69% of respondents indicated that regulatory changes have increased compliance costs for their firms ($p < .001$). This aligns with qualitative findings referencing rising administrative burdens and disproportionate costs for smaller

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firms. Secondly, 78% of respondents did not believe regulatory changes enhanced audit quality ($p < .001$). This result suggests a critical disjunction between the intended purpose of regulatory reforms and their perceived effectiveness among practitioners. Thirdly, 64% of respondents agreed that additional training and development requirements have arisen due to regulatory changes ($p < .001$). While this may reflect a positive push toward competence, it also suggests increased cost and time commitments for audit professionals and firms. Collectively, these results indicate that regulatory reform, while well-intentioned, has contributed more to the burden than the benefit for many auditors. The perception that regulations elevate cost and complexity without improving quality may further erode professional morale and interest in remaining within the assurance space.

Effect of regulatory changes on audit firm	Frequency (%)		n	p-value
	Yes	No		
Increased compliance cost	139 (69)	62 (31)	201	<.001
Enhanced audit quality	44 (22)	157 (78)	201	<.001
Additional training and development requirements	128 (64)	73 (36)	201	<.001

Table 4:Effect of Regulatory Changes on Audit Firms

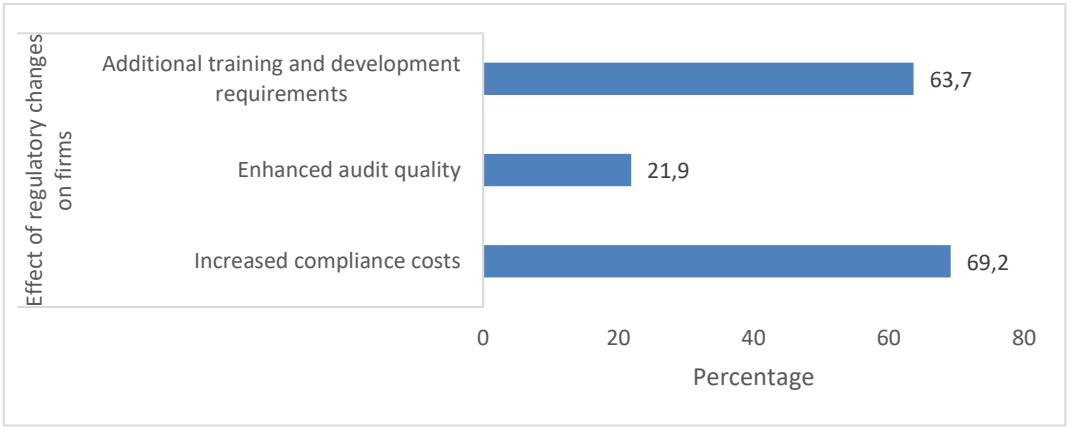

Figure 5: Effect of Regulatory Changes on Audit Firms

Long-Term Implications for the Audit Firm

The long-term effects of the decline in RAs were studied using binomial testing on key areas. Results showed significant findings that raise concerns about the audit profession's sustainability. Firstly, 63%

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of respondents reported no changes in audit firm structures, while 37% saw changes, a significant result ($p < .001$). This indicates that structural changes are limited to a subset of the profession, likely those facing capacity or compliance issues. Secondly, 71% believed there has been no evolution in audit methodologies despite rising regulatory complexity and digital change, another significant finding ($p < .001$), signalling a lack of agility in adapting to technological shifts. Additionally, 68% disagreed that client expectations have shifted ($p < .001$), suggesting clients still undervalue audit services amid increasing compliance pressures costs. As one respondent noted, “Clients just want the clean audit report, they don’t care how many hours go into producing it.”

Moreover, the data showed that 67% believed there is a shortage of IRBA-registered firms, with only 33% disagreeing ($p < .001$). This shortage, corroborated by IRBA’s published figures, is especially problematic in the SME audit space, where fewer practitioners are willing to absorb the risks and administrative burden of audit engagements. Regarding reputational damage, 33% of respondents believed the audit profession has suffered long-term image erosion ($p < .001$). This aligns with open-ended feedback referencing scandals, overregulation, and media portrayals as contributors to declining public trust. One respondent remarked:

“*The reputation of auditors has been diminished not by the majority, but by the 5% whose scandals dominate the headlines, and the rest of us are paying the price*.”

Interestingly, "lack of audit quality" was not statistically significant ($p = .888$), with opinions split almost evenly. This suggests that while quality may hold, it comes at the cost of the auditor's well-being, profitability, and sustainability.

- The open-ended responses reinforced the quantitative results, highlighting risks such as:
- Decreased attractiveness of the profession to younger professionals;
- Increased reliance on technology and potential marginalisation of human auditors;
- The widening gap between client demands and the scope of audit standards;
- Predictions of a shrinking pool of audit firms, dominated by a few large players;
- Regulatory fatigue driving small firms to deregister or exit the profession.

These findings collectively suggest that the audit profession is at an inflection point. Without deliberate policy reforms to balance regulatory expectations with practical realities, the long-term outlook for small-to-mid-tier audit firms, and the RA designation itself may be at risk.

Long-term implications for the audit firm	Frequency (%)		n	p-value
	Yes	No		

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Changes in audit firm structures	74 (37)	127 (63)	201	<.001
Evolution of audit methodologies	58 (29)	143 (71)	201	<.001
Shifts in client expectations and demands	65 (32)	136 (68)	201	<.001
Lack of quality	102 (51)	99 (49)	201	0.888
Shortage of IRBA firms	134 (67)	67 (33)	201	<.001
Reputational damages	66 (33)	135(67)	201	<.001

Table 5: Long-term Implications for the Audit Firms

Figure 6: Long-term Implications for the Audit Firms

Shifting Industry Preferences

Further evidence of declining interest in audit is reflected in career preferences. While 31.3% of respondents expressed a preference for the audit industry, 42.3% favoured commerce, with others opting for academia (11.4%) or alternative professions (14.4%). The chi-square test confirmed this distribution as significant ($\chi^2 = 51.280$, df = 3, $p < .001$).

These figures align with migration trends identified in qualitative responses, where emigration, alternative designations (e.g. South African Institute of Professional Accountants (SAIPA), ACCA,

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Chartered Institute of Management Accountants (CIMA)), and non-assurance services were cited as attractive alternatives for smaller audit firms.

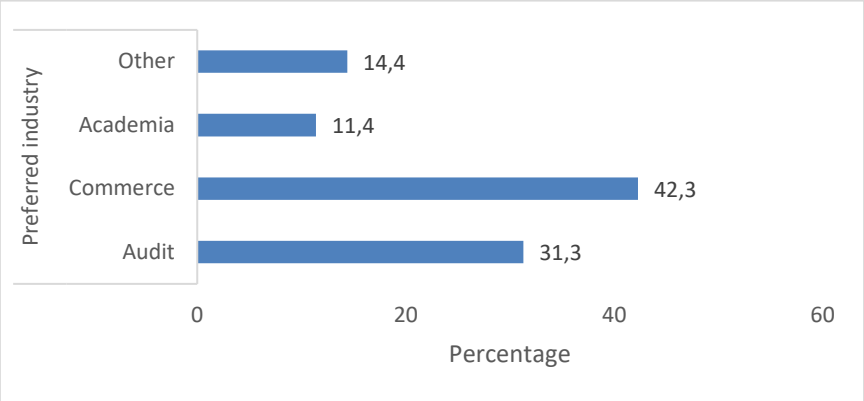

Figure 7: Preferred Industries to work in

Emergent Themes from Open-Ended Responses

The following section presents a thematic analysis of open-ended responses collected from current and former auditors and CA(SA)s regarding the challenges facing the auditing profession in South Africa. The findings highlight perceptions around regulatory challenges, the attractiveness of the Registered Auditor (RA) designation, and systemic pressures influencing professional decisions. The analysis is grounded in Institutional Theory, which offers insight into how regulatory, normative, and cultural-cognitive pressures shape institutional behaviour and individual participation in the profession.

Overregulation and compliance burden

A dominant theme in the dataset is the perception of overregulation. Many respondents reported that the auditing profession is overburdened by regulatory requirements, especially from IRBA. This was particularly pronounced among small and medium practices (SMPs), who expressed frustration at what they perceived to be one-size-fits-all standards that are inappropriate for low-risk clients.

"*The IRBA expects a compliant audit file, but clients only see an audit for what it benefits them.*"

Institutional Theory's concept of regulative isomorphism is relevant here. Regulatory agencies impose structures that shape organisational behaviour, but when these structures become misaligned with operational realities, professionals begin to exit the field or disengage.

Economic viability and fee pressure

Another recurring issue is the economic unsustainability of audit work. Respondents noted that clients are unwilling to pay fees commensurate with the time, effort, and risk involved in audits. This leads to underpricing, compromised audit quality, and burnout.

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"*Clients want the clean AFS, but not the process*."

Audit firms, particularly SMPs, find themselves squeezed between IRBA's expectations and client budgets. This has led many to consider exiting audit services altogether. Under Institutional Theory, this reflects a decoupling between institutional rules and actual practices, a survival strategy when compliance becomes impractical.

Reputational damage and role of the IRBA

There is widespread sentiment that the IRBA contributes to reputational damage in the profession. Multiple respondents viewed the IRBA as punitive, excessively focused on fines, and unhelpful in practice.

"*The IRBA sees us as guilty until proven innocent*."

This perception undermines the normative pillar of Institutional Theory, which is based on professional standards and shared norms. Instead of reinforcing professionalism, respondents feel the regulator erodes trust and deters future auditors.

Declining attractiveness of the RA designation

Respondents consistently noted that the RA designation has become unattractive to younger professionals. The long and difficult qualification path, particularly the Audit Development Programme (ADP), was seen as a barrier. Additionally, the poor work-life balance, mental health pressures, and relatively low compensation were seen as discouraging.

"*I now advise my grandchildren to avoid the profession at all costs*."

This sentiment aligns with the cultural-cognitive pillar of Institutional Theory, its cultural legitimacy diminishes when the profession is no longer seen as a desirable or viable career path.

Talent pipeline and skills deficit

Several practitioners expressed concern about the declining technical competence of audit trainees. Some attributed this to changes in the CA2025 training model, while others pointed to poor-quality training environments in smaller firms.

"*They've done articles, but they've never seen a proper audit file*."

This not only threatens the quality of audit outcomes but also challenges the long-term sustainability of the profession. The skills gap undermines both organisational capacity and public confidence.

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Broader systemic issues

Finally, respondents contextualised their concerns within broader socio-economic and political challenges in South Africa. Corruption, political instability, and economic contraction were all cited as contributing factors.

"*Audit has become meaningless in the face of South Africa's real issues like fraud, mafia, and corruption*."

These pressures exist outside the immediate profession but shape the environment in which auditors operate. This reinforces the need for institutional reflexivity, where both regulators and the profession adapt to external realities to remain viable.

In summary, the qualitative findings show that the decline in RAs results from regulatory overreach, economic disincentives, reputational harm, and reduced cultural appeal. Institutional Theory helps explain how the mismatch between ideals and realities leads to disengagement. Reform is urgent to make the RA designation viable and attractive, with suggestions like differentiated standards for SMEs, revising the ADP, providing support, and fixing the fee-quality imbalance. Despite different perspectives, these voices call for balance, support, and sustainability in a profession once seen as prestigious.

Discussion

This chapter interprets the study's results by evaluating them against existing literature on RAs' decline in South Africa and globally. Guided by behavioural theory, it examines how beliefs, perceptions, and motivations influence decision-making. The discussion considers factors such as perceived risk, cognitive dissonance, dissatisfaction, and loss of control in declining interest in the RA designation. It shows how the findings confirm, extend, or challenge current behavioural insights in auditing.

The Decline in RAs is Widely Perceived and Statistically Evident

Data show professionals agree that RAs in South Africa have declined over five years, aligning with published data by Irba (2024) and international trends observed by Abrahams and Phesa (2025), who noted a global decline in audit attractiveness. This perception was consistent across demographic groups, including age, province, and professional designation, confirming that the decline is systemic rather than anecdotal. The statistically significant finding supports industry concern that the RA pipeline is weakening (Harber, 2018). The majority of respondents perceiving a decline in RAs aligns with recent literature showing reduced participation in auditing locally and globally. For example, Brownlee (2023) highlights a steady drop in registered auditors in Australia, mirroring South African professionals' sentiments. Similarly, Ck Search Global (2024) reports show ongoing contraction in audit firm numbers across jurisdictions, indicating a structural, not just national, issue.

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In the South African context, Mdhluli et al. (2023) found that professionals in the accounting and finance sectors see the profession as declining due to regulatory pressure and declining interest among youth entrants. These patterns are echoed by Dawkins (2023), who frames declining enrolments in accounting programmes as a “call to action,” highlighting a shrinking pipeline of future professionals directly impacting the RA population.

Regulatory Burden is the Primary Driver of the Decline

The most dominant finding was that regulatory changes, particularly those associated with the IRBA, were perceived as the leading factor contributing to the decline. This aligns with Harber (2018) who highlighted practitioners' disillusionment due to increased compliance burdens and reduced autonomy, especially in small to mid-sized practices. Respondents echoed this concern, citing IRBA's enforcement and audit file complexity as deterrents. This aligns with Hecimovic et al. (2009) who shared that increased documentation, regulatory compliance costs, and talent loss were recurring concerns. Respondents called these changes overly punitive, rigid, and unfair to smaller firms. The ADP was seen as a barrier, discouraging young professionals from becoming RAS, and these pressures lead to institutional disengagement. Moreover, the South African Accounting Academy (2024) reported on practitioner pushback against IRBA’s maximum fines and regulatory actions, suggesting that fear of punishment actively contributes to disengagement. This is supported by Oben (2021), who argued that the credibility of the auditing profession in South Africa is at risk due to a perceived imbalance between support and oversight.

Economic Unsustainability Undermines Professional Viability

Respondents frequently cited fee pressure and low audit profitability as reasons for leaving the audit space or avoiding registration. This aligns with Caseware (2024) findings, which report that audit firms, particularly smaller practices, face significant challenges in maintaining profitability under current compliance burdens. The cost of compliance, combined with limited client willingness to pay for quality audits, creates an unsustainable business model for many firms, particularly small and medium practices. This aligns with Eldaly (2012) that suggested that audit regulations increase operational costs, centralisation, and stress among auditors. In addition, Thandokuhle Myoli, Executive for Audit and Assurance at SAICA, shared similar concerns that this reduction in the number of auditors poses a potential threat to the South African economy, particularly impacting SMEs. The limited availability of RAs, particularly in small and medium practices, may unfairly disadvantage SMEs in choosing audit firms (Saica, 2023b). While regulation aims to protect quality, it appears to be eroding the economic feasibility of audit work.

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IRBA Enforcement and Fines Are Viewed as Punitive

A significant portion of respondents linked their decision to deregister or avoid registration to the fines imposed by IRBA and these concerns were raised that the regulatory risk may outweigh the potential rewards of being a RA (Irba, 2023b). Furthermore, the same sentiment was shared according to Saica (2023b), Thandokuhle Myoli, Executive for Audit and Assurance at SAICA, stated that the proposed fines by IRBA could discourage individuals from entering or remaining in the auditing profession, especially considering the existing decline in registered auditors. The enforcement environment was widely described as adversarial, with the regulator perceived as offering little practical support to RAs. This finding highlights a disconnect between regulatory intention and perceived institutional trustworthiness, which is eroding the normative commitment to the profession.

The Decline Has Practical Consequences for Audit Firms

Many firms are struggling to hire qualified staff and retain interest in audit work. According to Caseware (2024), the report stresses the challenges of retaining talented staff within the accounting profession and the impact new laws and regulations have on the industry. Despite this, audit fees are not increasing in line with audit effort or compliance expectations. This gap is creating operational and reputational strain. Firms also reported that quality expectations are increasing, but without a corresponding improvement in audit methodologies or client appreciation. Similar views were shared in accordance to Porter et al. (2012), it recommends stakeholder education and regulatory alignment to address society's unrealistic expectations of auditors. In addition, Eldaly (2012), identified strategic responses of Big Four firms to regulatory changes, including methodological reviews, conservative client acceptance, and audit quality control. He suggested that audit regulations increase operational costs, centralisation, and stress among auditors (Eldaly, 2012).

The Profession Faces Long-Term Risk without Reform

The findings point to broader systemic risks. There is a growing belief that the profession is losing its legitimacy and relevance, both internally and in the eyes of clients and the public. While audit quality is technically being maintained, this comes at a significant cost to firms and individual professionals. The shortage of IRBA firms, reputational damage, and low career preference for audit roles all signal that the RA designation is at a crossroads. These concerns are consistent with Harber (2018), who noted that ongoing reputational damage, regulatory burdens, and changing career preferences are undermining the profession's sustainability. Mdhluli et al. (2023) similarly argue that the profession's appeal has deteriorated, especially among younger professionals, due to perceived rigidity, limited growth opportunities, and an imbalance between expectations and rewards. While audit quality may still

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be technically upheld, as reported by Brás et al. (2024), this often occurs at significant cost to firms and individuals in relation to automation, signalling that the RA designation is at a critical inflection point.

Cultural Appeal and Talent Pipeline are in Decline

The RA designation is increasingly viewed as unattractive, particularly by early-career professionals. Reasons cited include poor work-life balance, mental health concerns, long qualification pathways, and inadequate financial rewards. Additionally, a perceived decline in technical competence among trainees points to weakening the profession's human capital base. These findings reflect similar concerns raised by Dawkins (2023), who highlighted declining enrolments in accountancy as a red flag for the future talent pipeline. The same sentiment was shared by Persellin et al. (2019), that stated key issues include impaired judgment, reduced scepticism, and shortcuts in documentation. As a result, staff shortages and tight deadlines are cited as the root causesn(Persellin et al., 2019).

The perception of a declining skills base among audit trainees is also supported by Caseware (2024), which noted firm-level concerns regarding the technical readiness of young professionals entering the field.

Behavioural Factors Driving Professional Disengagement

Framed by behavioural theory, the findings suggest that individual-level perceptions, attitudes, and decision-making processes significantly influence the decline in RA registrations. Respondents consistently expressed feelings of burnout, frustration with regulatory complexity, and a lack of reward relative to risk, factors that behavioural theory recognises as shaping intention and behaviour. Perceived barriers such as punitive regulation, reputational risk, and low personal benefit reduce motivation to remain in or pursue the RA pathway. This aligns with Ajzen (1991), which posits that attitudes toward the behaviour, subjective norms, and perceived behavioural control shape behavioural intentions. In this case, many professionals perceive the risks of remaining in the profession as outweighing the benefits, feel unsupported by regulatory institutions, and report limited control over career outcomes. These conditions contribute to harmful behavioural intentions, resulting in disengagement or career shifts away from assurance roles. Similarly, the observed trends echo findings by Garvey et al. (2021), who emphasise how personal and professional tension, such as the conflict between ethical responsibility and organisational pressures, can drive behavioural withdrawal in accounting professionals. In the South African audit context, this manifests in decreased RA uptake, early exits from the profession, and a diminished talent pipeline.

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Conclusion

This study assessed the decline of RAs in South African audit firms, guided by Behavioural Theory. It explored how regulatory, normative, and cultural pressures influence professional participation, answering: What are the factors and effects of the decline of RAs in South African Firms? Using a mixed-methods approach,

findings show widespread perceived decline supported by statistics. Regulatory overreach from IRBA, punitive enforcement, compliance burdens, and the inflexible ADP structure were major deterrents. Economic issues, reputational damage, poor work-life balance, and reduced career appeal also undermined RA attractiveness, reflecting behavioural drivers like negative attitudes and perceived lack of control.

This research adds to limited empirical studies by offering dual-perspective analysis grounded in theory and provides evidence for policy reform, aiming to reposition the profession's relevance. It stresses aligning regulations with realities to restore trust and retain professionals.

Limitations include possible underrepresentation of non-CA(SA) professionals, absence of perspectives from IRBA and SAICA, though the 53% response rate is strong, with some non-response bias acknowledged.

Recommendations include reforming the ADP for entry, tailoring regulations for SMEs, shifting IRBA's approach to development, enhancing audit value through public engagement and fair fees, and investing in talent through mentorship and training.

Future research should explore regulator and client perspectives, the impact of firm consolidation, and technological solutions. International comparisons may reveal if South Africa's situation is global or unique.

In conclusion, without reform, the RA profession in South Africa faces attrition, quality decline, and reputational harm. Coordinated stakeholder action can revitalise the profession for public interest and accountability.

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