



MANEO

ISSUE 39 • JUNE 2004

NEWSLETTER FROM THE PUBLIC ACCOUNTANTS' AND AUDITORS' BOARD
NUUSBRIEF VAN DIE OPENBARE REKENMEESTERS- EN OUDITEURSRAAD

REPORT FROM THE CHIEF EXECUTIVE OFFICER

The issue of auditor independence is becoming increasingly complex globally. The International Federation of Accountants (IFAC) issued a revised Code of Ethics for Professional Accountants in November 2001. The major revisions to the Code were in respect of independence issues and Section 8 of the Code dealing with independence runs to some 35 pages. During 2003 IFAC issued an interpretation relating to certain of the independence issues and in 2004 issued exposure drafts proposing revisions to the Code relating to independence issues.

The IFAC Code is intended to serve as a model for member countries on which to base national ethical guidance. It recognises that national regulatory standards may be more stringent than those of the IFAC Code. I would urge all practitioners to familiarize themselves with the current status of our Code of Professional Conduct in South Africa contained in Section 4 of our Manual of Information. Essentially, the Board considers that its own principles-based Code is not in conflict with the Code of Professional Conduct issued by the South African Institute of Chartered Accountants (SAICA). The SAICA Code is consistent with the IFAC Code in all material respects.

Regulatory authorities in many jurisdictions are continuing to focus on auditor independence and undoubtedly the trend is towards greater restrictions or prescriptions in the quest for ensuring such independence. Elsewhere in this issue we have reproduced a recent article that was published in the CA Magazine of the Institute of Chartered Accountants of Scotland dealing with the proposed Ethical Standards for Auditors in the United Kingdom. These proposed standards may potentially seriously impact on the profession in that country. The potential implications for smaller firms are especially severe, even in the United Kingdom where smaller companies do not require to be audited.

It should be borne in mind that the independence and corporate governance recommendations of the Ministerial Panel for the Review of the Accounting Professions' Bill (The Panel) are applicable to public interest entities and is therefore silent on the issue of independence of auditors of other entities such as private companies. The Minister of Finance has indicated his acceptance of the Panel's recommendations except in three respects, two of which deal with auditor independence in the areas of consulting services and auditor rotation. On the issue of consulting work, the Minister stated that "the

new regulatory authority should have the ability to issue regulations governing the way in which the external auditor would provide any consulting services to a client." On the issue of audit partner rotation, the Minister stated that "further investigation of international trends would need to take place in this regard before the Minister takes a view on the matter." The Minister did not specifically mention audit firm rotation, but undoubtedly it is an issue that will require to be addressed. Interestingly, both the United Kingdom and the United States have shied away from requiring compulsory audit firm rotation at this time.

Undoubtedly, the focus and debate on the issue of auditor independence will rage on. In the interim, I would urge all auditors to place particular emphasis on their policies and procedures for acceptance and retention of clients in compliance with the auditing standards and new quality control standards.

As stated in the preamble to our Code of Professional Conduct "the essence of independence is both independence of mind and in appearance and the practitioner must be certain that this can be demonstrated and defended." ■

– **CLAUDE O'FLAHERTY**
Chief Executive Officer



AUDITING STANDARDS

AUDITING AND ASSURANCE STANDARDS BOARD (AASB)

The auditing standard-setting structures at the Public Accountants' and Auditors' Board (PAAB) have been consolidated and renamed the Auditing and Assurance Standards Board (AASB).

Local auditing pronouncements

At the first meeting of the AASB, the local equivalent of the following international standards issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC) were approved for issue in South Africa:

- International Framework for Assurance Engagements;
- International Standard on Assurance Engagements (ISAE) 3000, *Assurance Engagements other than audits or reviews of historical financial information*;
- International Standard on Quality Control (ISQC) 1, *Quality Control for firms that perform audits and reviews of historical financial information and other assurance related services engagements*;
- International Standard on Auditing (ISA) 220, *Quality control for audits of historical financial information*; and
- ISA 240, *The auditor's responsibility to consider fraud in an audit of financial statements*.

New material irregularities guide

The AASB issued a new guide, *Material Irregularities: A Guide for Registered Accountants and Auditors*. The PAAB Circulars B.1/1991 and B.3/1991 were withdrawn as the guidance contained in those circulars has been incorporated into the new guide.

The purpose of the guide is to provide guidance to Registered Accountants and Auditors (RAAs) on their responsibility to report material irregularities in terms of section 20(5) of the Public Accountants' and Auditors' Act 80, 1991.

The new guide contains:

- the specific requirements of section 20(5) and a discussion of each requirement;
- examples of situations which may alert the auditor's attention to the existence of a possible material irregularity;
- a discussion of the effect of section 20(5) on the auditor's report; and

- the process followed by the PAAB on receipt of a material irregularity report made in terms of section 20(5).

The guide can be accessed on the PAAB website at www.paab.co.za.

Adoption of International Standards on Auditing (ISAs)

A decision was taken to adopt the ISAs verbatim with effect from January 2005. For additional South African requirements and for instances where the ISA gives the auditor a choice of applying different approaches but which are not all permitted in terms of South African legislation or practices, the AASB will issue appropriate guidance to clarify the auditor's responsibilities. The decision to adopt ISAs will be communicated to auditors and the public through appropriate media and communication channels.

CONSULTATIVE ADVISORY GROUP

As a result of major reforms at international level and in an attempt to restore public confidence in the accounting and auditing profession, the (PAAB) approved, *inter alia*, a proposal to establish a Consultative Advisory Group (CAG).

The CAG will provide a forum where the newly formed auditing standard – setting structure at the PAAB, the AASB, is given an opportunity to consult on a wider basis with those stakeholders affected by auditing pronouncements and the standard – setting process. Briefly, the objectives of the CAG are as follows:

- To provide for greater oversight;
- To demonstrate the importance of public interest and the protection thereof when developing auditing pronouncements;
- To facilitate greater involvement from other organisations, at a high level, with an interest in, and affected by, auditing standards;
- To demonstrate the relevance of the auditing profession as a result of sharing of agendas with other interested bodies and pro-actively identifying matters for the standard-setter's attention; and
- To enhance the transparency and accountability of the audit standard – setting function.



AUDITING STANDARDS

While the AASB will comprise mostly of members from the profession with the required technical expertise and experience, the CAG will be, broadly, constituted of members representative of those preparing audited financial statements, regulators of various industries, as well as stakeholders who are otherwise interested in audit issues.

The AASB monitors international developments on a continuous basis and frames its processes and structures on those changes considered appropriate for members with the ultimate objective of maintaining high quality standards and practices in auditing and assurance.

FSB GUIDANCE NOTE FOR ACCOUNTANTS AND AUDITORS ON THE ACCOUNTING AND AUDITING PROVISIONS OF FAIS

The Financial Services Board (FSB) issued a new guidance note for accountants and auditors on the audit and accounting provisions contained in the Financial Advisory and Intermediary Services Act, 2002 (FAIS). The purpose of the guidance note is to provide guidance to authorised financial services providers (the provider) (in terms of FAIS) and their auditors, as to the accounting and auditing requirements of FAIS.

The guidance note contains specimen agreed-upon procedures for engagements conducted in terms of section 19(3) of FAIS and guidance on the implications of section 19(4) which requires the auditor to report irregularities, which in the auditor's opinion are material, directly to the FSB.

The guidance note can be accessed on the FSB website at www.fsb.co.za.

FIC ISSUES GUIDANCE NOTE TO ACCOUNTABLE INSTITUTIONS CONCERNING IDENTIFICATION OF CLIENTS

The Financial Intelligence Centre (FIC), established in terms of the Financial Intelligence Centre Act, 2001 (FICA), issued a general guidance note pertaining to the identification of clients by accountable institutions.

The guidance note does not provide specific guidance on the identification of clients but attempts to introduce the use of "a risk-based approach" to the identification of clients in certain circumstances, for example, where

accountable institutions "must verify certain particulars against information which can be reasonably expected to achieve such verification and is obtained by reasonably practical means". In other words, in certain circumstances an accountable institution may have to assess what information may be necessary in order to achieve verification and the means by which it can be obtained. The guidance note provides an example of a risk matrix which was developed for the banking industry as well as an example of its application.

Accountable institutions are reminded that section 21(2) of FICA will prevent them from conducting a transaction in the course of an "existing business relationship", (business relationships in existence before FICA came into effect in June 2003), with a client after **30 June 2004** if it has not established and verified the identity of the client.

The guidance note can be accessed on the FIC website at www.fic.gov.za

NEW IFAC GUIDANCE ADDRESSES ANTI-MONEY LAUNDERING AND THE ROLE OF THE PROFESSIONAL ACCOUNTANT

In June 2003 the PAAB issued a guide, *Money Laundering Control: A guide for Registered Accountants and Auditors*. IFAC recently issued a new paper, *Anti-Money Laundering, 2nd Edition*, which addresses the increased expectations of legislators and regulators with respect to the profession's role in detecting money laundering and implementing controls and safeguards against it.

Governments, regulators and the global business community are increasingly calling on accounting practitioners to contribute to the battle against money laundering. This 2nd edition of IFAC's paper on anti-money laundering (AML) expands on the original paper issued in January 2002 to address the professional accountants' role and ethical obligations as well as recent best practices in auditing, anti-money laundering, and suspicious activity reporting programs.

"This paper is significant for several reasons. The accountancy profession is becoming increasingly involved in combating corruption as a result of legislation requiring businesses to have compliance monitoring programs and to independently test the control environment and effec-

CONTINUED ►



AUDITING STANDARDS

tiveness of these programs,” points out Jim Sylph, technical director of the IAASB of IFAC.

“Money laundering can have devastating impacts, particularly on emerging financial markets and developing economies, thus undermining financial stability worldwide,” emphasizes Mr. Sylph.

The new paper highlights both the causes and possible means of preventing money laundering. Sections of the paper focus on indications of money laundering, vulnerability of banks, non-bank financial institutions and other entities, and governance-related issues. Additionally, it includes a compendium of AML guidance.

The paper may be downloaded at no charge from IFAC’s website at www.ifac.org/store.

2004 IFAC HANDBOOK RELEASED IN PRINT AND ELECTRONIC FORM

Copies of the 2004 IFAC Handbook, which includes IFAC’s Code of Ethics for Professional Accountants, ISAs, ISAEs and International Standards on Review Engagements issued to 31 December 2003, may now be ordered by contacting damarysgil@ifac.org. Arrangements for network users are also available. An eComPress version (either online or CD-ROM) features a user-friendly search function and the ability to copy and paste text and insert notes. The PDF version of the 2004 IFAC Handbook will be available at no charge and may be downloaded from the IFAC website. ■

– CINDY JONKER

Professional Assistant: Auditing Standards

SUPER SLEUTHS, LAW ENFORCEMENT AND OTHER BIG BROTHER ACTIVITY...

It is always comforting to know that there is someone to watch over you. Having a full-time vigil irrespective of where in the world you are is slightly different.

We all agree that a healthy dose of improved governance and oversight is exactly what business and the profession needed following the major corporate and audit failures. However, the line needs to be drawn somewhere, otherwise we might as well bid farewell to any remaining sense of privacy and exercise of personal judgment and freedom.

In the March 2004 issue of Maneo (issue 38), I questioned whether our auditors are equipped to comply with the increased volume and complexity of standards, legislation and rules issued by various authorities from very much anywhere in the world. That might be a rhetorical question now, but given the speed at which the environment is changing, an auditor may well be expected to become the super sleuth of the future.

Earlier in the year, the European Commission proposed a new Directive on statutory audits in the European Union which will be considered for adoption by the European Union’s Council of Ministers and the European Union. In its attempt to increase investor confidence in audited financial statements as well as to protect the public against

business and audit failures, the directive addresses the duties and ethical requirements for statutory audits, external quality assurance, robust public oversight and co-operation between regulators. Similarly, the Auditing Practices Board in the United Kingdom released five draft ethical standards with an expected effective date of September 2004. Its key elements include:

- Application to all audits, with additional requirements for listed and other public interest entities;
- Appointment of an ‘ethics partner’;
- Rotation of audit engagement partners of listed or public interest entities;
- Prohibition of contingent fees in relation to tax and corporate finance services in certain situations;
- Tightening of the economic dependence test; and
- Restriction of key audit personnel from joining clients within two years.

Penalties for breaches of independence and other professional requirements are swift and severe. In April 2004 the Wall Street Journal in the United States reported that, in one of the longest suspensions of an accounting firm in the history of the profession, one of the major



AUDITING STANDARDS

auditing firms had been barred by the Securities Exchange Commission (SEC) from accepting any new audit clients among publicly traded companies as a result of its participation in a business venture with one of its audit clients. To demonstrate how serious it is about enforcing compliance with its requirements, the SEC appointed a consultant to monitor future compliance with independence and other professional requirements by the firm concerned. Auditor independence is no longer a matter to be compromised and regulators are putting increased pressure on audit firms to scale down their consulting practices in an attempt to prevent independence problems.

The rules and restrictions on auditors are not all that are being tightened. Organisations continue to strengthen transparency and disclosure in financial reporting to protect investors and in April 2004 the Organisation for Economic Cooperation and Development (OECD) in Europe issued its revised Principles of Corporate Governance. The new principles are supported by the International Federation of Accountants (IFAC) who agree that good governance is key to improving economic efficiency and growth. The principles do not only emphasise the oversight responsibilities of boards of directors but once again identifies the need for auditor competence in all countries.

In the meantime, the Public Company Accounting Oversight Board (PCAOB) continues on its mission to ensure that public company financial statements are audited in accordance with the highest standards of quality, independence and ethics and recently approved an auditing standard for audits of internal control over financial reporting and proposed amendments to the Board's existing interim auditing standards to ensure they conform to the new standard.

The auditing standard, "An Audit of Internal Control Over Financial Reporting Performed in Conjunction with an Audit of Financial Statements," addresses both the work that is required to audit internal control over financial reporting and the relationship of that audit to the audit of the financial statements. Section 404(a) of the Sarbanes-Oxley Act of 2002, and the SEC's related implementing rules, requires that the management of a public company assesses the effectiveness of the company's internal control over financial reporting. Section 404(b) of the Act, as well as Section 103, directed the PCAOB to establish professional standards governing the independent auditor's

attestation, and reporting, on management's assessment of the effectiveness of internal control.

It is comforting to know that it is not only auditors and directors that are being subjected to rules and oversight. In February 2004 the Financial Action Task Force on Money Laundering (FATF) issued its methodology for Assessing Compliance with its Forty Recommendations and the FATF eight special recommendations on terrorist financing. This methodology will be used to evaluate/assess what is necessary for an effective system of anti – money laundering and combating the financing of terrorism. Although South Africa was admitted as a member of the FATF in June 2003, there were a number of areas where improvements were foreseeable. A recent report from the International Monetary Fund (IMF) indicated that one of the shortcomings related to laws governing beneficial ownership which limited the identification of the true owner of property. However, accountable institutions face a much larger challenge from 30 June 2004, the deadline for institutions to verify clients to supporting documentation, which includes identity documents. Heavy penalties loom for those institutions which do not comply with the anti-money laundering legislation, while laws and regulations increasingly creep up on the general public to disclose sufficient information to remain under the watchful eye of Big Brother.

It seems that no one is immune from some form of oversight or regulation these days. And the penalties are nothing to scoff at. While all these measures are ultimately aimed at protecting the public from delinquent professionals and directors and even criminals and terrorists, one has to wonder where all this oversight and regulation will end up. The way I see it, it will either lead to an effective sieve for all unwanted activity or just another bottleneck for global progress. ■

– **BERNARD AGULHAS**

Director: Auditing Standards

References

- ◆ Staff Reporter of the Wall Street Journal, 19 April, 2004
- ◆ IFAC Press Release on OECD Principles of Corporate Governance, 30 April 2004 (Website address: www.ifac.org)
- ◆ PCAOB Release No. 2004-001, An Audit of Internal Control over Financial Reporting performed in conjunction with an audit of Financial Statements (Website address: www.pcaobus.org)
- ◆ FATF Methodology for Assessing Compliance with the FATF 40 Recommendations and the FATF 8 Special Recommendations, February 2004
- ◆ CA Magazine, February 2004



MANEO

EDUCATION AND TRAINING

INTERNATIONAL EDUCATION STANDARDS

For many years the International Federation of Accountants (IFAC) Education Committee has issued guidelines and other papers on education issues. More recently IFAC prescribed Education Standards which outline standards of generally accepted “good practice” in the education and development of professional accountants. This move from guidelines to standards is perhaps the most important development in international accounting education in a generation. All member bodies of IFAC are expected to comply with them beginning in January 2005. Their implications are great, especially for accounting educators in developing/emerging economies.

IFAC, through their understanding of the importance of Accounting Education, has prescribed learning and development requirements of professional accountants under the following standards:

- International Education Standard (IES) 1, Entry requirements to a programme of Professional Accounting Education.

- IES 2, Content of Professional Education Programmes
- IES 3, Professional skills
- IES 4, Professional values, Ethics and attitudes
- IES 5, Practical experience requirements
- IES 6, Assessment of professional capabilities and competence
- IES 7, Continuing professional development

The International Association for Accounting Education and Research will be holding a round-table discussion in Durban in June. The round-table will be held in cooperation with the South African Accounting Association and IFAC. The main topic will be “Implementing International Education Standards: Global challenges”. Representatives from the PAAB will take part in the round-table discussion. ■

– LAINE KATZIN
Researcher

DEMOCRACY CELEBRATION LUNCH



The Executive Committee of the PAAB celebrated 10 years of democracy along with the staff of the Board at a festive lunch.



RULES OF ENGAGEMENT

As the heavy armour is rolled out in the battle for higher audit standards, there are fears that smaller firms could face excessive casualties.

Article written by **SARAH PERRIN**

and extracted with thanks from the **CA Magazine**

The ethical climate in which auditors operate is becoming tougher in the post-Enron world. Though the largest firms are confident that the future is bright, the outlook appears more challenging for smaller firms.

Sarbanes-Oxley continues to concentrate minds, tightening up regulatory requirements for auditors of companies with US listings. Closer to home, auditors of domestic companies, even private companies, are also feeling the heat. In November, the Auditing Practices Board (APB) released five draft Ethical Standards, which it hopes will become operative from 1 September this year. The standards have been written to apply to all UK auditors, though certain elements are limited to auditors of listed companies and public interest entities.

The largest firms appear generally supportive of the APB's proposals. "We think this is an important step forward because it's the first time the profession has been subject to independent regulation," says Neil Lerner, head of regulatory issues at KPMG. "There is now no need for any audit committee to go further than these rules, because they have had an independent, thorough review."

If the proposals go through, large and small firms will be affected. For example, contingency fees will not be as frequent. Some services will not be available to audit clients, including the provision of advice on remuneration packages to directors and key management personnel. This would prevent, for example, the work Deloitte completed for its audit client Mothercare in devising the pay scheme for chief executive Ben Gordon.

Large firms should be able to absorb these blows relatively easily. Small firms, however, will be proportionately more

affected because of the traditionally close working relationships between smaller businesses and their auditor. The APB has made some allowances for private companies. For example, it has limited its prohibition on the provision of accounting services by auditors to listed companies and public interest entities; for others, accounting services would be prohibited where they involve making decisions or judgements that should be made by management.

Similarly, the consultation paper accompanying the draft Ethical Standards says (paragraph 4.52): "The APB is aware that the provision of tax services to small companies is regarded as an important role including, for example, by the Inland Revenue." It says that in the light of responses to the consultation, it may limit its requirements on tax services to auditors of listed and public interest entities.

Even so, there are real fears about the future of the smallest firms if the draft Ethical Standards is implemented. Bobby Anderson set up his firm, Anderson Anderson & Brown, in 1990. It has nine partners and 74 staff. Anderson is particularly worried about the 10 per cent economic dependency test. "The APB recognises that this requirement may impact on small firms or firms that have recently begun providing audit services, but it doesn't believe any effective safeguard exists," Anderson says. "That to me is hugely dismissive of the situation that a lot of small firms of auditors could face." Anderson believes the 10 per cent limit to be almost a form of restraint of practice because it could inhibit the growth of smaller firms. "They are saying there are no safeguards you can put in place, but I believe there is always a solution," says Anderson. "You could

CONTINUED ►



INTERNATIONAL NEWS

employ another firm to do an independent review, for example.”

Jon Grant, executive director of the APB, says there is a valid question about the independence of audit firms who have high levels of fees from one client. “The 10 per cent rule was proposed specifically with smaller practitioners in mind,” he says. “They may think that is going too far, but the counter is, is it realistic to expect them to be independent when they are getting a significant amount of their livelihood from an audit client?”

The APB’s proposals in relation to the provision of corporate finance advice could also have serious implications for smaller audit firms and their clients. Anderson explains that a small company making an acquisition may want extensive help from the audit firm – on areas such as valuing the acquisition, completing due diligence and completing projections for the combined business when seeking funding. “As auditors, we may well be signing off on projections we have prepared,” he says. “In an ideal world that may carry a risk of loss of independence, but it’s a lot more cost effective than involving several different people.” Any increase in costs could make smaller acquisitions unviable. Larger firms are less affected, because they focus on much larger deals where the costs are a smaller proportion of deal value.

Anderson is similarly unimpressed by the concept evident in the draft standards that close understanding between auditor and client is an automatic risk factor. “I suggest you do a better audit from knowing your client than from visiting him once a year when he runs rings around you, should he be so minded,” Anderson says. “Familiarity can be a threat, but only in the wrong hands. You will never get away from the fact that there are people who are morally weak, in which case it doesn’t matter what you put in place.”

On the question of appointing an ethics partner, the APB proposes that for sole practitioners and small firms the role may be fulfilled by a partner from another firm. All ethics partners must draw up a set of policies and procedures to create a control environment in line with the draft Ethical Standards. “Are they suggesting every small audit firm is going to tackle this with a blank sheet of paper?” Anderson

queries. “The answer has to be no. Perhaps the institutes can provide a template. Otherwise you will have some fairly dramatic extremes of what constitutes policies and procedures to promote a strong control environment.”

ICAS is examining the APB’s draft Ethical Standards very closely, according to Francis McCossin, chairman of its Audit Registration Committee. “We understand following Enron the need for the big firms to have systems in place to ensure familiarity does not breed contempt,” he says. “This does not necessarily apply in the private sector. My initial response is that more time is needed for consultation, that there should be far more differentiation between public and private companies, and that the interests of the client, particularly the growing entrepreneur, should be taken into account. A lot of business rely on an accountant-cum-auditor who gets to know them very, very well. We risk losing this personal touch.”

McCossin believes the APB proposals suggest a “whole lack of trust” in the auditing profession: “It’s as if they are saying auditors don’t need integrity, they should just follow the rules.”

No-one questions that auditor independence is a serious matter. “This does highlight the importance of ethics and the risks of loss of independence,” Anderson says. “But it is a sledgehammer to crack a nut if there is no empirical evidence of any problems at the smaller end of the market. All you are doing is adding to costs and decreasing efficiency.”

Larger firms appreciate the problems of smaller firms and private companies. Ernst & Young believes the APB’s proposals will help the drive towards higher ethical standards and audit quality, but is concerned that some suggested safeguards against threats to independence will be very onerous for smaller companies and are arguably less relevant to an owner-managed business. “Ernst & Young will be recommending that the scope of the application of the standards be narrowed in this respect,” says E&Y’s head of quality and risk, Victoria Cochrane.

Will enough voices combine to persuade the APB to moderate its approach? If not, life as the smallest audit firms know it could be under threat. ■



QUARTERLY REPORT FROM THE DIRECTOR: LEGAL

for the period 1 January 2004 to 31 March 2004

INVESTIGATION COMMITTEE

The Investigation Committee met twice during this period; 32 matters were disposed of as follows:

- Seven cases were either withdrawn by the complainant, not prosecuted, or not proceeded with by the Committee, for various other reasons, including settlement or conciliation by either the Committee, or the Directorate.
- Eight cases in terms of Disciplinary Rule 3.9.1 (the accused having given a reasonable explanation for the conduct).
- Two cases in terms of Disciplinary Rule 3.9.2 (the conduct complained of not constituting unprofessional conduct).
- Three cases in terms of Disciplinary Rule 3.9.3 (there being no reasonable prospect of proving the accused guilty).

The following consent orders were imposed:

- In two cases practitioners were reprimanded; one matter related to failure to reply to correspondence and the other to a valuation of shares in a partnership.
- In ten cases practitioners were fined. The matters were as follows:
 - one related to disclosure of information (see below) (R10 000);
 - three related to Law Society trust account audits – (R25 000 in two matters and R10 000 of which R5 000 was suspended on conditions, in the other);
 - one related to tax advice (R10 000);
 - one related to preparation of financial statements (R20 000);
 - one related to the holding out of an account as a ‘trust’ account (R10 000, R5 000 of which was suspended on conditions);
 - three related to practice review (2nd cycle 2nd review – R30 000 of which R15 000 was suspended on conditions in two matters; 2nd cycle 3rd review – also R30 000 of which R15 000 was suspended on conditions).

One of these matters was a complex one and I have been instructed by the Investigation Committee to “write up” the case in this report, for the guidance of practitioners.

In essence, the agreed facts of the case were that the individual (an employee in the tax department of a firm of Registered Accountants and Auditors (RAAs), and not himself registered with this Board) made certain disclosures regarding the affairs of the complainant to the South African Revenue Services.

The accused firm had been appointed in terms of Section 41A of the Health Professions’ Act to conduct certain investigations, on behalf of the Health Professions’ Council, into the affairs of the complainant medical firm. There is a secrecy requirement in terms of Section 41A(9)(a) which reads as follows:-

“A person who carries out or assists with the carrying out of an investigation in terms of this section, shall keep or assist in preserving secrecy in respect of all facts which come to his notice in the performance of his functions, and shall not disclose any such facts to any person except the registrar, president, the council, the professional board concerned, chairperson of the professional board concerned, or the public prosecutor concerned in the case of an offence in terms of this Act, or by order of a court.”

It appears that the investigator, as a result of his investigations, became aware of certain information which was relevant to the SARS.

While Section 41A(9) of the Health Professions’ Council Act places a duty on the investigator not to disclose information gained from the professional under investigation, and the failure to meet that duty being visited with a criminal penalty, Section 74 of the Income Tax Act, on the other hand, provides the Commissioner of Inland Revenue with the right to request documents and information in respect of any subject of the Income Tax Act, from any person.

The relevant section of the Income Tax Act which caused the dilemma, is Section 74A which is headed “Furnishing

CONTINUED ►



LEGAL

of information, documents or things by any person”, and which provides that:-

“The Commissioner (for SARS) or any officer may, for purposes of the administration of this Act in relation to any taxpayer, require such taxpayer or other person to furnish such information (whether orally or in writing), documents or things that the Commissioner or such officer may require”.

Insofar as is presently relevant, Section 75, which is headed “Penalty on default” provides that –

“Any person who –

(b) without just cause shown by him, refuses or neglects to –

(i) furnish, produce or make available any information, documents or things;

(ii) reply to or answer truly and fully, any questions put to him; ...

shall be guilty of an offence and liable on conviction to a fine or to imprisonment ...”

Accordingly, in terms of the provisions of Section 75 of the Income Tax Act any failure, without just cause, to meet the request of the Commissioner of Inland Revenue is also visited with criminal sanction. In fact, what happened is that the investigator received a request from the SARS to provide certain information relating to the complainant medical firm.

Because of the conflicting obligations of secrecy and disclosure, in terms of the two pieces of legislation, the investigator consulted the legal advisors of the Health Professions’ Council, as well as his own in-house counsel, and was guided by them that disclosure of the information was permitted.

Whilst having sympathy with the investigator’s dilemma, the PAAB does not believe that the circumstances of the matter compelled him to make the disclosures to the SARS. The Board was of the opinion (after the Board had itself taken legal advice, which confirmed its own opinion) that the circumstances of the matter constituted “just cause” not to furnish information to the SARS. At the very least the Board would have expected the investigator to take independent legal advice on this issue and, if it was decided that he should make disclosures to the SARS (if he believed he was compelled to do so), the complainant medical firm should have been timeously advised of this fact.

In all the circumstances the RAA representative of the firm who took responsibility for this matter (in terms of the vicarious liability aspect of the Code of Conduct) was found guilty, by consent, of contravening Disciplinary Rule 2.1.1 and fined R10 000.

DISCIPLINARY COMMITTEE

The Disciplinary Committee did not convene during this period.

FIRM NAMES

This issue is currently governed by the Board’s circular B1/1998. The Board has accepted that it is outdated. Here is an extract from a memorandum which I prepared for the PAAB Executive Committee (EXCO), for their debate, in anticipation of a new circular:

“The existing policy of the Board, relating to firm names, reads as follows:

“The names of firms of accountants in public practice have traditionally comprised the names of past or existing partners. There is, however, a growing trend towards using other names. This is permissible, but practitioners must ensure that the name is in good taste and in accordance with the dignity of the profession. In particular, names which are frivolous, descriptive, comparative or in any way misleading, are unacceptable”.

The Board is not certain that this directive, particularly regarding the prohibition on descriptive names, is still pertinent, or even appropriate, in South Africa today.

The Board is receiving an increasing number of applications to register African names such as Qina, Sedebeng, Isigwili and Sekela. On a strict interpretation of the prohibition against descriptive names, these names are all unacceptable as they are indeed descriptive.”

However, the fact that these are indeed descriptive does not necessarily detract from the appropriateness and indeed lyricism of the names requested. As one of the Board members put it “there is perhaps a trend in our South African culture to find names with meanings, and this trend is extending to names of businesses and firms.” Another member of the Board aptly summarised it by saying “the intention behind the prohibition on descriptive and comparative names is to prevent people from trying to secure competitive advantage by so naming their firms”.



LEGAL

We have also conducted a limited amount of international research and have found that, for example, in England, there appears to be little prohibition on the type of names which can be used. The English guideline is as follows:-

1. A practice name should be consistent with the dignity of the profession in the sense that it should not project an image inconsistent with that of a professional practice bound to high ethical and technical standards.

2. A practice name should not be misleading.

- It would be misleading for a *member firm* with very few offices to describe itself as 'international' merely on the grounds that one of them was overseas. Similarly it would be misleading for a sole practitioner to add the suffix 'and Associates' to the name of his practice unless formal arrangements were agreed with two or more consultants or firms.
- A practice name would be misleading if in all the circumstances there was a real risk that it could be confused with the name of another firm, even if the *member(s)* of the practice could lay justifiable claim to the name.
- It has been the custom of the profession for *members* to practice under a firm's name based on the names of past or present *members* of the firm itself or of a firm with which it has merged or amalgamated. A practice name so derived will usually be in conformity with this guidance.
- There is no objection to membership of a trading group being indicated on the *member's* or *member firm's* notepaper or elsewhere in proximity to the practice name. However, the name of such a firm should be clearly distinguishable from the name of an *associated firm* or group. Thus, it would be misleading for a member of a trading group to bear the same name as the group, but there could be no objection to a *member* or *member firm* practicing under its own name 'as a member of (a named accountancy group)'

Use of the Description 'Chartered Accountant'

- Use of the description 'Chartered Accountant' is governed by Bye-law 55 and the regulations made thereunder, in particular the Regulations Governing the Use of the description 'Chartered Accountants', and also the guidance of this Statement.

- The description 'Chartered Accountants' should not form part of the name of a firm.
- *Member firms* which meet the requirement of Bye-law 55 and the regulations made thereunder are encouraged to use the description 'Chartered Accountants'. A firm which describes itself as 'Chartered Accountants' may list the services it wishes to offer on its stationary.
- *Member firms* which use the description 'Chartered Accountants' may couple that description (i.e. 'Chartered Accountants and ...') with all or any of the following if these are areas of professional business in which they have expertise:
 - 'Management Consultants'
 - 'Business Advisers'
 - 'Tax Consultants'
- Where one of more of these descriptions is used, *member firms* should be able, if called upon, to demonstrate that they hold the relevant expertise.
- *Member firms* which use the description 'Chartered Accountants' may also couple that description with any other Chartered Description (for example 'Chartered Accountants and Chartered Tax Advisers').
- A *member firm* should carry out a review of the descriptions it uses from time to time, to ensure the use of those descriptions can be justified. (Note: claims to authorise to work in reserved areas such as audit and investment business are governed by the appropriate regulations and in the case of insolvency work by the relevant legislation).
- *Principals* in a *member firm* describing itself as "Chartered Accountants" who are also principals in other firms, should ensure there is a clear distinction between the firms entitled to use the description and those which are not so entitled.

Legal Requirements

- **A practice letterhead must comply with partnership and company law as appropriate, and with the Business Names Act 1985.**

Overseas Firms

- Overseas *member firms* are required to comply with any local laws as to practice names so far as overseas are concerned. Subject thereto, they may

CONTINUED ►



LEGAL

describe themselves in any manner conformable to the practice of the profession locally provided that the principles set out in paragraphs 1.0 to 1.3 above are observed.

New and Changed Names

- Save where the name of a *member firm* is based on the names of past or present members of the *member firm* itself or of a firm with which it has merged or amalgamated, when a new *member firm* is to be set up and when it is desired to change the name of an existing *member firm*, *members* are recommended, as a means of ensuring compliance with this guidance, to consult the Institute, as to the proprietary of the proposed name.

Naming of persons on Letterheads of Member Firms

- **It should be clear from the letterhead of a practice whether any person named thereon, other than persons named only in the name of the *member firm*, is a partner of the practice, a sole practitioner or, in the case of a corporate practice, a director.**
- ***Member firms* which use the description ‘Chartered Accountants’ should distinguish Chartered Accountants mentioned on the letterhead of a practice from persons not entitled to be so described by the use of designatory letters or otherwise.**
- **In the case of a corporate practice which uses the description ‘Chartered Accountants’ but which does not list its directors on the letterhead, the *member firm* should maintain a list of the directors which distinguishes chartered accountants from persons not entitled to be so described, and should refer to the existence of the list on its letterhead.**
- **No person named on the letterhead of a practice should be described by a title, description or designatory letters to which he is not entitled.’**

The philosophy behind the prohibitions is to obviate names which could in any way be offensive to the average person, or which attempt to secure a competitive advantage.

In addition, the Board is concerned about the number of people attempting to call their firms XYZ Consulting Services or XYZ Financial and Advisory Services. The

Board wishes to remind practitioners that we are in the business of registering, and regulating, auditors.

Whilst we do not intend to compel designations to be used on letterheads, we strongly urge our practitioners to do this voluntarily.

This memorandum was discussed at the most recent meeting of the EXCO and the EXCO was of the opinion that the circular is indeed outdated, but that it needs to be carefully updated so that the following important aspects are properly regulated:

- Names should not give a competitive advantage
- Names should not be misleading to the public
- Names should be dignified and in good taste
- The use of trading names or marketing devices must be regulated
- The use of names of real people must be regulated.

I have been instructed by the chairman of the Board to publish this in *Maneo* and to invite comment from members of the profession. If you would like to voice your opinion, please address this to me by way of letter, fax or e-mail.

TRAINEE ACCOUNTANTS AND THE THORNY ISSUE OF POACHING

In the September issue (36) of *Maneo* we published a short article concerning the ‘poaching’ of trainee accountants, and exhorting practitioners to comply with all professional requirements in the recruitment of staff. This was published at the request of SAICA, and prompted a response from Pieter Faber:

The term “poaching trainees” in the accounting and auditing profession is used to refer to the act of unlawfully soliciting trainees from another firm. This act is seen as such a rampant ill that PAAB has put in place measures to discipline members who make themselves subject to such unscrupulous acts. It is however quite strange that PAAB does nothing to determine what the reason was for the trainee to leave the employment of his previous employer in the first instance. SAICA in its trainee transfer procedures, has made an attempt to such discovery, but the problem is well disguised in many instances. It is my submission that most of trainee “transfers” in certain firms are a direct result of very poor remuneration.

As a trainee myself, it is easy to note that some firms have



LEGAL

a high trainee turnover rate, seemingly attributable to the fact that these training officers see trainees as a commodity which provide very high returns at low cost. As one training officer stated when I was interviewed, "We are in the learnership business." Further views are that these members are doing the trainees favours by employing them. This view is noticeably similar to that of unscrupulous employers who tried to justify their actions to the worker unions by stating that employees should be grateful for the fact that they are employed. It makes a person wonder what the term "fair labour practices" in terms of the Constitution really means or whether this provision is only applicable to less esteemed professions.

Due to this incomprehensible approach, trainees, who are mostly graduated personnel, are treated with an undue bias, especially in the remuneration department. This non cognisance of trainees rights are further undermined by SAICA's unwillingness to standardise trainee remuneration; in fact, SAICA is even unwilling to release their annual salary survey to trainees, making it only available to training officers who have a discretion to reveal the survey to trainees. On inquiry to SAICA about the survey, I was promptly informed that most trainees do not understand that the survey is a guide line and not a prescriptive regulation, thus pestering SAICA personnel about their remuneration. Is it not SAICA's purpose to be pestered by its members for information to protect their rights, or should we say "half members"?

It is even more incomprehensible how SAICA can refer to this survey as a guide line to salary negotiations between an employer and a trainee in its training manual for 2003. Is it not in this last referral that lies the trainee's right to acquire such a survey in terms of the Promotion of Access to Information Act 2 of 2000 from SAICA?

It is my submission that if SAICA made a provincial or even just a standard determination for a minimum trainee remuneration, trainee poaching would become quite insignificant in the profession. This determination need not even be made by SAICA as sectoral guidelines or minimum wage determinations are deemed in public interest which is evident in the minimum wage scale set in Act 75 of 1997. Section 51 of this act states that an application can be made to the Minister to make a sectoral determination and establish basic conditions of employment for a certain sector or area.

Trainees should be employed on the same business principles as any other staff member. Training professional and capable future auditors is in the interest of every member of this profession and not just that of trainees. Integrity is something which should be applicable in all spheres of this profession, not just within the scope of an audit engagement, as charity begins at home. In science there is a principle of cause and effect. Pitiful remuneration is the cause, trainee poaching and unproductive employees are the effect. SAICA and PAAB should stop addressing the effects and start addressing the cause of these and other ills in our profession.

Pieter Faber

B. Com LLB LLM Adv. Tax

SAICA's Adri Kleinhans responded as follows:

SAICA, through the Training Requirements Committee, does investigate every request for the transfer of a training contract. In fact, the Training Regulations determine that "SAICA is empowered to investigate all the circumstances relating to a transfer, or refusal of a party to agree to a transfer, and to instruct a transfer if it is satisfied that the consent to the transfer was unreasonably withheld" (Rule 16.10) and "SAICA has the right to refuse to register a training contract, or to refuse to consent to the transfer or assignment of any training contract and further has the right to cancel the registration of any existing training contract, or to order the transfer or assignment of any existing training contract upon any grounds which, in its absolute discretion, shall be in the interests of the profession. Notification in writing to the applicant or to the training officer that SAICA has decided to refuse to register, or to consent to the transfer or assignment of any training contract or has decided to cancel the registration of, or to transfer the existing training contract shall be final and conclusive." (Rule 33).

A VERY small percentage of trainees advance remuneration as the reason for their request to transfer their training contracts.

We have sophisticated processes in place to track the "trainee turnover rate" of individual training offices, and to investigate any offices where such a high turnover appears to be a factor. We are currently aware of only a very small number of offices where trainee turnover has signalled some concern, and are investigating these

CONTINUED ►



MANEO

LEGAL

offices. To date, trainee salaries has not emerged as a reason for the trainees leaving the office.

I am not aware of any clause in the 2003 Training Manual (or any prior version of the Manual, for that matter), that refers to a “a guideline to salary negotiations”. In fact, we have gone to great pains to point out in the Manual that “It is stressed that SAICA does not prescribe to ATOs/RTOs the conditions of employment of trainee accountants” (Annexure 1) and “SAICA has no jurisdiction in regard to employment contracts and therefore does not become involved in the contractual relationship created by an employment contract” (rule 20.1).

Please note you are indeed welcome to make application in terms of the Promotion of Access to Information Act, 2000, for access to the salary and study leave survey for 2003. In this regard you can contact Mr J Dijkman, who is SAICA’s Information Officer.

For the sake of completeness, and in the interests of fostering open debate, Mr Faber’s response to SAICA is also reproduced:

The comments were based on actual experience of myself in the profession, hence the reference to my own interviews and explicit instruction that the letter was for Ms. O’Connor’s attention only. In annexure 1 of SAICA’s manual for 2003 it does make reference to a guideline of sorts (Rate or scale of remuneration, bearing in mind the provincial society directives if any). It does not state that these directives are prescriptive in nature and it is therefore accepted that they are not prescriptive guidelines. The only such document to my knowledge is the annual SAICA salary survey.

Please bear in mind that the article did not refer to SAICA registered trainees only; SAICA was used as reference as a premier institution of accountants. Many accountants employ “trainees” as clerks and then remunerate them according to so called SAICA guidelines. Even though this might not be a SAICA problem it should be a PAAB ethics problem. Hence my letter to Ms. O’Connor and not SAICA. Many trainees I know would not advance poor salary as a reason for transfer as they might fear cancellation of their transfer. Therefore this would not reflect in any statistics or questionnaires. We have to accept that the problem on paper might not be reflected by what is actually happening. An interesting point which was brought to my attention is that not a large percentage of SAICA members advance

salary information regarding their trainees for the SAICA salary survey. Should this comment be truthful, it would be interesting to note the reason for this.

It is my opinion that an ethical standard for trainee remuneration should be set, either by SAICA for their trainees or by an organisation with broader scope and powers for trainees and clerks in general. Alternatively, survey information of SAICA or other institutions should be readily available to such trainees and clerks. SAICA’s unwillingness to provide this information readily is reflected in the telephonic response I received from SAICA on inquiry about the survey. Further, SAICA’s invitation to apply for the survey in terms of PAIA is another example of this. It is my opinion that it should not be necessary for me to apply for the survey in terms of PAIA; SAICA should be willing to provide this information on request as they do for training officers. If SAICA wishes to distance itself from prescriptive salary guidelines it should still empower trainees to negotiate a fair and ethical wage.

My observations and comments are made with the explicit reason to open discussion on whether this problem is localised or more general in nature. As stated my inquiry creates the impression to me that the problem is more generalised than what the statistics reveal. In my letter to PAAB I did state that SAICA has investigative procedures into the reason for the transfer of trainees accountants. However, their plight may not be answered if they fear that their transfer might be cancelled. This would in effect punish the trainee. SAICA should rather have a more subtle approach where, should it be found that this was the reason for the transfer, the merit of such claim should be investigated and discussed with the training officer. Should it be found that the training officer has been remunerating the trainee at an “unethical” rate, rectifying steps should be taken against him and not the trainee.

It is not my intention to just criticise SAICA or any other institution, but to forward ideas for discussion to improve the system from the viewpoint of the trainee. I feel that it would be for the mutual benefit of both the current and potential members of SAICA. I hope that the comments will be viewed as such and that steps will be taken to address some of the concerns.

I appreciate SAICA’s response and will study it more carefully to review my impressions. ■

JANE O’CONNOR



MANEO

LEGAL

LIST IS CURRENT AS AT TIME OF GOING TO PRESS

INDIVIDUALS ADMITTED TO THE REGISTER OF THE BOARD From 1 February 2004 to 30 April 2004

Andrews Tracey
Barnard Debra
Barracough Ashley Craig
Bekker Elmarie
Bock Adrian Lee
Breytenbach Jacobus Johannes
Chapwanya Patrick Sheunesu
Church Duncan Alan
Coetzee Francesca Mary
Coetzee Johanna Petronella
Compton Greig
Coombe Deborah Anne
Cronning Cindy Lee
Derbyshire Michael Ian
De Braaff Barry Jan
De Klerk Marianne
De Kock Johannes Stephanus
De Villiers Jacques Francois
Dixon Dorothy Ann
Du Plessis Eugene Eduard
Du Plessis Maria Magdalena
Du Plessis Thelma
Du Toit Floris Johannes
Earlam Patrick John
Eloff Frederik Christoffel
Elliott Chantel Violetta
Esterhuizen Walter Marius
Fenn Douglas Rodney
Ferreira Mariette

Fisher Miles Harold
Fourie John Loftie
Garden Keith Vincent Stuart
Gazi Khanyisa Bongolethu
Geldenhuys Norma
Gerber Maria Cornelia Margrietha
Glass Jason Grant
Gouws Pieter Andries
Greeff Jacob Haysen
Havenga Albertus Stephanus
Hide Roland Edward
Hoole Howard James Hereford
Cronning Cindy Lee
Immelman Elize
Joubert Andreas
Joubert Marthinus Andries
Julsing Shirley Alison
Kalil Brian William
Kempen Pieter Ignatius Pierre
Khan Muhammed Afzal
Langenhoven Francois
Lattuca Salvatore Fabrizio
Laurence Walter Francois
Lipworth Irvin Mark
Lovely Graham John
Maas Peter
Mabokela Lucky Lesiba
Magan Arvind Vanmali
Malan Deon Charl

Malele Jabu Adolph
Manga Vasantjee
Mattheus Stefanus Gerhardus
Markram Dewald
Mazwane Mnikelo Moses
Mbangeleli Ncebakazi Nosibusiso
Meyer Conrad Frederick
Minnaar Stephanus Isaac
Mould Faure
Muller Derek Arthur
Munro Louis
Murphy Robert Patrick
Naidoo Dharmaraj
Naidoo Sujay Abbai
Nathoo Sudhir Ramjee
Neilson Madeleine
Ngwenya Zanele Ziphelele
Omar Carrim Yacoob
Oosthuizen Leon Albertus
Oshry Marcus Timothy
Petersen Jeremy
Potgieter Vivienne Helen
Radebe Seth Malefetsane
Rahim Bashier Achmad
Ramanarayan Dinesh
Ribeiro Marco Andre Henriques
Robinson Brendan Eric
Roets Hendrik Lourens Marthinus
Ross Peter David

Ruthven Mandy Elizabeth
Sibiya Precious Nompumelelo
Sikuza Monwabisi Mandisi
Sirkot Liyakat Hoosain
Smit Annette
Steen-Nielsen Sven
Steyn Dirk Andries
Stiff Jennifer Leigh
Stoltz Adriaan Martin
Taljaard Surette Marie
Teague Lee-Anne
Thorne Gregory John
Tromp Jean-Pierre
Van Eck Ursula Yvette
Van Der Merwe Gert Johannes
Van Rooy Jean Corneille
Van Tonder Daniel Francois
Van Wyk Michael Andre
Van Wyk Rene Amber
Vermeulen Wynand Jacobus
Victor Mark Wayne
Visser Annette Louise
Vlok Gideon Jacobus
Walker Anthony Howard
Williams Lorraine Claire
Wheals Hilda Constance
White Cedric Wayne Bruce

INDIVIDUALS RE-ADMITTED TO THE REGISTER OF THE BOARD From 1 February 2004 to 30 April 2004

Ahmed Iqbal
Bergh Joseph Johannes De Bruyn
Bewsey Janine Maria
Blumberg Stanley
Feinberg Ryan
Ferreira Johanna Maria

Henning Kathryn Edith
Kinross Richard
Kohler Richard Alan
Lea John Rowland
Maralack Andrew Phillip
Moosa Osman

Nurick Shaun Alan
Petersen Barend
Price Paul
Sadie Jacobus
Saunders Don Luthando
Simpson Donovan Andre

Snoyman Leslie Errol
Swart Wessel Hendrik
Theron Thomas Arnoldus
Vos Daniel Malan
Yssel Hester Magdalena

INDIVIDUALS REMOVED FROM THE REGISTER OF THE BOARD From 1 February 2004 to 30 April 2004

Abbott Vincent (resigned)
Baloyi Resimate Elias (resigned)
Barnes Claude Stanley (lapsed)
Becker Christiaan Johannes (lapsed)
Beinash Joseph Leon (lapsed)
Benade Johann Ferdinand (lapsed)
Bennie Andrew (lapsed)
Bergh Albert Egbert (lapsed)
Bieldt Walter Oswald (lapsed)
Bithrey Stanley Arthur (resigned)
Botha Roelof Frederik (lapsed)
Bowling Barrie Martin (resigned)
Brewis Charmaine Lee (lapsed)
Brijlal Charmaine (lapsed)
Bronkhorst Aletta Maria (resigned)
Brouwer Pieter Johan (lapsed)
Brown Desmond Stanley (lapsed)
Browne Allen Bland (deceased)
Browne Richard Arthur (lapsed)
Buck Bevan John (lapsed)
Burger Johan Petrus (lapsed)
Burgess Jonathan Matthew (lapsed)
Buthelezi Muzikayfani Humphrey (lapsed)
Butlin Peter Giles Redin (resigned)
Camacho Lance Stanley (resigned)
Canning Douglas Geoffrey (resigned)
China Aurelia Elia (resigned)
Claassens Johann Wilhelm (lapsed)
Clark David Andrew (lapsed)
Cloete Christiaan Johannes (resigned)
Cloete George Walter (lapsed)
Cloete Riaan (lapsed)
Coad Gregory Arthur (lapsed)
Coetzee Anelle (lapsed)
Coetzee Tania (resigned)
Cox David William Michael (resigned)
Cronje Abraham Marthinus (lapsed)
Cronje Elsie Susan (lapsed)

Cross Allan Francois (lapsed)
Da Silva Maria Gorette Martins (resigned)
Davel Bernardus Johannes (lapsed)
Davidow Norman (resigned)
Daya Ajay Natverlal (resigned)
De Bruyn Michael Philip (lapsed)
De Clercq Gerhardus Antonia Petrus (lapsed)
Dednam Henry Broadley (lapsed)
De Jongh Dennis Ronald (lapsed)
Dekker Didrik Johannes (resigned)
De Kock Martin Christo (lapsed)
De Wet Patrick Richard (lapsed)
Dondashe Wakeford Mzolisi (lapsed)
Dorfan Michael Sean (resigned)
Dunnnett Karen Lyn (lapsed)
Du Plessis Erine Morne (resigned)
Du Plessis Willem Adriaan (lapsed)
Du Preez Hayden (lapsed)
Els Frans Sarel Jacobus (lapsed)
Engelbrecht Gary Melvin (lapsed)
Ferreira Louis Fernando (lapsed)
Fick Joseas Servaas (resigned)
Field Craig Harvey Donovan (lapsed)
Firer Steven Ronald (resigned)
Fourie Dirk Theunis (deceased)
Fouere Johannes Petrus (resigned)
Fourie Louis (resigned)
Franken Louis Philippus (resigned)
Fridman Boris Cecil (resigned)
Fuls Werner (lapsed)
Ghini David (lapsed)
Gibson William Bruce (resigned)
Giesteira Hester Carolina (resigned)
Gilbey Anthony (resigned)
Goncalves Manuel Alfredo (lapsed)
Gordon Donald (resigned)
Govind Anil Bhoola (lapsed)
Grist Jeremy Peter (lapsed)

Groesbeek Roelof Jacobus (resigned)
Harkhu Mahendra Harilal (lapsed)
Harper Joseph Trevor (resigned)
Harris David (resigned)
Hartley Barry Stephen (lapsed)
Harvey Owen John Garrett (resigned)
Hattingh Stefanus Gerhardus (lapsed)
Higgins John Sinclair (deceased)
Human Carel Visagie (lapsed)
Jack Vuyvo (lapsed)
Jacobs Mark Vernon (lapsed)
Jager Tjeerd Theo (resigned)
Jainundh Lisa Marie (lapsed)
Janse Van Rensburg Elia Christiaan (lapsed)
Jonker Toinette (lapsed)
Kagan Harold (resigned)
Kaylan Dilip Ratilal (resigned)
Kemp Chantal (resigned)
Kennedy Denis Charles (resigned)
Killick Stephen John (lapsed)
Kinpe Richard Alexander (lapsed)
Krusse Ryan Andrew (resigned)
Koch Eden (lapsed)
Kotze Magrietha Aletta (resigned)
Krecklenberg Manfred Albert (lapsed)
Krieg Aletta Johanna (resigned)
Krige Joy Lyn (lapsed)
Kruze Willem Herman (lapsed)
Kuwaza Solomon Nyamadzao (lapsed)
Lang Jerome (resigned)
Lategan Stephanus Van Wyk (lapsed)
Leibovitz Norman Allen (lapsed)
Leibowitz Norman (resigned)
Liebenberg Schalk Willem (lapsed)
Loftus Gysbert Jacobus (deceased)
Lotz Frederick Nicolaas (resigned)
Louw Andrew Nicholas (lapsed)
Maddock Gordon Charles (deceased)

Marais Hermanus Izak Johannes (lapsed)
Maritz Pieter Willem (lapsed)
Marsden Michael (lapsed)
McClure William Desmond (resigned)
Meinie-Anderson Natasha Irene (lapsed)
Mkhwanazi Sifiso John (lapsed)
Mokgatla Thabo Vincent (lapsed)
Morrison Gillian (lapsed)
Mostert Steven John (lapsed)
Moyo Mthandazo Peter (lapsed)
Muller Gordon (lapsed)
Naicker Dayalan Thamodharan (resigned)
Naicker Kumari (lapsed)
Narinx Susan Mary (lapsed)
Nel William Phillip (resigned)
Nevhuthalu Tendani Gaylord (lapsed)
Ngoma Sibongiseni Simangele (lapsed)
Nicolson Francis William (lapsed)
Nkosi Sizwe Mfundo Sydney (lapsed)
Notten Jan Willem Andries Van Veltzen (resigned)
Nurse Gregory Edmund (lapsed)
Olivier Arnie (lapsed)
O'Neil Christiaan Hendrik (lapsed)
Oosthuizen Derek Allen (lapsed)
Opperman Hendrik Rudolf Beukes (lapsed)
Ormond Gary Edward (emigrated)
Oster Selwyn Harold (lapsed)
Paraskevass Nicolaos (lapsed)
Patel Bhasker (deceased)
Patrizi Marco Anselmo (lapsed)
Peens Johannes Gideon (lapsed)
Perks Jeremy (resigned)
Petzer Jacobus Hendrik (lapsed)
Pienaar Gideon George (lapsed)
Pietersen Johan Anton (lapsed)
Pithey Patrick Michael (deceased)
Plenderleith David Peter Wynn (lapsed)
Qangule Hale Luvuyo (lapsed)



MANEO

INDIVIDUALS REMOVED FROM THE REGISTER OF THE BOARD From 1 February 2004 to 30 April 2004

Read Michael Winston Stratfold (lapsed)
 Read Neville Bedford (lapsed)
 Rennie David John (lapsed)
 Rice John Cromwell (lapsed)
 Robinson Phillip Peter (lapsed)
 Rogoff Hilton (resigned)
 Rosenberg Elliott Samuel (deceased)
 Rowland John Garth (lapsed)
 Ryding Richard William (resigned)
 Savage Michael Kenneth (lapsed)
 Scher Cecil (lapsed)
 Schoeman Jacob (lapsed)
 Schoeman Marc (lapsed)
 Schumann Adolf Wilhelm (resigned)
 Shackleton David Kenneth (resigned)
 Shalala John Daniel (lapsed)
 Shapiro Richard Norman (resigned)
 Silverman Charmaine (lapsed)
 Silverman Philip (resigned)
 Singh Rena (resigned)
 Slyper Megan Justine (resigned)
 Smit Gustav Heinrich (lapsed)
 Smith Wayne (lapsed)
 Soley Alan Murray (resigned)
 Sondiyazi Mpumela James (lapsed)
 Spooner Ian (deceased)
 Stapelberg Timus Izak (lapsed)
 Stevens Nicol Susan (lapsed)
 Steyn Leon Johan (resigned)
 Steyn Theunis Lodewikus (lapsed)
 Stoltz Joseph (lapsed)
 Swana Nkululeko (lapsed)
 Swanepoel Francois Ters (lapsed)
 Theron Jacques Pieter (lapsed)
 Tichauer Wayne Allen (lapsed)
 Tintinger William Ronald (resigned)
 Uys Dirk Cornelius (resigned)
 Van Aardt Johannes Petrus Steyn (lapsed)
 Van Den Berg Abraham Basson (resigned)
 Van Der Linde Leendert Scholtz (lapsed)
 Van Der Merwe Reinette Estelle (lapsed)
 Van Der Watt Hendrik Jacobus Stefanus (lapsed)
 Van Der Wissel Bernardus (resigned)
 Van Dyk Nicolaas (lapsed)
 Van Emmenes Marius (lapsed)
 Van Heerden Rudolph Johann (resigned)
 Van Niekerk Roedolf Johannes (lapsed)
 Van Niekerk marius (lapsed)
 Van Nieuwenhuizen Merise (lapsed)
 Van Zyl Jacobus Frederick (lapsed)
 Venter Abraham Casparus (lapsed)
 Venter Erasmus Albertus (lapsed)
 Viljoen Deon Marius (lapsed)
 Viljoen Johannes Hendrikus (lapsed)
 Wessels Pieter De Wit (lapsed)
 White Michael (lapsed)
 Wolmarans Catherine Elizabeth (lapsed)
 Wright Daryl Percy (lapsed)
 Wu Chia Chao (lapsed)
 Xaso Tabisa (lapsed)

PLEASE SEND ALL CORRESPONDENCE TO:

The Editor/Die Redakteur,
 PO Box 751595,
 Garden View 2047,
 Johannesburg.

TEL: (011) 622-8533

DOCEX: 158 Johannesburg

FAX: (011) 622-4029

E-MAIL: board@paab.co.za

WEB: www.paab.co.za

PERSONNEL OF THE BOARD

EXECUTIVE

sbuddan@paab.co.za

Claude O'Flaherty – Chief Executive Officer
 Sirius Bhudan – Secretary

LEGAL DEPARTMENT

legal@paab.co.za

Jane O'Connor – Director: Legal
 Caroline Garbutt – Professional Assistant
 Mandy Kirwin – Secretary
 Pamela de Klerk – Membership Administrator
 Carmen Walters – Membership Administrative Assistant

PRACTICE REVIEW DEPARTMENT

pracrev@paab.co.za

Jillian Bailey – Director: Practice Review
 Paul van Helden – Reviewer
 Helena Reid – Reviewer
 Marthie Claassens – Reviewer
 Andre Swart – Reviewer
 Kathy Robison – Reviewer
 Erhardt Bahlmann – Reviewer
 Magda Kilian – Secretary
 Elaine Beljon – Administrator
 Kim Anderson – Administrative Assistant

AUDITING STANDARDS DEPARTMENT

audit@paab.co.za

Bernard Agulhas – Director: Auditing Standards
 Cindy Jonker – Professional Assistant
 Cherise Bertasso – Secretary

EDUCATION AND TRAINING DEPARTMENT

edutrain@paab.co.za

Angela Vest Louw – Director: Education and Training
 Laine Katzin – Researcher
 Lucille Pickersgill – Assistant
 Christelle van der Merwe – Examinations Administrator
 Tshepo Maganedisa – Administrative Assistant
 Amanda Harris – Administrative Assistant

ADMINISTRATION DEPARTMENT

board@paab.co.za

Leslie Lacey – Financial Accountant
 Michelle Myburgh – Accounts Clerk
 Liza Verburg – Manager: Communications
 Gail Williams – Receptionist
 Clive Landsdown – Maintenance Supervisor
 Jerome Mvelase – Printer
 Elizabeth Mahlami – Support Services
 Priscilla Mlaba – Support Services
 Maria Maganedisa – Support Services
 Queen Maboshego – Support Services
 Moses Maruping – Transport/Mailroom Clerk