



MANEO

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

REPORT FROM THE CHIEF EXECUTIVE OFFICER

One of the major challenges and exciting opportunities that the profession faces presently is the major impact that the globalisation of modern business is having on the practice of accounting and auditing. Any country that wishes to compete in the global marketplace has to comply and play by the rules in the international arena and for accounting and auditing this translates into our listed companies and other public interest entities being required to comply with international financial and auditing standards.

The 2005 year will be a watershed year for South Africa as we have taken the decision to be at the cutting edge of global practice by opting for full compliance with international financial reporting and auditing standards. This has been a bold decision for our Country to make and its success will result in increased confidence of investors in the stability of South Africa as a global trading partner.

It is one thing to agree to something and quite another to actually achieve it! Can we say that all affected companies really understand the extent of the challenge in terms of

initial and ongoing effort and cost that this will entail?

The 2005 year will hopefully see finality on the new regulatory system for the auditing profession. At the time of going to the press, our understanding was that the draft legislation would be released shortly with the intention of its being promulgated and implemented in the 2005 year. My September MANEO report dealt with the challenges of the company law reform for which Government has set a target to achieve promulgation of the new law by June 2006.

The South African Revenue Service is moving ahead with its plans to introduce legislation to regulate tax consultants and advisors that will probably also be a 2005 event. The implementation of the Financial Advisory and Intermediary Services (FAIS) Act and the Financial Intelligence Centre Act (FICA) will also add to the 2005 challenges for practitioners.

So, if we thought we had challenges in 2004, these will escalate significantly in 2005! ■

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

Seasons Greetings

*On behalf of the P.A.A.B
we wish all our members and their
families a joyous festive season
and a happy & prosperous 2005.*



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AUDITING STANDARDS

AUDITING AND ASSURANCE STANDARDS BOARD (AASB)

The following were approved for issue by the AASB at their meeting in September 2004:

- *Preface to the Standards on Quality Control, Auditing, Assurance and Related Services Adopted for Issue by the Auditing and Assurance Standards Board.*

The preface sets out the procedures followed by the AASB in approving and issuing auditing pronouncements in South Africa.

- South African Auditing Standard (SAAS)/International Standard on Auditing (ISA) 300 (Revised), *Planning an Audit of Financial Statements*.

A revised standard which deals specifically with the planning of the audit of financial statements was released. The revised standard emphasises that planning is not a discrete phase of an audit but rather a continual process.

The AASB also formally approved the adoption of the IAASB Standards for use by auditors in South Africa from 1 January 2005. Circular B.1/2004, *Adoption of the IAASB Standards by the Auditing and Assurance Standards Board* explains the adoption and the effective dates of the international standards.

The following exposure drafts were released for comment:

- Proposed auditing pronouncement, International Standard on Auditing (ISA), *Audit Documentation*.

Changes to the proposed new standard include:

- ▼ The overarching principle of “sufficiency and appropriateness”. Audit documentation should provide a record of the basis for the auditor’s report and demonstrate that the audit was performed in accordance with ISAs and applicable regulatory and legal requirements.
- ▼ Using an experienced auditor as a point of reference.
- ▼ Documentation of subsequent changes to audit documentation.

The closing date for comments is **15 January 2005**.

- Proposed policy statement, *Clarifying Professional Requirements in International Standards Issued by the IAASB*.

The International Auditing and Assurance Standards Board (IAASB) aims to produce high quality international auditing and assurance standards that are understandable, clear and capable of consistent application, thereby serving to enhance the quality and uniformity of practice worldwide.

The IAASB is reconsidering its drafting conventions and has embarked on a “Clarity Project” to determine whether the pronouncements it issues meet the objectives of being understandable, clear and capable of consistent application.

The proposed policy statement sets out various proposed changes to the way in which standards are drafted and presented.

The closing date for comments is **15 December 2005**.

Pronouncements, circulars and exposure drafts issued by the AASB can be accessed on the PAAB website at www.paab.co.za.

INTERNATIONAL AUDITING AND ASSURANCE STANDARDS BOARD (IAASB)

Audit issues arising from first-time adoption of IFRSs

To help auditors address reporting issues arising from the first-time adoption of International Financial Reporting Standards (IFRSs), the staff of the IAASB along with staff of professional accountancy bodies, national standard setters and audit firms have prepared a series of key questions and answers in a new publication, *First-Time Adoption of IFRSs, Guidance for Auditors on Reporting Issues*. The publication may be downloaded from the bookstore on the IFAC website at www.ifac.org/Store/. It appears under the category of “Other.”

IFAC INVITES COMMENTS ON INDEPENDENCE GUIDANCE IN REVISED CODE OF CONDUCT

The Ethics Committee of the International Federation of Accountants (IFAC) released an exposure draft, *Revised Code of Ethics for Professional Accountants*, clarifying independence requirements for professional accountants in public practice who perform assurance engagements.

The changes are designed to conform the Code to the *International Framework for Assurance Engagements*, issued by the IAASB and definitions contained in International Standard on Quality Control (ISQC) 1, *Quality Control for*



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Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance Related Services Engagements.

In addition, the ED proposed a requirement to rotate the individual responsible for the engagement quality review in an audit of a listed entity. The Ethics Committee believes that in an audit of a listed entity the person responsible for the engagement quality review be subject to the same rotation requirements as the engagement partner. The comment period closed on 30 November 2004.

MONEY LAUNDERING CONTROL

In June 2003 the PAAB as a supervisory body in terms of the Financial Intelligence Centre Act (FICA) issued a guide, *Money Laundering Control: A Guide for Registered Accountants and Auditors*. The guide provides general guidance to registered accountants and auditors relating to their money laundering control obligations. The guide can be accessed on the PAAB website under "Guides".

Members are reminded to consider the implications of FICA for their practices and implement the necessary control measures to ensure compliance where appropriate.

The PAAB, as a supervisory body under FICA, is a member of the Money Laundering Advisory Council (MLAC). In terms of FICA the MLAC must perform a review of the Money Laundering Control Regulations and submit a report to the Minister of Finance by 20 December 2004. The purpose of the review is to determine the effectiveness of the Regulations and any implementation problems experienced in the 18 months since the Regulations became effective. Submissions were made by the PAAB concerning the review process based on consultations with and indications from members of the problems being experienced in the implementation of the Regulations. ■

– **CINDY JONKER**

Professional Assistant: Auditing Standards

PRACTICE REVIEW

PAAB'S PRACTICE REVIEW UPHOLDS AUDITING STANDARDS

2005 is an important year in the working life of auditors. Not only will it mark the official introduction of a number of significant international accounting standards, it also marks the beginning of the third cycle of practice reviews by the PAAB.

The process of practice review is unique to the auditing profession – not many professions require their members to submit to a review of their compliance with professional standards on an ongoing basis. Practice review was introduced in South Africa in December 1994.

As the profession continues to be viewed with some scepticism in the wake of corporate collapses, auditors should stand tall behind the fact that practice review represents a true commitment to the public interest as a way of ensuring that professional standards are upheld.

Practice review is not a test, rather it is a means of checking that auditors are applying professional standards appropriately in the course of their day-to-day work. The process is designed to be educative and constructive with reviewers from the PAAB looking at two or three audit files for each individual auditor.

From 2005 the review cycle will run over three years for auditors of public interest entities as opposed to the five-year cycles carried out to date. 2005 will also introduce a new 'top down' review process for audit firms with public interest entities where reviewers will assess the overall quality control systems in place within the audit firms. Such systems should include elements of leadership responsibilities, independence and ethical requirements and monitoring of compliance with the firm's system of quality control. This strengthens the

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quality on audits performed by the firm and ensures that such a culture is entrenched within its staff members.

The PAAB has a team of seven reviewers, all qualified CAs, working full-time on practice review. The PAAB believes the allocation of full-time resources enhances the independence, the thoroughness and the objectivity of the review process as well as its consistency.

All finalised reviews are sent to the PAAB Practice Review Committee, comprising 8 independent auditors, who meet quarterly to review the reports and make decisions on ratings for each review. This decision process is independent and does not disclose the names of firms or practitioners to the Committee. Any practitioner who receives an unsatisfactory rating will be subject to a second review. If consistent deficiencies are highlighted the practitioner will be referred to the PAAB Investigation Committee for further action.

Members of the profession in South Africa can be proud of our contribution to improving standards in the African

region. Not only does the PAAB conduct reviews in South Africa, but also in Botswana, Malawi and Namibia on behalf of the regulatory bodies in those countries.

PRACTICE REVIEW 3-HOUR INTERACTIVE DISCUSSION GROUPS

The Discussion Group content addresses: the practice review process, quality control standards and requirements of the audit standards.

Set out below are the dates on which the Discussion Groups will be held in 2005 in Johannesburg and Cape Town. Please contact Elaine Beljon on 011-622 8533 to make your booking.

Johannesburg: 8 February, 5 April, 8 June, 2 August, 4 October, 6 December

Cape Town: 3 February, 5 May, 11 August, 3 November

Should practitioners in other areas require a Discussion Group, please contact Elaine Beljon to make arrangements. ■

THE PRACTICE REVIEW DEPARTMENT



Front row from left:

Marthie Claassens (Reviewer);
Jillian Bailey (Director);
Helena Reid (Reviewer).

Middle row from left:

Elaine Beljon (Administrator);
Kim Anderson (Administrative Assistant);
Magda Killian (Secretary);
Erhardt Bahlmann (Reviewer).

Back row from left:

Peter Smith (Reviewer);
Paul van Helden (Reviewer);
André Swart (Reviewer).

Inset: Kathy Robison (Reviewer)



QUARTERLY REPORT FROM THE DIRECTOR: LEGAL

for the period 1 July 2004 to 30 September 2004

INVESTIGATION COMMITTEE

The Investigation Committee met twice during this period and disposed of 34 cases as follows:

11 matters were not proceeded with:

- 10 were withdrawn by the complainant;
- In 1 matter the committee was unable to proceed because of an absence of evidence.

5 cases in terms of Disciplinary Rule 3.9.1 (the accused having given a reasonable explanation for the conduct).

3 cases in terms of Disciplinary Rule 3.9.2 (the conduct complained of not constituting unprofessional conduct).

5 cases in terms of Disciplinary Rule 3.9.3 (there being no reasonable prospect of proving the accused guilty).

Ten practitioners were found guilty and punished, by consent, as follows:

- One practitioner was cautioned. The matter related to irresponsible criticism of colleagues' professional work.
- Nine practitioners were fined, as follows:
 - ▼ two related to bringing the profession into disrepute
 - one related to issuing a report without adequate care concerning factual allegations made therein (R3 000)
 - one related to inadequate client acceptance checks (R10000 – suspended for 3 years on conditions)
 - ▼ two related to negligence – both concerned Law Society Trust Account audits (R52 500 of which R25 000 was suspended on conditions, and R10 000, respectively)
 - ▼ five related to practice review (2nd cycle 2nd review – R10 000 with a further R10 000 suspended on conditions; 2nd cycle 2nd review – R15 000 with a further R15 000 suspended on conditions; 2nd cycle 3rd review – R10 000 with a further R10 000 suspended on conditions; 2nd cycle 2nd review – R5 000 with a further R5 000 suspended on conditions; 2nd cycle 2nd review – R10 000 with a further R10 000 suspended on conditions).

DISSIPLINÊRE KOMITEE

Die Dissiplinêre Komitee het een maal tydens hierdie periode vergader, op 7 September 2004, en het die saak teen Mnr S aangehoor. Hy was teenwoordig, maar nie verteenwoordig nie. Die saak was voortspruitend uit 'n klagte van 'n kliënt. Hy was skuldig bevind op drie van die

vier klagtes van onprofessionele gedrag teen hom. Drie klagtes was in verband met sy versuim om finansiële state as voorlopig te identifiseer (of formeel terug te trek) wat gevolglik daartoe gely het dat twee verskillende stelle state vir dieselfde periode opgelewer is. (Die Dissiplinêre Komitee was van mening dat die feite waarop een van die klagtes gebaseer is, tot 'n groot mate ingesluit is by een van die ander klagtes.) Die ander klagte was in verband met onafhanklikheid.

DIE EERSTE KLAG

Die praktisyn was skuldig bevind aan onbehoorlike gedrag soos bedoel in dissiplinêre reël 2.1.5 deurdat hy, sonder redelike oorsaak of verskoning, versuim het om sy werk of pligte as ouditeur van die Maatskappy, wat werk of pligte was wat gewoonlik deur 'n geregistreerde rekenmeester en ouditeur uitgevoer word, met sodanige mate van omsigtigheid en bedrewenheid uit te voer as wat volgens die Raad se oordeel redelikerwys verwag kan word, deurdat:

- Op 18 Mei 2000 hy 'n skriftelike mening uitgespreek het in verband met die eerste 2000 finansiële state.
- Op dieselfde dag (18 Mei 2000) hy 'n skriftelike mening uitgespreek het in verband met die tweede 2000 finansiële state.
- Tot sy kennis het die eerste 2000 finansiële state en die tweede 2000 finansiële state wesenlik van mekaar verskil, en meer in besonder in die volgende opsigte:
 - ▼ voorsiening vir die vervanging van palette is teruggeskryf in 'n bedrag van R92 000;
 - ▼ oormatige voorsiening vir slegte skuld is teruggeskryf in 'n bedrag van R120 000;
 - ▼ sekere onverklaarde kontantontvangste was as verkope herklasifiseer in 'n bedrag van R94 029,21;
 - ▼ belastingvoorsiening in 'n bedrag van R86 209.
- Die praktisyn het geen stappe geneem om te voorsien dat die eerste 2000 finansiële state en/of die tweede 2000 finansiële state teruggetrek (was nie). Inteendeel, (hy het) die eerste 2000 finansiële state of die tweede 2000 finansiële state aan die Bank voorgelê in verband met 'n aansoek deur die Maatskappy vir bankfasiliteite terwyl hy geweet het dat die ander stel 2000 finansiële state bestaan het.

DIE TWEDE KLAG

Die praktisyn was skuldig bevind aan onbehoorlike gedrag soos bedoel in dissiplinêre reël 2.1.5 deurdat hy, sonder

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redelike oorsaak of verskoning, versuim het om sy werk of pligte as ouditeur van die Maatskappy, wat werk of pligte was wat gewoonlik deur 'n geregistreerde rekenmeester en ouditeur uitgevoer word, met sodanige mate van omsigtigheid en bedreweheid uit te voer as wat volgens die Raad se oordeel redelikerwys verwag kan word, deurdat:

- Op 1 September 2001 hy 'n skriftelike mening uitgespreek het in verband met die 2001 finansiële state.
- Die 2001 finansiële state het die ooreenstemmende syfers aangetoon van die 2000 finansiële state, maar die ooreenstemmende syfers het nie ooreengestem met die syfers van óf die eerste 2000 finansiële state óf die tweede 2000 finansiële state nie.

DIE DERDE KLAG

Die praktisyn was skuldig bevind aan onbehoorlike gedrag soos bedoel in dissiplinêre reël 2.1.20 van die dissiplinêre reëls geles met paragraaf 7 (en meer in besonder paragraaf 7.1, 7.2 en 7.7) van die Kode, deurdat hy, sonder redelike oorsaak of verskoning, sekere voorskrifte van die Kode, oortree het of nagelaat het om na te kom, deurdat:

- Hy bestuursdienste aan die BK gelewer het; die BK was die beherende aandeelhouer van die Maatskappy;
- Hy onderhandelings met die Bank aangeknoop het namens die Maatskappy in verband met bankfasiliteite wat die Bank aan die Maatskappy sou beskikbaar stel;
- Hy ingemeng het in die bestuur van die Maatskappy deurdat hy X en/of Y ontslaan het as bestuurders van die Maatskappy;
- Sy eggenote gereël het dat 'n lening van R60 000 aan die Maatskappy gemaak is.

Die voorsitter, Mnr Dines Gihwala, het die vonnis van die Komitee gelewer:

OPSOMMING

“Nou kom ons by die gedeelte van strafoplegging, wat dalk die moeilikste gedeelte van die prosedure is. Wat volg Mnr S, sal u besef dat hierdie komitee lank besin het oor wat 'n gepaste vonnis of 'n straf onder die omstandighede is. En ek wil net vir u noem dat, voordat ek vir u die vonnis of die straf uitlees, verskeie faktore in ag geneem is.

U persoonlike omstandighede is behoorlik in ag geneem. Die feit dat u ten volle saamgewerk het met die Raad tel sterk in u guns. Dat u baie duidelik berou toon tel ook baie sterk in u guns, en die feit dat u uit 'n omgewing kom waar u 'n eenmansaak is, met 'n klein praktyk en derhalwe al die mense rondom u ken. Al hierdie omstandighede natuurlik tel in u guns.

Die Raad is ook van mening dat u blykbaar op die regte pad is in terme (om) u praktyk weer behoorlik aan die gang

te kry, in terme van die standaard wat gehandhaaf moet word. En u moet ook besef dat hierdie Raad 'n plig het teenoor die breë gemeenskap daar buite en teenoor u mede praktisyns in terme van standaard wat daar verwag word van die beroep in die algemeen.

U weet wat die strawwe is wat moontlik opgelê kan word, en ons wil net beklemtoon dat die ernstigste misdaad wat u ooit kon pleeg is om 'n verslag te teken dat u 'n audit gedoen het waar u inderdaad nie 'n audit gedoen het nie. Wat in u guns tel is dat u hierdie feit openbaar het aan hierdie komitee en daar geen ander getuienis was tot dien effekte nie.

Onder die omstandighede, na lang besinning, het hierdie komitee besluit dat die volgende 'n gepaste vonnis sal wees.

VONNIS:

U word geskors van praktyk vir 'n tydperk van vyf jaar, welke skorsing opgeskort word vir 'n periode van vyf jaar vanaf vandag op voorwaarde dat u nie skuldig bevind word aan 'n oortreding waar growwe nalatigheid ter sprake is nie, en wat plaasgevind het gedurende die periode van opskorting. Dit is die eerste gedeelte.

U word ook R35 000 beboet.

U word dan verder bygesê dat u 'n bydrae van R25 000 tot die koste van hierdie verrigtinge sal maak, en dat die feite, bevindinge en die straf in MANEO gepubliseer sal word sonder die bekendmaking van u naam en/of u praktyk se naam.”

AND ON A LIGHTER NOTE

One of my functions in the office is to open the daily mail. At the moment the bulk of our mail comprises the returned 'third cycle' affidavits, and applications to write the PPE. The 'affidavit' correspondence has caused me some amusement, and the PPE applications, a little concern.

My colleague Jillian Bailey, Practice Review director, sent out a perfectly simple request recently. She printed a pro forma affidavit, and asked that practitioners complete the details and then swear to them. Having done such, they were requested to post the affidavit back to her.

Most sole practitioners did just that. The large firms however, found it necessary to return the affidavit under cover of a letter, on a letterhead, which usually included the following, or variations thereof: 'as requested, we attach hereto the duly completed affidavit' (yes, we can see that) and 'if you have any queries in this regard please contact the writer' (you can be sure we will). Some were even nice enough to tell Jillian that they had pleasure in enclosing the affidavits, that they thanked her for her letter, or that they trusted the completed affidavit met with her approval.



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Another noticeable point of difference between small and large firms is that the small firms invariably returned the affidavit folded in three in a so called DL envelope (as indeed it had been posted to them). This attracts postage of R1,70. An overwhelming number of large firms returned the affidavits (one at a time, from each partner) unfolded, in a so-called B4 envelope. The envelope itself costs a fair bit more, and attracts postage of R4,35. (They also clog up our already full letterbox). Some even sent these by counter-to-box overnight courier (postage R25,75).

Of more concern however was the number of cheques attached to PPE applications, drawn by the trainees themselves, which were not crossed in any way at all – effectively bearer cheques. Fortunately the staff of the Board are honest, and our controls good.

But even here, on the cheques issued by the firms rather than the trainees, there was a distinction in the crossing rubber stamps. A few smaller firms stamped their cheques ‘This cheque is issued without any alterations’. Perfectly clear. One large firm however chooses to stamp its cheques ‘It is not the policy of this firm to issue altered cheques’ – which rather begs the question.

ANNUAL FEES

As usual at this time of year, the Board would like to take this opportunity to draw the attention of its RAAs to some facts and procedures surrounding the payment of annual fees.

The implications of non-payment or late payment are severe for the practitioner and the procedures attendant upon this have unfortunate ramifications, not the least of which are immense increased work load for the staff of the Board and irritation and unhappiness for the practitioner.

In addition to late or non-payment of fees the Board experiences two other problems:

1. Submission of the incorrect amount. In 2005 the Board will continue to return the cheque with a note that it is for the wrong amount and requesting the practitioner to remit the correct amount.
2. Confusion of the Board and the Institute. If the Board receives a cheque for the Institute, it will forward this cheque to the Institute on the practitioner’s behalf. However, should a practitioner submit a composite cheque to the Board in respect of fees for the Board and the Institute, this will be returned to the practitioner with a request for separate cheques. Occasionally, a cheque made payable to the Board, is attached to the Institute’s remittance advice. In the past the Board has endorsed such cheques to the Institute and forwarded them to the Institute together with the remittance advice. This

however has annoyed some practitioners and such cheques will also be returned to the practitioner.

Practitioners are reminded that fees are due and payable on the 1st January every year. An extension is given in terms of the Act for a three month period of grace so that, in effect, fees can be paid up until the 31st March of the year in question. The Board sends out fee statements in December in order to give practitioners plenty of time to pay their fees timeously. In addition, reminders are posted mid February to practitioners from whom fees have not yet been received. The reminder procedure should not be necessary and causes irritation to some practitioners. However, experience has shown that if reminders are not sent out there is an even greater incidence of non-payment. A recent survey among practitioners indicated that on balance the reminder procedure is helpful and so it will be retained.

Payment must be **received** by the Board by the close of business on the 31st March. It is not acceptable to post the cheque on that date when there is obviously no possibility of it reaching its destination on the same day. Many practitioners complain about hold-ups in the post. Our experience does not bear this out. Were cheques posted when accounts were first issued, there would be little likelihood of payment not being received by the end of March.

One of the issues raised by practitioners is that of cashflow at the end of a year. If this is indeed a problem the cheques can be post-dated. We do not like to receive post-dated cheques, but it is the lesser of two evils.

We would accordingly respectfully remind our practitioners to pay their fees timeously. In the unlikely event of a practitioner receiving neither a statement nor a reminder (and the usual reason for this is that the practitioner has omitted to notify the Board of a change of address) it is still no excuse not to pay the fees.

Practitioners are reminded that the Board will again be adhering strictly to deadlines in 2005 and the official list of RAAs (the “Blue Book”) will be prepared for printing on the 1st April 2005. If payment has not been received by that date, the names of practitioners who are in arrears will not be included in the Blue Book, regardless of the reasons. The Board cannot delay the publication of the Blue Book indefinitely until all late payments have been received.

Practitioners are also reminded that the obligation to pay their fees rests squarely upon their own shoulders and that the all too common excuse of attempting to blame their secretaries or administrative staff for late payment, is distasteful.

Finally, we receive numerous enquiries about direct deposits into our bank account, particularly as the deadline looms.

Payment directly into our account is acceptable but we

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urge practitioners to take note of the following if they exercise this option:

1. Payment should not be left until the last minute, or practitioners run the risk of the payment not being allocated to them before the Blue Book cut-off date.
2. If the payment is less than the fee, it will not be considered as a payment for the purposes of the Blue Book, unless the balance is received prior to cut-off date.
3. If a physical direct deposit is made at a bank, FULL details (your name and registration number) must be entered on the deposit slip which must be faxed to us at (011) 622-4029. We urge you to ensure that the teller captures these details as well. If we receive a payment with no or insufficient details, we simply cannot allocate it.
4. If an internet transfer is made, please also ensure that your name and registration number are indicated, and fax us a confirmation print-out to (011) 622-4029.

**Our account details are:
Public Accountants' and Auditors' Board
Standard Bank, Eastgate Branch
Account no: 221290532
Branch code: 018-505**

JAARGELDE

Die Raad wil graag van hierdie geleentheid gebruik maak om die aandag van sy GROs op party van die feite en prosedures in verband met die betaling van die jaargelde te vestig.

Die nie-betaling of laat betaling het ernstige implikasies vir die praktisyn. Daarbenewens het die prosedures wat daarmee gepaard gaan, heelwat ongelukkige gevolge, waarvan nie die minste is nie, dat dit 'n veel groter werkklas op die personeel van die Raad plaas en ergernis en misnoë vir die praktisyn meebring.

Afgesien van die laat of nie-betaling van gelde, ondervind die Raad twee ander probleme:

1. Betaling van die verkeerde bedrag. In 2005 sal die Raad steeds die tjek terugstuur, met 'n nota dat die bedrag verkeerd is en 'n versoek dat die praktisyn die korrekte bedrag sal stuur.
2. Verwarring tussen die Raad en die Instituut. Indien die Raad 'n tjek ontvang wat aan die Instituut betaalbaar is, sal die Raad die tjek namens die praktisyn aan die Instituut oorhandig. Indien die praktisyn egter 'n enkele tjek vir die gelde van sowel die Instituut as die Raad stuur, sal dit aan die praktisyn teruggestuur word met die versoek dat hy afsonderlike tjeks aan elk stuur. Soms ontvang die Raad 'n tjek wat aan die Raad uitgemaak is,

maar met die Instituut se rekeningstaat daaraan vasgeheg. In die verlede het die Raad die tjek geëndosseer en dit saam met die rekeningstaat aan die Instituut deurgestuur. Aangesien sommige praktisyns egter ontevrede was hieroor, sal tjeks van hierdie aard in die toekoms ook aan die praktisyn teruggestuur word.

Praktisyns word daaraan herinner dat die gelde op 1 Januarie van elke jaar verskuldig en betaalbaar is. Ingevolge die Wet word gracie vir 'n tydperk van drie maande verleen, sodat die gelde in werklikheid tot op 31 Maart van die betrokke jaar betaal kan word. Die Raad pos rekeningstate in Desember om praktisyns genoeg tyd te bied om die gelde betyds te betaal. Daarbenewens word aanmanings teen die middel van Februarie gestuur aan praktisyns wie se gelde nog nie ontvang is nie. Hoewel hierdie aanmaningsprosedure onnodig behoort te wees en ook ergernis veroorsaak, het ondervinding egter geleer dat die nie-betalingsyfer by gebrek aan aanmanings nog hoër is. 'n Onlangse opname onder praktisyns het getoon dat die meerderheid die aanmaningsprosedure tog nuttig vind en daarom sal dit voortgesit word.

Die Raad moet die gelde teen sluitingstyd op 31 Maart ontvang. Dit is nie voldoende om die tjek op daardie datum te pos nie, aangesien dit sy bestemming onmoontlik op dieselfde dag sou kon bereik. Baie praktisyns kla oor posvertraging, maar dit word nie deur ons ondervinding gestaaf nie. Indien tjeks gepos word wanneer die rekeninge vir die eerste keer uitgereik word, is die kans skraal dat dit ons nie teen die einde van Maart sou bereik het nie.

Een van die kwessies wat praktisyns geopper het, is die van kontantvloei aan die einde van die jaar. Indien dit werklik 'n probleem is, kan die tjeks vooruit gedateer word. Hoewel die Raad nie die praktyk van vooruitgedateerde tjeks wil aanmoedig nie, is dit meer aanvaarbaar as om hoegenaamd geen tjek te ontvang nie.

Ons wil dus 'n beleefde beroep doen op ons praktisyns om hul gelde betyds te betaal. Selfs al sou die onwaarskynlike gebeur en die praktisyn nóg 'n rekeningstaat nóg 'n aanmaning ontvang (en die rede hiervoor is gewoonlik dat die praktisyn versuim het om die Raad van 'n adresverandering in kennis te stel), is dit steeds geen verskoning vir die nie-betaling van gelde nie.

Praktisyns word daarop gewys dat die Raad in 2005 weer eens streng by die sperdatums gaan hou en die amptelike lys van GROs (die "Blou Boek") op 1 April 2005 ter perse sal gaan. Indien betaling nie teen daardie datum ontvang is nie, sal die name van praktisyns wie se gelde agterstallig is, ongeag die redes, nie in die Blou Boek ingesluit word nie. Die Raad kan nie die publikasie van die Blou Boek onbepaald vertraag, totdat al die laat betalings ontvang is nie.



MANEO

LEGAL

Praktisyns moet ook daarop let dat die verpligting om te betaal, geheel en al op hulself rus, en die veels te algemene verskoning waardeur die blaam op hul sekretaresses of administratiewe personeel geplaas word, is in swak smaak.

Ten slotte die kwessie van direkte deposito's in ons bankrekening. Ons ontvang talle versoeke hiervoor, veral as die sperdatum naderkom.

Direkte inbetalings in ons rekening is aanvaarbaar, maar graag vestig ons u aandag op die volgende indien u hierdie opsie uitoefen:

1. Betaling moet nie tot op die laaste oomblik gelaat word nie, want u loop die risiko dat die betaling nie aan u geallokeer sal word in tyd vir die samestelling van die Blou Boek nie.
2. Indien die volle balans nie betaal word nie, sal dit nie as betaling aanvaar word vir doeleindes van die samestelling van die Blou Boek nie.
3. Indien u 'n inbetaling by die bank self maak versoek ons

u dringend om u volle besonderhede op die deposito strokie aan te bring (volle name en registrasie nommer) en bewys van betaling aan ons deur te faks by (011) 622-4029. Maak asseblief seker dat die teller AL hierdie besonderhede invoer. Indien ons 'n betaling ontvang met geen of onvoldoende besonderhede kan ons dit nie korrek allokeer aan die gegewe praktisyn nie.

4. Indien u van 'n internet oorbetalings gebruik maak, maak asseblief ook seker dat u naam en registrasie nommer gereflekteer word, en faks ons 'n uitdruk van die bevestiging aan (011) 622-4029.

Ons bank besonderhede is as volg:
Openbare Rekenmeesters- en Ouditeursraad
Standard Bank, Eastgate Tak
Rekening nommer: 221290532
Takkode: 018-505 ■

– JANE O'CONNOR
Director: Legal

THE FEES PAYABLE TO THE BOARD WITH EFFECT FROM 1 JANUARY 2005

		Excl. Vat R	Incl. Vat R
1.	Registration as an accountant and auditor or as a non-resident accountant and auditor	1 945,00	2 217,30
2.	The annual fees payable by any person registered as an accountant and auditor shall become due and payable upon registration, and thereafter on 1 January of every calendar year		
	2.1 Annual fees payable by any person as long as he/she remains registered as an accountant and auditor or as a non-resident accountant and auditor and has not reached the age of 65 years	1 880,00	2 143,20
	2.2 Annual fees payable by any person as long as he/she remains registered as an accountant and auditor or as a non-resident accountant and auditor and is over the age of 65 years	940,00	1 071,60
3.	Fees payable in respect of registration of training contracts	204,38	233,00
4.	Annual levy payable by a registered training office in respect of each trainee accountant The annual levy payable in respect of each trainee accountant shall be due and payable upon registration of the training contract and thereafter on 1 January of each calendar year. Five levies are payable in cases where the period of service under training contract is five years and three in cases where the period under training contract is three years.	226,32	258,00
5.	Practice review fee payable per practitioner will be:		
	5.1 A base fee (for on-site reviews) of or a base fee (for PAAB office reviews) of PLUS	3 180,00 1 590,00	3 625,20 1 812,60
	5.2 Actual time carrying out the review at a standard rate per hour	795,00	906,30
6.	Exemption, or partial exemption, from the obligation to pass an examination prescribed by the Board		865,00
7.	7.1 Examination fee per paper 7.2 Additional entrance fee in respect of late entries accepted for examinations conducted by the Board		865,00 430,00



MANEO

WORKING TOGETHER TO DELIVER ACCOUNTABILITY IN THE PRIVATE AND PUBLIC SECTOR THROUGH AUDIT



**Auditor-General, Shauket Fakie, and Ruth Benjamin-Swales,
chairman of the PAAB.**

The Office of the Auditor-General (OAG) and the Public Accountants' and Auditors' Board (PAAB) signed a Memorandum of Understanding (MOU) which recognises the increasing convergence between auditing the public and private sectors and demands of stakeholders for improved transparency and accountability.

These two institutions play important roles in guarding the financial interests of the public and it is therefore in the public's best

interest to work together to enhance the quality of service and maintain the integrity of the auditing profession.

This MOU formalises what has always been a very productive and mutually respectful relationship between the PAAB and the OAG but it also extends the areas across which the organisations will share information as well as fulfil its roles in the accountability chain in the public sector.

Over recent years, standards for the auditing of the public sector have moved to be more in line with those governing private sector audits, so there will be a lot of opportunities to coordinate projects which will be of mutual interest to both parties.

The MOU was signed by the Auditor-General, Shauket Fakie, and Ruth Benjamin-Swales, chairman of the PAAB. ■



MANEO

ANGER MANAGEMENT

ANGER

“Anyone can get angry. That is easy. But to be angry with the right person, to the right degree, at the right time, for the right purpose and in the right way, that is not easy.”

– ARISTOTLE

At this time of the year, when tempers are short and our exercise regime consists of flying off the handle and jumping to conclusions, it seems appropriate to discuss anger and the way we manage anger because the ultimate test of our emotional intelligence may be in the way we handle anger. Do we use it in productive or counter-productive ways?

Anger may be defined as “sudden, keen displeasure aroused by real or assumed injury or injustice and usually accompanied by the desire to punish”. Yet there are several important aspects about anger worth remembering:

1. It is a powerful survival tool
2. It is a response to pain (physical or psychological)
3. It is a source of energy
4. In anger mode the brain downshifts to a lower evolutionary level
5. It is a secondary emotion
6. Prolonged anger is unhealthy
7. Repressed anger is also unhealthy

Nature has developed the emotional state we call “anger” to help us stay alive. Anger sends signals to all parts of our body to help us with the fight or flight response. It energises us to prepare for action. When we feel energized by anger, we might ask ourselves how we put this energy to the most productive use.

Perhaps the most helpful thing to remember about anger is that it is a secondary emotion. A primary feeling is what is felt immediately before we feel angry. We always feel something else first. One might first feel afraid, attacked, offended, disrespected, forced, controlled, trapped, interrogated, or pressured. If any of these feelings are intense enough, we think of the emotion as anger. When all you can say is “I feel angry”, no one knows what would

help you feel better. A helpful technique, then, is to always identify the primary emotion.

The way we express anger is based upon our personality and the way we have learnt from our lives. There are as many ways to express anger as there are situations and people. The problem is that most people let anger control them as opposed to the person controlling anger.

For humans, there is a small space between stimulus and response, and in this space lies the power to make choices that will determine the course of our lives.

It may be helpful for us to try and widen this space in our lives, and in fact may be one of the signs of wisdom and maturity. It may give us an increased sense of control. Simply remembering that we have a choice helps us feel more in control. Not surprisingly, studies show that people feel better and are healthier when they have a sense of control over their lives. This is where the balance between upper brain and lower brain comes in. High emotional intelligence suggests that we channel our anger in productive ways to help us achieve our goals rather than to sabotage them. Keeping our goals clearly in mind at all times helps us accomplish this.

Here are some suggestions for responding to your anger:

1. Ask what you are afraid of
2. Ask what feeling preceded the anger
3. Ask what other feelings you are feeling
4. Ask what you are trying to control
5. Ask what you can control
6. Consider your options
7. Choose the one that will bring you the most long term happiness.

GOOD LUCK! ■



MANEO

LIST IS CURRENT AS AT TIME OF GOING TO PRESS

INDIVIDUALS ADMITTED TO THE REGISTER OF THE BOARD

From 1 August 2004 to 30 September 2004

Abbott Bernadette Marie
Barnard Amanda Regina
Binedell Rudi
Borrill RobertOwen
Bossert Christiaan Frederik
Brown Graham
Brown Grant Peter
Chingaya Misheck
Crisp Stuart Read
De Lange Gavin Leslie
Douglas Gavin Richard
Flohr Miles Rainer
French Ilse Petra
Geeanpersadh Praveck
Georgala Anna Catharina
Grobbelaar Bernard
Harmsworth Colette Sue
Hart Andrew Michael
Herbst Michiel Christoffel
Huang Chien-Fu (Jeff)
Jurgensen Derry Belinda
Kilian Hilton Craig
Kolbé Gabriel Stephanus
Luthuli Mthokozisi Raymond
Maongera Crispen
Mhlontlo Zwelifikile
Oberholzer Willem J
O'Callaghan John Francis
Palk Walter Robert Carrington
Patel Nazeer Ahmed
Read David Stratford
Stanier Gary Graham
Salvage Petra Joy
Smith Anthony John
Sooliman Sameer
Strydom Martinus Johannes
Vally Zunaid
Volschenk Kobus
Watson Mandy Lynn
Wolff Justin Robert
Yuill Vanessa Tracy

INDIVIDUALS RE-ADMITTED TO THE REGISTER OF THE BOARD

From 1 August 2004 to 30 September 2004

Barr Alan Dax
Barends Laurence Jeftha
Barnes Claude Stanley
Clow Oliver Edward
Dondashe Wakeford Mzolisi
Du Toit Morné Jaco
Gordhan Yaswant Narotham
Greyling Andries Jacobus Ferdinandus
Harkhu Mahendra Harilal
Heard Kim Audrey Daphne
Kane Michael Alexander
Knight Quintin Walter
Leibovitz Norman Allen
Narinx Susan Mary
Stuart Frederik Wilhelm
Schoeman Marc
Venter Jan Magiel Paul
Van Niekerk Roedolf Johannes
Viljoen Johannes Hendrikus

INDIVIDUALS REMOVED FROM THE REGISTER OF THE BOARD

From 1 August 2004 to 30 September 2004

Graham Gert Thomas (resigned)
Human Willem Adriaan Frans (resigned)
Liesching Gerhald Thomas (resigned)
Mc-Intyre Robert More (emigrated)
Pohl-Modricky Carola (resigned)
Van Rensburg Jaco Markus (resigned)

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
 Tshepo Maganedisa – 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
 Peter Smith – 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
 Amanda Harris – Administrative Assistant

ADMINISTRATION DEPARTMENT

board@paab.co.za

Lesley 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