



MANEO

ISSUE 45 • SEPTEMBER 2005

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

REPORT FROM THE OUTGOING CHIEF EXECUTIVE OFFICER

This will be my farewell contribution to *MANEO* and I shall be handing over to Kariem Hoosain from 1 September. I took on the role of CEO at the beginning of 2000 for what was expected to be a brief interim period pending the finalisation of our new legislation, which was expected to be in 2001. Of course, it could not at that time have been anticipated that the pressures that built up in the late 1990s and finally burst in the early 2000s with the collapse of major corporations such as Enron and Worldcom, would result in a worldwide challenge on the way in which the auditing profession is regulated. What began as a global question mark on the wisdom of self regulation by our profession ended in a general acceptance by authorities that this was taboo. This resulted in a scramble by authorities in most jurisdictions to seek new regulatory models to eliminate or reduce the extent of self-regulation. First of the major jurisdictions out of the blocks was the USA, followed by Canada and more recently the UK, with recommendations for the wider EU still under debate.

The measured response of our own government is well documented in previous editions of *MANEO*. We are now close to the winning post! It seems certain that our new Auditing Profession Bill and important amendments to the Companies Act will be promulgated in 2006. So in a way, back to where I came in, but with many twists

and turns along the road. But it is said that good things are worth waiting for and I am very confident that the new model of a more robust and independent regulatory framework will be in the best interest of the public and of our profession.

Readers may recall that the theme of our strategic objectives commencing from 2000 was to ensure that “we hit the road running” to achieve smooth and orderly transition to our new legislative order. Despite the many frustrations and uncertainties over the six years, I believe that we have remained focused in this goal and that the PAAB is well placed and prepared to achieve its objective. I believe that the new Board will inherit a vibrant, effective and efficient organisation driven by a dedicated team of professionals who will continue to carry out their functions in the best interest of the public.

Finally, I would like to say that I do not believe that true change will be achieved through increased regulation alone. The future of our profession lies with those who practice it. It is they who must be the standard bearers to restore the public confidence in our profession. I leave you with a quote from an article by Marianne M. Jennings that was published in the May/June edition of the US Financial Analysts Journal:

“True reform lies not in statutory or codified detail. Rather, true reform comes from a moral compass that is applied by leaders who demonstrate ethical courage. True reform requires a focus on doing more than the law requires and less than the law allows.” ■

– CLAUDE O’FLAHERTY
CEO

FAREWELL

Members of the Board and other key stakeholders attended a farewell dinner for Claude O’Flaherty at the Park Hyatt, Rosebank, on 6 June 2005. The Chairman of the Board, Ruth Benjamin-Swales, regaled guests with a number of warm and amusing anecdotes and tributes that she had collected from the Board members. The Auditor-General,

Shauket Fakie, also paid tribute to Claude.

Claude was presented with a certificate in recognition of the contribution he has made to the profession during his time as CEO of the PAAB.





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NEW CHIEF EXECUTIVE OFFICER



INTRODUCING KARIEM HOOSAIN: NEW CHIEF EXECUTIVE OFFICER OF THE PAAB

We are pleased to introduce Kariem Hoosain, who took over from Claude O’Flaherty with effect from 1 September 2005. We thought it would be useful to get his views on some really challenging issues facing the profession at present.

WHY DID YOU DECIDE TO APPLY FOR THE POSITION AT THE PAAB?

Having been involved with PAAB through committee representation on behalf of the Office of the Auditor-General, I was very interested when I heard of this opportunity.

Several years ago I made a conscious decision that the best way for me to make a contribution to the development of the country and the profession was by focusing on public institutions.

I have worked for the Truth and Reconciliation Commission and now the Office of the Auditor-General and I see the PAAB as another avenue for me to achieve that objective.

WHAT IS YOUR KEY OBJECTIVE IN THE ROLE?

One of my roles at the Office of the Auditor-General has been stakeholder management so I am looking forward to adopting a similar open-door, consultative approach in my new role at the PAAB. For example, I will be actively seeking increased representation on PAAB committees by smaller firms.

Another of my other main focus areas will be the advancement of black professionals in the country. I believe that the auditing profession started down the road to transformation a bit later than other professions but reasonable progress has now been made. I say reasonable progress – not great progress – and there is still a long way to go.

I want to make the auditing profession more attractive to blacks. SAICA is doing good work but their focus is more general in attracting black candidates into the accounting profession via the CA(SA) designation. Many of those

candidates see auditing as merely a stepping stone to a career in business rather than a desirable career goal in itself.

I believe we need to make access to the auditing profession simpler and easier. That does not mean lowering standards but rather offering a broader range of entry opportunities. I would like to facilitate an increase in the number of accredited professional bodies so there are different routes to qualifying as an auditor. If we are to open up the profession we need to look at qualification mechanisms that are more suited to work and study as many potential black candidates in particular are not able to undertake full time study.

I also believe we need to proactively engage the learner population at schools. Learners in Grades 10, 11 and 12 need to be made aware of auditing as a possible career. I believe the PAAB has a very important role to play in promoting auditing as a profession to those learners. We should not simply rely on the individual professional bodies to promote accounting and then hope that some of those candidates choose to specialise in auditing.

To that end there is a huge need to strengthen the understanding and teaching of mathematics and commerce education at schools. We need to demonstrate how mathematics is relevant to the business environment and we need to expose learners to business and the role of auditing.

I strongly believe in outcomes-based education and believe we need to tap into that more. We need to think creatively about how we can add value to the system at the same time as generating a better understanding of auditing as a profession.

I have signed a three year contract with PAAB and I hope to be able to have some frameworks in place within that timeframe to promote that goal.

WHAT DO YOU BELIEVE HAS BEEN THE IMPACT OF INTERNATIONAL ‘SCANDAL’ ON THE PROFESSION?

The media coverage and focus on corporate collapses internationally has certainly highlighted the role of auditors in the corporate governance process.

It also represents a timeous wake up call for the profession.



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I do think that in recent years there have been some times when ethical standards were sacrificed for financial goals. Recent events have served to remind auditors of the primary fiduciary duty to shareholders.

However, I also believe we must be cautious to avoid a knee-jerk reaction to lay full blame on auditors for corporate collapses. In terms of liability and financial redress it is convenient to blame the auditors because they are generally covered by professional indemnity insurance and therefore may be seen to have 'deep pockets'.

It must be remembered that the primary responsibility for running a business lies with executive management, followed by the board of directors. Auditors can only provide a certain level of assurance, together with other internal and external quality controllers.

I think that hierarchy of responsibility should be recognised and understood more clearly – and at the moment I think that hierarchy is a bit back to front. The auditors should not be the first port of call when seeking prosecution, redress or accountability and Companies legislation should acknowledge and reflect the correct hierarchy of responsibility.

WHAT ARE YOUR THOUGHTS ON DISCIPLINE IN THE PROFESSION?

I believe the current PAAB disciplinary regime is very strict but I do feel there is some room for a more independent review process. It is appropriate that an increased number of independent representatives should be involved and provisions in the Draft Auditing Profession Bill should go a long way to address that.

I am very keen for PAAB to focus on more clearly defining what 'conflict of interest' means. At the Office of the Auditor-General I have been involved in identifying possible conflicts of interest for service providers that conduct audits on behalf of the Auditor-General (AG). The AG's office has taken a very conservative approach to what represents a conflict of interest between auditing and consulting assignments.

I believe the PAAB has a role to play in providing advice and guidance to businesses and firms around what might be perceived as a conflict of interest.

WHAT IS YOUR VIEW ON SPECULATION REGARDING FURTHER CONSOLIDATION IN THE PROFESSION?

I have some concerns about the potential for increased concentration in the industry but I don't believe it is inevitable. However I do see opportunity for consolidation amongst some of the smaller service providers in the industry.

I would like to promote the benefits of possible consolidation amongst smaller firms in South Africa – especially the many two or three partner black firms – to encourage them to consider pooling resources to form a larger firm subsequently able to better compete with the existing Big Four.

WHAT IS YOUR VIEW ON THE INDEPENDENCE OF THE PROFESSION?

I believe it would be very appropriate that the DAPB allows the government to start providing funding to the regulator. It is inappropriate for the regulator to be so reliant on the profession for funding as it may compromise the perception of independence.

ARE WE AT RISK OF OVER-REGULATION?

I think there needs to be a balance between too much regulation and too little. At the same time, if there is too much regulation then we need to stop and take a look at ourselves and our ethical standards.

Regulations are required where principles are being flouted. Regulations are only needed where there is need for accountability.

If there is heavy regulation then we need to ask ourselves why – self regulation is only as strong as the weakest link.

WHAT IS YOUR KEY MESSAGE TO CURRENT REGISTERED AUDITORS?

Embrace the spirit of the new legislation. Even if there are specific points you do not agree with, do not lose sight of the spirit of the legislation which is meant to uphold professional standards and quality, encourage members to practice the highest level of ethics and generally improve the image and standing of the profession.

I hope the new legislation will be passed by early 2006 at the latest so that I am in a position to begin practical implementation of the changes during my tenure. ■

SNAPSHOT

NAME

Abdul Kariem Hoosain CA(SA), MBA

PREVIOUS POSITIONS

- Corporate Executive, Office of the Auditor-General
- Director for Support Services at the Truth and Reconciliation Commission

QUALIFICATIONS

- MBA University of Stellenbosch Graduate School of Business
- Certificate of Forensic Auditing, University of Pretoria
- B. Business and Administration (Hons) University of Stellenbosch Graduate School of Business
- B Comm (Hons) University of the Western Cape
- B Comm, University of the Western Cape



AUDITING STANDARDS

IAASB RELEASES NEW INTERNATIONAL STANDARD ON REVIEW ENGAGEMENTS

The International Auditing and Assurance Standards Board (IAASB) released the International Standard on Review Engagements (ISRE) 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*.

The purpose of the ISRE is to establish standards and provide guidance on the auditor's professional responsibilities when the auditor undertakes an engagement to review interim financial information of an audit client, and on the form and content of the report. For purposes of the ISRE, interim financial information is financial information, prepared and presented in accordance with an applicable financial reporting framework. It comprises either a complete or a condensed set of financial statements for a period that is shorter than the entity's financial year.

IAASB RELEASES EXPOSURE DRAFTS OF PROPOSED ISAs

The following new exposure drafts were released for comment:

SPECIAL REPORTS

- Proposed International Standard on Auditing (ISA) 701 (Revised), *The Independent Auditor's Report on Other Historical Financial Information*.

The purpose of the proposed ISA is to establish standards and provide guidance for the independent auditor's report issued as a result of an audit of historical financial information other than a complete set of general purpose financial statements prepared in accordance with a financial reporting framework designed to achieve fair presentation (for purposes of the proposed ISA referred to as "other historical financial information").

The proposed standard states that other historical financial information includes:

- A complete set of financial statements prepared in accordance with a financial reporting framework designed for a general purpose, but not designed to achieve fair presentation;
- A complete set of financial statements prepared in accordance with a financial reporting framework designed for a special purpose;
- A single financial statement, or statements, that would otherwise be part of a complete set of financial statements; and

- One or more specific elements, accounts or items of a financial statement.

- Proposed ISA 800 (Revised), *The Independent Auditor's Report on Summary Audited Financial Statements*.

The purpose of the proposed ISA is to establish standards and provide guidance for the independent auditor's report on summary financial statements derived from audited financial statements (for purposes of the proposed ISA referred to as "summary financial statements"). It also contains standards and guidance on the criteria used and procedures performed in an engagement to report on summary financial statements.

The proposed standard states that the objective of an engagement to report on summary financial statements is to express an opinion whether they are an appropriate summary of the audited financial statements from which they have been derived.

The closing date for comments on both exposure drafts is **31 October 2005**.

AASB RELEASES TWO NEW SAAPS

The Auditing and Assurance Standards Board (AASB) released two new South African Auditing Practice Statements (SAAPS), namely:

- SAAPS 1, *Quality Control*

The purpose of the SAAPS is to provide practical assistance to auditors and to promote best practice in applying International Standard on Quality Control (ISQC) 1, *Quality Control for Firms that perform Audits and Reviews of Historical Financial Information, and other Assurance and Related Services Engagements* and the ISA 220 (Revised), *Quality Control for Audits of Historical Financial Information*, in the audits or reviews of historical financial statements.

- SAAPS 2, *Financial Reporting Frameworks and Audit Opinions*

The purpose of the SAAPS is to provide clarity to auditors concerning the effect that the financial reporting framework or basis of accounting has on the auditor's report and takes into account recent developments in the auditing standards in this regard.

AASB RELEASES NEW EXPOSURE DRAFT FOR COMMENT

The AASB released an exposure draft of a proposed SAAPS, *Illustrative Auditor's Reports on Financial State-*



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ments. The proposed SAAPS contains illustrations of auditor's reports and is intended to supplement the guidance provided in the ISAs concerning auditor's reports on complete sets of financial statements.

The closing date for comments was **2 September 2005**.

MONEY LAUNDERING: FICA COMPLIANCE

The PAAB distributed a FICA compliance questionnaire to all registered accountants and auditors, to be completed by all individuals registered with the PAAB and submitted by **30 September 2005**.

The PAAB is a supervisory body in terms of the Financial Intelligence Centre Act, 2001 (FICA). In terms of section 45(1) of FICA a supervisory body is responsible for

supervising compliance with the provisions of Chapter 3 of FICA, *Money Laundering Control Measures*, by each accountable institution regulated or supervised by it. The PAAB recognises that not all registered accountants and auditors are accountable institutions but to fulfill its responsibilities in terms of FICA it must determine which registered accountants and auditors are accountable institutions. It is for this reason that PAAB requires all registered accountants and auditors to complete the FICA compliance questionnaire.

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

– **CINDY JONKER**

Professional Manager: Auditing Standards

NO SUCH THING AS 'AUDIT LITE'

Anyone operating a company will be aware of the burden of increased regulation that has been a consequence of a combination of globalisation of economic markets and a desire by government to address issues identified as a result of recent corporate collapses.

As regulator of the auditing profession in South Africa the PAAB is conscious of the impact that accounting and auditing standards have on administration costs of business.

We therefore welcome Government moves to amend the Companies Act 1973 with a view to reducing the administrative burden but we caution against moves which will reduce accountability.

In that context 'differential reporting', whereby small companies may not be required to adhere to the complete range of international financial reporting standards, should be considered. The concept of 'accounting lite' may be appropriate for companies with no international presence and no public interest activities. The International Accounting Standards Board is likely to issue International Financial Reporting Standards which will relieve the onerous reporting requirements of Small and Medium Entities (SMEs) and alleviate the compliance burden of those

companies without a public interest element.

Differential reporting means that certain entities that comply with specific criteria need not comply with the more onerous reporting and disclosure requirements expected from larger and public interest entities. In most cases, the costs incurred to provide these disclosures are simply not worth it and their financial statements are often prepared for limited purposes only. For such limited purpose financial statements, no additional benefits are derived from increased disclosures and full application of International Financial Reporting Standards.

However, a similar approach cannot be applied to the audit of those financial statements. Quite simply, there is no such thing as a 'lite audit' because it is impossible to conduct half an investigation.

When a Registered Accountant and Auditor (RAA) conducts an audit with the objective of providing assurance to a third party, that RAA is required to comply with auditing standards issued by the Auditing and Assurance Standards Board (AASB), the auditing standard-setter of the PAAB. The PAAB conducts regular reviews of auditors' compliance with these standards to ensure that a certain required standard of performance by auditors is upheld.

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Auditors will not be able to claim compliance with these standards unless they have complied with all of the standards and with all the requirements of each of the standards.

For example, it should be clear that the auditor cannot comply with the audit reporting standards, yet ignore the provisions in the audit planning and execution standards.

Similarly, the auditor cannot comply with some of the paragraphs in a standard, for example, plan to carry out procedures to identify fraud and then not actually perform or report on the results of those procedures.

When a member of the public or an investor relies on information, he must be certain that a certain level of assurance can be placed on its reliability. Such assurance will be diluted if the auditor did not comply with all the requirements of all the auditing standards.

A further question that arose from the Corporate Law Reform proposals was whether all companies should require an audit. World-wide, smaller companies have the choice of being audited. Interestingly though, many of these companies continue to have their financial statements audited due to the obvious benefits that derive from an independent scrutiny of their books and records.

In fact, it is more desirable for these entities to have an independent audit. Take for example a non-profit organisation which handles the allocation of millions of funds

for public interest purposes.

Not only does the providers of the funds need assurance that their contributions are applied for the required purposes but the public also needs the assurance that the monies are not spent on activities that do not meet the objectives and aims of the entity.

Furthermore, an audit provides increased credibility to an entity's financial statements, satisfies the requirements of the Revenue Services and banks, assists in raising finance and highlights possible fraudulent activity.

So it may be a welcome change to introduce differential financial reporting standards for entities of different sizes, provided the criteria for distinguishing between those entities that have to comply, and those that do not have to, is clear.

This, however, does not mean that there will be differential auditing standards, and while there may be less financial disclosures which need to be verified for SMEs, the auditor will still have to comply with every requirement of the auditing standards as it applies to the audited entity to provide the entity with the assurance it requires. ■

– **BERNARD AGULHAS**

Director: Auditing Standards

COMPANIES ACT AMENDMENT BILL

The Companies Act Amendment Bill was published by the Department of Trade and Industry for comment in July 2005 with a comment date of 5 August 2005.

The main issues dealt with in the Bill include:

- a. The development and enforcement of financial reporting standards;
- b. The promotion and maintenance of the independence of auditors;
- c. The review of the procedures of the Securities

Regulation Panel;

- d. The indemnification and imposition of a duty of confidentiality of inspectors; and
- e. Issues to be contained in the prospectus.

The PAAB supports government's initiative to improve corporate law in SA, but raised some concerns regarding, *inter alia*, the definitions, legal backing for financial reporting standards, the composition of audit committees, and auditor rotation. The PAAB's full comment letter can be accessed at www.paab.co.za.



EDUCATION AND TRAINING

NO ESCAPING OUR LIFE-LONG LEARNING

"In all things success depends on previous preparation, and without such preparation there is sure to be failure." – CONFUCIUS

Within any professional learning context there is a point when professionals become qualified in a formal, public manner. In the case of Registered Accountants and Auditors (RAAs), it is the Public Practice Examination (PPE) and the Training Contract. This can be considered a *rite de passage*, which conveys certain societal status and a landmark in the process of professional socialisation. The public expects that an RAA will be competent in the fulfilment of professional tasks and duties. We could, therefore, say that professional qualifications should be designed to indicate that aspiring professionals have completed their initial training and are competent. But this is an oversimplification as the word competence is not value-neutral. It carries some performance referencing. It then becomes rather narrow to view competence as the end product as it underestimates the possibility of further improvements in the quality of work after qualification. Competence should be viewed as an appropriate exit point on a learning continuum, not as a state of mastery. This appreciates and highlights the complex and interdependent relationship between performance and knowledge. Pearson (1984) expresses this very clearly when he states that:

"If we can think of a continuum ranging from just knowing how to do something at the one end and knowing how to do something very well at the other, knowing how to do something competently would fall somewhere along this continuum. (Pearson, 1984, p.32)

The preceding discussion has highlighted the fact that professional competence is procedural and has at least two dimensions; scope and quality. Scope refers to the range of roles, tasks and situations that a person is competent in or from which competence can be reliably inferred. Quality is concerned with judgements about the calibre of that work on a continuum from novice to expert. The recognition model used by the PAAB places value on both scope and quality¹. The PAAB has a duty to ensure professional competence at entry point to the profession and therefore defines professional competence as:

"The ability to perform the tasks and roles expected of an RAA to standards which are appropriate locally and comparable internationally. It is a reflection of the minimum expectations of the public and not the distinguishing attributes of those individuals who are considered to be especially effective. It requires an ability to continuously learn and adapt to change and thereby make a positive contribution to the profession and society throughout professional life. The demonstration of professional competence is a necessary condition for registration as an RAA.

Accordingly, it can only be demonstrated in situations that reflect the multidisciplinary public practice environment."

For the sake of this discussion, it is useful to look at the difference between 'competence' and 'competency'. Competence refers to the holistic, generic capacity of a person to fulfil accepted professional requirements. Competency refers to specific capabilities². Gonzi, Hager and Athanasou (1993) note that performance is what is directly observable, whereas competence is not directly observable; rather it is inferred from performance. A professional's competence is derived from their possessing a set of relevant capabilities such as knowledge, skills and values. These capabilities that jointly underlie competence are often referred to as competencies. The notion of competence is not the mere performance of tasks; it is the integration of capabilities and performance.

Assessment needs to be viewed within the holistic framework of an accountant and auditor's academic and training career. If we go back to the idea of a continuum it becomes evident that certain criteria need to be fulfilled in order for an aspiring professional to develop his or her competence. It also becomes apparent that competence is not an event like graduating or reaching a designation. Competence is a life long process that develops and changes over time. It is dynamic.

This concept of competence provides the foundation for the qualifying process of the PAAB and underpins the necessity for professional auditors to continue to develop competence throughout their professional lives. The PAAB defines competencies expected of auditors at the point of qualification through a detailed curriculum framework which in turn informs the formal education process and the assessment of professional competence (PPE). One of the major objectives of the education process and the assessment is to provide aspirant auditors with the ability to be life long learners. This objective is achieved in many different ways including the case study nature of the PPE and the fact that it is an open book assessment. Every effort is made through the curriculum framework and the PPE to influence the education programme in such a manner as to ensure that students become lifelong learners. The post qualification period is characterised by continuous development of competence by professionals who have the ability, through their lifelong learning skills and attitudes, to conduct self-directed learning. ■

– LAINE KATZIN
Educationist

¹ Refer to PAAB's recognition model and curriculum framework 2001.
² As laid out in the PAAB's curriculum framework



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NEW APPOINTMENTS

In addition to our new CEO, a number of other staff members have joined PAAB in recent months. They are:

EDUCATION AND TRAINING DEPARTMENT

ABRAM RAMANO – *Examinations Administrator*

Abram has worked at both UNISA and Damelin, co-ordinating graduations and examinations. He has a diploma in Conference, Exhibitions and Events Management, and another in Manager Development. He is currently studying a Diploma in Human Resources and Business Management and a National Diploma in Paralegal Studies / Legal Assistance.

AUDITING STANDARDS DEPARTMENT

DERYCK TINDALL – *Professional Manager*

Deryck completed a BComm(Accounting)(Hons) and CTA at the University of Pretoria, before commencing as a trainee accountant at KPMG in Pretoria in 2001. After completing his training contract at the end of 2003 he registered with SAICA as a CA(SA), and for the next 18 months was involved in areas pertaining to information risk management and SME's (Small-Medium Sized Enterprises).

PRACTICE REVIEW DEPARTMENT

RON HOPE – *Practice Reviewer*

Ron was appointed as a partner in the Durban office of KPMG in 1980, where he was responsible for large audits and also the technical department. He chose to take early retirement in 2000, and then consulted to the Lion Match Company on pension funds apportionment. Ron was Head of the Technical Department at Nkonki from June 2003 to May 2005.

WILLIAM TLOU – *Practice Reviewer*

William has 6 years post-articles experience at KPMG in Pretoria, including an 18 month secondment to KPMG Atlanta to work on the World Com investigation. He acted as a senior manager on large audits.

NICK ROSSEN – *Practice Reviewer*

Nick has 15 years post-qualification experience in the accounting profession, as well as an MBA. He has consulted on, amongst other things, compliance with Sarbanes Oxley requirements, US GAAP compliance, forensic auditing and SAP internal controls. ■

PAAB NEWS

PAAB STAFF AND FAMILY DAY



The PAAB staff and their families enjoyed an outing to The Elephant Sanctuary in the Magaliesberg on Saturday 23 July. It was a beautiful day and everyone enjoyed the experience of getting up close and personal with the jumbos.





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QUARTERLY REPORT FROM THE DIRECTOR: LEGAL

for the period 1 April 2005 to 30 June 2005

SPECIAL ISSUE OF MANEO

The Disciplinary enquiry into the role of the auditors of Regal Bank was held from 4-7 July 2005. This matter is reported in full in a special issue of Maneo, no. 44, exclusively, and can be accessed at www.paab.co.za. This special issue is only available on the website. Should you wish to obtain a hard copy please contact Joanne Johnston at (011) 622-8533 or e-mail jjohnston@paab.co.za

INVESTIGATION COMMITTEE

The Investigation Committee met twice during this period and disposed of 26 cases as follows:

7 matters were not proceeded with:

- 5 were withdrawn by the complainant;
- In 2 matters the committee was unable to proceed because of an absence of evidence.

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

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

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

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

- 4 practitioners were cautioned. The matters were as follows
 - ♦ 2 were tax related
 - ♦ 1 related to a deceased estate
 - ♦ 1 related to a refusal to hand over documents.
- 1 practitioner was reprimanded. The matter related to a circular to shareholders.
- 2 practitioners were fined. The matters were as follows:
 - ♦ 1 related to an attorney's trust account audit (R2 500)
 - ♦ 1 was practice review related (R30 000 of which R15 000 was suspended on conditions).

DISCIPLINARY COMMITTEE

The Disciplinary Committee met five times during this period, and heard eight matters.

EERSTE SAAK

Op 10 Mei het die komitee die saak teen Mnr U aangehoor. Hy was teenwoordig en verteenwoordig. Die klag was voorspuitend uit 'n klagte van 'n boekhoudster met wie hy 'n [professionele] verhouding gehad het. Hy was skuldig bevind op die een klag van onprofessionele gedrag teen hom.

DIE KLAG

Die praktisyn was skuldig bevind aan [onbehoorlike] gedrag soos bedoel in reël 2.1.21 van die dissiplinêre reëls, deurdat hy hom op 'n wyse gedra het wat onbehoorlike of oneerbare of onprofessionele of onwaardige gedrag is vir 'n geregistreerde rekenmeester en ouditeur of wat die beroep tot oneer kon gestrek het, of wat tot die diskrediet van die beroep kon gelei het, [deurdat] op of omtrent 5 Januarie 2004 hy [A] se perseel betree het en op 'n onregmatige en onwettige wyse, en/of sonder toestemming van [A], sekere rekenaarlêers van [A] se kliënte gedupliseer en die afskrifte daarvan van die perseel van [A] verwyder het.

Verder, op of omtrent 5 Januarie 2004 het hy op 'n onregmatige en onwettige wyse en/of sonder toestemming van [A], die oorspronklikes en/of afskrifte bekom van papierlêers en dokumentasie (insluitende boekhoumateriaal) ten opsigte van sekere kliënte van [A], en het hy die lêers en dokumentasie van die perseel van [A] verwyder.

Die voorsitter van die komitee, regter Friedman, het die bevinding van die komitee bekend gemaak. Ter wille van die goeie orde word dit volledig weergegee:

SUMMING UP

The practitioner in this case is charged with the contravention of Disciplinary Rule 2.1.21 in that he conducted himself in a manner which is improper or discreditable or

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unprofessional or dishonourable or unworthy on the part of a practitioner, or which tends to bring the profession of accounting into disrepute.

The charge arises out of the events that occurred on 5 January 2004 when the practitioner without the authority of the owner took from the premises of [A] which is an accounting firm, certain electronic data and hard copy material in the possession of [A] and which belonged to [A].

The practitioner has been conducting a practice as an auditor for the past five years and has for the past five years had an association with [A] in terms whereof he performed the audit work of certain mutual clients, whereas [A] performed the accountancy work.

At the time in question, namely 5 January 2004, the owner of [A], Ms [V], was overseas and not contactable. The office at that stage was in charge of a lady who gave evidence before us, Ms [J]. She was a junior employee, although she was at the time the senior person in charge.

The practitioner, having ascertained from the client that he was dissatisfied with the work done by [A], made it clear to the client that it was the client who had to obtain the documentation necessary to place the practitioner in possession of what he required in order to complete certain accounting work.

The client having not succeeded in obtaining the necessary material, the practitioner accompanied the client to the offices of [A] and there orchestrated the handing over of electronic data and other material, hard copy print-outs of two clients of [A].

This was done without the consent of Ms [V] and the witness who gave evidence this morning created an impression with this committee that she was reluctant to hand over this material and it appears to us that because of the practitioner's professional relationship with [A] she felt compelled to do so.

She was, however, unable to make copies of the electronic data and the practitioner then sent an employee of his, who had previously been employed by [A] in a position senior to that of the witness [J], to go and make copies of the electronic data.

We are of the view that the practitioner had no authority to do what he did. His attempt to hide behind the fact that the client chose to terminate the mandate of [A] did not authorise him to act in the manner in which he did. In terms of paragraph 4.6 of the Code of Conduct a practitioner is obliged to act in a manner consistent with the good reputation of the profession and to refrain from conduct which might bring discredit to the profession.

A practitioner should further, in terms of this provision, conduct himself with courtesy and consideration towards clients, third parties, other practitioners of the accounting profession, staff, employers and the general public. We are of the view that in acting in the manner in which he did his behaviour was certainly not professional.

In his defence his attorney suggested that he had possibly acted incorrectly having regard to the circumstances which rendered it difficult for him to follow the correct procedure. The circumstances were that the owner of [A] was overseas and not contactable and the clients were apparently in a hurry to have their accounting work performed.

FINDING

This in our view does not constitute an excuse. Whatever urgency there was did not justify the unauthorised removal of material which belonged to [A], irrespective of whatever mandate the client might have had with [A] and irrespective of any intention on the part of the client to terminate this mandate.

For these reasons we find the practitioner guilty as charged.

SENTENCE

The offence of which the practitioner has been found guilty is a serious one having regard to the necessity for the professional standards of the accountants' and auditors' profession to be upheld. We have taken into account what the practitioner's attorney has said with regard to the personal circumstances of the practitioner and in this regard it is relevant, particularly that he is a first offender and that the offence of which he was found guilty does not involve any dishonesty.

We do not regard the offence however as warranting only a



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warning or a reprimand. We feel that the offence is sufficiently serious to warrant a fine. Taking into account the appellant's personal circumstances and his financial position the fine we impose is that of R10 000 of which R5 000 is suspended for three years on condition that he is not found guilty of any offence by the Investigation Committee or the Disciplinary Committee of the Public Accountants' and Auditors' Board, committed during the period of suspension.

As far as the costs are concerned our order is that he contributes an amount of R20 000 towards the costs.

Finally our order is that publication in *MANEO* would be made without the name of the practitioner or his firm, but stating merely the offence, the verdict, the punishment and the costs order.

SECOND MATTER

On 10 May 2005 the committee also heard the case against Mr [W]. He was present but not represented. The matter arose out of a complaint by a business partner. He was found guilty of three charges against him; the first alternative charge and the second and third main charges.

(ALTERNATIVE) FIRST CHARGE

The practitioner was found guilty of improper conduct within the meaning of disciplinary rule 2.1.5 in that, without reasonable cause or excuse, and in the respects set out below, he failed to perform his duties as accounting officer of [W], being work or duties commonly performed by a practitioner, with such a degree of care and skill as in the opinion of the board may reasonably be expected, or he failed to perform the work or duties at all, in that -

- At all times relevant to this charge the practitioner acted as accounting officer of [W].
- During or about the period from 1 March 2003 to 29 February 2004 the practitioner signed a report as required by section 62(1)(c) of the Close Corporations Act in respect of one set of financial statements, 'the first financial statements'.
- In his report in respect of the first financial statements the practitioner reported, *inter alia* –
 - ♦ that he had prepared the first financial statements

attached to the report based on information and explanations provided by the members;

- ♦ that he had compiled the first financial statements;
- ♦ that he had determined that the first financial statements were in agreement with the accounting records of [W];
- ♦ that the first financial statements were in accordance with generally accepted accounting practice.
- To the knowledge of the practitioner the first financial statements were intended to be presented to [W]'s bankers.
- During or about February 2004 the practitioner signed a report as required by section 62(1)(c) of the Close Corporations Act in respect of another set of financial statements, the 'second financial statements'.
- In his report in respect of the second financial statements the practitioner reported *inter alia* –
 - ♦ that he had prepared the second financial statements attached to the report based on information and explanations provided by the members;
 - ♦ that he had compiled the second financial statements;
 - ♦ that he had determined that the second financial statements were in agreement with the accounting records of [W];
 - ♦ that the second financial statements were in accordance with generally accepted accounting practice.
- To the knowledge of the practitioner the second financial statements were to be submitted to the South African Revenue Service together with the tax return of [W] for the year ended on 28 February 2003.
- The first financial statements and the second financial statements differed from each other in material respects. In consequence -
 - ♦ the first financial statements or the second financial statements were incorrect and/or misleading; and/or
 - ♦ the statement in the practitioner's report in respect of the first financial statements that those financial statements were in agreement with the accounting records of [W], or the statement in the practitioner's report in respect of the second financial statements that those financial statements were in agreement with the accounting records of [W], was incorrect and/or misleading.

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- The practitioner made no effort to ensure that the first financial statements or the second financial statements were withdrawn.
- The practitioner knew or ought to have known:
 - ♦ that the first financial statements or the second financial statements were incorrect and/or misleading;
 - ♦ that the first financial statements or the second financial statements were not in agreement with the accounting records;
 - ♦ that the first financial statements would be submitted to users of those financial statements who were not the users to whom the second financial statements were to be submitted;
- During or about the period from 4 April 1975 to date the practitioner had been a director of [GG], and he remained a director of that company.
- During or about the period from 5 January 1991 to date the spouse of the practitioner, had been a director of [GG], and she remained a director of that company.
- During or about the period from 21 June 2003 until 6 June 2004 the practitioner acted as the auditor of [GG].
- By acting as the auditor of [GG] while he was a director of that company the practitioner contravened section 275(1)(a) of the Companies Act, 1973.
- By acting as the auditor of [GG] while he was a director of that company and/or by acting as auditor of [GG] while his spouse was a director and sole shareholder of the company, the practitioner contravened or failed to observe the provisions of paragraph 4.3 (independence) read with paragraph 6 (conflicts of interest) and paragraph 7 (independence) of the Code of Conduct.

THE SECOND CHARGE

The practitioner was found guilty of improper conduct within the meaning of disciplinary rule 2.1.21 in that, in the respects set out below, he conducted himself in a manner which was improper or discreditable or unprofessional or dishonourable or unworthy on the part of a practitioner or which tended to bring the profession of accounting into disrepute, in that-

- At all times relevant to this charge –
 - ♦ the wife of the practitioner was the sole member of [A];
 - ♦ the wife of the practitioner was the sole shareholder of [GG];
- During or about the period from 1 March 2002 to 28 February 2003 the practitioner submitted to [W], or caused or permitted to be submitted to [W], three invoices for goods or services which were fictitious and/or misleading and/or wrong and/or in respect of services or goods which were not supplied, and which the practitioner knew or ought to have known were so.

THE THIRD CHARGE

The practitioner was found guilty of improper conduct within the meaning of disciplinary rule 2.1.21 in that, in the respects set out below, he conducted himself in a manner which was improper or discreditable or unprofessional or dishonourable or unworthy on the part of a practitioner or which tended to bring the profession of accounting into disrepute, in that

The chairman of the committee, Judge Friedman, delivered the finding of the committee. For the sake of good order it is reproduced in full.

SUMMING UP

The practitioner in this case is charged with three counts. The first is that he prepared two sets of financial statements and that in doing so he is guilty of improper conduct within the meaning of Disciplinary Rule 2.1.4 in that he was dishonest in the performance of work and duties devolving upon him in relation to work of the type commonly performed by a practitioner.

The alternative to this charge is that he is guilty of improper conduct within the meaning of Disciplinary Rule 2.1.5 in that without reasonable cause or excuse and in the respects set out in the charge sheet, he failed to perform his duties as accounting officer of [W], being work or duties commonly performed by a practitioner, with such degree of care and skill as in the opinion of the Board may reasonably be expected, or he failed to perform the work duties at all.

The evidence is that a balance sheet was prepared by the practitioner for presentation to the bank. This showed an entirely different situation to the second balance sheet which



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he prepared, which was prepared for the purposes of the preparation of [W]'s income tax returns. In the balance sheet prepared for the bank a rosy picture of the financial situation of the company is painted, whereas in the balance sheet prepared for the purposes of the Receiver of Revenue the company is shown as having made no profit at all and therefore not liable for tax.

His evidence is that in drawing up the first balance sheet he utilised the figures contained in the trial balance which was presented to him by the complainant Mrs [V]. He says that that balance sheet did not disclose drawings and he concedes that the expenses were understated.

He says that the balance sheet was in the nature of a management account and that it was intended to be a draft. Yet he did not call it a draft, and he did not indicate at any stage to the bank that these were not intended to be the final accounts for the year ending.

The Receiver of Revenue accounts prepared for the purposes of the income tax returns were also based on a trial balance which was a subsequent trial balance to the one on which the first set of accounts was prepared.

It is clear that the position that was presented to the bank was incorrect. He knew that it did not contain expenses which had been understated, and although he says that this was intended to be a draft, he did not, when preparing the final set of accounts take it upon himself to notify the bank upon whom these accounts were served, that they did not state the expenses correctly.

FINDING

We are of the view that in acting as he did, he did not intend to act and did not act dishonestly. We are however of the opinion that in acting the way he did, he was clearly negligent, and therefore we find him guilty on the alternative first charge.

With regard to the second charge, preparation and presentation of fictitious invoices; there's no question about it, the invoices in question were fictitious. They bore no resemblance to the true state of affairs and there is no excuse for the presentation of invoices of this kind.

As far as the third charge is concerned, he has pleaded guilty to this charge and we find him guilty on charge 2 as well as on charge 3.

SENTENCE

The Committee found the practitioner guilty on three charges.

In regard to the first one, the Committee found that he was guilty on the alternative charge, namely that he was negligent. In this regard I want to make it clear that although we did not find dishonesty and we only found negligence, the negligence was of a gross kind and it is the duty of this Committee to show its disapproval of that kind of conduct.

We have taken into account the practitioner's personal circumstances and in particular his financial position which according to the evidence before us is not of a very strong nature.

We feel in the circumstances that from the evidence which the practitioner gave this afternoon it is clear to us that he is really ill equipped to practice as an accountant and auditor. And we feel that it is necessary for him, if he proposes to practice as such, to equip himself properly in order to do so; to acquaint himself [with] the rules and to understand what the implications of these rules are.

We are proposing to order a contribution towards costs, which is considerably less than the actual costs [of] the case, as we have been informed they are. But in arriving at the figure we have taken into account the practitioner's financial circumstances.

In the circumstances the penalty which we impose is as follows:

The practitioner is suspended from practice as a registered accountant and auditor for a period of five years.

Secondly he is ordered to pay a contribution of R20 000 towards the cost of these proceedings.

Thirdly there is to be publication in *MANEO* of the charge, the finding, the sentence and the order in regard to costs but no mention is to be made of the practitioner's name or that of his firm.

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THIRD MATTER

On 13 May 2005 the Committee heard the case against Mr D W van Doorene. He was present but not represented. He pleaded guilty to two charges arising out of his 5th review in the 1st cycle.

THE FIRST CHARGE

Audit working papers and audit evidence

The practitioner was found guilty of improper conduct within the meaning of disciplinary rule 2.1.5 in that, without reasonable cause or excuse, and in the respects set out below, he failed to perform his duties as auditor to the [M], being work or duties commonly performed by a practitioner, with such a degree of care and skill as in the opinion of the Board may reasonably be expected, or he failed to perform the work or duties at all, in that in respect of the audit of the [M] financial statements the practitioner failed to keep audit working papers and/or he failed to obtain audit evidence, alternatively he failed to keep adequate audit working papers and/or he failed to obtain adequate audit evidence, and/or he failed to comply with generally accepted auditing standards, in the following respects:

- there was no documented consideration of retention of client. The practitioner accordingly failed to comply with generally accepted auditing standards and in particular SAAS 230 and/or SAAS 220;
- there was no or insufficient documented evidence to show that the practitioner had obtained a knowledge of the business of his client. The practitioner accordingly failed to comply with generally accepted auditing standards and in particular SAAS 230 and/or SAAS 310;
- there was no or insufficient documentation to indicate that the practitioner had considered the laws and regulations applicable to the business of the client. The practitioner accordingly failed to comply with generally accepted auditing standards and in particular SAAS 230 and/or SAAS 250;
- there was no documented consideration of fraud and error issues. The practitioner accordingly failed to comply with generally accepted auditing standards and in particular SAAS 230 and/or SAAS 240;
- there was no documented evidence that the auditor had made any assessment of the audit risk per assertion level for all material balances and classes of transactions. The practitioner accordingly failed to comply with generally accepted auditing standards and in particular SAAS 230 and/or SAAS 400;
- there was no documentation on file that the auditor had developed an audit programme setting out the nature, timing and extent of planned audit procedures required to implement the overall audit plan. The practitioner accordingly failed to comply with generally accepted auditing standards and in particular SAAS 230 and/or SAAS 300;
- there was no documented verification of opening balances. The practitioner accordingly failed to comply with generally accepted auditing standards and in particular SAAS 230 and/or SAAS 510;
- there was no or insufficient documentation on file in respect of the practitioner's audit verification of the items set out below: he accordingly failed to comply with generally accepted auditing standards and in particular SAAS 230 and/or SAAS 500:
 - ♦ completeness of income;
 - ♦ the validity of the payroll expense;
 - ♦ inventory of finished goods (in respect of the source of the valuation, the allocation of labour and overheads and net realisable value) and raw materials (in respect of the source of the valuation);
 - ♦ accounts receivable;
 - ♦ factoring creditor;
 - ♦ accounts payable;
 - ♦ bank and cash balances;
 - ♦ the existence of plant and equipment;
 - ♦ preference shares;
 - ♦ tax payable;
 - ♦ share capital and share premium account;
- there was no documented evidence of an analytical review having been carried out by the practitioner, with corroborated explanations for all material income statement fluctuations. The practitioner accordingly failed to comply with generally accepted auditing standards and



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in particular SAAS 230 and/or SAAS 520;

- there was no documented evidence that the practitioner had performed procedures to establish that all events up to the date of the auditor's report that may require adjustment of, or disclosure in, the financial statements had been verified. The practitioner accordingly failed to comply with generally accepted auditing standards and in particular SAAS 230 and/or SAAS 560;
- there was no documented evidence that the practitioner had considered the appropriateness of management's use of the going concern assumption in the preparation of the financial statements. The practitioner accordingly failed to comply with generally accepted auditing standards and in particular SAAS 230 and/or SAAS 570.
- there was a management representation letter on file from the client but the representation letter was dated two months before the date of the audit report. The practitioner accordingly failed to comply with generally accepted auditing standards and in particular SAAS 580.

Companies Act issue

The practitioner regularly performed the duties of secretary or bookkeeper to [M] but he failed to set out in his report in respect of the [M] financial statements the matters required to be set out in terms of section 275(3) of the Companies Act, 1973.

THE SECOND CHARGE

The practitioner was found guilty of improper conduct within the meaning of disciplinary rule 2.1.5 in that, without reasonable cause or excuse, and in the respects set out below, he failed to perform his duties as auditor to [T], being work or duties commonly performed by a practitioner, with such a degree of care and skill as in the opinion of the Board may reasonably be expected, or he failed to perform the work or duties at all, in that -

Audit working papers and audit evidence

In respect of the audit of the [T] financial statements the practitioner failed to keep audit working papers and/or he failed to obtain audit evidence, alternatively he failed to keep adequate audit working papers and/or he failed to obtain adequate audit evidence, and/or he failed to comply with

generally accepted auditing standards, in the following respects:

- there was no documented consideration of retention of client. The practitioner accordingly failed to comply with generally accepted auditing standards and in particular SAAS 230 and/or SAAS 220;
- there were no documented terms of engagement. The practitioner accordingly failed to comply with generally accepted auditing standards and in particular SAAS 230 and/or SAAS 210;
- there was no or insufficient documentation to indicate that the practitioner had considered the laws and regulations applicable to the business of the client. The practitioner accordingly failed to comply with generally accepted auditing standards and in particular SAAS 230 and/or SAAS 250;
- there was no documented consideration of fraud and error issues. The practitioner accordingly failed to comply with generally accepted auditing standards and in particular SAAS 230 and/or SAAS 240;
- there was no documented evidence that the auditor had made any assessment of the audit risk per assertion level for all material balances and classes of transactions. The practitioner accordingly failed to comply with generally accepted auditing standards and in particular SAAS 230 and/or SAAS 400;
- there was no documented evidence of the materiality consideration. The practitioner accordingly failed to comply with generally accepted auditing standards and in particular SAAS 230 and/or SAAS 320;
- there was no documentation on file that the auditor had developed an audit programme setting out the nature, timing and extent of planned audit procedures required to implement the overall audit plan. The practitioner accordingly failed to comply with generally accepted auditing standards and in particular SAAS 230 and/or SAAS 300;
- there was no documented verification of opening balances. The practitioner accordingly failed to comply with generally accepted auditing standards and in particular SAAS 230 and/or SAAS 510;

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- there was no or insufficient documentation on file in respect of the practitioner's audit verification of the items set out below: he accordingly failed to comply with generally accepted auditing standards and in particular SAAS 230 and/or SAAS 500:
 - ♦ completeness of income and its occurrence;
 - ♦ cost of sales;
 - ♦ the validity of operating and payroll expenses;
 - ♦ share capital;
 - ♦ cut-off tests;
 - ♦ the search for unrecorded liabilities;
- there was no documented evidence that the practitioner had performed procedures to establish that all events up to the date of the auditor's report that may require adjustment of, or disclosure in, the financial statements had been verified. The practitioner accordingly failed to comply with generally accepted auditing standards and in particular SAAS 230 and/or SAAS 560;
- there was no documented evidence that the practitioner had considered the appropriateness of management's use of the going concern assumption in the preparation of the financial statements. The practitioner accordingly failed to comply with generally accepted auditing standards and in particular SAAS 230 and/or SAAS 570;
- there was no documented evidence of an analytical review having been carried out by the practitioner, with corroborated explanations for all material income statement fluctuations. The practitioner accordingly failed to comply with generally accepted auditing standards and in particular SAAS 230 and/or SAAS 520.

Companies Act issue

The practitioner regularly performed the duties of secretary or bookkeeper to [T] but he failed to set out in his report in respect of the [T] financial statements the matters required to be set out in terms of section 275(3) of the Companies Act, 1973.

The chairman of the committee, Judge Plewman delivered the sentence of the committee

SENTENCE

Mr Van Doorene, the disciplinary committee has had regard

to the fact that you have been convicted on two counts of a contravention of rule 2.1.5 and that your failure in that regard is after five reviews, four re-reviews. It has resolved that the following punishment must be imposed.

Firstly, you are to be permanently disqualified in terms of rule 2.3.6 of the disciplinary rules from acting as an auditor.

As regards costs, the order of the Board is that you must make a contribution of R10 000 towards the Board's costs, but you are directed to make an arrangement with the Director: Legal, of the Board as to how you will pay that and it can be paid by instalments and over a period. But that must be arranged with the Director: Legal.

And finally we are of the view that there must be publication in *MANEO* of the name under which you practised, the finding and the penalty.

That is the finding of the Board. Thank you for your attendance. That concludes the hearing of this disciplinary matter.

FOURTH MATTER

On 13 May the committee also commenced the hearing of another practitioner. The case was postponed *sine die* to enable the practitioner to obtain legal representation.

FIFTH MATTER

From 16 – 18 May the committee sat to hear a matter which was not concluded in the three days set aside for it. The matter resumes in August 2004.

SIXTH MATTER

On 1 June 2005 the Committee heard the case against Mr D R Goldstein. He was neither present nor represented. He was found guilty in absentia of the single charge against him which arose out of a complaint by an ex-staff member.

THE CHARGE

The practitioner was found guilty of improper conduct within the meaning of disciplinary rule 2.1.21 in that he conducted himself in a manner which was improper or discreditable or unprofessional or dishonourable or unworthy on the part of a practitioner or which tends to bring



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the profession of accounting into disrepute, in that -

- During or about January or February 2004 the practitioner employed [M] as an employee in his practice to manage the tax department of his practice. She commenced her employment with the practitioner on 26 February 2004.
- The remuneration payable to [M] was R3 000 per month, payable monthly in arrear.
- On 31 March 2004 an amount of not less than R3 000 (less deductions if applicable) became payable to [M] but the practitioner failed and/or refused to pay the amount then due to her in respect of her salary.
- On or about 1 April 2004 [M] gave notice of termination of her employment. On or about 16 April 2004 the accused, having informed [M] that he would pay the amounts owing to her, failed and/or refused to pay the amount then due.
- During or about July 2004 the practitioner paid [M] an amount of R2 310 purportedly in respect of her outstanding salary, when in fact the amount should have been R4 912,40, alternatively not less than R6 000 (less deductions if applicable). The practitioner has failed and/or refused to pay the shortfall due to [M].

The chairman of the committee Adv McNally delivered the finding and sentence of the committee. For the sake of good order it is reproduced in full.

FINDING

The Committee has deliberated on the evidence placed before it. It is noted that the evidence is placed in terms of Rule 4.11.3 which provides that for the purpose of paragraph 4.11.2, which deals with the producing of evidence, 'It shall not be necessary for formal evidence to be given on oath and the Disciplinary Committee may consider and take cognisance of any written statement or evidence produced as evidence by the pro forma complainant.'

The Committee was satisfied that due notice had been given to Mr Goldstein and that that notice had been properly served and, indeed, that Mr Goldstein acknowledged that he had received notice of these proceedings, and made a decision not to attend them.

On that basis the Committee has had regard to the exchange of correspondence and the answers to the complaint and the reply to that answer. It is also noted that the charge is limited to the non-payment to the complainant of amounts which were due.

There is a reference in the facts giving rise to the charge at page 24 in paragraph 3.5, to the point that the amount that was paid ultimately to the complainant was less than the amount which should have been paid to her. It is clear that the amounts which were due to the complainant were not paid when they were due and the Committee is satisfied that that proves the charge of improper conduct within the meaning of Rule 2.1.21, in that Mr Goldstein conducted himself in a manner which was improper, or discreditable, or unprofessional, or dishonourable, or unworthy on the part of a practitioner which tends to bring the profession of accounting into disrepute, and on that basis the Committee finds Mr Goldstein guilty as charged.

SUMMING UP

In relation to punishment then, the pro forma complainant led the evidence of Ms O'Connor and Mr Smith who is the Regional Executive for SAICA and also the Local Representative of the Public Accountants' and Auditor's Board for KwaZulu-Natal.

Ms O'Connor indicated that Mr Goldstein had made contact with the Board. The upshot of his contact was that he had suggested that he lodge the keys of his practice with the Board, so that Mr Smith on his behalf could attend to various queries from his clients. It emerged from the evidence of Mr Smith that Mr Goldstein had not made that contact and, indeed, had not lodged his keys with the Board.

And the pro forma complainant then addressed the Committee on the basis that while on the face of it the charge which Mr Goldstein faces might not be considered a very serious charge, the reasons for not paying staff might arise from various circumstances. And in this particular case there were certain background facts which made the offence particularly serious.

The pro forma complainant indicated the competent punishments, which are set out in Disciplinary Rules 2.3 and

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2.5 which speak for themselves. And the pro forma complainant then enumerated a number of circumstances which, in his submission, indicated or called for a stronger punishment than might otherwise be thought. The first was that Mr Goldstein had demonstrated an indifference to the plight of his staff and had treated, certainly the complainant, almost with contempt.

The pro forma complainant made the point secondly that Mr Goldstein had failed to respond to numerous demands for payment; he had been indifferent to the consequences of non-payment on the complainant's studies. The reasons for his not paying were unconvincing and the pro forma complainant sought to draw the conclusion from that and from certain other facts, one of which will be dealt with shortly, that in fact there was evidence of a fundamental malaise in Mr Goldstein's practice.

One of the important features that the pro forma complainant relied on, over and above the ones already mentioned, was that which appears from Mr Goldstein's letter at page 42 of the bundle, where Mr Goldstein sets out various circumstances which he refers to as 'mitigating circumstances'. He says in that letter that he has been subjected to a campaign of harassment over the past three years. He gives no detail of that campaign. He says he has been defrauded for an amount in excess of R1 million, without giving details of how that fraud took place, and includes in brackets the comment, '(which does not include monies squandered on entertainment)'. Mr Goldstein then says, 'I have spent 12 days in prison and have not been found guilty of two trumped up charges and one trivial charge'. He says that he recently sustained an attempt on his life and suffered multiple stab wounds. And importantly he goes on to say that he has been forced to close his practice.

The pro forma complainant made particular note of the last and made the point that this Committee must take into account the broader public interest which emerges from the comment of Mr Goldstein that he has been forced to close his practice. It is quite clear that the practice that he runs, while the size of that practice is not clear, it is clear that it is a current practice with current clients. The evidence indicated that a number of clients, I think four in number,

had contacted the Board with specific queries about their files. And there is no doubt, and it is from Mr Goldstein's own mouth, that the public interest considerations loom large in this matter.

The Committee in its deliberations on the appropriate punishment, however, is concerned that in attempting to take into account those particular background circumstances, in coming to an appropriate punishment, the difficulty arises that Mr Goldstein made a decision not to attend these proceedings on the basis of the charge which he faced.

That charge on the face of it, as we have already commented, is not a particularly serious charge albeit it has certain serious elements to it. The Committee was of the view that Mr Goldstein was reasonably unlikely to have thought that the Disciplinary Committee here today would be likely to impose anything but a relatively minor sentence and he could not reasonably have anticipated that he might be facing one of the more stringent penalties namely a striking off or a removal from membership of the Board.

That being said, the Committee is faced with the very serious difficulty that Mr Goldstein, himself, has brought to its attention paradoxically, as a point in mitigation, that he has been forced to close his practice, and the Committee must be mindful of the fact that that causes the public, and particularly of course his clients, immediate and serious prejudice.

The pro forma complainant pointed out to the Board that Section 13(1)(o) of the Act has a provision that the Board may take control or appoint a person to take control of the practice of any accountant and auditor in circumstances which the Board deems to be in the public interest. The Committee is of the view that it is not in a proper position to take account of what the pro forma complainant has described as the 'background circumstances' in coming to an appropriate punishment for the charges which Mr Goldstein faces here.

However, the Committee is mindful in the extreme of the prejudice to the public, and has decided that the proper course for it to take would be to recommend to the Board that it takes steps in terms of Section 13(1)(o) of the Act to take control of Mr Goldstein's practice to ensure that the



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prejudice to his clients is minimised as far as possible.

That leaves then the appropriate punishment for the charge itself, based on the evidence that has been led. It should be said in that regard that the evidence of the background circumstances is not clear. There is certainly some indication of things not being well with Mr Goldstein's practice but there is no clear evidence of his inability to run his practice. There does certainly seem to be an indication, for example the fact that he was at the Casino on a Sunday, that he has in his own words, 'squandered money on entertainment'. The fact that he has suffered, he says, from some fraudulent conduct against him, are all indications of things not being right but they are not clear evidence of Mr Goldstein's inability to conduct a practice.

Somewhat reluctantly then the Committee feels that it must deal only with the charge as it appears on its face and the evidence which supports that charge.

The charge, as already has been said, relates to Mr Goldstein's late payment of a particular member of his staff. There are factors which render that charge more serious than other similar charges might be. There is, indeed, the indication of indifference by Mr Goldstein to the plight of the complainant. She was treated extremely badly by Mr Goldstein. There is no denial by Mr Goldstein that he paid the amount due to her, late.

The manner in which she was required to attempt to obtain payment was simply unprofessional on the part of Mr Goldstein and although this was not pressed by the pro forma complainant, it does appear to the Committee that the deduction which Mr Goldstein sought to make on the amount due, for reasons of the complainant's failure to work her notice period, about which the evidence is not clear, appear very unconvincing. For that reason the Committee believes that Mr Goldstein should be dealt with severely in relation to the charge.

The Committee notes that it appears from the complainant's complaint that she appears to have approached the Board to obtain payment. The Committee places on record that it is not the body that can perform that particular service to the public.

It appears that the complainant, herself, was aware that that

really fell within purview of the CCMA. There is reference to an approach by her to the CCMA in her first affidavit. Apparently she did not take that any further and the Committee regrets that it is not in a position to order Mr Goldstein to make that payment to her.

The Committee does make a strong recommendation to Mr Goldstein that he revisit his calculation. It appears that the deduction that he makes for the notice period is incorrectly made and that the amounts claimed by the complainant are probably owing but, as I have said, that is not the function of this Committee.

SENTENCE

This Committee's function is to determine an appropriate penalty for the charge and the Committee has determined that an appropriate penalty would be a fine in the amount of R5 000 coupled with a reprimand against Mr Goldstein for his conduct in relation to the complainant

In addition, the Committee has the discretion to order payment of the reasonable costs of these proceedings in terms of Section 23(2) of the Act. The Committee is of the strong view that this matter should have been dealt with in a more constructive manner by Mr Goldstein at the time of the investigation of this complaint and that had Mr Goldstein dealt with the matter more constructively these proceedings would not have been necessary.

In the circumstances, the Committee has decided that Mr Goldstein should be ordered to pay an amount of R25 000 towards the costs of this hearing which is what the Committee considers to be a reasonable contribution to the overall costs.

In relation to publication, the Committee is of the view that the particular circumstances of this matter, taken together with the fact that Mr Goldstein has brought it to the attention of the Committee that he has closed his practice, are circumstances which make it desirable that publication of the findings of the Committee, and publication of Mr Goldstein's name and the name of his practice be made in *MANEO* and that includes of course the finding and the penalty imposed. And that then concludes the proceedings.

CONTINUED ►



LEGAL

[Note: The ruling in terms of §13(1)(o) was made by the Board on 7 June 2005, and the KZN Local Secretary of the Board is in the process of contacting Mr Goldstein's clients to return their files.]

SEWENDE SAAK

Op 8 Junie het die Komitee die sake teen mnre [E] en [O] aangehoor, wat ten tyde van die voorval vennote was en saam aangekla is. Hulle was teenwoordig maar is nie verteenwoordig nie. Die aangeleentheid het uit die oudit van 'n prokureur se trustrekening voortgespruit.

Albei praktisyns is aan die twee klagtes teen hulle skuldig bevind.

DIE EERSTE KLAG

Die beskuldigdes was skuldig bevind aan onbehoorlike gedrag soos bedoel in dissiplinêre reël 2.1.2 deurdat hulle bepaling van die Prokureurswet en/of die Prokureursordereëls, waaraan dit hulle plig was om te voldoen in hulle hoedanigheid as rekenmeester en ouditeur van die prokureursfirma, of by die verrigting van werk van 'n aard wat gewoonlik deur 'n geregisteerde rekenmeester en ouditeur gedoen word, oortree het of versuim het om daaraan te voldoen deurdat -

- Hulle die volgende verslag, in die uitvoering van 'n plig wat op hom of hulle gerus het in verband met werk van 'n aard wat gewoonlik deur 'n praktisyn gedoen word, aan die raad van die Prokureursorde verskaf [het] of laat verskaf [het]:
'n Ongekwalfiseerde verslag gedateer 30 Augustus 2002 uitgereik kragtens reël 70 van die Prokureursordereëls vir die 12 maande tydperk geeëndig 28 Februarie 2002.
- In paragraaf 2 van die ouditeursverslag het die beskuldigdes verslag gedoen dat hulle die trust rekeningkundige aantekeninge en trustrekeningtransaksies van die prokureursfirma ondersoek [het] met spesifieke verwysing na die volgende bepaling van die Prokureurswet en die volgende Prokureursordereëls, en dat die prokureursfirma [aan] die gemelde voorskrifte van die Prokureurswet en die Prokureursordereëls ten opsigte van die jaar geeëndig op 28 Februarie 2002 voldoen het:

- ♦ artikels 78(1), 78(2)(a), 78(2)(b), 78(2A), 78(3) en 78(4) van die Prokureurswet;
- ♦ reëls 68.1, 68.6, 69.7, 70.2, 77 en 77A.2 van die Prokureursordereëls.
- In paragraaf 3 van die ouditeursverslag saamgelees met 'n brief van die oudit firma aan die Prokureursorde gedateer 23 September 2002, het die beskuldigdes verslag gedoen dat hulle die boeke van die prokureursfirma op 30 Augustus 2002 nagesien het en dat:
 - ♦ die boeke opgeskryf is tot 28 Februarie 2002; en
 - ♦ die proefbalans laas gebalanseer is op 28 Februarie 2002.
- In paragraaf 4 van die ouditeursverslag saamgelees met die brief van die firma aan die Prokureursorde gedateer 23 September 2002, het die beskuldigdes verslag gedoen dat hulle die lys van die trustsaldo's soos in die trustrekening in die grootboeke van die prokureursfirma met die onderskeie grootboekrekeninge vergelyk het op die jaareinde en op 30 September 2001, en op elkeen van sodanige datums het die firma voldoen aan die bepaling van reël 69.3 van die Prokureursorde reëls.
- In werklikheid, en in teenstelling met die ouditeursverslag, het die prokureursfirma nie aan sekere artikels van die Prokureurswet en aan sekere van die reëls van die Prokureursordereëls voldoen nie, [as] volg[s]:
 - ♦ opskryf van boeke
 - ▼ Op 5 Augustus 2002 was die prokureursfirma se rekeningkundige aantekeninge nog nie volledig opgeskryf nie.
 - ▼ Die prokureursfirma het dus artikel 78(4) van die Prokureurswet saamgelees met reël 68.1 en reël 68.2 van die Prokureursordereëls oortree, aangesien die prokureursfirma se rekeningkundige aantekeninge nie opgestel was om die volledige en juiste stand van sake weer te gee in terme van algemeen aanvaarde rekeningkundige praktyk nie.
 - ♦ lys van trustkrediteure
 - ▼ Die rekeningkundige aantekeninge van die prokureursfirma is ongeveer 6 maande na die einde van die 2002 finansiële jaar afgehandel.
 - ▼ Die prokureursfirma het derhalwe reël 69.7 van die



LEGAL

Prokureursordereëls oortree aangesien die prokureursfirma nie met tussenposes van 3 kalendermaande 'n lys van trustkrediteure opgestel het en vergelyk het met die saldos op die trustbankrekening nie.

♦ trusttekorte

▼ Die prokureursfirma het artikel 78(1) van die Prokureurswet en reël 69.3.1 van die Prokureursordereëls oortree deurdat op die datums en in die bedrae soos hieronder uiteengesit, die prokureursfirma nie voldoende trustfondse te alle tye in die trustbankrekening, ter betaling van trustverpligtinge, gehou [het] nie:

- 30 Maart 2001: 'n minimum trusttekort van R3 917,58;
- 10 Oktober 2001: 'n minimum trusttekort van R42 639,64;
- tussen 25 Oktober 2001 en 4 Desember 2001: minimum trusttekort van R16 570,52;
- die trusttekorte op die datums en in die bedrae soos uiteengesit in Bylaag C tot die klagstaat.

♦ trustoorplasinge

▼ Die prokureursfirma het gedurende sewe maande van die jaar geeëndig op 28 Februarie 2002 bedrae oorgeplaas vanaf sy trustbankrekening [na] sy besigheidsbankrekening, welke bedrae verskil het van dit waarop die prokureursfirma geregtig was as fooie, soos aangedui op Bylaag D tot hierdie klagstaat.

▼ Die prokureursfirma het derhalwe reël 68.6.2 van die Prokureursordereëls oortree aangesien 'n firma moet sorg dat wanneer trustoorplasinge plaasvind die bedrag oorgedra identifiseerbaar moet wees met die bedrag aan die firma verskuldig en die bedrag wat in die trustbankrekening oorbly moet identifiseerbaar wees met die ooreenstemmende inskrywings wat in die trustgrootboek verskyn.

- Die beskuldigdes was derhalwe skuldig aan 'n oortreding van reël 2.1.2 deurdat hulle –
 - ♦ 'n ouditeursverslag aan die Prokureursorde verskaf het wat verkeerd en/of misleidend was; en
 - ♦ versuim het om vas te stel of die boeke en rekenkundige rekords van die prokureursfirma deurlopend bygehou was; en
 - ♦ versuim het om vas te stel of die prokureursfirma die

lyste van trustkrediteure opgestel het en vergelyk het met die saldos op die trustbankrekening; en

- ♦ versuim het om vas te stel of die prokureursfirma te alle tye voldoende trustfondse in die firma se trustbankrekening gehou het ter betaling van die firma se trustverpligtinge; en
- ♦ versuim het om vas te stel of die prokureursfirma gesorg het dat wanneer oorplasinge plaasvind van die firma se trustbankrekening na die firma se besigheidsbankrekening die bedrag oorgedra identifiseerbaar was met die bedrag aan die firma verskuldig, en dat die bedrag wat in die trustbankrekening oorbly identifiseerbaar was met die ooreenstemmende inskrywings wat in die trustgrootboek verskyn.

TWEDE KLAG

Die beskuldigdes was skuldig bevind aan onbehoorlike gedrag soos bedoel in dissiplinêre reël 2.1.5 deurdat hulle sonder redelike oorsaak of verskoning versuim [het] om werk of pligte van 'n aard wat gewoonlik deur 'n praktisyn uitgevoer word, met sodanige mate van omsigtigheid en bedrewenheid uit te voer as wat volgens die Raad se oordeel redelikerwys verwag kon word, deurdat –

- Hulle die volgende verslag, in die uitvoering van 'n plig wat op hom of hulle gerus het in verband met werk van 'n aard wat gewoonlik deur 'n praktisyn gedoen word, aan die raad van die Prokureursorde verskaf [het] of laat verskaf [het]:

'n Ongekwalfiseerde verslag gedateer 30 Augustus 2002 uitgereik kragtens reël 70 van die Prokureursordereëls vir die 12 maande tydperk geeëndig 28 Februarie 2002.

- In die uitvoering van die plig wat op hulle gerus het in verband met die verskaffing van die ouditverslag, die beskuldigdes versuim [het] om te voldoen aan die bepalings van die handleiding gepubliseer deur die Suid-Afrikaanse Instituut van Geoktrooieerde Rekenmeesters vir die oudit van prokureurs trustrekeninge en vir die verskaffing van ouditverslae volgens die Prokureurswet in die Prokureursordereëls.

Die voorsitter van die komitee, mnr Gihwala, het die vonnis van die komitee bekend gemaak. Ter wille van die goeie orde word dit volledig weergegee.



MANEO

LEGAL

VONNIS

Ons kom nou by die moeilikste gedeelte van die verrigtinge, en dit is nou om 'n behoorlike vonnis of straf uit te deel vir die skuldigbevinding waarvan julle twee nou skuldig bevind is.

Dit is nou wel so dat al die omstandighede in ag geneem moet word, persoonlike omstandighede van die beskuldigdes, die oortredings waarvan hulle skuldig bevind is, en hierdie komitee het dit presies so gedoen.

Ons dink nie daar is eintlik 'n ernstige behoefte om al die feite te herhaal nie. Die persoonlike inligting wat u genoem het is op rekord en ons aanvaar die inligting wat ons het van julle, naamlik dat julle praktiseer waar julle praktiseer, julle betrokkenheid by die beroep, die trots waarmee julle die beroep beoefen, die geld wat julle maak of wat julle nie maak nie, en die omstandighede, tragiese omstandighede wat daartoe gelei het dat julle vandag nou skuldig bevind is van wat baie duidelik 'n ernstige oortreding is. Ons kan dit nie genoeg beklemtoon dat dit 'n baie ernstige oortreding is waarvan julle altwee skuldig bevind is nie.

Nietemin, hierdie komitee tref 'n onderskeid tussen die mate van skuld, as ek dit so mag noem, wat aan elkeen van julle toegesê kan word. Dit is baie duidelik dat Mnr [O] eintlik baie min met hierdie oudit te doen gehad het. Dit is een van daardie situasies waar hy op die verkeerde plek op die verkeerde dag was, en 'n brief en 'n verslag geteken het, of 'n dekkingsbrief en 'n ander brief geteken het wat hom nou ook sentraal in hierdie probleem plaas wat nou aanleiding gegee het tot hierdie klagtes, die verhoor en die skuldigbevinding. Indien Mnr [O] daardie dag nie op die kantoor was nie, sou hy dalk vandag nie hier gewees het nie. Ons het dit in ag geneem.

Mnr [E] het natuurlik 'n meer sentrale rol in hierdie proses gespeel. Hy was baie duidelik die persoon wat betrokke was by hierdie oudit. Hy is die persoon wat volgens die stukke die werkpapiere van die oudit klerk wat die werk gedoen het nagegaan het, en versuim het om sy pligte behoorlik na te kom. Daaroor kan daar geen twyfel wees nie. Ons aanvaar ook dat hy destyds toe die voorval gebeur het, net 'n jaar in praktyk was, en soos ons nou klaarblyklik weet, is dit nie 'n eenvoudige taak om die oudit te doen op prokureurs trust-rekenings nie.

Al julle persoonlike omstandighede het ons in ag geneem. Die aard en omvang van die skuldigbevinding, die voorval, die feite wat daartoe aanleiding gegee het, en hierdie komitee het tot die gevolgtrekking gekom dat onder die omstandighede die volgende 'n gepaste vonnis sal wees.

Mnr [O] word beboet met 'n boete van R5 000, en Mnr [E] word beboet met die bedrag van R10 000.

Sover dit die koste van hierdie verrigtinge aangaan, het julle gehoor dat die koste 'n redelike som geld beloop en onder die omstandighede het hierdie komitee bepaal dat net 'n gedeelte van die koste van julle verhaal sal word, naamlik R30 000 en dat Mnr [O] [vir] R10 000 daarvan verantwoordelik sal wees, en Mnr [E] vir R20 000.

En sover dit die publikasie in *MANEO* betref het ons bepaal en dit word so gelas, dat net hierdie feite van hierdie saak gepubliseer sal word, sonder enige verwysing na die naam van die praktisyns of die praktyke [waarby] hulle betrokke is. En natuurlik die feite van die saak en die boete wat opgelê is, en die koste wat verhaal word. ■

NEWS

WITS PRIZE GIVING

The School of Accountancy of the University of the Witwatersrand (WITS) held its annual prize - giving ceremony to honor accountancy students who achieved outstanding results in their studies.



Bernard Agulhas of the PAAB delivered the key note address in which he emphasised the changing qualities of aspiring auditors and the need to adapt to a dynamic business and professional environment.

Professor Minga Negash, Head of the School of Accountancy (centre) was the Master of Ceremonies and is pictured here with the top student, Michael Schwenke (left), and a friend.





MANEO

LEGAL – MEMBERSHIP

LIST IS CURRENT AS AT TIME OF GOING TO PRESS

INDIVIDUALS ADMITTED TO THE REGISTER OF THE BOARD

From 1 May 2005 to 31 July 2005

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 ANTHOO ODETTE ANNE
 BAARD RAYMOND STANLEY
 BAKKER EBEN EDUARD
 BARNARD KEVIN JOHN
 BAYANT AYSHA
 BEKKER MAGDALENA
 BENADIE HUGO
 BRINK WAYNE
 BUYS PIETER IAN
 CARRAGHER PAUL JOHN
 CASEY FERGAL JAMES
 CAWDRY ANDREW GRANT
 CHOHAN AHMED EBRAHIM
 CILLIÉ STEPHAN FRANCOIS
 DE BRUIN JACOBUS STEPHANUS
 DE SOUZA ANTON
 DE WET LEON
 DELPORT MARISE ISEBELLA
 DEYZEL WYNAND WILLEM
 DONGWANA SIVIWE XOLISILE ARTHUR
 DUFFY RYAN MICHAEL
 EKSTEEN PETRUS JOHANNES
 FOWLDS GRANT ROBERT
 GOODEY CATHALINA
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 GOOSEN JACOBUS COENRAAD
 GOSLETT JANET ANNE
 GRACE JOLANDI
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GROBLER MARIA JOHANNA
 GROVÉ JUANITA
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 HORROCKS GILLIAN MEGAN
 HOWATT THOMAS JACOBUS
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 NORTJE GERRIT FRANCOIS
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 RAVHUHALI LUFUNO
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 RAW MICHAEL BRUCE VAUSE
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 VAN HUYSTEEN JOHAN RUDOLPH
 VAN KETS WERNER OMER
 VAN STADEN EDWARD
 VATHER MERUSHA
 VILJOEN HENDRIK CHRISTOFF
 WALLIS MAVOURNEEN
 WASSUNG TIFFANY
 WILSON ELIZABETH
 YOUNG ANDREW DUFF
 ZAKWE MDUDUZI ERIC

INDIVIDUALS RE-ADMITTED TO THE REGISTER OF THE BOARD

From 1 May 2005 to 31 July 2005

BAIRD JOHN PHILIP
 BOTHA PHILLIP RUDOLPH
 BROWN GRAHAM
 CASSIM MOHAMED FAZIL EBRAHIM
 CHAPLOG BRYAN SHUAN
 COETZEE ISAK RABIE
 DE KOCK MARTIN CHRISTO
 DONDASHE WAKEFORD MZOLISI
 EARLAM PATRICK JOHN
 EKSTEEN KARIN
 HARDING JONATHAN GEORGE
 HORN ANTONY RICHARD
 HATTINGH JOHANNES HEINRICH
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JUGNARAYAN CHARMAINE
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 LEIBOVITZ NORMAN ALLEN
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 MASSON CAREL JOHANNES
 MATTHEE WERNER JOHANN
 MAYET HAROON
 MBANGXA XOLANI

M'KAY JOHN
 NEL JOHAN
 OLDHAM MICHAEL CAMPBELL
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 SITHOLE ZAKHELE JOHANNES
 SLABBERT ALFRED
 SMIT JACOBUS FRANCOIS
 STOLTZ JOSEPH
 THERON WILHELMINA LODEWIKA
 TRIEGAARDT THEO EKSTEEN
 SWART JOHANNES

INDIVIDUALS REMOVED FROM THE REGISTER OF THE BOARD

From 1 May 2005 to 31 July 2005

ALBERTS NICOLAAS FRANCOIS Resigned
 BAIN SHERENE LESLEY Resigned
 CROOKS JOHN RICHARD Resigned
 DE KOCK SAREL HENDRIK Deceased
 DUNN MALCOLM DAVID Resigned
 EMSLIE JONATHAN JOSHUA
 ROOSEVELDT Resigned

GAMSU SIMON SYDNEY Resigned
 GOLDSTEIN DAVID ROGER Resigned
 GOLDSWORTHY MICHAEL LEYCESTER
 Deceased
 KLOPPERS GERT CHRISTIAN Resigned
 PISTORIUS CARL WILHELM IRENE Deceased
 ROSENBERG CLIVE Resigned

SAREMBOCK NATHAN JACK Resigned
 STOTT JAMES MCLEAN Resigned
 THESSAL JOSHUA PRAVDA Resigned
 TILTMANN ERIC HERMAN Resigned
 TRACY THOMAS FREDERICK Resigned
 VAN NIEKERK JACOB JACOBUS Deceased
 WOOTTON JACQUELINE JANICE Resigned



MANEO

NEWS

PUBLIC SECTOR ANNUAL AWARDS

The Institute for Public Finance and Auditing (IPFA) held its second public sector awards ceremony in July. The aim of the awards is to bestow accolades on outstanding public servants that performed exceptionally under challenging circumstances. IPFA is sending a message to everyone that SA has its fair share of truly superb and outstanding individuals in the public sector and believes that it not only acknowledges special effort, but also sets examples to emulate in improving service delivery.



The guest speaker at the annual awards ceremony was Mr. Freeman Nomvalo (left), Accountant-General and a Board member of the PAAB. Pictured with Freeman are Zahra Cassim, CEO of IPFA, and Bernard Agulhas of the PAAB.

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