



irba

INDEPENDENT REGULATORY BOARD FOR AUDITORS

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NEWS



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MESSAGE FROM THE

CEO

We have reached the close of yet another year, a year that brought with it successes and challenges, and a host of interesting and exciting developments thrown in for good measure.

Whether they were local or international, imposed or voluntary, we can never be accused of not being a dynamic profession, and South Africa, like in the sports arena, remained an important player and contributor.

The World Bank completed its review of standards and codes for the accounting and auditing profession in South Africa, and following a series of consultations with relevant stakeholders, made recommendations to the Minister of Finance to further strengthen the profession and benchmark our practices against international best practice. Relevant recommendations include changing legislation to introduce Limited Liability Partnerships, which will address auditors' concerns around their unlimited liability and the risks involved in being in public practice. Also arising from concerns expressed by auditors regarding other professionals providing similar services to those offered by Registered Auditors, without any form of regulation, the report includes a recommendation that all accountants should be regulated, and proposes a model that has been implemented in other jurisdictions.

A Steering Committee will develop a plan to implement the recommendations.

We completed 15 road shows around the country, and besides having an opportunity to share the IRBA's strategy and current developments with the profession, we also obtained valuable feedback on challenges experienced by auditors. We prioritised the issues which we believe we should respond to, and will share our plan and strategy with the profession once we have considered how we can best address the issues. Our strategy includes responding to the needs of Small and Medium Practices where we can.

Other matters discussed on the road shows included international developments in respect of auditor

independence, the Companies Act, regulation of tax practitioners and the risk-based approach to inspections.

Other than the road shows, we also continued to engage with critical stakeholders in terms of our Stakeholder Relationship Plan and our strategy to consult more. Internationally, we met with the chairmen of the International Auditing and Assurance Standards Board of the International Federation of Accountants (IFAC) and the International Ethics Standards Board of IFAC, in addition to participating on their task forces. We also attended meetings of the International Forum of Independent Audit Regulators (IFIAR) and the International Accounting Education Standards Board (IAESB) of IFAC.

On the local front, we met with other regulators such as the Financial Services Board and the Financial Intelligence Centre, professional bodies and the Auditor General, to share information and consider how we can support each other.

The Education, Training and Professional Development Department continued with pilot testing of the new Audit Development Programme, whereby the IRBA will implement a competency based framework to qualify and register auditors from 2015. Information obtained during the pilot run will be incorporated into the model where required and 'fine-tuned' to implement with the least disruption in 2015. Again, we actively participated in the IAESB task force which is developing a similar framework for international use.

We submitted proposed amendments to the Auditing Profession Act to the National Treasury, which

incorporate proposals for the regulation of the Broad-based Black Economic Empowerment Verification Industry as well as certain other assurance services. However, these amendments are subject to the Minister's approval and the necessary resources being made available to the IRBA.

The Standards Department provided support to the International Integrated Reporting Council to develop an Issues Paper on an Assurance Framework for Integrated Reports, and the IRBA issued its first Integrated Report in March. The second Integrated Report will be issued soon and continues to tell the story of the IRBA, and how it serves as protector of confidence in the sustainability of the system while supporting the profession.

Our ranking by the World Economic Forum in the number 1 position for our audit and reporting standards for the fourth consecutive year bears testimony to setting a bar that creates the necessary confidence in our financial markets, and thereby generating investment needed to create employment. This is critical for our economy which has started to experience the effects of the financial meltdown, and continues to struggle with employment issues and issues that impact the economy, such as corruption and crime. We must establish the role of the IRBA and profession in supporting government to overcome these national challenges, while maintaining our pole position to demonstrate how we respond to these challenges.

We thank our stakeholders for their support and efforts which assisted to regain confidence in the profession, and auditors for delivering services in the protection of the public.

MESSAGE FROM THE CEO

CONTINUED

All that is left for me is to wish you a season of holly and cheer
And to celebrate (despite all) a fruitful year
Of success we achieved and all we overcame
To welcome change and accepting 'none of the same'
May we have the courage and strength to face the new year
And continue to build a successful career
We have shown this year that we have what it takes
So enjoy and make the best of this well-deserved break!

Bernard Peter Agulhas
CEO

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The IRBA contributed to the Santa Shoebox project this year as part of its Corporate Social Responsibility initiative.

Season's Greetings

The staff of the IRBA wish all readers a very blessed,
safe and happy holiday season.
The IRBA offices will close on Friday 20 December 2013
and re-open on Thursday 2 January 2014.

IAASB EXPOSURE DRAFT, REPORTING ON AUDITED FINANCIAL STATEMENTS: PROPOSED NEW AND REVISED INTERNATIONAL STANDARDS ON AUDITING

On 25 July 2013 the International Auditing and Assurance Standards Board (IAASB) released an Exposure Draft *Reporting on Audited Financial Statements: Proposed New and Revised International Standards on Auditing (ISAs)* that will fundamentally change the auditor's report on audited financial statements of listed companies.

The Exposure Draft includes a proposed new and a number of proposed revised International Standards on Auditing that aim to improve the auditor's report on audited financial statements as follows:

- Proposed ISA 701 *Communicating Key Audit Matters in the Independent Auditor's Report* – New
- Proposed ISA 260 (Revised) *Communication with Those Charged with Governance*
- Proposed ISA 570 (Revised) *Going Concern*
- Proposed ISA 700 (Revised) *Forming an Opinion and Reporting on Financial Statements*
- Proposed ISA 705 (Revised) *Modifications to the Opinion in the Independent Auditor's Report*
- Proposed ISA 706 (Revised) *Emphasis of Matter Paragraphs and Other Matter Paragraphs in the Independent Auditor's Report*
- Proposed Conforming Amendments to other ISAs

The new proposed ISA 701 requires **auditors of listed entities** to communicate in their auditor's report on the entity's financial statements those "**key audit matters**" that, in the auditor's professional judgement, **were of most significance** in the audit of the current period financial statements.

Amongst other enhancements, the IAASB is also proposing requirements for auditors to include specific statements in their auditor's report for **all entities** about:

- Going concern;
- The auditor's independence from the audited entity; and
- Disclosure in the auditor's report of the name of the engagement partner responsible for the audit.

Proposed examples of auditor's reports that illustrate the application of the proposed new and revised ISAs in various circumstances are provided.

The IAASB plans to issue the new and revised ISAs in the **second half of 2014**. These will be considered by the CFAS as the proposed requirements are expected to have a significant impact on auditor reporting in South Africa.

Field testing by audit firms with their audit clients

During the exposure period for the proposed ISA 701, the IAASB strongly encouraged audit firms to **field test** the application of the proposed ISA 701, and thereby gain experience about how it may operate in practice. The IAASB invited feedback from the experiences of field testing as part of the comments in response to the Exposure Draft. The IAASB prepared *Guidance to Assist in Field Testing of Proposed International Standard on Auditing (ISA) 701, Communicating Key Audit Matters in the Independent Auditor's Report*, which is available on the IAASB website. Auditors are encouraged to engage with those clients with listed entities to alert them to the proposed changes and to explore the implications for those entities. A few audit firms conducting field tests participated in a CFAS Task Group to assist with communicating their experiences to the IAASB.

CFAS round tables on auditor reporting

It is important that the IRBA is aware of views of auditors and

broader interest groups in regard to the proposed changes on auditor reporting. To facilitate this, the IRBA hosted three Round Table Discussions on the IAASB's proposed changes to auditors' reports during October 2013. Attendees included investors, financial analysts, directors, bankers, those charged with governance, audit committee members and JSE accredited auditors. Participants received an overview of the proposed changes, had an opportunity to pose questions to a selected panel and expressed their views on the proposed changes.

Comments received and views expressed were noted, together with additional written comments received by the IRBA and views expressed by the CFAS Task Group. The IRBA's comment letter was submitted to the IAASB in November 2013.

CFAS AUDITING PRONOUNCEMENTS ADOPTED, DEVELOPED AND ISSUED

CFAS Due Process Policy and Status and Authority of Auditing Pronouncements

At its meeting held on 18 November 2013 the IRBA Board approved the following for issue:

- *CFAS Due Process Policy for the Development, Adoption and Implementation of Quality Control, Auditing, Review, Other Assurance, and Related Services Pronouncements (Due Process Policy)*; and the
- *CFAS Status and Authority of Quality Control, Auditing, Review, Other Assurance, and Related Services Pronouncements (Status and Authority of Auditing Pronouncements)*.

The *Status and Authority of Auditing Pronouncements* clarifies the statutory requirements in the Auditing Profession Act (the Act).

The *Due Process Policy* is intended to make publicly available the process followed by the CFAS to assist the Board with the adoption,

development, and issue of “auditing pronouncements” defined in section 1 of the Act as “those standards, practice statements, guidelines and circulars developed, adopted, issued and prescribed by the Board which a registered auditor must comply with in the performance of an audit”, which includes those issued in respect of review, other assurance and related services engagements performed by registered auditors.

The *Status and Authority of Auditing Pronouncements* clarifies the status and authority of International Standards adopted, and local Standards, Practice Statements and Guides developed by the CFAS (collectively defined in the Act as ‘auditing pronouncements’) that are issued and prescribed by the IRBA Board.

Both the *Due Process Policy* and the *Status and Authority of Auditing Pronouncements* are effective from **1 December 2013** as they simply clarify existing CFAS processes, and the status and authority of auditing pronouncements issued. They are available for download from the IRBA website, included in the IRBA’s 2014 Manual of Information, and are published annually in the SAICA Members’ Auditing Handbooks. Auditing Pronouncements will be available on CD and may be ordered from the Communications Department.

CFAS EXPOSURE DRAFTS ISSUED FOR PUBLIC COMMENT

Proposed Guide for Registered Auditors: Engagements on Attorneys’ Trust Accounts

The CFAS approved the release of the *Proposed Guide for Registered Auditors: Engagements on Attorneys’ Trust Accounts* (the proposed Guide) on 30 August 2013, for exposure for public comment by 31 October 2013.

The proposed Guide replaces the South African Institute of Chartered Accountants (SAICA) Guide, *Guidance for Auditors: The Audit of*

Attorneys’ Trust Accounts in terms of the Attorneys Act, No. 53 of 1979 and the Applicable Rules of the Provincial Law Societies, (June 2004) (SAICA Guide), which is to be withdrawn. It addresses and updates matters dealt with in the SAICA Guide.

The proposed Guide provides guidance to the registered auditor when performing a reasonable assurance engagement on whether an attorney’s trust accounts comply with sections 78(1), 78(2)(a) and (b), 78(2A), 78(3), 78(4) and 78(6) of the Attorneys’ Act, No. 53 of 1979 (Attorney’s Act), the Rules of the relevant Provincial Law Society, and reporting on the *Attorney’s Annual Statement on Trust Accounts*.

The proposed Guide deals with the special considerations in an auditor’s engagement to report on an attorney’s trust accounts, including the nature and characteristics of attorneys’ trust accounts. The final Guide, incorporating changes recommended by the CFAS Attorneys Task Group, arising from comments received, will be considered by the CFAS at its meeting in November 2013 to recommend to the Board for issue early in 2014.

Proposed South African Standard on Assurance Engagements (SASAE) 3501, Assurance Engagements on eXtensible Business Reporting Language (XBRL)

The CFAS approved the release of the proposed South African Standard on Assurance Engagement (SASAE) 3501 *Assurance Engagements on eXtensible Business Reporting Language (XBRL)* (proposed SASAE) in June 2013, for exposure for public comment by 15 October 2013. Comments received and further changes will be considered by the CFAS at its meeting in March 2014.

The evolving use of XBRL is relatively new to the South African business environment. This

proposed SASAE was developed by a CFAS Task Group at the request of the Johannesburg Stock Exchange (the JSE) to provide guidance for auditors of listed entities participating in the JSE’s XBRL Voluntary Filing Pilot Programme when seeking assurance on the tagging process and instance document submitted. Directors of entities listed on the JSE may engage an entity’s auditor to provide assurance on their XBRL tagging process and/or instance document.

Globally, other regulators, taxation authorities and other interested parties are increasingly seeking submission of regulatory information in an XBRL format to facilitate comparative analysis of economic and other indicators. Regulators may specify or develop the relevant taxonomy to be applied to the underlying source information that results in tagged data in an instance document. The CIPC, FSB and SARS are currently engaging with XBRL South Africa to explore ways of using XBRL for annual submissions by the public to each of them.

This proposed SASAE has been developed as a subject matter-specific standard in accordance with the International Standard on Assurance Engagements (ISAE) 3000 *Assurance Engagements other than Audits or Reviews of Historical Financial Information*. The proposed SASAE provides Requirements and Application and Other Explanatory Material as guidance for auditors in accepting and performing limited assurance engagements on XBRL tagging of information (the tagging process) and/or instance documents.

CFAS REGULATED INDUSTRIES AND REPORTS STANDING COMMITTEE (RIRSC)

SAAPS 6, External Confirmations from Financial Institutions

The South African Auditing Practice Statement (SAAPS) 6 *External Confirmations from Financial Institutions* was approved and issued for use by registered auditors in July 2013. SAAPS 6 replaces the extant SAAPS 1100 *Bank Confirmations* issued in December 2000 that will be withdrawn from the effective date of SAAPS 6. **SAAPS 6 is effective for external confirmation requests issued on or after 1 October 2013.**

SAAPS 6 provides implementation guidance to a registered auditor when requesting external confirmations to obtain audit evidence, either manually or electronically, from financial institutions in South Africa to meet the requirements of ISA 505 *External Confirmations*. SAAPS 6 extends to external confirmations from all financial institutions – not only banks – and recognises the rapid advances in the nature and extent of financial instruments that entities enter into with a wide variety of financial institutions for which an auditor may seek external confirmation.

SAAPS 6 introduces the use of **electronic external confirmation requests** in South Africa, which is expected to

- Significantly reduce the time required to obtain external confirmations from financial institutions;
- Enhance the security and tracking processes for confirmation requests submitted;
- Reduce the risk of incorrect and incomplete confirmations; and
- Result in cost savings to clients.

SAAPS 6 includes implementation guidance in Appendices A and B as follows:

- Examples of possible alternative procedures that an auditor may perform to obtain evidence regarding completeness of

financial instruments disclosed in audited financial statements.

- Revised Confirmation Request Forms consisting of nine different types of forms, tailored to the variety of financial instruments, for which both manual and electronic confirmation requests may be sought. This enables an auditor to select only those relevant to an entity.

DTI Automotive Production and Development Programme (APDP)

The illustrative assurance reports have been finalised by the CFAS and are available on the IRBA website under the Regulated Industries: International Trade Administration Commission of South Africa (ITAC) section:

- Company Specific Percentage/s Application;
- Declaration of Imported Component Values (Form C1);
- Application for a Production Rebate Credit Certificate; and
- Standard Materials and Component Declaration (SMD).

SAAPS 2 (Revised 2013), Financial Reporting Frameworks and the Auditor's Report

SAAPS 2 (Revised 2013) *Financial Reporting Frameworks and the Auditor's Report* has been updated and issued in November 2013. It contains conforming amendments to alert users to the fact that South African Statements of Generally Accepted Accounting Practice (SA GAAP) has been withdrawn and will cease to apply in respect of financial years commencing on or after 1 December 2012.

In addition, the Accounting Standards Board's (ASB) Appendix I to Directive 5, dealing with SA GAAP as at 1 April 2012 recognises the withdrawal of SA GAAP from 1 December 2012. For those Government Business Enterprises (GBEs) that apply SA GAAP, the ASB has agreed that, as an interim measure, these entities should continue to apply SA GAAP (as issued at 1 April 2012) – called "GAAP Reporting Framework" – until the ASB has undertaken more

extensive research to identify the most appropriate framework for different types of GBEs.

SAAPS 3 (Revised 2013), Illustrative Reports

SAAPS 3 (Revised 2013) *Illustrative Reports* has been updated and issued in November 2013:

- To accommodate the ISRE 2400 (Revised) *Engagements to Review Historical Financial Statements* report format issued in September 2012 and effective for reviews of financial statements for periods ending on or after 31 December 2013, whilst retaining the extant ISRE 2400 format of the report that can be used for reviews of financial statements for periods ending before 31 December 2013; and
- To alert users to the fact that SA GAAP has been withdrawn and will cease to apply in respect of financial years commencing on or after 1 December 2012.

A Guide for Registered Auditors: Reporting on Financial Information Contained in Interim, Preliminary, Provisional and Abridged Reports Required by the JSE Listings Requirements

A Guide for Registered Auditors: Reporting on Financial Information Contained in Interim, Preliminary, Provisional and Abridged Reports Required by the JSE Listings Requirements (the JSE Reporting Guide) has been approved by the Board and issued in November 2013. The purpose of this Guide is to provide guidance to a JSE accredited auditor in the implementation of ISA 810 *Engagements to Report on Summary Financial Statements and ISRE 2410 Review of Interim Financial Information performed by the Independent Auditor of the Entity* when reporting on an issuer's interim, preliminary, provisional and abridged reports as required by the Listings Requirements.

This Guide will be effective for an auditor's report on an issuer's interim, preliminary, provisional or abridged report **issued on or after 1 January 2014.**

The IRBA Guide replaces the former *SAICA Guide on Reporting on Financial Information contained in Interim, Preliminary, Provisional and Abridged Reports* issued in March 2004 that has been withdrawn.

Estate Agency Affairs Board

The Estate Agency Affairs Board (EAAB) issued an Audit Report Notification on 10 June 2013 to remind all estate agency firms, irrespective of their legal form, of the audit requirements to be adhered to in terms of the Estate Agency Affairs Act, 1976. Section 29(b) of that Act requires that *“every estate agent shall, in respect of his activities, cause the accounting records to be audited by an auditor within four months after the final date of the financial year of the estate agent”*.

Auditor’s reports on the annual retirement fund returns to the Financial Services Board

The RIRSC Retirement Funds Task Group is currently finalising the regulatory audit/assurance reports for:

- Section 15 agreed upon procedures reports for: small retirement funds, umbrella funds, retirement annuity funds and preservation funds; and
- Regulation 28(8)(b) reports on Schedule IB for retirement funds, collective investment schemes and linked insurance policies.

Discussions have been held between the RIRSC Retirement Funds Task Group, comprising retirement fund auditors and senior staff of the Retirement Funds Department of the Financial Services Board (FSB) and National Treasury, to resolve interpretation issues arising from Regulation 28, relating to the supplementary disclosures in Schedule IB to the annual financial statement.

The CFAS has approved a project to develop Compliance Standards as guidance for auditors when performing engagements to report on compliance matters required by South African regulators.

CFAS PUBLIC SECTOR STANDING COMMITTEE (PSSC)

Proposed Guidance for Registered Auditors: Performing Audits Where the AGSA has Opted not to Perform the Audit

The CFAS approved the release of the *Proposed Guidance for Registered Auditors: Performing Audits where the AGSA has Opted not to Perform the Audit* (the proposed Guide), in August 2013 for exposure for comment by 31 October 2013. The proposed Guide was prepared by the PSSC, comprising representatives of large, medium and small audit practices and the Auditor-General of South Africa (AGSA). Comments received will be considered by the CFAS at its meeting in March 2014 to recommend to the Board for issue.

The proposed Guide provides information that will assist registered auditors to perform regulatory audit engagements, including the audit of the financial statements, predetermined objectives, and compliance with laws and regulations for section 4.3 public sector entities, which the AGSA has opted not to audit, in accordance with the specific requirements of the Public Audit Act (PAA). It addresses the following matters:

- The roles and responsibilities of the audit firm and the appointment, and discharge, of audit firms;
- The auditing standards that are to be complied with and technical consultation process;
- Communication between the auditor, the AGSA, the auditee, the executive authority and oversight bodies; and
- Reporting.

Proposed Guide for Registered Auditors: Guidance on Performing Audits on Behalf of the AGSA

The CFAS approved the release of the

Proposed Guidance for Registered Auditors: Guidance on Performing Audits on Behalf of the AGSA (the proposed Guide), in August 2013 for exposure for comment by 31 October 2013. The proposed Guide was prepared by the PSSC, comprising representatives of large, medium and small audit practices and the AGSA. Comments received will be considered by the CFAS at its meeting in March 2014 to recommend to the Board for issue.

This proposed Guide provides information that will assist registered auditors to perform regularity audit engagements, including the audit of the financial statements, predetermined objectives and compliance with laws and regulations, on behalf of the Auditor-General of South Africa (AGSA), in conformance with the AGSA’s specific requirements and the requirements of the PAA. It addresses the following matters:

- The roles and responsibilities of the audit firm and the AGSA, including the supervision and review responsibilities;
- The auditing standards and ethical requirements that are to be complied with;
- Communication between the auditor, the AGSA, the auditee, the executive authority and oversight bodies;
- Technical consultations and difference-of-opinion processes; and
- Reporting.

Comments received will be considered by the PSSC in December 2013. The final Joint Guides, incorporating changes recommended by the PSSC arising from comments received, will be considered by the CFAS in March 2014, to recommend to the Board to issue jointly with the Auditor-General South Africa.

CFAS SUSTAINABILITY STANDING COMMITTEE (SSC)

The SSC has developed an illustrative auditor's assurance report and related engagement letter that may be used by registered auditors for sustainability assurance engagements. These will be considered by the CFAS at its meeting in November 2013 for approval to issue.

CFAS B-BBEE ADVISORY COMMITTEE

New Broad-Based Black Economic Empowerment (B-BBEE) Codes of Good Practice published

On 11 October 2013, the Minister of Trade and Industry published Board Notice 1019 of 2013 in Government Gazette 36928: *Broad-Based Black Economic Empowerment Codes of Good Practice* (New CoGP), which will come into operation within twelve months. The transitional arrangements permit a measured entity to elect to apply the New CoGP or the existing 2007 CoGP.

B-BBEE Approved Registered Auditors (BARs) are advised to familiarise themselves with the content thereof. BARs who wish to issue B-BBEE verification certificates to measured entities which have elected to early adopt the New CoGP are advised to exercise great caution as certain technical aspects of the New CoGP are unclear and require further clarification. The existing Sector Codes have yet to be aligned with the changes in the New CoGP and accordingly any B-BBEE verification

certificates must continue to be issued under the relevant existing Sector Code.

The New CoGP makes provision for affidavits to be provided instead of B-BBEE verification certificates or EME certificates in certain instances. These limited situations pertain only to Exempted Micro-Enterprises (EMEs) and Qualifying Small Enterprises (QSEs) meeting the new income thresholds and where they are at least "51% black-owned" or "100% black-owned". Affidavits from EMEs and QSEs submitted for government tenders will not meet the requirements of the National Treasury Preferential Procurement Policy Framework Act, 2000 and Preferential Procurement Regulations, 2011 and consequently might not be accepted.

Where owners/members of an EME or QSE elect to apply the New CoGP and provide an affidavit for their EME or QSE, such affidavit should be deposited to by the relevant owners/members. An affidavit does not of itself, comprise evidence regarding income or ownership. BARs and registered auditors should exercise caution if requested to depose to an affidavit for an EME or QSE client. BARs and RAs should also exercise caution when attesting such an affidavit as a Commissioner of Oaths.

SASAE 3502, Assurance Engagements on Broad-Based Black Economic Empowerment (B-BBEE) Verification Certificates (SASAE 3502) to be revised

Following the publication of various sector codes and the New CoGP, the CFAS will consider a proposal at its meeting in March 2014 to approve a project for the CFAS B-BBEE Advisory Committee to revise and update SASAE 3502. The project proposal will also provide for the B-BBEE Advisory Committee to consider any other improvements needed. BARs who would like to assist the

B-BBEE Advisory Committee with this project are requested to contact the Standards Department.

Ambit of several sector codes queried

The Standards Department has received a number of enquiries regarding the correct application of Sector Codes in B-BBEE verification certificates issued by BARs. BARs are reminded to only accept B-BBEE assurance engagements for which they have the competence to evaluate the subject matter and to determine the applicable Code or Sector Code and resultant scores for the elements of the B-BBEE scorecard of the measured entity.

Registered auditors are encouraged to contact the Standards Department via email b-bbeequeries@irba.co.za or telephone 087 940 8800 or Gerhardus Burger on direct line 087 940 8786, if they have any technical concerns when evaluating the application of relevant sector codes when performing assurance engagements on B-BBEE verification certificates.

THE INTERNATIONAL AUDIT AND ASSURANCE STANDARDS BOARD (IAASB)

Adoption of International Quality Control, Auditing, Review, Other Assurance and Related Services Pronouncements: Board Notice 207 of 2013

The IRBA draws the attention of all registered auditors to Board Notice 207 of 2013 included in Government Gazette 36923 of 18 October 2013, regarding the Adoption of the IAASBs *International Quality Control, Auditing, Review, Other Assurance And Related Services Pronouncements* 2013 Handbooks in terms of the Auditing Profession Act, 26 of 2005 (2013 Board Notice) that provides:

'The IRBA hereby resolves to adopt, issue and prescribe the following publications known as the (2013 Handbooks):

1. *Handbook of International Quality Control, Auditing, Review,*

STANDARDS

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Other Assurance, and Related Services Pronouncements, 2013 Edition Volume I, ISBN 978-1-60815-152-3; and

2. *Handbook of International Quality Control, Auditing, Review, Other Assurance, and Related Services Pronouncements, 2013 Edition Volume II, ISBN 978-1-60815-152-3.*

These publications now replace and substitute the publications known as the *Handbook of International Quality Control, Auditing, Review, Other Assurance and Related Services Pronouncements 2012 Edition Part I, ISBN 978-1-60815-122-6* and the *Handbook of International Quality Control, Auditing, Review, Other Assurance and Related Services Pronouncements 2012 Edition Part II, ISBN 978-1-60815-122-6* (2012 Handbooks), which had continued to be adopted, issued and prescribed by the IRBA. The 2012 Handbooks replaced the 2010 Handbooks previously adopted, issued and prescribed by Board Notice 154 of 2010 in Government Gazette 33710 of 5 November 2011.

References to the International Ethics Standards Board for Accountants (IESBA) *Code of Ethics for Professional Accountants* in these publications must be read in conjunction with the IRBA *Code of Professional Conduct for Registered Auditors* issued in July 2010, effective from 1 January 2011, which has additional requirements for RAs in South Africa.

The 2013 Board Notice and PDF-formats of the 2013 IAASB Handbooks, Volumes I and II, are available for download from the Auditing Standards section of the IRBA website (www.irba.co.za).

The 2013 Handbooks will also be available, free of charge, on CD. Written orders can be placed with Joanne Johnston by e-mailing your request to communications@irba.co.za. Please include a postal address and contact number/s in your e-mail. The 2013 Handbooks, published by the International Auditing and Assurance Standards Board (IAASB), and auditing pronouncements issued by the IRBA are also published annually in the SAICA Members' Handbook.

Post-Implementation Review of the Clarified International Standards on Auditing and Future Strategy and Work Program

The IAASB released its Post-Implementation Review Report in July 2013. The report describes the process that has been applied by the IAASB to evaluate the comments that have been received, and summarises and identifies the main themes that have emerged. Details of progress on these and other projects, including comments received can be found at www.ifac.org/auditing-assurance/projects.

SMALL AND MEDIUM PRACTICES

The International Federation of Accountants (IFAC) Small and Medium Practices (SMP) Committee

The IFAC SMP Committee represents the interests of professional accountants in small and medium practices. The committee develops guidance and tools, and works to ensure the needs of the SMP and small and medium-sized entity (SME) sectors are considered by standard setters, regulators, and policy makers. The committee also speaks out on behalf of SMPs to raise awareness of their role and value, especially in supporting SMEs, and the importance of the small business sector overall.

SMPs may find the publications available on the IFAC website useful in running their practices, especially in the audit of small and medium enterprises (SMEs). These publications have not been adopted by the IRBA as they were not subject to the IAASB's due process for development of International Standards, or the CFAS due process for adoption of International Standards and guidance.

The guidance may however, be of use to SMPs, bearing in mind that registered auditors are still required to apply all auditing pronouncements adopted, developed and issued by the IRBA, including the IAASB International Standards.

ETHICS

COMMITTEE FOR AUDITOR ETHICS (CFAE)

RECENT MEETINGS

The CFAE met on 17 September 2013 and on 14 November 2013 and also held a Strategy Session on 14 November 2013 to plan for its 2014 - 2017 strategic imperatives to support the IRBA Strategy. The following matters were considered:

PROPOSED AMENDMENTS TO THE IRBA CODE

Members considered the recommendations of the IESBA Amendments Task Group regarding the 2013 amendments to the IESBA Code of Ethics for Professional Accountants. The CFAE resolved to expose the IESBA amendments as proposed amendments to the IRBA Code for public comment to create awareness of the potential implications for registered auditors and their firms. Responses received will assist the CFAE to identify any further changes to the amendments for their application in South Africa.

CFAE TASK GROUP ACTIVITIES

- The Public Interest Task Group has met several times and is currently considering proposed amendments to section 290.25 of the IRBA Code with a view to proposing a rebuttable assumption for certain regulated entities to be regarded as "Public Interest Entities" in the Code. Consultations are being held with all other regulators responsible for regulating public interest industries which might be affected.
- The B-BBEE Task Group is developing guidance in respect of emerging trends in respect of registered auditors providing B-BBEE assurance services. The task group is currently working on Frequently Asked Questions (FAQs) to be uploaded to the IRBA website in order to assist auditors and the public on topical issues/frequent enquiries. Their issue is delayed pending clarification from the DTI of provisions in the New Codes of Good Practice gazetted on 11 October 2013; and
- The Firm Names Task Group is considering possible guidance on firm names and stationery.

PROPOSED AMENDMENTS ISSUED FOR PUBLIC COMMENT

The call for public comment was published as IRBA Board Notice 208 of 2013 in Government Gazette 36923 on 18 October 2013, and a communiqué issued on 21 October 2013 with a link to the proposed amendments available for download from the Ethics webpage on the IRBA website.

PROPOSED AMENDMENTS

The proposed amendments to the IRBA Code are the following:

1.	A Breach of a Requirement of the Code
	Replaces the previous inadvertent violations sections resulting in the deletion of sections: 100.10, 290.39, 290.117, 290.133, 290.159 and 291.112 and 291.127. Replacement of section 100.10 and insertion of new sections 290.39 to 290.49 and section 291.33 to 291.37.
2.	Conflicts of Interest
	New sections inserted 100.17 - 100.18 and sections 100.17 - 100.22 will be renumbered. Deletion of existing section 220 replaced with new sections 220.1 - 220.14.
3.	Definition of "engagement team" in the Code
	Amendment to definition to align with the IAASB's amendments to ISA 610 (Revised 2013) <i>Using the Work of Internal Auditors</i> .
4.	Definition of "those charged with governance" and consequential changes to the Code
	Amendment to definition to align more closely with the IAASB's ISA 260 <i>Communication with Those Charged with Governance</i> . Insertion of new section 100.25 and existing section 290.28 replaced.

ETHICS WORKSHOPS FEEDBACK

The Ethics Workshops have become an annual event on the IRBA calendar. The workshop was once again presented by Mr Uli Schäckermann CA (SA), RA and Professor Martin Prozesky. We express our thanks to our two presenters for their contributions to the continued success of the Ethics Workshops and their professional presentation that found resonance with all attendees.

We regret that Martin will not be available to continue presenting, and will miss his extraordinary understanding and appreciation of multicultural ethics that enriched our workshops and provided insights to many auditors who attended. We wish him well in his future endeavours.

Countrywide workshops comprised of 17 sessions during July 2013, which were held respectively in Johannesburg, Pretoria, Cape Town, Durban, Stellenbosch, George, Polokwane, Bloemfontein, Nelspruit, East London and Port Elizabeth. Additional workshops were held in Johannesburg on 16 October 2013 and in Newcastle on 17 October 2013. Seats were limited to 45 attendees per session, allowing for highly interactive sessions.

For further information on professional ethical issues registered auditors may contact our Standards Department via standards@irba.co.za. Alternatively, contact Saadiya Adam directly on 087 940 8870 or sadam@irba.co.za, or Sandy van Esch on 087 940 8871 or svanesch@irba.co.za.

REPORTABLE IRREGULARITIES

UPDATE OF THE REPORTABLE IRREGULARITIES GUIDE

The update of the *Reportable Irregularities Guide* is in progress with proposed changes arising from:

- The Companies Act, 2008 and Regulations thereto;
- The attorney’s interpretation of “fiduciary duty” in part (c) of the definition: “represents a material breach of a fiduciary duty owed by such a person to the entity or any partner, member, shareholder, creditor or investor of the entity under any law applying to the entity or the conduct or management thereof”; and
- Updating of illustrative examples and case studies of reportable irregularities.

The Reportable Irregularities Task Group met in November 2013 and will meet early in 2014 to finalise proposed changes to the *Reportable Irregularities Guide* for consideration of the Board. The revised *Reportable Irregularities Guide* is expected to be issued during the first half of 2014.

Sandy van Esch
 Director: Standards
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 Facsimile: 086 575 6535
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REPORTABLE IRREGULARITIES (RIs) RECEIVED

	Year to date 30 September 2013		Year ended 31 March 2013	
Number of reports received and files closed within 40 days	300	98%	630	93%
Number of 2nd reports received late (after due date)	5	2%	46	7%
Total number of RIs received	305	100%	676	100%

CONTINUING/NOT CONTINUING RIs: OF THE TOTAL NUMBER OF RIs RECEIVED:

	Year to date 30 September 2013		Year ended 31 March 2013	
Continuing	161	53%	418	62%
Not continuing	133	44%	257	38%
Did not exist	7	2%	1	0%
Outstanding (Second RI letter not yet due)	4	1%	0	0%
Total number of RIs received	305	100%	676	100%

TYPE OF ENTITY: OF THE TOTAL NUMBER OF RIs RECEIVED:

	Year to date 30 September 2013	
(Proprietary) Limited	208	68%
Non-profit organisation/ Section 21 company	30	10%
Close corporation	21	7%
Limited	12	4%
Body corporate	5	2%
Other entities	29	9%
Total number of RIs received	305	100%

QUARTERLY REPORT FROM THE DIRECTOR: LEGAL FOR THE PERIOD 1 APRIL 2013 TO 30 JUNE 2013

INVESTIGATING COMMITTEE

The Investigating Committee met twice during this period and referred 15 matters to the Disciplinary Advisory Committee with recommendations.

DISCIPLINARY ADVISORY COMMITTEE

The Disciplinary Advisory Committee met twice during this period and disposed of 17 matters, as follows.

Decisions not to charge

- one matter in terms of Disciplinary Rule 3.5.1.1 (the respondent is not guilty of unprofessional conduct; this includes the situation where the conduct in question might be proved but even if proved does not constitute unprofessional conduct);
- seven matters in terms of Disciplinary Rule 3.5.1.2 (the respondent having given a reasonable explanation for the conduct);
- two matters in terms of Disciplinary Rule 3.5.1.4 (being that there are no reasonable prospects of succeeding with a charge of improper conduct against the respondent).

Decision to charge and matter finalised by consent order

Seven practitioners were fined:

- One matter related to the failure to prepare annual financial statements and to complete and/or submit the income tax returns of his client timeously. In addition, the respondent failed to comply fully with ISA 230. He was fined R20,000 of which R10,000 was suspended for three years on conditions. There was no order for costs;
- One matter related to the respondent issuing both an

auditor's report as well as, separately, an accountant's report in respect of a client, causing confusion. Furthermore, the auditor's report did not meet the requirements of ISA 700. He was fined R75,000 of which R25,000 was suspended for three years on conditions. He was ordered to contribute R5,000 toward costs;

- One matter related to a failure to comply with ISA 700 and 701. The practitioner was fined R30,000 of which R15,000 was suspended for three years on conditions. There was no order for costs;
- One matter related to an inappropriate auditor's report on reviewed provisional condensed financial statements in which the respondent inappropriately applied the layout and wording of ISA 700 instead of the layout and wording of ISRE 2410. As a consequence an audit opinion was expressed instead of a review conclusion, based on work performed. The auditor's report on the subsequent annual financial statements contained various minor errors indicating a lack of attention to detail. The respondent was fined R100,000 of which R25,000 was suspended for three years on conditions. He was ordered to contribute R5,000 toward costs;
- One matter related to the annual financial statements of a (listed) company which disclosed certain going concern indicators which, in the absence of further explanation, suggested, but did

not state clearly, that there may be a material uncertainty related to events or conditions which may cast significant doubt on the company's ability to continue as a going, as contemplated in ISA 570. This omission was significant in circumstances when the company was (subsequently) placed in provisional liquidation. The auditor's report contained an unmodified opinion instead of an opinion modified for inadequate disclosure. An explanation is required if the financial statements are to 'present fairly' and substantiate management's use of the going concern assumption in the preparation of the financial statements for a period of at least twelve months from the balance sheet. The auditor ought to have disagreed with management on the adequacy of financial statement disclosures in accordance with ISA 701, the standard that then applied. He was fined R100,000. There was no order for costs

- Two matters related to impaired independence.
 - In one case, the respondent was the auditor of company in which his wife had a very small shareholding. He failed to appreciate the fact that his independence might have been impaired. He was fined R10,000, of which R5,000 was suspended for three years on conditions. There was no order for costs;

- o In the other case, the practitioner was a trustee of two trusts. These trusts each held a 50% interest in a close corporation of which the respondent was the accounting officer. The close corporation in turn owned 100% of the shares

in a company of which the respondent was the auditor. He was fined R50,000, of which R25,000 was suspended for three years on conditions. He was ordered contribute R5,000 towards costs.

Decision to charge and matter referred to the Disciplinary Committee

Three matters were referred to the Disciplinary Committee for disciplinary hearings, two of them because the respondents declined to finalise by consent order.

DISCIPLINARY COMMITTEE

The Disciplinary Committee sat three times during this period (on 11 April 2013, 8 and 9 May 2013 and again on 30 May 2013).

FIRST MATTER

On 11 April 2013 the Committee considered the matter of Mr J. The respondent was present and unrepresented. The respondent pleaded guilty to, and was found guilty of, five charges levelled against him, as follows:

THE CHARGES

Charge One:

The Respondent pleaded guilty to contravening the following old disciplinary rules: 2.1.5, 2.1.20 (read with paragraph 4.4 of the Code), and 2.1.21, and made the following further admissions in relation thereto:

- 1.1 The Respondent issued an undated and unqualified Report of the Independent Auditor to the Law Society relating to the trust account of [WSV] Attorneys ("the Firm") for the period ended 28 February 2007 ("the Report of the Independent Auditor").
- 1.2 Section 78 (1) of the Attorneys Act, read together with Rule 69.3.1 of the Rules of the Law Society, requires that the total amount in an attorney's trust bank account balance cannot be less than the total amount of the credit balances of its trust creditors. Should the trust bank account reflect a lesser amount as aforementioned, a trust shortage arises.

- 1.3 The Respondent stated that he was informed by Ms [LVV], the wife of attorney [WSV] that trust money was held in two accounts, namely a trust current bank account and a trust savings account. The Respondent acknowledged the fact that the balance in the trust current bank account and the credit balances of the Firm's trust creditors did not reconcile.

- 1.4 Notwithstanding the aforementioned facts, the Respondent failed to investigate and/or perform any or sufficient audit tests and/or procedures relative to the trust savings bank account or the trust current bank account of the Firm. The Respondent negligently failed to detect the trust shortage and to record the trust shortage in the Report of the Independent Auditor.

- 1.5 Had the Respondent performed sufficient and/or any audit procedures and tests relative to the trust current bank account and trust savings account, he would have detected that an amount of R677,516.60 had been inappropriately transferred out of the trust current bank account.

- 1.6 In issuing an unqualified Report of the Independent Auditor, the Respondent represented that he carried out all necessary audit tests and procedures when he did not.

Charge Two:

The Respondent pleaded guilty to contravening the following old disciplinary rules: 2.1.5, 2.1.20 (read with paragraph 4.4 of the Code) and 2.1.21, and made the following further admissions in relation thereto:

- 2.1 The Respondent issued an unqualified Report of the Independent Auditor dated 31 August 2006 to the Law Society for the period ended 28 February 2006 in respect of [S] Attorneys ("the Report of the Independent Auditor").
- 2.2 Notwithstanding that the accounting records of [S] Attorneys do not reflect a trust shortage, there was, factually, at 28 February 2006 a trust shortage of R248,960.52 in the trust account of [S] Attorneys.
- 2.3 The Respondent was required to qualify the Report of the Independent Auditor given that there was a trust shortage, but failed to do so.

- 2.4 The Respondent failed to detect and report the trust shortage mentioned above, despite the fact that there were only 18 trust account receipts and 31 trust account payments during the period ended 28 February 2006.
- 2.5 The Respondent was required to identify and determine material transactions that took place regarding the accounting trust records of [S] Attorney as part of his audit procedures. Had the Respondent carried out his duties adequately to the standards expected of him in performing the audit on the trust accounts of [S] Attorneys he would have detected the actual trust shortage of R248,960.52 for the period ended 28 February 2006.
- 2.6 In issuing an unqualified Report of the Independent Auditor, the Respondent represented that he carried out all necessary audit tests and procedures when he did not.

Charge Three:

The Respondent pleaded guilty to contravening the following old disciplinary rules: 2.1.5, 2.1.20 (read with paragraph 4.4 of the Code), and 2.1.21, and made the following further admissions in relation thereto:

- 3.1 The Respondent issued an unqualified Report of the Independent Auditor dated 19 July 2007 in respect of [S] Attorneys for the period ended 28 February 2007 ("the Report of the Independent Auditor").
- 3.2 Notwithstanding that the accounting records of [S] Attorneys do not reflect a trust shortage, there was, factually on 28 February 2007, a trust shortage of R260,277.50 in the trust account of [S] Attorneys.
- 3.3 The Respondent was required to qualify the Report of the Independent Auditor given that there was a trust shortage, but failed to do so.

- 3.4 The Respondent negligently failed to detect and report the trust shortage mentioned above, despite the fact that there were only seven trust account receipts and 27 trust account payments during the period ended 28 February 2007.
- 3.5 The Respondent was required to identify and determine material transactions that took place regarding the accounting trust records of [S] Attorneys as part of his audit procedures. Had the Respondent carried out his duties adequately to the standards expected of him in performing the audit on the trust accounts of [S] Attorneys he would have detected the actual trust shortage of R260,277.50 for the period ended 28 February 2007.
- 3.6 In issuing an unqualified Report of the Independent Auditor, the Respondent represented that he carried out all necessary audit tests and procedures when he did not.

Charge Four:

The Respondent pleaded guilty to contravening the following old disciplinary rules: 2.1.20 (read with paragraph 4.4 of the Code) and 2.1.21, and made the following further admissions in relation thereto:

- 4.1 The Respondent in his annual practice review attest affidavit dated 6 October 2010 ("the Attest Affidavit") did not disclose all the attorney's trust account audits which he performed during the period under review.
- 4.2 [39 firms of attorneys] were not listed in the Attest Affidavit despite the fact that the Respondent was recorded on 6 January 2011 by the Law Society of the Northern Provinces as being the registered auditor of the attorney's trust account for these firms.
- 4.3 [Three] companies were not listed in the Respondent's Attest Affidavit despite the fact that

the Respondent's firm is listed as being the registered auditor of these companies.

- 4.4 The Respondent was also the registered auditor of [three] incorporated law firms, in addition to having performed the audit on these firms' trust accounts. The Respondent did not list the following incorporated companies in the Attest Affidavit despite the fact that the Respondent's firm is listed as being the registered auditor of these incorporated companies:

Charge Five:

The Respondent pleaded guilty to contravening the following old disciplinary rules: 2.1.2 and 2.1.20 (read with paragraph 7 of the Code), and made the following further admissions in relation thereto:

- 5.1 The Respondent is reflected as both the auditor and the director of [two] entities.

SENTENCE

The sentence imposed was as follows:

Charge One: A fine of R100,000 (one hundred thousand rand);

Charge Two: A fine of R100,000 (one hundred thousand rand);

Charge Three: A fine of R100,000 (one hundred thousand rand);

Charge Four: A fine of R100,000 (one hundred thousand rand); and

Charge Five: A reprimand

Fifty percent of each of the fines was suspended for a period of five years from date of imposition on condition that the respondent is not found guilty of improper conduct relating to any conduct or work carried out during the period of suspension.

The payable portion of the fines must be paid to the IRBA in 12 equal monthly instalments, with the last monthly instalment being paid no later than 12 months from date of imposition.

In addition to the fines imposed, the Disciplinary Committee ordered that the respondent make a contribution of R200,000 towards the IRBA's legal costs, in accordance with section 51(4) of the Auditing Profession Act, 26 of 2005 and Rule 8.4 of the Disciplinary Rules.

The payment of the cost order must be paid to the IRBA in 12 equal monthly instalments.

In respect of publication, the Disciplinary Committee ordered the IRBA to publish in the IRBA News, the facts of the matter, the charges, the fact that the respondent had pleaded guilty to the charges and the sentence imposed, but without reference to the respondent's name or the name of the respondent's audit firm.

SECOND MATTER

On 8 and 9 May 2013 the committee convened again in a matter which was part heard, to hear the respondent's case. Judgement was handed down on 10 June 2013 however sentence is reserved.

THIRD MATTER

On 30 May 2013 the committee considered the matter of Mr Anthony Ian Marais. Mr Marais was present and unrepresented and pleaded guilty to, and was found guilty of, the five charges brought against him. The media summary in respect of this matter has already been published in Issue 23 and is not reproduced again.

LEGISLATION

The question of how correctly to certify paper copies of original electronic documents is exercising the minds of Commissioners of Oaths, many of whom are Registered Auditors. We reproduce hereunder a helpful article by Lucien Pierce, per kind favour of Messrs Phukubje Pierce Masithela Attorneys

CERTIFYING PAPER COPIES OF ORIGINAL ELECTRONIC DOCUMENTS: RECOMMENDATIONS ON HOW COMMISSIONERS OF OATHS CAN STAY ON THE RIGHT SIDE OF THE LAW

By Lucien Pierce, Phukubje Pierce Masithela Attorneys

The past few years have seen the increased adoption of electronic documents by banks, private industry and Government. If you are "with it", you probably get your bank statements, satellite TV and Telkom invoices electronically.

If South Africa's Draft Broadband Policy, published for comment in April 2013, is finalised and implemented, we are all going to be spending much more time transacting and interacting electronically. This is especially since the policy "**advocates for the implementation of strategies to provide amongst others, e-health, e-education and e-government services to all citizens.**"¹

Whilst these developments are exciting, many will agree that some of South Africa's laws are out of step with the Broadband policy's plans to take us all electronic. Take the Financial Intelligence Centre Act's requirements for banks and other institutions to "know your client". Part of this obligation entails keeping "**a document [i.e. the original] or copy of a document" which will allow these institutions to verify their clients' identities**"²

What do you do if you are a commissioner of oaths and are asked to certify a paper printout as a true copy of, for example, a company registration certificate that the

Companies and Intellectual Property Registration Commission ("CIPC") has emailed through?³

The Electronic Communications and Transactions Act, 25 of 2002 ("the ECT Act") is probably the most helpful place to get guidance. It recognises that an electronic document can also be an original. Section 14 provides as follows:

- (1) Where a law requires information to be presented or retained in its original form, that requirement is met by a data message if-
 - (a) the integrity of the information from the time when it was first generated in its final form as a data message or otherwise has passed assessment in terms of subsection (2); and
 - (b) that information is capable of being displayed or produced to the person to whom it is to be presented.
- (2) For the purposes of subsection 1 (a), the integrity must be assessed-
 - (a) by considering whether the information has remained complete and unaltered, except for the addition of any endorsement and any change which arises in the normal course of communication, storage and display;
 - (b) in the light of the purpose for which the information was generated; and
 - (c) having regard to all other relevant circumstances.

³ We have not explored the legislation and regulations governing justices of the peace and commissioners of oaths in any detail. Having conducted a high level review, it appears that there is a grey area regarding the authority governing how commissioners of oaths certify copies of original documents. This may merit further analysis.

¹ The Draft National Broadband Policy for South Africa - paragraph 2.3.6.3.6.
² The Financial Intelligence Centre Act, - section 22(1)(i).

As a commissioner of oaths, when certifying a copy of an original document, you are essentially required to attest that the copy is “a true copy of the original”. There are serious consequences if you certify a copy of a document when the “original” was not really an original. So, when it comes to certifying printed copies of electronic documents, following the provisions of section 14 of the ECT Act will go a long way to keeping you out of trouble.

In order to certify that a printed copy is a true copy of the original you need to have seen the original document.⁴ Insofar as electronic documents are concerned, the ECT Act requires you to satisfy yourself as to the authenticity of the original electronic document.

You need to check and be sure that the original electronic document is **“complete and unaltered”**. This means that you have to satisfy yourself that the printed copy that has been presented to you is an exact copy of the original electronic document.

Here are three scenarios that may help you to decide whether to certify a printed copy or not.

- If you are with the person and they log onto the CIPC website (or their banking website to use a different example) with you watching and request the CIPC to email the required document or the document is downloaded from the CIPC website and you witness the receipt or downloading of the document, then you would certainly be

⁴ The ECT Act requires the original to be “capable of being displayed or produced to the person to whom it is to be presented”, i.e. a person commissioning a copy must have been able to see the original electronic version.

beyond reproach if you certified the printed copy as being a true copy of the original.

- If you are with the person and they open their laptop, show you an email with a PDF attachment reflecting what they claim is a CIPC document and print it in your presence, you should be wary of certifying the printed copy. This is because, given the proliferation of PDF editing software that is now available, there is always the possibility that the document could have been altered before the “original” electronic version was presented to you.
- Assume a person opens their laptop and shows you an original electronic document. They then demonstrate to you that the original electronic document has been authenticated or is capable of being authenticated by an advanced electronic signature (as provided for at section 37 of the ECT Act). If you are sufficiently technologically savvy and are not likely to be bamboozled, you may be able to satisfy yourself as to the authenticity of the advanced electronic signature and confidently certify the paper copy of the original.

In deciding whether or not to certify a copy of an original electronic document, you should pay heed to the other two assessment requirements under section 14 (2). These are that you consider the **“purpose for which the information was generated”** and **“all other relevant circumstances”**. In essence, this means that you should consider the big picture and decide whether, in a multimillion Rand transaction, you are prepared to stick your neck out and certify a copy of an

electronic original, when you are not reasonably confident of its authenticity.

In closing, and in the event that you are satisfied as to an original electronic document’s authenticity, it would probably be prudent to certify it by stating the following “certified a true copy of the original, having observed the original being downloaded from the CIPC website on 30 May 2013 at 14h00” or “certified a true copy of the original, having satisfied myself as to the authenticity of the advanced electronic signature displayed on the original”.

Following these basic precautions are certain to keep you on the correct side of the law, when certifying printed copies of electronic documents.

Lucien Pierce
Phukubje Pierce Masithela Attorneys
30 May 2013

About Lucien:

Lucien is a partner at Phukubje Pierce Masithela Attorneys. After serving his articles in Durban and admission as an attorney, he spent two years in London where he was seconded to a prestigious communications and IT law firm, and a global telecommunications company. Lucien specialises in both contentious and non-contentious aspects of commercial law with an emphasis on the regulatory aspects of communications, media and technology law. Lucien has argued matters in various tribunals and has represented clients before regulatory bodies such as the Independent Communications Authority of South Africa. Lucien sits on the Disciplinary Committee of South Africa’s Independent Regulatory Board for Auditors and was appointed in terms of the Auditing Profession Act.

QUARTERLY REPORT FROM THE DIRECTOR: LEGAL FOR THE PERIOD 1 JULY 2013 TO 30 SEPTEMBER 2013

INVESTIGATING COMMITTEE

The Investigating Committee met once during this period and referred 14 matters to the Disciplinary Advisory Committee with recommendations.

DISCIPLINARY ADVISORY COMMITTEE

The Disciplinary Advisory Committee met three times during this period and disposed of 19 matters, as follows.

Decisions not to charge

- three matters in terms of Disciplinary Rule 3.5.1.1 (the respondent is not guilty of unprofessional conduct; this includes the situation where the conduct in question might be proved but even if proved does not constitute unprofessional conduct);
- ten matters in terms of Disciplinary Rule 3.5.1.2 (the respondent having given a reasonable explanation for the conduct);
- five matters in terms of Disciplinary Rule 3.5.1.4 (being that there are no reasonable prospects of succeeding with a charge of improper conduct against the respondent).
- One matter was withdrawn as the matter was settled between the parties, and the committee did not think it necessary to proceed.

Decision to charge and matter finalised by consent order

Six practitioners were fined:

- The **first matter** related to a listed company and was related to the recognition of an intangible asset. The rationale for the recognition of the intangible asset was that a BEE contract and a school

contract had been "linked" with a view to deriving economic benefit. The Gap Monitoring Panel, in considering the intangible asset valuations, had concluded that the two intangible assets were independent and should not have been linked, and that the school contract should not have been recognised as an intangible asset as it did not meet the recognition criteria in terms of IFRS. The Investigating committee concluded that the Practitioner should have modified his audit opinion in accordance with ISA 701 due to the misapplication of IFRS relating to intangible assets. The Practitioner was fined R100,000 of which R50,000 was suspended on conditions, with a R5,000 contribution toward costs;

- In the **second matter** the Practitioner issued an inappropriate audit opinion, for a company which manufactures and supplies medical equipment. The financial statements did not make sense based on the following.

- amounts of R13,800,000 and R11,700,000 were disclosed in the financial statements as a liability, whereas the directors stated in the financial statements that they were of the opinion that the entire amount should be reversed to income;

- the revenue was equal to the cost of sales without corresponding figures;
- the balance sheet suggested that the company had not traded in two years;
- the company had no property, plant and equipment, inventories, receivables and cash;
- adequate narrative between the accounting date and the date of the report was lacking, in contravention of the Companies Act;
- the Directors' report stated that the subsidiaries of the holding company were dormant, whilst financial statements were prepared for one subsidiary, which is a contradiction.

The financial statements were therefore misstated and did not achieve fair presentation in accordance with the applicable financial reporting framework

and the requirements of the Companies Act. The Practitioner was fined R100,000 with a R5,000 contribution towards costs;

- The **third matter** related to the Practitioner issuing an unqualified auditor's report on a game lodge that was technically insolvent. The AFS for the year in question indicated that the total amount of the unsecured loans from shareholders was R37,301,983, repayable at the discretion of the directors as and when the company has available funds. A resolution was passed as follows: *"In order to ensure that the company continues as a going concern and to avoid any cash flow shortfalls, the shareholders undertake to fund any cash flow shortages"* before the financial year end. The Practitioner failed to consider whether there were events or conditions that might have cast significant doubt on the entity's ability to continue as a going concern, and failed to apprise management thereof, as required by ISA 315. The Practitioner was fined R100,000 of which R25,000 was suspended on conditions, with

a R5,000 contribution towards costs. Owing to the fact that he was no longer registered with the Board, the imposition of the fine was postponed until he re-applied for re-registration;

- The **fourth matter** related to the Practitioner signing and issuing of four auditor's reports in terms of section 32 (4) of the Estate Agency Affairs Act for Wendy Machanik Properties Cape Town (Pty) Limited and Wendy Machanik Property Holdings CC. In signing the aforementioned auditor's reports the respondent did not meet the requirement to *audit the accounting records relating to all moneys deposited by the estate agent in any trust account and any savings or other interest-bearing account, as referred to in section 32(3) (a) of the Estate Agency Affairs Act*. The respondent who was not the auditor to Wendy Machanik Property Holdings CC, provided unqualified trust account reports and did not detect that funds were transferred from the estate agent trust accounts (Wendy Machanik Property Holdings CC and/ or Wendy Machanik Properties

Cape Town (Pty) Ltd) into the business account. The Practitioner was fined R75,000 with a R5,000 contribution towards costs.

- The **fifth matter** related to a Practitioner who failed, neglected to or refused to sign the necessary CM31 to enable the successor auditing firm to replace his firm as the registered auditors for a medical practice. He was fined R25,000 with a R5,000 contribution towards costs;
- The **sixth matter** related to the Practitioner's failure to adequately document certain considerations in the audit working papers for a financial intermediary company. He was fined R20,000 of which R10,000 was suspended on conditions, with a R5,000 contribution toward costs.

Decision to charge and matter referred to the Disciplinary Committee

Four matters were referred to the Disciplinary Committee for disciplinary hearings.

DISCIPLINARY COMMITTEE

The Disciplinary Committee did not sit during this quarter.

HOLDING OUTS

We were notified on 29 July 2013 that a matter which we had referred to the Commercial Crimes Unit for prosecution for "holding out" in contravention of Section 41 of the Auditing Profession Act, had been successfully prosecuted. The contravention was brought to our attention by a certain firm of attorneys whose attorneys trust account "audit" had been conducted by an individual whom they

subsequently discovered was not a registered auditor.

We have not been furnished with a copy of the charge sheet but we were informed that the accused had been convicted and sentenced as follows:

Fraud:

Sentence: R50,000 or two years' imprisonment wholly suspended for five years with conditions.

Contravening Sections 41(2)(a)(i), 41(2)(a)(ii) and 41(2)(a)(iii) of the Auditing Profession Act 26 of 2005

Sentence: R20,000 or 12 months' imprisonment

Contravening Section 4(1) of the Chartered Accountants Designation Act 67 of 1993.

Sentence: R5,000 or 6 months' imprisonment

The IRBA vigorously pursues "holding out" issues drawn to our attention, and we encourage RAs to notify us of all instances of "holding out" of which they might become aware.

SHELF COMPANIES

RAs are reminded that many crimes are committed through the vehicle of 'new' companies, before an audit is carried out. A classic example of this is the shelf company which has been bought, and the auditor is unaware of the fact. RAs are reminded that if they have an arrangement with a shelf company warehouse, that they are expected, at the very least, to check on an annual basis (or even more frequently) whether the company has been on-sold. If it has been on-sold, they must either perform their duties as auditors, or else ensure that another firm is appointed once the company is sold. Auditors should be very careful when

agreeing on the terms of engagement with the shelf firms; they still have a responsibility in terms of ISQC1 and ISA210 with regards to Engagement Terms and Acceptance and Continuance of audit engagements as long as they are registered as the auditors.

ON A LIGHTER NOTE

We were recently asked if we were sure we had "locust standi" to hear a particular matter.

Queries: **Jane O'Connor**
 Director: **Legal**
 Telephone: **087 940 8804**
 Facsimile: **087 940 8873**
 E-mail: **legal@irba.co.za**



REGISTRY

INDIVIDUALS ADMITTED TO THE REGISTER OF THE BOARD
 From 1 APRIL 2013 To
 30 SEPTEMBER 2013

Ahmed Ziyaad
Ajoodha Avinash Narit
Ally Fathima Bibi
Amiradakis Annalisa
Anderson Stephen Derek
Arbee-Abdool Raessa
Archary Evasen
Bacus Mohammed
Badze Onias
Barnard Johannes
Barradas Jacques
Becker Sumarie
Berry Marianne Frances
Bester Marike
Bodemer Deidre
Botha Johan
Brand Petrus Arnoldus Jurgen
Briel Petrus Hendrik
Brink Jan Harm
Brooks Michael Craig
Bruce Marlene Dorita Abreu
Budler Harold Granville
Carshagen Brendan Stuart
Chauke Mmaboshadi
Chibvongodze Ronald

Chigumba Shilla
Chigunwe Stanley
Chinneck Sean David
Chiweshe Caroline
Christian Jarrod Michael
Coetser Phillippus Jeremias
Coetzee Andries Renier
Coetzee Jacques du Toit
Colyn Gideon Jacobus Johannes
Crowther Jonathan
Dale Andrew John Calderwood
Dawood Riaz
de Jager Dijon Gerret
de Lange Juanita
de Rooij Leonard Alexander
Dickers Johanna Cornelia
Dippenaar Christina Petronella
Dlamini Njabulo Cyril
Dogon Ryan Lee
du Plessis Charl Eugene
du Plessis Pieter George
Dziruni Zvenyika Justin
Essack Abubakr
Fakier Moosa
Ferreira Andries Stephanus
Ferreira Walter Magnus
Gerber Janet
Godden Johnathan Mark
Goga Nisaar Anver
Goldes Rodney Paul

Gouws Carina
Grobbelaar Jean-Pierre
Harriparsad Avishkar
Hassam Mohmed Faisal
Hattingh Desmond du Plessis
Henning Janita
Hove Michael Takunda
Howard Bruce Eric
Jacobs Sonia Yolanda
Jaji Princess
Jeena Disha Jainthee
Jordaan Willem Frederick
Kakoma Karine
Kamba Kudakwashe Thomas
Kanfer Delarey
Karodia Zakiyya
Kaye-Eddie Dale Peter
Kempen Elizabeth Johanna
Kgotle Fritz Kgalalelo
King Angela

REGISTRY

CONTINUED

Kissoonlal Asmita
Koen Nicolene Joanne
Kroukamp Samantha
Kührau Melanie
Kümm Michael Grant
Laferla Bernard John
Lamprecht René
Lempe Teboho Desmond
Louwrens Barend Jacobus
Machiri Collin
Magare Thabang Elvis
Mahes Natasha
Makamure Happyman
Maposa Caroline
Martinson Alison Louise
Matras Lerato Grace
Mawire Art Shore
Moerat Rushaan
Moggee Ruben Horatio
Moledi Thabang
Monama Stephen Lesetja
Moodley Kubashni
Moodley Kumaran
Moodley Mahendrin
Moola Mohammed
Murushomana Egfa Ruvirwei
Mutamba Grantham Ngonizaishe
Nathoo Pramit Vasantrai
Ndadana Goodman Thamsanqa
Ndadana Lebogang Malebo
Nobongoza Nqabisa
Nolte Andre
Nyabadza Stewart
Nyajeka Bernard Tawanda
Oberholzer Tanya
Olivier Willem Jacobus
Otto Sparrius
Paruk Haseena
Peerless Dean
Pillay Elaine
Posthumus Herman
Preorius Vianca
Pretorius Stephanus Johannes Kühn
Prinsloo Anita
Prinsloo Sunette
Rabonda Fhumulani Patrick
Robinson Lorraine
Rodkin Ryan
Ross James Noble
Rossouw Craig Pieter
Roux Riaan van Loggerenberg
Saaiman Gerhard
Saayman Charlene
Sangoni Vuyelwa
Schabert Aletta Elizabeth
Schalekamp May Antoinette
Schneider Sharon Patricia
Schoeman Marlize
Segall Alexander Samuel
Shabane David
Singh Rushil
Smith Willem Henry
Smuts Nelmari

Sokombela Polani
Spazzoli Lihor Libero
Speed Robyn Lee
Stoman Jacqueline Louise
Strydom Engela Maria
Swanepoel Montaque Brian
Swart Sunel Mercia
Thomas Russell Derek
Thompson Ryan David
Truter Susan
van Broekenhuizen Margaretha Adriana
van Coeverden de Groot John Herman Adriaan
van Coller Leanné Wilma
van Coller Nicole Anna
van der Merwe Claudette
van der Walt Johan Christian
van Heerden Ferdinand
van Niekerk David Mark
van Rhee de van Oudtshoorn Vaughan
van Zyl Gideon Pieter
van Zyl Jessica
van Zyl Pieter Frederick
Viviers George Jakobus
Walters Johannes Frederick
Weingartz Bernice
Wessels Hendrik
Wessels Louis Phillip
Zitha Joseph
Zoumboulis Natalie

INDIVIDUALS RE-ADMITTED TO THE REGISTER OF THE BOARD From 1 APRIL 2013 To 30 SEPTEMBER 2013

Barry Sheldon Ross
Broodryk Jacobus Marthinus
Coetzee Jonathan Louis
Cumming Tracy
Davis Craig John
de Beer Lynette Cornelia
Gericke Jacobus Stefanus
Gordham Yaswant Narotham
Grobler Daniel Benjamin
Groenewald Abraham Petrus Jacobus
Kilfoil Steven Kirk
Makgeta Malose Reginald
Mammott Jayne Carol
Mchunu Njabulo Freeman
Mofokeng Tshepo Morgan
Moolman Hubert Grant
Pack Ulf Michael
Ross Robert Keith
Seymore Sally
Singh Amritha
Terblanche Michiel Coenraad
Uys Petrus Johannes
Visser Ernestus Johannes Jakobus
Wiid Siebert Christiaan
Wolmarans Cornelis Johannes Andries

INDIVIDUALS REMOVED FROM THE REGISTER OF THE BOARD From 1 APRIL 2013 To 30 SEPTEMBER 2013

Abrahams Nisreen, *Resigned*
Ackerman Richard, *Resigned*
Aitken Andrew Charles, *Resigned*
Aziz Omar Mohammed Fahim, *Resigned*
Barnard Jacqueline Melissa, *Resigned*
Barnett James Christopher, *Resigned*
Batalides Nicolas John, *Resigned*
Beattie Alistair Duncan, *Resigned*
Berry Michael William Patrick, *Deceased*
Bester Mariska, *Resigned*
Bezuidenhout Jacques, *Emigrated*
Bohmer Udo, *Resigned*
Borwick-Cooper Arnold Melvin, *Deceased*
Bosch Elton Ronald, *Resigned*
Botha Jacobus Pieter, *Resigned*
Breytenbach Susan, *Resigned*
Brown Steven Mark, *Emigrated*
Burger Peet, *Resigned*
Butlin Peter Giles Redin, *Resigned*
Cassim Mariam, *Resigned*
Cloete Johannes Hendrik, *Resigned*
Cornelius Derek John, *Resigned*
Couperthwaite Douglas John, *Resigned*
Cronje Pieter Arnoldus, *Resigned*
Cupido Nadia, *Resigned*
Datay Khaleel Ahmed, *Resigned*
de Kock Andre Louis, *Resigned*
De Rosnay Hugo Louis Brian Burne, *Resigned*
du Plessis Yolanda, *Resigned*
Ebrahim Ruwayda, *Resigned*
Els Louis Vernon, *Resigned*
Ferreira Ignatius Leopold, *Resigned*
Fraser Dennis Vincent, *Resigned*
Friedland David, *Resigned*
Geeringh Louis, *Resigned*
Gelink Grant Glenn, *Resigned*
Ghoor Abdul-Khaliq, *Resigned*
Gird Michael Wilfred Neville, *Resigned*
Govind Nisha, *Resigned*
Greeff Wessel Johannes, *Resigned*
Hassim Haroon Rashid, *Resigned*
Hedderwick David Anthony, *Resigned*
Hendler Matthew Paul, *Resigned*
Hendricks Neven Gradon, *Resigned*
Hodge Steven Rex, *Resigned*
Hume Roy Kenwynn, *Resigned*
Irish Derek Charles, *Deceased*
Johnson Marcia Olivia, *Emigrated*
Jonker Louis Adriaan, *Resigned*
Joosab Obeid, *Resigned*
Kasch Werner Walter, *Resigned*
Keyser Etienne Hendrik, *Resigned*

REGISTRY

CONTINUED

Kotze Leonie, Resigned
Krog Grant, Resigned
Lalla Anesh, Resigned
Lamprecht Melani, Resigned
Leader Roy Graham, Resigned
Lemmer Johann Casper, Resigned
Lewis John Paul Edward, Resigned
Loliwe Thando, Resigned
Lourens George Johannes, Resigned
Macinnes Malcolm Donald, Resigned
Mackenzie Charles Howard, Resigned
Maggs Derwent James, Resigned
Maingard Denis Louis Joseph, Resigned
Makhetha Olivia Maria, Resigned
Mallinson Brian Raymond, Resigned
Mametja David Vincent, Resigned
Martin Clive Bernard, Resigned
Marx Mare Andre, Resigned
Matengambiri Gift Happymore, Resigned
Mathee Christo Jurie, Resigned
Matumba Charles, Resigned
Miller Jeannete-Anne, Resigned
Moosa Ahmed Sayed, Resigned
Nel Hendrik David, Resigned
Nel Johann Sutton, Resigned
Niewenhuis Nicolaas Johannes, Resigned
Oosthuizen Jacobus Frederick Daniel, Deceased

Parry David Nevill, Resigned
Passmore Norma, Resigned
Pillay Egashnee, Resigned
Pochee Haroun, Resigned
Poho Tshepiso, Resigned
Potgieter Johan, Resigned
Pretorius Willem Jan Hendrik, Resigned
Prinsloo Andre Rich, Resigned
Quin Hayden Francis, Resigned
Rabothata Kgotlo Albert, Resigned
Reddy Davlin, Resigned
Roux Christian Anton, Resigned
Salzmann Nadine, Resigned
Schutte Adrian, Resigned
Schutte Daniel Petrus, Resigned
Shough Royston Anthony, Resigned
Smit Ian Hercules, Resigned
Smith Llewellyn Peter, Resigned
Snow Mark Ralph, Resigned
Solomon Leonard, Resigned
Spencer John Hal McCann, Resigned
Stewart Alasdair Bruce, Deceased
Strydom Elanze, Resigned
Theron Christoffel Johannes, Resigned
van den Berg Andre Barend, Resigned
van der Merwe Willem Johannes Stefanus, Deceased
van der Mescht Thomas Petrus, Resigned
van der Sandt Jacob Diederik, Resigned

van der Walt Barend Pieter, Resigned
van der Walt Sandy, Resigned
van der Westhuizen Francois du Plessis, Resigned
van Huysteen Claire Patricia, Resigned
van Schalkwyk Christiaan Jacobus, Resigned
Vermooten Johann, Deceased
Visser Lawrence, Resigned
Vollrath Linda Irene, Emigrated
Voss Deddell, Resigned
Wecke Mandy, Resigned
Weinrach Douglas Rodney, Resigned
Wenhold Dieter Werner, Resigned
White Michael, Resigned
Wiggill Jeffrey Mark, Deceased
Woest Gerhardus Hendrikus, Resigned
Zuma Xolisile Pamela, Resigned

Caroline Garbutt
Manager: Registrations
Telephone: 087 940 8800
Facsimile: 087 940 8873
E-mail: registry@irba.co.za

COMMUNICATIONS

In the interest of improved communication with Registered Auditors and other stakeholders, a list of Communiqués sent by bulk e-mail during the reporting period for this issue is set out below. These Communiqués may be downloaded from the IRBA website (www.irba.co.za) under the News section.

01/07/2013	Estate Agency Affairs Board Audit Report Notification
17/07/2013	Proposed South African Standard on Assurance Engagements (SASAE) 3501 Assurance Engagements on eXtensible Business Reporting Language (XBRL)
07/08/2013	South African Auditing Practice Statement (SAAPS) 6 External Confirmations from Financial Institutions issued
23/09/2013	IAASB's Proposed New and Revised International Standards on Auditing set to Fundamentally Transform the Auditor's Report
23/09/2013	Proposed Guide for Registered Auditors: Guidance on Performing Audits on behalf of the AGSA
23/09/2013	Proposed Guidance for Registered Auditors: Performing Audits where the AGSA has Opted not to Perform the Audit
23/09/2013	Proposed Guide for Registered Auditors: Engagements on Attorneys' Trust Accounts
15/10/2013	Government Gazette Notice - Accreditation Model 2013
18/10/2013	FIC media release - Commercial Institutions must apply Due Diligence to Business Clients
18/10/2013	Adoption of the International Audit and Assurance Standards Board's 2013 Handbooks
21/10/2013	Proposed amendments to the Code of Professional Conduct for Registered Auditors
15/11/2013	Monitoring of Compliance with Section 90 (2) of the Companies Act, 2008 with effect from 1 January 2014

OBITUARIES

Sadly the IRBA has experienced the death of two very different, but well-loved people in the profession in recent times.



LAWRENCE MOEPI

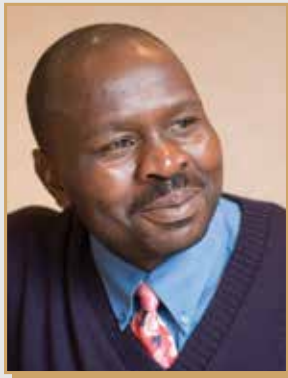
Tieho Lawrence Moepi was born on 20 November 1972 in Ekangala, Bronkhorstspuit.

He completed his schooling at Ekangala Comprehensive High School in 1991. After Matriculating he left home to read for a B Com degree at Vista University. He later received a bursary to continue with his studies at the University of Pretoria where he obtained a B Com Honours degree in Accounting science and a certificate in Theory of Accounting was awarded to him. This allowed him to write the board exam of The South African Institute of Chartered Accountants (SAICA), and he qualified as a Chartered Accountant CA(SA) in 2001.

Lawrence became a partner at PricewaterhouseCoopers in their forensic department. He later joined SizweNtsalubaGobodo to establish and head their Forensic Audit Unit, which he led with great success.

Lawrence was a gentleman, a person of integrity and a visionary leader. As a colleague and friend he was trustworthy and dependable. He was dedicated to his family and is survived by his partner, Daureen and two daughters, Koketso and Kabelo Moepi.

**This eulogy was first published at Lawrence Moepi's memorial service.*



JEROME MVELASI

Nkosinathi Jerome Mvelase was born on 30 October 1962 and sadly passed away after an extended illness on 27 October 2013.

Jerome took up permanent employment with the then PAAB on 01 September 1998, and received a 15 year long service award this September. He worked in the print room, copying and printing documents for different departments at the PAAB and then the IRBA. He was dedicated to his duties, respected the confidentiality of the information that he worked with and served all his colleagues effectively.

Jerome touched many lives at the IRBA. There were always people around him during lunch hour and at social times. He was voted a team player at the 2012 year end function. He was a father figure to many young people at the office.

He liked to read newspapers and was knowledgeable about things happening around the country, on our continent and around the world.

One of the speakers at the memorial service described Jerome as a "traditional man". He never forgot his roots, his cultural values and his tradition.

His contributions will remain to be seen forever. We will always remember him for all his jokes.

The IRBA hosted a memorial service for staff, family and friends on 31 October and Jerome was laid to rest at Newcastle on 2 November 2013.

SA AUDITING PROFESSION IS WORLD CHAMPION ONCE AGAIN

As mentioned in the CEO's message, South Africa maintained its number one ranking for the strength of its Auditing and Reporting Standards for the fourth year in a row according to the World Economic Forum's Global Competitiveness Report for 2013-2014, released on 4 September.

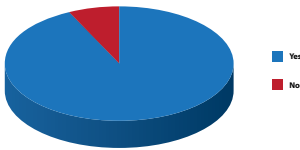
The staff celebrated in style with this beautiful cake from Protect-a-Partner.



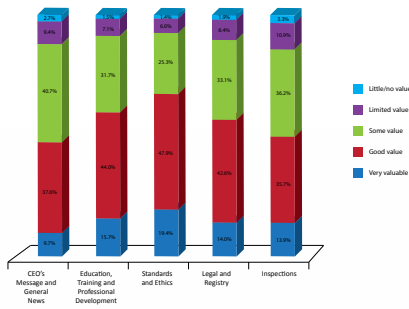
IRBA NEWS AND COMMUNICATION SURVEY

Earlier this year we conducted a survey on the existing IRBA communications media. This is what you had to say.

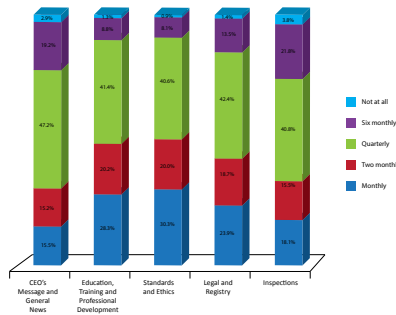
Do you read the IRBA News? 92,9% of respondents said yes and 7,1 % said no.



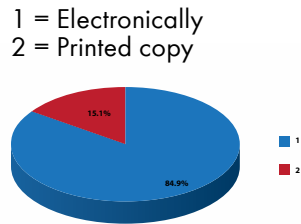
How would you rate each of the sections of the IRBA News for value?



Using the scale below, indicate the frequency on which you would like to receive news on each of the topics listed.



Which format do you prefer for receiving updates and communication from the IRBA?



As a result of the feedback on this last question we advise readers that we will print one last issue after this one, before the end of the financial year, and that the IRBA News will only be available in a soft copy format from our website thereafter. Readers will be notified by an e-mail communique when a new issue is available.

The IRBA News will also receive a much-needed facelift and we will be exploring the new technologies to use better software so that the online reading experience will be enhanced.

Hard copies of the newsletter will be made available on written request to those readers who do not have the technology to read it online.

PROFESSION PAYS TRIBUTE TO THE AUDITOR-GENERAL

On 20 November the IRBA and SAICA hosted a joint function for key stakeholders in the profession, particularly those who deal in public sector matters, to bid farewell to the outgoing Auditor-General, Terence Nombembe.



Terence Nombembe

The setting for the cocktail function



IRBA CEO Bernard Agulhas presents a gift to Terence Nombembe

AND ON A LIGHTER NOTE

The IRBA recently donated several photocopy/print machines to charity recipients. One of the letters of thanks we received:



14/11/2013

Independent Regulatory Board For Auditors, (The IRBA)
P O Box 8237
Greenstone, 1616

Attention: Ms X Gugushe.
CC: Mr Kyle Buitendag.

Letter of Thanks and Appreciation

Dear Xolisa,

It is indeed a pleasure and a privilege for the Love Trust to be able to thank you and the IRBA very specially for your most welcome donation of a magnificent and most needed Photo Copier recently for use at Nokuphila School and the Nokuphila Teachers Training Centre.

Nokuphila is a school for very vulnerable children run solely on donations and the Teacher's Training Centre is assisting local teachers to upgrade their qualifications to include grade R.

We thank you most sincerely and we are enormously grateful to you. We value and appreciate your support and for your thoughtfulness and kindness towards these projects of the Love Trust. Your donation will indeed make a difference and we are deeply grateful to you.

We would also like to express the sincere thanks of the Trustees of the Love Trust who are most appreciative of your interest and support of Nokuphila School.

We are extremely thankful to have folk such as yourselves, who see the need to provide assistance in achieving the best outlook for these vulnerable children and for the teachers to have their skills enhanced. We look forward to a long and happy relationship with you in the future.

It is thrilling to see the development of the children as they learn and move up a Grade each year. The food and care and premises the children receive and enjoy, plus the teaching comes from the support we receive for the children and this is always appreciated

We are serving 200 children in 9 classes from grade 000 to grade 2. We have a new intake every year growing from the lower grades upwards. This requires more and more in funds and gift items to support the children and ensure they receive regular nutritious meals and all their educational requirements.

The Teachers Training program has grown exponentially as we assist local teachers plus our own teachers to upgrade their qualifications to include that of Grade R. We have received full SAQA Certification for the courses. Successful students will receive a Diploma which is linked to Wits University at the end of their course.

Love Trust also supports 5 student teachers at UNISA who do their practical work at Nokuphila School. Funding is required for these students and to expand this program into the future.

We are privileged indeed to be able to serve in this way and to see the fruits of the good work that is being accomplished at Nokuphila School as the children grow as individuals. It is a wonderful encouragement for all concerned as donors, volunteers, teachers and teacher trainers work together for the upliftment of those less fortunate.

It is a wonderful and yet humbling experience to give of one's time and resources to help those most in need.

Thanking you sincerely,

Norma Stewart
Love Trust Administrator
www.lovetrust.co.za

CONTACT INFORMATION

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Website: www.irba.co.za