



irba

INDEPENDENT REGULATORY BOARD FOR AUDITORS

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NEWS



IN THIS ISSUE

Message from the CEO	1
Audit Technical	3
Public Sector	4
Regulated Industries	5
Ethics	6
Practice Review	6
Legal	9
Education, Training and Professional Development	16
Registry	18

MESSAGE FROM THE

CEO

Reflections on my time at the IRBA

Much has happened since I joined the Board in September 2005. My time as CEO of the Public Accountants' and Auditors' Board (PAAB) was relatively short, given the transition in terms of the **new legislation**, the Auditing Profession Act (Act No. 26 of 2005) (the Act), which came into effect on 1 April 2006. Nonetheless, I had the pleasure of working with two PAAB Chairmen during this period, Ruth Benjamin-Swales and Deepak Nagar. Together we had the privilege of guiding the Board into a new era.

There was some uncertainty regarding the promulgation and implementation dates, but the Board remained focused on carrying out its statutory functions effectively and efficiently throughout, and successfully carried out its **implementation plan**.

The period while I was CEO was an exciting and challenging experience as the IRBA underwent a number of significant changes. The strategic plan for the IRBA was revisited and a focus on increasing the regulatory role was pursued.

- The IRBA successfully managed the establishment of the **new committees** required by the Act, and developed the appropriate method of work and delegations to the various committees. Regulation of ethical standards for the auditing profession took a step forward with the establishment of a new Committee for Auditor Ethics. New members brought fresh ideas and views to the table, which was necessary for the legislation to achieve its objectives based on strengthened independence and a vision for the profession that is aligned to the broader goals of our young democracy.
- We published a guide on **Reportable Irregularities**, which aimed to assist Registered Auditors in understanding the new provisions in the Act. There was considerable unease in the profession as a result of the changes, but eventually things have settled down and the process is being handled effectively.
- The **accreditation model** for professional bodies was developed, and The South African Institute of Chartered Accountants (SAICA) became the first organisation to obtain full accreditation.
- A new **Continuing Professional Development (CPD)** policy was implemented in January 2007.
- We developed and implemented new **registration processes** for individual registered auditors and firms.
- All key **business processes and operational policies and procedures** were aligned to the requirements of the Act and the Public Finance Management Act (PFMA), to which the IRBA is subject.
- The new IRBA **corporate image** was widely promoted since its implementation in April 2006. The brief to the creative agency was to bring the IRBA into the 21st century with a crisp, clean modern look.
- Although the PAAB already had well established **investigation and disciplinary processes** in place, these processes were aligned with the requirements of the new Act, and an additional committee, the Disciplinary Advisory Committee, was established.
- In line with its increasingly recognised international profile, the IRBA assisted the International Auditing and Assurance Board (IAASB) of the International Federation of Accountants (IFAC) with its **Clarity Project** to rewrite the International Standards on Auditing (ISAs).
- In November 2006 candidates sat the Public Practice examination (**PPE**) under the auspices of the IRBA for the first time, and in the **new format** which allowed for reading time. The record results for that year were repeated again in 2007 and the pass rate for Black (African, Coloured and Indian) candidates continues to improve.
- The new Act also required the IRBA to conduct **firm reviews** for the first time. The reviews of the four largest audit firms - Deloitte, Ernst & Young, KPMG, and PricewaterhouseCoopers - identified no significant systemic weaknesses in the overall systems of quality control operated by the firms.
- The IRBA made significant progress in achieving representation on **international forums**. I was appointed to serve on two IFAC committees, namely the International Ethics Standards Board for Accountants (IESBA) and the International Accounting Education Standards Board Consultative Advisory Group for Education (IAESB-CAG). I also represented the IRBA on the International Forum of Independent Audit Regulators (IFIAR) when it was established in September 2006 and played a key role in finalising its founding Charter. This Charter is expected to be formally adopted by the IFIAR at its meeting in September 2008, which will be hosted by the IRBA in South Africa. The IRBA also conducted its first joint international practice inspection together with the Canadian Public Accountability Board (CPAB) at one of the four largest audit firms. We have also initiated steps for the mutual recognition of inspection processes with the Public Company Accounting Oversight Board (PCAOB) of the United States of America.
- The Director: Standards also represents the IRBA on an international forum for National Audit Standard Setters..
- The Director: Education, Training & Professional Development was appointed as technical advisor to the South African member on the International Federation of Accountants' (IFAC's) Education Standards Board.
- **Stakeholder activities** included, amongst others, the annual national road show. A very successful road show was held in 14 centres around the country in 2006, and was attended by 854 delegates, the majority of whom were RAs. In 2007 we visited 17 towns and cities around the country and in 2008 the attendance at the practice review road show has been the highest to date, with approximately 1600 attendees.

- The IRBA hosted a very successful conference for other **African regulators** in May of this year, with the aim of helping fellow regulators to embrace internationally accepted standards and to implement the independent oversight of their countries' professions, in order to help stimulate capital flows and encourage foreign direct investment in their countries.

The successful functioning of the IRBA in its first years of operation has been attributable to the support of the Board and the co-operation and support of its staff. The hard

work and dedication shown by my management committee is indicative of the high level of commitment to the mandate and objectives of the IRBA. I am deeply grateful for their commitment, support and enthusiasm. I would also like to express my appreciation to the Board, its Executive Committee, the various committees and specifically the Chairmen, Ruth Benjamin-Swales, Deepak Nagar and Dines Gihwala for their support, guidance and leadership.

Finally, thanks to the Honourable Minister of Finance, the Director-General of National Treasury and

the Accountant-General of South Africa and their staff for their support, assistance and cooperation.

Kariem Hoosain
CEO

The Board has appointed Bernard Agulhas as Acting Chief Executive Officer with effect from July 2008

AUDIT TECHNICAL

IAASB ISSUES CLARIFIED STANDARDS ON RELATED PARTIES, CONSIDERATION OF LAWS AND REGULATIONS IN AN AUDIT OF FINANCIAL STATEMENTS, INITIAL AUDIT ENGAGEMENTS - OPENING BALANCES AND GOING CONCERN.

The International Auditing and Assurance Standards Board (IAASB), an independent standard-setting board under the auspices of the International Federation of Accountants (IFAC), released International Standard on Auditing (ISA) 550 (Revised and Redrafted), *Related Parties*, and three clarity redrafted ISAs.

Related Parties

The involvement of related parties in major corporate scandals encouraged the IAASB to revise its current auditing standard on the subject. The revised Related Parties standard clarifies the meaning of "related party" for purposes of an audit. It also makes clear the auditor's responsibility to obtain sufficient evidence about the required accounting and disclosure of related party relationships and transactions and to understand how such relationships and transactions affect the view given by the financial statements.

The standard will strengthen current auditing practice in this area by emphasising the need for the auditor to understand related party

relationships and transactions in order to identify the risks of material misstatement to which these may give rise, and directing the auditor to focus work effort on the assessed risks of material misstatement, including those due to fraud.

The revised standard clarifies the auditor's responsibilities in those cases where the financial reporting framework establishes minimal or no related party requirements. In addition, it provides enhanced guidance to assist the auditor in understanding and responding to the risks of material misstatement that may arise in relation to related parties with dominant influence.

Clarity Redrafted ISAs

In addition to ISA 550, the IAASB has also released the following clarity redrafted ISAs:

ISA 250 (Redrafted), Consideration of Laws and Regulations in an Audit of Financial Statements;

ISA 510 (Redrafted), Initial Audit Engagements—Opening Balances; and

ISA 570 (Redrafted), Going Concern.

Effective date

These ISAs will be effective for audits of financial statements for periods beginning on or after 15 December 2009.

The ISAs may be viewed on the IRBA website www.irba.co.za.

IFAC'S INTERNATIONAL AUDITING AND ASSURANCE STANDARDS BOARD ISSUED STRATEGY AND WORK PROGRAM FOR 2009-2011

IAASB released its **Strategy and Work Program, 2009-2011**.

The three-year strategy includes an emphasis on the development of standards that contribute to the effective operation of the world's capital markets and that address the needs of small and medium-sized entities and small and medium practices.

The Strategy and Work Program is consistent with the IAASB's overall objectives. It builds on the strong base of standards developed by the IAASB to date and focuses on three areas:

The development of standards;

The facilitation and monitoring of adoption of those standards; and

Responding to concerns about the implementation of the standards by activities designed to improve the consistency with which they are applied in practice.

The Strategy and Work Program responds to significant developments in the environment in which audit and other assurance services are performed, and in which standards for such services are set. It also highlights the IAASB role in working toward global acceptance of and convergence with its standards and in establishing and maintaining relevant partnerships. It is underpinned by the IAASB's communications initiatives to keep stakeholders informed of its activities and to promote adoption and implementation of its standards.

The Strategy and Work Program reflects the outcome of an extensive consultation programme to obtain the widest possible input into determining the IAASB's priorities over the next three years. A summary of the IAASB's conclusions with regard to significant matters raised during these consultations is presented in the **Basis for Conclusions: IAASB Strategy and Work Program, 2009-2011**.

The Strategy and Work Program, 2009-2011 can be downloaded free-of-charge from the IFAC online bookstore (www.ifac.org/store). To access the related Basis for Conclusions and other information on the IAASB's work, visit its home page at www.iaasb.org.

PUBLIC SECTOR

ACCOUNTING STANDARDS BOARD

The Accounting Standards Board (ASB) approved the standard of Generally Recognised Accounting Practice (GRAP) - Presentation of Budget Information in Financial Statements, an exposure draft 44 - Heritage asset (comments due by 30 April 2008) and discussion paper 4 - Transfer of functions (comments due by 30 April 2008).

INTERNATIONAL PUBLIC SECTOR ACCOUNTING STANDARDS BOARD

The International Public Sector Accounting Standards Board (IPSASB), issued an updated International Public Sector Accounting Standard, *Financial Reporting under the Cash Basis of Accounting (Cash-Basis IPSAS)*. It includes new requirements that would help governments and other public sector entities to consistently report on international aid, development grants and other forms of external assistance. Currently, there are a number of reporting practices between providers and recipients of external assistance that can be costly for recipients. The disclosures in the updated Cash-Basis IPSAS will reduce some of these multiple reporting practices, helping recipients to use resources more efficiently. The external assistance requirements are effective for reporting periods beginning on or after January 1, 2009. The requirements will be formally adopted in South Africa once considered and approved by the ASB.

REGULATED INDUSTRIES

MICRO-INSURANCE DISCUSSION PAPER

National Treasury released a discussion paper on The Future of Micro-insurance Regulation in South Africa. Micro-insurance refers to insurance that is accessed by, or accessible to, the low-income population. The discussion

paper proposes that a regulatory space for the provision of micro insurance products be carved out within the broader regulation of insurance provision in South Africa. Accordingly, the goal of the discussion paper is to develop

a coherent and clear regulatory framework that will encourage and facilitate the provision and distribution of good value, low-cost products that are appropriate to the needs of low-income consumers.

PENSION FUND INFORMATION CIRCULARS

Information circular 3 – Foreign Exposure Limit for Pension Funds

The amendment to Regulation 28 to give effect to the announcement by the Minister of Finance that the foreign exposure limit for pension funds will increase from 15% to 20% will be effected at the same time as the proposed broader amendments to Regulation 28, which are currently under consideration. It is anticipated that these amendments are to be

finalised within the next three months. Funds that wish to avail themselves of the increased exposure may apply to the Registrar of Pension Funds to be exempted in terms of Regulation 28(5) from the 15% limit, subject to a maximum limit of 20%.

Information circular 4 - Specialist Tribunals

This Information Circular sets out general guidance from the Registrar

of Pension Funds relating to the appointment of a Specialist Tribunal in terms of section 15K.

Both the information circulars are available on the retirement funds page of the Financial Services Board website at www.fsb.co.za.

COMPANIES BILL, BILL NO 61 OF 2008

The Companies Bill [B61-2008] was published on 27 June 2008. The aim of the Bill is "To provide for the incorporation, registration, organisation and management of companies, the capitalisation of profit companies, and the registration of offices of foreign companies carrying on business within the Republic; to define the relationships between companies and their respective shareholders or members and directors; to provide for equitable and efficient amalgamations, mergers and takeovers of companies; to provide for efficient rescue of financially distressed companies; to provide appropriate legal redress for investors and third parties with respect to companies; to establish a Companies and Intellectual Property Commission (CIPRO) and a Takeover Regulation Panel to administer

the requirements of the Act with respect to companies, to establish a Companies Ombud to facilitate alternative dispute resolution and to review decisions of the Commission; to establish a Financial Reporting Standards Council (FRSC) to advise on requirements for financial record-keeping and reporting by companies; to repeal the Companies Act, 1973 (Act No. 61 of 1973), and make amendments to the Close Corporations Act, 1984 (Act No. 69 of 1984), as necessary to provide for a consistent and harmonious regime of business incorporation and regulation; and to provide for matters connected therewith."

The Department of Trade and Industry has, throughout the corporate law reform process emphasised the need for

simplification, flexibility, corporate efficiency, transparency and predictable regulation. In addition, a need for legislation to be appropriate to the legal, economic and social context of South Africa was identified.

ETHICS

INTERNATIONAL MEETINGS

The International Ethics Standards Board (IESBA) meeting took place in New York from 14 - 16 April 2008. The IESBA approved the proposed changes to Section 290 and Section 291 of the Code of Ethics for Professional Accountants. The changes related to the following areas:

Section 290

- Internal Audit Services;
- Fees - Relative Size;

- Fees - Overdue; and
- Contingent Fees.

Section 291

- Contingent Fees.

The IESBA approved for issuance as a re-exposure draft, the provisions relating to "Internal Audit Services" and "Fees - Relative Size" in Section 290 of the Code.

The meeting also discussed the Drafting Conventions and continued its deliberations on the changes to improve the clarity of the IFAC Code. The IESBA intended to approve an exposure draft at its meeting in June 2008.

The CFAE invites comments on the exposure draft. The deadline for comments to the CFAE is Monday **25 August 2008**. The exposure draft is available on the following link: www.ifac.org/Guidance/EXD-Details.

SECONDMENT OF ACTING DIRECTOR: STANDARDS

The Independent Regulatory Board for Auditors (IRBA) is pleased to announce the secondment of Sandy van Esch, Associate Director in the Department of Professional Practice of KPMG, as the Acting Director: Standards of the IRBA with effect from 1 July 2008 until 31 December 2008.

Sandy has been involved in the auditing profession for approximately 40 years and is the co-author of a textbook on Auditing. She was formerly a Professor of Auditing at

the University of Witwatersrand, where she taught for 23 years, and was Head of the Auditing Division for 12 years. She has approximately 13 years experience in the auditing, standard-setting and technical arena and is a member of the Committee for Auditing Standards (CFAS) of the IRBA. She is also the chairperson of the Regulated Industries Standing Committee of CFAS since its establishment in February 2006, through which she has built strong stakeholder relationships.

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PRACTICE REVIEW

ECSAFA CONFERENCE

The IRBA hosted a 3 day conference from 5 - 7 May 2008. The aim of the conference was to assist developing nations by sharing information on establishing and operating an auditing regulatory body, with particular focus on the role of practice review (establishing processes and tools required to run an effective practice review department). Delegates from the following countries/organisations attended:

- Botswana
- Kenya
- Lesotho
- Malawi

- Uganda
- Zambia
- Zimbabwe
- Auditor-General's office (SA)
- South African Institute of Professional Accountants (SAIPA) (SA)
- Association of Chartered Certified Accountants (ACCA) (SA)

Sessions were presented by the CEO, directors and the senior reviewers. Delegates were given insight into what it takes to set up independent regulatory bodies. The conference focused on the IRBA's inspection processes for both audit firms and individual audit practitioners,

including the resources required and logistics involved.

All agreed that the conference was very beneficial to them and they would take back useful information for both business and the economies of their individual countries, and Africa as a whole.



COMMENTS RECEIVED FROM DELEGATES:

Kenya/ECSAFA:

Thanks to IRBA management and staff for hosting us and giving us stimulating presentations.

Lesotho:

This has been the most valuable session for me. I congratulate IRBA and thank them for the support they have given me.

Zimbabwe:

Very useful.

Botswana:

Very kind of IRBA to have sacrificed so much of their time and expense for our benefit.

Zambia:

The session will certainly help me as we deliberate the way forward in practice review.

A-G (SA):

presenters know their job and are highly energised.

Malawi:

We will continue to learn from you.

Uganda:

The depth of experience and expertise exhibited by IRBA management is amazing.

ROAD SHOW 2008

As a result of feedback received from delegates at the 2007 road show sessions, the focus this year was on practice review, with presentations by Jillian Bailey, the Practice Review Director, at 12 different sessions around the country. The Acting CEO, Bernard Agulhas, attended several sessions to give a brief overview on latest developments at IRBA and an update on the corporate reforms.

It was another highly successful road show this year, and there was a record attendance by RAs and their staff, with close to 1300 attendees in total.

Feedback received from the attendees indicated that the RAs continue to appreciate the opportunity to receive information directly from the Board's representatives. A few areas of concern, including the future of the profession in light of the anticipated changes in company law, were highlighted. The cost of reviews continues to be a concern to many RAs and they were invited to make suggestions of ways in which to charge for reviews.

SOME COMMENTS RECEIVED ON EVALUATION FORMS:

- Requirements for engagement reviews extremely practical and useful – thank you Jillian!
- Staff of small practices should attend every year.
- This road show should be over a full day, especially the second session on practical implementation.
- Presenter has good style and excellent knowledge of subject. Thank you for the guidance given.
- Very informative and interesting.
- Session was good and appreciate the way it was presented.
- Very useful – making you again aware of the risk in signing an AFS and going back to comply with standards.
- Thank you for the relevance of the subject matter and the clarity of the information disseminated.

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PRACTICE REVIEW

CONTINUED



QUARTERLY REPORT FROM THE DIRECTOR: LEGAL FOR THE PERIOD 1 APRIL 2008 TO 30 JUNE 2008

INVESTIGATING COMMITTEE

The Investigating Committee met twice during this period and disposed of two matters as follows:

- One matter in which the complaint was withdrawn.
- One matter which was postponed sine die pending the outcome of civil litigation.

Six matters were disposed of by the directorate even before referral to the Investigating Committee as follows:

- Five matters in which the complaint was withdrawn.
- One matter in which the respondent died.

The remainder of the matters which the Investigating Committee considered were forwarded to the Disciplinary Advisory Committee with recommendations.

DISCIPLINARY ADVISORY COMMITTEE

The Disciplinary Advisory Committee met twice during this period and disposed of 20 matters, as follows.

Decision not to charge

- Two matters in terms of Disciplinary Rule 3.5.1.1 (the respondent is not guilty of unprofessional conduct).
- Five matters in terms of Disciplinary Rule 3.5.1.2 (the respondent having given a reasonable explanation for the conduct).
- Three matters in terms of Disciplinary Rule 3.5.1.4 (there being no reasonable prospect of proving the respondent guilty of the conduct in question).

Decision to charge and matter finalised by consent:

Cautioned

Two practitioners were cautioned.

The matters were as follows:

- One related to 'poaching' of staff.
- One related to not communicating with the previous auditor.

Fined

Eight practitioners were fined. The matters were as follows:

- One related to insider trading (R25,000, of which R20,000 was suspended on conditions).
- One related to the handling of a client's tax affairs (R10,000 of which R5,000 was suspended on conditions).

- One related to the holding of the positions of company secretary and auditor simultaneously in a public company (R5,000)

- Five arose out of practice review.
2nd cycle 2nd review: two practitioners were fined R40,000 of which R20,000 was suspended on conditions;

one practitioner was fined R30,000 of which R25,000 was suspended on conditions; one practitioner was fined R20,000, of which R10,000 was suspended on conditions;

2nd cycle 3rd review:

one practitioner was fined R30,000 of which R15,000 was suspended on conditions;

DISCIPLINARY COMMITTEE

The Disciplinary Committee met twice during this period; one matter is part heard and resumes on 8 October 2008.

On 9 June 2008 the committee heard the case against Mr P and Ms R. The matter arose out of a GMP referral. There were two charges against the practitioners, which appear from the finding.

The finding and sentence of the committee were delivered by the chairman, Adv A Dodson. They are reproduced in full.

Finding

The committee has deliberated on the matter since the committee was last convened, and has reached the following decision.

Respondents are registered accountants and auditors in terms of previously the Public Accountants' and Auditors' Act, and currently its successor, the Auditing Profession Act. They face two charges arising out of their audit of the annual financial statements of [L] Ltd, a company listed on the JSE [Ltd], for the financial year ending 29 February 2004. It is not in dispute that as partners of the firm responsible for the audit at the time, they bear joint responsibility for the audit and any finding against one is of equal application to the other. These reasons do not purport to be comprehensive and the committee reserves the right to amplify them should the need arise.

The first charge faced by the Respondents is set out as follows: In the performance of their audit functions in relation to the [L] financial statements, the Respondents are guilty of improper conduct in that

- they have failed to exercise the degree of care and skill contemplated in Section 28 of the Public Accountants' and Auditors' Act, and/or [old] disciplinary rule 2.1.5 and/or
- they conducted themselves in a manner which contravened [old] disciplinary rule 2.1.21.

The second charge is set out as follows:

In the performance of their audit functions in relation to the [L] financial statements, the Respondents are guilty of improper conduct in that

- they were dishonest in the performance of work or duties devolving upon them in relation to work of a type commonly performed by a practitioner as contemplated in [old] disciplinary rule 2.1.4, and/or
- they failed to exercise the degree of care and skill contemplated in Section 28 of the Public Accountants' and Auditors' Act, and/or [old] disciplinary rule 2.1.5 and/or
- they conducted themselves in a manner which contravened [old] disciplinary rule 2.1.21."

The pro forma Complainant led the evidence of two witnesses, Mr [I] and Mr [H], both of themselves registered auditors, and are highly experienced in their respective fields. Their evidence was fair and impressive. They made concessions where these were called for and the nett result of their evidence is that there is little which is factually in dispute between the parties, save perhaps in relation to the second charge.

The question relates more to the significance to be attached to the facts as they have emerged.

Respondents led the evidence only of Ms [R]. In many respects she was able to clarify questions which the financial statements left unexplained or unclear and she was able to provide a basis for reconciliation of certain items which was not readily apparent from the financial statements. By and large she gave a reasonable impression as a witness.

First Charge

I now come to deal with the first charge in more detail. In broad terms the factual basis for the first charge is set out in paragraphs 3.1, which is admitted, and paragraph 3.2 of the charge. Maybe if I can just read those.

Paragraph 3.1:

The auditors' report forming part of the [L] financial statements, and that is the 2004 financial statements, contained the opinion that the [L] financial statements fairly presented in all material respects the financial position of [L] and of the group as at 29 February 2004, and the results of their operations and cash flow for the year then ended in accordance with South African Statements of Generally Accepted Accounting Practice, and in the manner required by the Companies Act.

Paragraph 3.2 then, which is denied:

In fact, and contrary to the opinion referred to in 3.1, the [L] financial statements did not fairly present, in all material respects

the financial position of [L] and of the [L] group at 29 February 2004, and the results of their operations and cash flow for the year then ended, and/or the [L] financial statements did not comply with GAAP in the respects set out. A reasonable practitioner would not have furnished an opinion in respect of the [L] financial statements without appropriate qualification.

A significant number of the factual averments underlying the charge are admitted by the Respondents. These generally relate to a failure to achieve the required disclosure in a range of different respects and a failure to document their activities and conclusions and provide relevant audit evidence in the process of the audit. It is also significant that the Respondents concede that the audit was done under extreme pressure and in circumstances where they faced a shortage of skilled resources. There was correspondence from the Respondents containing concessions along these lines and conceding further the possibility that there may have been shortcomings in their conduct of their audit in relation to the 2004 annual financial statements of [L]. Again it is significant that following upon a complaint from the JSE, the financial statements for 2004 had to be restated in the 2005 annual financial statements and the Respondents have also audited these financial statements and signed the relevant auditors' report.

Whilst we do not infer from this proof of improper conduct against the Respondents in every respect in which the 2004 financial statements were restated, and whilst we accept some of the explanations advanced by the Respondents, it is indicative of the fact that the 2004 financial statements were indeed seriously flawed.

I now turn to the specific factual basis as it was set out in the charge for the first charge, and I am not going to read all of it because it is lengthy and everybody is familiar with it. What I will do is refer to the convenient headings under which the factual basis for the charges have been laid out.

The first related to the **absence of segment based reporting** as required by a statement of Generally Accepted Accounting Practice, AC115, and this complaint is admitted by the Respondent so nothing more need be said in that regard.

The next heading in the charge sheet dealt with **financial instruments**. The first complaint in this regard was that the accounting policy of [L] was in itself not compliant with [SA] GAAP. This was explained on the basis that the relevant reference to investments in the notes dealing with accounting policies was a reference to investments in subsidiaries, which would render the policy compliant with GAAP, but at the same time would render the wording of the policy in the annual financial statements confusing and misleading.

The second complaint under this heading was to some extent clarified on this basis and on the basis that the item of R601 000,00 referred to was not an upward revaluation, and further that the remaining source of confusion in this regard apparent from the 2005 Annual Financial Statements, was in fact an error in the 2005 Annual Financial Statements and not the 2004 Annual Financial Statements. Accordingly this component does not provide a basis for a finding against the Respondents. Similarly the suggestion that there had been inconsistent treatment of revaluation of investments, was conceded as in fact being possibly justifiable. This too cannot form the basis of a finding against the Respondents.

The remaining allegations under this heading related to a failure to comply with Generally Accepted Accounting Practice as set out. This is admitted in relation to classification of investments, and does not appear to be seriously disputed in relation to the failure to provide all the required disclosure required by AC125. The committee is accordingly satisfied that this component of the charge has been proven.

The next heading is described as **business combinations**. The

complaint under this heading related generally to the amortisation of goodwill being inconsistent with the stated accounting policy in this regard. This much was clearly shown. However, it was conceded by Mr [I] that the requirements in the policy relating to amortisation bore only the status in the corresponding statement of generally accepted accounting practice of a rebuttable presumption. This meant that the complaint resolved itself into a justifiable complaint about the failure to disclose that the treatment of amortisation of the goodwill of [subsidiary] was based on a rebuttal of the presumption and not on the terms of the policy. The complaint has therefore only been proven to this extent in respect of this aspect of the charge.

The next item is the **cash flow statement**. Part of the complaint was withdrawn. The main complaint remaining in this regard is that the amount of R14 888 000,00 for "increase in investments" in the cash flow statement could not be reconciled with references to this or similar items in other parts of the financial statements. However, this was explained by the Respondents on the basis that this figure incorporated development costs. A document was also put up which appeared to provide the reconciliation which could not otherwise be achieved. Still it was conceded by the Respondents that the development costs should have appeared as a separate line item, in which event the confusion would have been avoided. Further flaws in the financial statements in relation to the schedule of interests in subsidiaries, were admitted by the Respondents.

The next item is **intangible assets**. This complaint pertained to the manner in which note 5 dealt with development costs which had been capitalised as required by paragraph 108 of AC129. This is essentially admitted, save for the allegation that this gave rise to a material misstatement of the financial position of [L] in this regard.

The committee accepts that the latter aspect has not been proven.

The next item was **land and buildings**. In this regard the complaints regarding non-compliance with AC123, regarding failure to state the policy regarding frequency of valuations, and regarding the basis on which depreciation is applied to land and buildings, are admitted by the Respondents. The complaint related predominantly to firstly, an apparent revaluation surplus of R2.7 million, and secondly, a failure to take into account a sworn valuation which had been obtained in relation to certain land and buildings at a value of R10.6 million in 2001. The first complaint was explained on the basis that the cost of acquisition figure of R2.1 million in note 4 to the financial statements, was erroneous. The second complaint was explained with reference to the revaluation policy. Ms [R] testified that the policy was to revalue every five years, with 2000, the year 2000 being the preceding revaluation year. What could not be disputed by the Respondents was that note 4, together with the failure to provide the policy regarding frequency of revaluation, gave rise to considerable confusion and can thus fairly be described as misleading. The matter must accordingly be decided on the basis that the complaint is proven to this extent.

The next item is **contingent liabilities**. This complaint related to a failure to identify fully as contingent liabilities details of various pieces of litigation which were under way involving, with a few exceptions, the subject company [L]. This was explained by Ms [R] on the basis that

she had discussed each of these with client and accepted the assessment that the risks associated with these items of litigation were remote. However, she was unable to refer to any documentation to support this process of evaluation that she had allegedly undergone with client. On this basis the committee is satisfied that the pro forma Complainant has proven at least that there was a failure to keep proper working papers and a failure to obtain audit evidence as set out in the alternative.

The next item is the carrying value of investment in subsidiaries. Mr [H] performed an analysis which suggested that the carrying value of investments in subsidiaries should have included an additional provision of R22 157 164,00 to make good negative net asset values in the subsidiaries. His evidence was contested in this regard on the basis that there were alternative methods of valuation which could be more appropriate in the circumstances. Mr [H] fairly conceded this possibility and the possibility that the real complaint in this regard may be the Respondents' failure to maintain an adequate audit trail in respect of this process. The latter criticism the committee finds is well founded and the committee accordingly finds that this aspect of the complaint has been proven.

The next item related to non-distributable reserves. This complaint related to the absence of documentation and audit evidence in relation to a non-distributable reserve reflected in the balance sheet, and was admitted by the Respondents. Nothing further need be said about that.

Then finally there was a heading of miscellaneous issues, which involved a significant number and variety of complaints. Certain complaints under this heading were admitted by the Respondents, and others were either withdrawn at the commencement of proceedings or conceded in favour of the Respondents during the course of proceedings.

The complaint relating to the consolidation of an employee share trust was disputed, but the committee

finds was satisfactorily proven. Even if as the Respondents contended, the trust was never formed, the item ought still to have been consolidated.

Another item related to the allegedly conflicting treatment of the investment in [two] subsidiaries. This was explained on the basis that the reference to these companies in note 7 as other investments, was a reference to an investment in [one of the subsidiaries]. Ms [R] attempted faintly to suggest that this was not misleading. However, the Respondents conceded that this may be misleading in a letter from them to the IRBA dated 8th August 2006. The committee is accordingly satisfied that it has at least been shown that the annual financial statements are misleading in this regard.

Based on those admissions, as well as the factual findings which I have referred to, the committee finds the Respondents guilty of a breach of [old] disciplinary rule 2.1.5 in that without reasonable cause or excuse they failed to perform work or duties commonly performed by a practitioner with such a degree of care and skill as in the opinion of the committee may reasonably be expected.

Second Charge

I then come to the second charge. The factual basis for the second charge is important.

During or about May 2004 the management of [L] passed a journal entry, the effect of which was to charge a management fee for the year 29 February 2004 of R1.8 million to [subsidiary]. The effect of this journal entry was to reduce the taxable income of [subsidiary] for the year in question, and to reduce the overall group taxable income by that amount, having regard to the fact that [L] did not have taxable income.

There was no agreement between [L] and [subsidiary] for the payment of management fees. The *ex post facto* charging of the management fee was for the sole purpose of reducing the taxable

income in [subsidiary] and in the [L] group.

[Subsidiary] incorrectly disclosed the management fee of R1.8 million in its draft annual financial statements for the corresponding year as "purchases" and no management fee was disclosed at all in those draft annual financial statements. This was a misrepresentation of the nature of the R1.8 million expense.

By expressing an unqualified opinion on the [L] financial statements, the Respondents contravened disciplinary rule 2.1.4 since the *ex post facto* charging of the management fee could only have been for the sole purpose of reducing the taxable income in [subsidiary] and in the [L] group and the misrepresentation of the nature of the expense in the draft annual financial statements of [subsidiary] could only have been done to direct attention away from any management fee paid by that company."

Then importantly there was also an alternative factual basis for one charge:

- There was no documentation and/or no audit evidence. Alternatively there was inadequate documentation and/or inadequate audit evidence in relation to the journal entry or verifying the management fee. Respondents accordingly failed to comply with generally accepted auditing standards and in particular SAAS230 and/or SAAS500A.
- The Respondents accordingly contravened [old] disciplinary rule 2.1.5 and/or [old] disciplinary rule 2.1.21.

Before dealing with the evidence on behalf of the Respondents in this regard, it is important to bear in mind that the *pro forma* Complainant seeks in this regard to prove in effect that the Respondents participated with the client in their scheme to defraud the South African Revenue Service of tax

revenue that would otherwise be due to the fiscus on an amount of R1.8 million.

As pointed out by Watermeyer J A in *Gates v Gates* 1939 AD150 at 155 :

“Fraudulent conduct of this nature is not lightly assumed. Any evidence in this regard must be clear and convincing. Although it must still be proven on a balance of probabilities, it is recognised that the burden of proof in this context is not a light one.”

The evidence of Ms [R] was that the management fee concerned was not in the financial statements at the point at which they were reviewed by them before publication at the end of May 2004. However, the client drew their attention to this and other differences when they provided them with the published version shortly after 31 May 2004. They discussed the matter with the client at the time and were satisfied on the basis of the explanation given that there was nothing suspicious about the management fee. This was borne out in particular by the fact that there were indeed a wide variety of services provided by the holding company to this and other subsidiaries and two other inter-company management fees were referred to. The fact that in the draft annual financial statements of the subsidiary this item was described as purchases, she attributed to the use of a template, not as an attempt to defraud the Receiver. Importantly the management fee was referred to in the income statement in the draft financial statements as “fees paid to group companies.” The provision elsewhere in the draft annual financial statements for an item “management, technical, administrative costs and sub-contract” was explained on the basis that these were expenses paid to outside

parties for services rendered, whilst the management fee was dealt with separately under inter-company transactions.

Weighing the evidence the committee is not satisfied, at least in relation to this stage of the events, that in May 2004, that any dishonest conduct has been proven against the Respondents in the light of the significant onus which the *pro forma* Complainant faces in this regard. However, what was missing from the sequence of events was once again any written record or documentation of the discussion with the client in this regard and the evaluations made and conclusions drawn on the basis of such discussions. A reasonable auditor would have generated and retained such documentation.

There was then a further development when one of the Respondents’ clerks sent an e-mail to Ms [R] on 12th August 2004, which reads as follows :

“Due to the huge taxable income in [subsidiary], [D] has put through a management fee in [subsidiary].”

The journal entry relating to the same management fee is then set out in the e-mail. Ms [R]’s evidence was that she contrasted the information in the e-mail with that which she had received three months earlier and disregarded it. She pointed out that it was just a clerk and it was suggested that the information may have been from anyone in the organisation whose opinion might not have had any significance.

There are problems with this version. The e-mail refers to the management fee as having been “put through by [D].” The financial director of the client was Mr [DA]. Moreover, in the absence of a suitable explanation,

the e-mail may have pointed to dishonesty and a material irregularity on the part of the client.

However, there may also have been an innocent explanation for the e-mail, such as error on the part of the person giving the information or on the part of the clerk. A reasonable auditor would in these circumstances have taken the matter raised by the e-mail very seriously and would immediately have raised it with the client notwithstanding the earlier conflicting explanation. This she failed to do. However, this did not in the committee’s view necessarily make her or Mr [P] dishonest or party to any attempted fraud. What it does do in the view of the committee is make them guilty, along with their omission when the management fee first came to their attention, of the alternative factual basis for the complaint against them:

“In that over and above the failure to take the matter up with the client, there was a complete failure to note and document any scrutinisation process in this regard.”

On this basis the committee finds the Respondents guilty of a breach of [old] disciplinary rule 2.1.5 in so far as the second charge is concerned, in that without reasonable cause or excuse they failed to perform work or duties commonly performed by a practitioner with such a degree of care and skill as in the opinion of the committee, may reasonably be expected.

That then is the decision of the committee.

Sanction

The committee has deliberated on the matter of the appropriate sanction. I give brief reasons for our deliberations, they do not purport to be complete and the committee reserves the right if necessary to supplement them.

Traditionally the committee considers the question of the appropriate sanction from three perspectives. First of all the complaint to which the charges relate and to which the convictions relate in particular. The community affected by the complaint or the offence, and that is from the perspective of both the auditing profession and the public at large. And thirdly, the committee views the matter from the perspective of the Respondents themselves. In the present matter, from the perspective of the complainant that we are dealing with, the conviction relates predominantly to substantial non-compliance with the statements of generally accepted accounting practice and in particular a complete failure to document and retain audit evidence in the course of what was a very important audit in respect of a listed company.

The committee accepts the submissions made by the *pro forma* complainant that the offence is a serious one, and that seriousness is illustrated by the fact that the matter received the attention of the Johannesburg Stock Exchange and in particular that it resulted in the necessity for a restatement of the 2004 financial results in the 2005 financial results. At the same time in considering the complaint, what must as a matter of importance be taken into account, is that at the end of the day no element of dishonesty has been shown in respect of either of the Respondents.

From the perspective of the community and in particular the

auditing profession, there is no doubt that offences of this nature and this particular incident did cause damage to the reputation of the auditing profession.

As far as the public is concerned, the 2004 annual financial statements were flawed and precluded proper reliance by the public on them as a result. However, there is no evidence which has been led to suggest that any wider damage or any economic damage flowed as a result of the flawed nature of the 2004 annual financial statements and the flawed audit which forms the subject matter of this complaint.

In so far as the Respondents themselves are concerned, the committee decided that it was appropriate to disregard the previous conviction. In this regard the committee took into account that the date of the conviction post-dates the date of the events to which this particular complaint or these particular complaints relate. We also do not have further details as to what the nature of the complaint was in that particular case, which might have been of assistance in determining the significance for purposes of sanction in this particular case, and the committee also sensed that there was relatively faint reliance on the previous conviction on the part of the *pro forma* complainant in so far as its relevance to the sanction is concerned.

The agreed underlying principle in relation to the case has generally been that there is equal liability as it were, on the part of each of the Respondents and we maintain that approach when it comes to the question of the appropriate sanction.

In coming to our decision we have taken into account matters that were raised by both the *pro forma* complainant in fairness to the Respondents, and supported

obviously by the Respondents' counsel, for the Respondents. These were that the Respondents have co-operated fully with the IRBA in relation to the prosecution of these complaints. We have taken into account that they were dealing with a difficult client. We have taken into account that they were faced by time constraints. We have taken into account the staff shortage which was faced. We have taken into account that there were steps taken to rectify the flaws which gave rise to the problems in the 2004 financial statements, and as I have already indicated, we have taken into account that there was no element of dishonesty.

However, we do also take into account the point that was made by *pro forma* complainant, which is that some of these aspects cut both ways. The committee is certainly concerned that audits of a listed company were being done in circumstances where the firm had such a serious lack of the skilled resources required to efficiently and effectively carry out such an audit. In addition to the factors which were mentioned by *pro forma* complainant and supported by the Respondents' counsel, we have also taken into account the particular circumstances of the audit and the point made by the Respondents' counsel that what was called for here was the exercise of a judgment on the spur of the moment, which created a difficult situation as far as the Respondents were concerned, and we also take into account as the Respondents' counsel has pointed out, that there were attempts to get the client to correct certain aspects and these were met with a degree of non-co-operation on the part of the client.

In addressing the question of costs we have considered the fact that the Respondents were substantially successful in contesting serious components of the charges which

were faced by them. But as will appear from the order, we do not agree that this should result in complete excusal from any liability for costs, but an adjustment of the percentage or proportion that would ordinarily be paid.

In these circumstances the committee has decided upon the following sanction. The committee imposes a fine of R70 000,00 on each of the Respondents, with half of the

fine suspended for a period of three years on condition that each Respondent is not convicted of a similar offence. The Respondents are ordered to pay 30% of the costs, jointly and severally, so in other words that is a joint and several liability, up to a maximum for the both of them of 30% of the costs, not 30% each. In so far as publication is concerned, publication is ordered in IRBA News of the facts, the finding and the sanction, but the details of

the practitioners' name and their firm name should be withheld, should not be disclosed.

That is the decision and sanction of the committee.

CRIMINAL SANCTIONS

The names of two practitioners were removed from the register (or they were disbarred from re-registering) as a result of criminal sanctions.

PROFESSIONAL ISSUES

THE USE OF TEMPLATES

The Investigating Committee has noticed a trend to plead the use of accounting software packages as an excuse for financial statements not complying with accounting standards or for incorrect information being included in financial statements. Practitioners are cautioned to be especially vigilant in this regard. Templates are an aid to the busy practitioner, but are not an excuse for inadequate review of documents emanating from practitioners' offices.

COMMUNICATION WITH PREVIOUS PRACTITIONER

The Investigation Committee has also asked that I remind practitioners of the professional obligation to communicate with a practitioner from whom they are taking over a professional appointment. As indicated in the Code of Conduct, there are good business reasons

for this, as well as it being a matter of courtesy. The Committee is noticing an increasing disregard of this requirement, and views this seriously. Practitioners are reminded that the courtesy is extended to all professionals from whom one takes over work, and not only other RAs.

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EDUCATION, TRAINING AND PROFESSIONAL DEVELOPMENT

SAICA GRANTED FULL ACCREDITATION

The IRBA is pleased to announce that **The South African Institute of Chartered Accountants'** (SAICA's) application for full accreditation was approved by the Board at its April 2008 Board meeting, effective from 1 April 2008. The Board had previously extended SAICA's recognition status until 31 March 2008.

In October 2007, the IRBA received a formal application from SAICA for full accreditation in terms of the requirements of the Auditing

Profession Act, 2005. This was the first formal application for accreditation from a professional body, in terms of the new act. The evaluation of the application focused on SAICA's ability to meet the standards and indicators for each of the four programmes (Education, Training, Academic and Core Assessment) and the Institutional requirements as stipulated in the IRBA's Accreditation Model. Accreditation will allow candidates that are successful in the four programmes run by SAICA,

admission to the Public Practice Examination (PPE) that is set by the IRBA. Candidates who pass the PPE are eligible to register as a CA(SA) and as an RA.

In order to maintain its accreditation status, SAICA will be subject to the IRBA's monitoring processes which evaluate, on an annual basis, SAICA's compliance with the requirements of the Accreditation Model.

CONTINUING PROFESSIONAL DEVELOPMENT (CPD)

All RAs, attest and non-attest, were required to submit their continuing professional development record (CPD) with their annual registration renewal form, by 31 March 2008. The first reporting period was 01 January 2007 to 31 December 2007 and RAs were required to complete a minimum of 20 verifiable, audit relevant CPD hours which could be categorised in any, or across the three learning categories, viz., professional knowledge, professional skills and ethical values. A maximum of 10 hours self-certified CPD reading could be recorded in addition to the 20 hours mentioned above.

There have been many queries relating to CPD as this was the first reporting date. Some of the questions and answers are summarised below:

Question	Answer
1. What is the reporting period and start date of the three year cycle?	It should be noted that the IRBA's reporting cycle is different to SAICA's. The IRBA's CPD policy only came into effect on 01 January 2007 which will be the start of the 3 year reporting cycle. The first reporting year was the 2007 calendar year. When RAs submitted their SAICA CPD print-out, they had to report on the CPD hours relevant to the IRBA's reporting year.
2. I am over 65 and do not make myself available for audits of any substance. I therefore apply for exemption from the CPD requirements.	The IRBA's CPD policy does not make provision for any exemptions based on retirement, extended leave of absence or other similar reasons. The IRBA has a duty to ensure that RAs are competent at entry level to the profession and remain so throughout their professional lives. It would therefore be inappropriate for the IRBA to register an individual if they have not maintained their professional competence

Question	Answer
3. It is very difficult to split the CPD hours into the three learning categories, namely professional knowledge, professional skills and ethical values. Providers do not supply this information. It is difficult to find relevant courses that deal with ethical values. Also, what is included under professional knowledge?	<p>You may not find courses that are labelled professional knowledge, skills or ethical values. The audit relevant courses (accounting, taxation, information technology, relevant legislation and other regulations and developments affecting the statutory environment) that an RA attends may have elements of all three categories. An RA is required to extract from the course, the amount of time dedicated to each of the categories that will contribute to maintaining and further developing the RAs competence in these areas. The category into which RAs allocate the CPD hours is largely dependant on their rationale for seeking learning in that particular field. The IRBA believes that RAs are self-directed learners who are capable of determining their own learning needs.</p> <p>An RA attending a tax update course of 5 hours could, for example, allocate 3 hours to professional knowledge (update on technical areas), 1 hour to professional skills (the activities in the workshop, designed to assist you to apply the professional knowledge) and 1 hour to ethical values (interventions that address issues such as tax evasion vs. avoidance).</p> <p>The allocation to the three/ any of the categories is subjective and in fact, RAs who attend the same course could allocate the CPD hours differently across the three categories depending on their own learning needs.</p>
4. Can I submit my SAICA CPD print-out to the IRBA?	<p>You may submit your SAICA CPD print-out. SAICA has amended their CPD database for RA requirements. Bear in mind that IRBA's reporting cycle differs. It is not acceptable to only submit a SAICA print-out that only specifies the hours required and hours completed. The IRBA requires the summary of CPD activities that specify the activity, activity title, description of the activity, provider as well as the breakdown of CPD into the three learning categories. It is important to indicate the name of the provider, since a tax update could be done through reading, e-learning, research, etc. It will not be acceptable if we receive an IRBA CPD I record, indicating on the form that "CPD recording is done by SAICA". The RA is required to submit the details of CPD activities, as indicated above.</p>

RAs that do not meet the minimum requirements in any year will be required to provide detailed reasons for non-compliance and a plan of how this will be met in the remaining period of the cycle by completing a CPD II form (training and development plan). The CPD II form can be downloaded from the IRBA's website, www.irba.co.za.

MONITORING OF CPD

The essence of monitoring CPD activities is to assess/ verify that the CPD activities undertaken by an RA are **up to date and relevant to the work that they undertake**.

All RAs (attest and non-attest) are required to maintain a record of their CPD activities and to produce the records, if required, for monitoring purposes. A schedule of all self-certified reading, specifying date, title of publication, title of the article and number of CPD hours in respect of reading, should be kept.

The CPD of RAs that perform the attest function will be monitored by the Practice Review department. During the normal course of an assignment review by Practice Review, the reviewer will assess, based on documentation provided, the relevance of the RAs CPD activities. This documentation provided by the RA will relate to the current reporting cycle.

The Education, Training and Professional Development department will be monitoring RAs who perform the non-attest function. A sample of non-attest RAs will be identified for monitoring. RAs (non-attest) will be requested to submit CPD supporting documentation, e.g. invoices, copies of attendance certificates, a schedule of self certified reading, etc. to the CPD Officer.

THE NEXT REPORTING PERIOD

TRAs will be required to report again by the end of March 2009 on the second reporting year, 01 January 2008 – 31 December 2008. An RA may have recorded 100 hours for the 1st reporting period but is still

required to comply with the minimum of 20 verifiable, audit relevant CPD hours each year. RAs should also keep in mind the minimum requirements in the 3rd reporting year, i.e. a minimum of 45 CPD hours

in professional knowledge, 9 CPD hours for professional skills, 9 CPD hours for ethical values and 90 hours in total over the 3 year period.

INTERNATIONAL APPOINTMENT

The Director: Education, Training & Professional Development was appointed as technical advisor to the South African member on the International Federation of

Accountants' (IFAC's) Education Standards Board (IAESB). The first meeting he attended was in May 2008.

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Director: **Education, Training and Professional Development**
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REGISTRY

INDIVIDUALS REMOVED FROM THE REGISTER OF THE BOARD From 01 APRIL 2008 To 30 JUNE 2008

Antiglevich Simon (Resigned)
Arbuckle Darryl Clive (Resigned)
Arenson Israel (Resigned)
Barnardt Barend Jacobus (Resigned)
Becker Michael John (Resigned)
Betz Heinz Jacob (Resigned)
Bone John Leonard William Calvin (Resigned)
Boner Stanley (Resigned)
Bonthuys Elgar Christopher (Deceased)
Botha John Henry (Resigned)
Bouwer Christelle (Resigned)
Brewer Thevendrie (Resigned)
Brownlee Hely Ian (Resigned)
Cele Innocent SImphiwe (Resigned)

Chait Noah (Resigned)
Chundra Jashwin Baldaw (Resigned)
Clark David Andrew (Resigned)
Coetzee Jonathan Louis (Resigned)
Coetzer Nico (Resigned)
Crisp Douglas Read (Resigned)
De Klerk Hendrik Johannes (Resigned)
De Lange Leonardo Juan (Resigned)
Drysdale Alexander Foulis (Resigned)
Empedocles Peter Andrea (Resigned)
Enslin Heinrich Reg (Resigned)
Fehrsen Mark Frederick (Resigned)
Fowlds Grant Robert (Resigned)
Fraser Stuart Warwick (Resigned)
Geldenhuys Pierre (Resigned)
Gerds Milton Harold (Resigned)
Giles Michael John (Resigned)
Goosen Izak Dewet (Resigned)
Goosen Leon (Resigned)
Hewson Raymond George

(Resigned)
Huth Allan Howard (Resigned)
Kaloo Abdul Hamied (Resigned)
Kleinsmith Henry Kenneth (Resigned)
Kudsee George Frederick (Resigned)
Larkan Kevin Ross William (Resigned)
Laser Jack (Resigned)
Le Roux Willem Hendrik (Resigned)
Mayer Ronald (Resigned)
Minucci Sabatino Franco Antonio (Resigned)
Napier-Bax Paul Lawrence (Resigned)
Ngonyama Babalwa (Resigned)
Ngorima Clever (Resigned)
Oosthuizen Almero Jacobus Hilge (Resigned)
Ovenstone Caroline Anne Elizabeth (Resigned)
Pelsler Herman (Resigned)
Pieterse Leon (Resigned)

REGISTRY

CONTINUED

Pohl Qumi (Resigned)
Prain Glynnis Elaine (Resigned)
Ress Ian Lionel (Resigned)
Riccardi Ferdinando Mario Giuseppe (Resigned)
Rossouw Gregory Paul (Resigned)
Rossouw Johanna Susanna (Resigned)
Rutter Brian (Deceased)
Rynhoud Bruce Rocco (Resigned)
Sacho Lionel (Resigned)
Salajee Ismail (Resigned)
Sayers John Meyrick William (Resigned)
Schlosberg Irving (Resigned)
Schwartz Gillian Carol (Resigned)
Shamos Basil Ian (Resigned)
Shelly Colin John (Resigned)
Shimkins David Harry (Resigned)
Smit Nicolaas Johan (Resigned)
Smith Wesley Andrew John (Resigned)
Strauss Martha Margaretha (Resigned)
Swiegers Johannes Michael (Resigned)
Taljard Timneen Jo-Anne (Resigned)
Theron Thomas Arnoldus (Resigned)
Thordsen Anneke (Resigned)
Van Aswegen Abraham Matthys (Resigned)
Van Rooyen Surika (Resigned)
Van Rensburg Nicolaas Janse (Resigned)
Van Straaten Chrisna (Resigned)
Van Vuuren Charl (Resigned)
Van Vuuren Maxwell Kenneth (Resigned)
Van Zyl Francois Reitz (Resigned)
Van Den Berg Christiaan Jacobus Bothma (Resigned)
Van Der Westhuizen Michael (Resigned)
Venter Gert Johannes (Resigned)
Venter Jeremia Jesaja (Resigned)
Walker David Neil (Resigned)
White Bertrand Edward Corbert (Resigned)
Zev Morris Bernard (Resigned)

**INDIVIDUALS ADMITTED TO THE REGISTER OF THE BOARD
From 01 APRIL 2008 To
30 JUNE 2008**

Banfield Gary Leonard
Black Kevin Donald
Black Orlando Nilton Fernandes
Blumfield Desmond Llewellyn
Boom Royden Arend

Bredenhann Tosca
Buchel Graeme Roger
Cheadle Terence Grant
Chetty Oveshan
Coetzee Marinus
Collett Llewellyn Jack
Criticos Vassos
Daley Richard Bruce
Dansie Jeffrey John
De Freitas Vasco Manual Ricardo
Dempsey Christian Theunis Bekker
Deysel Engelbrecht Marieta
Docke Jennifer Louise
Du Plessis Susanna Maria
Els Warren Gordon
Fourie Elsibie Elichia
Fubu Nosisa
Gericke Peter Willem
Goosen Enid
Haasbroek Carlien
Harlpsad Asha
Harvey Lee Gunter
Hendrickse Lilia
Hiralall Pravesh
Holl Theunis
Jacobs Johanna Margaretha
Joseph Zoe
Kock Sone Jeanette
Kotze Barend Gerhardus
Liversage Daniel Jacobs
Madikazi Zoleka Elizabeth
Manson Warren
Martin Claire
Marx Karin Marika
Mathee Antoinette
Moller Johanna Theron
Moore Michael John
Mthimkhulu Mxolisi Wiseman
Munitich Alan Dudley
Myburgh Henriette
Newman Leon Richard
Nhleko Vusimuzi Ronald
Olivier Franco
Peddle Graeme Christopher
Petersen Abraham Oswald
Pickford Nigel Lionel
Pienaar Herman
Pienaar Werner
Pillay Kumenderi
Pillay Yugendren
Rautenbach Merle
Rautenbach Rudolf Johannes van Wyk
Reinach Leon David
Render Teresa Heidi
Roberts Leonard Barnard
Rossouw Christine
Schoeman Johan Barnard
Schoeman Willem Petrus
Schoultz Mahlie
Schunke Fritz

Schutte Brigitte
Smit Adele
Smit Heidi Helette
Smit Ian Hercules
Stansfield Craig Graham
Stewart Lee-Anne
Steyn Helena Madeleine
Swartz Gary Edward
Tladi Matome John
Tsoka Lepeke Elliot
Van Den Heever Roeleen
Van Der Ahee Pieter-Louw
Van Der Merwe Lynnette
Van Zyl Josua Pieter
Venter Julie Adele
Vincente Antonio Miguel Gomes Dealmeida
Visser Daniel Roux
Vittone Sergio Domenico
Volschenk Riana
Wajooden Imraan
Welgemoed Russell Keith
Zwiegers Johannes Jakobus

**INDIVIDUALS RE-ADMITTED TO THE REGISTER OF THE BOARD
From 01 APRIL 2008 To
30 JUNE 2008**

Andrews Tracey
Coetzee Tania
Lotter Berendina
Louw Gideon Petrus
Majova Lindelwa Yvonne
Mokua Rapula Solomon
Sibiya Given Refilwe
Swart Retief
Wolmarans Paul Johannes

INDEPENDENT REGULATORY BOARD FOR AUDITORS CHIEF EXECUTIVE OFFICER

THE ORGANISATION

The statutory body mandated with the responsibility for the regulation of the auditing profession and to:

- Promote the integrity of the profession
- Protect the public in their dealings with registered auditors
- Prescribe auditing and ethics standards
- Prescribe standards of professional competence and conduct of registered auditors
- Encourage education and research into any matter affecting the auditing profession

The IRBA is a Schedule 3 public entity as defined in the Public Finance Management Act, and is situated in Johannesburg.

THE POSITION

A high profile appointment requiring the incumbent to be responsible for:

- Delivering on the IRBA's mandate
- Driving the external strategy, promotion of the profession, and stakeholder management to project an image and profile for the organisation consistent with its considerable public responsibility
- Reporting directly to the Board in accordance with the agreed governance structure
- Providing leadership, direction and support to a highly skilled team of directors and staff responsible for the regulatory, standard-setting and administrative activities

IDEAL PROFILE

- Proven track record in regulation, standard-setting and compliance in the private and public sectors and the ability and stature to project the appropriate image and profile
- A commitment to transformation within the IRBA and the broader profession
- It is highly desirable that the person should be a Chartered Accountant (South Africa)

REMUNERATION

A highly competitive package in keeping with the seniority of the position.

The Board is an equal opportunity, affirmative action employer.

Applicants who are interested in the position must forward a concise CV to The Chairperson: Human Resource and Remuneration Committee, IRBA, at: Email: linda.devries@oretek.co.za or fax: +086 624 9841.

Closing date: 28 September 2008

IRBA ON THE MOVE

UPDATE ON RELOCATION

Due to several unforeseen delays with the building, the Secretariat did not relocate to its new premises by August, as was originally planned. At this stage the relocation will take place towards the end of this year or at the beginning of 2009.

Please watch the website and e-mail communications for updates in this regard.

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Website: <http://www.irba.co.za>