



# irba

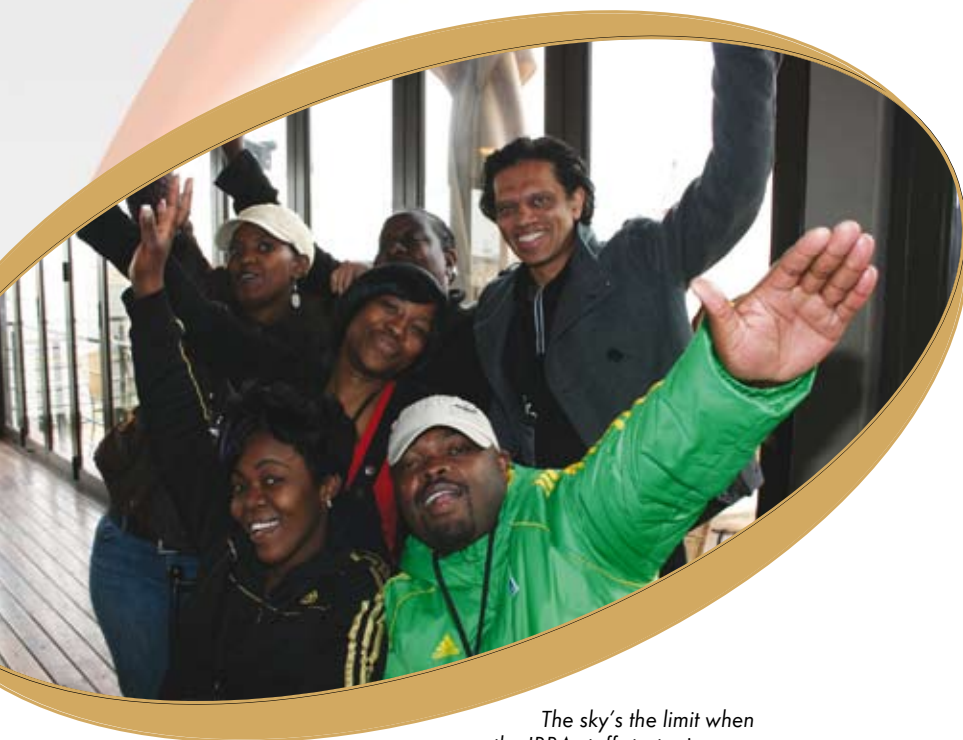
INDEPENDENT REGULATORY BOARD FOR AUDITORS

ISSUE

13

September 2010

# NEWS



*The sky's the limit when the IRBA staff strategise*

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## MESSAGE FROM THE

# CEO

In the March 2010 issue of IRBA News, I started by saying "2010 is upon us". Indeed it was, and with more than half of this year past already, there is already a great deal to reflect on.

A highlight for everyone must surely have been the FIFA World Cup. I was in Ethiopia at the time of kick-off, attending the Africa ROSC Accounting and Auditing Round Table Conference in Addis Ababa (see pg. 13 for more details), but even in Ethiopia the atmosphere was electric. I was proud to be a South African at that moment in time.

I am also proud to be a part of the wonderful group of people who make up the secretariat of the IRBA. As a group we thoroughly enjoyed the World Cup, donned our supporters' shirts, flew our flags, blew our vuvuzelas with gusto, and truly got into the spirit of the event.

And I am proud to report that that spirit and energy has remained with the organisation long after the Spanish team took their trophy home. At the end of July the secretariat held a strategy and team building day, with a theme of conversations and destinations. The setting was the Harvard Café, at Rand Airport, and while staff may have been expecting to parachute from aeroplanes and have helicopter flips, they were nonetheless pleasantly surprised with the day's outcomes.

The morning strategy session was spent in a "world café" forum, with short group discussions in on topics such as:

- *"If success was guaranteed, what bold steps would you take?"*
  - *"How do we know when we are truly living the IRBA's values?"*
- and*
- *"In delivering on the IRBA's mandate, what would you do differently in your position? Be creative in your thinking."*

The conversations provoked open and honest communication, and many innovative thoughts and ideas were brought to the table. We recognised that there is a great deal of diversity amongst 60+

employees, but the common themes were strong and easy to identify. We will certainly be taking these conversations further in the future, and aspire to build an even stronger and more effective organisation to improve service delivery to you and the public.

The afternoon was spent doing something that has never been done before, and will never be done again. Small teams were asked to part-draw and then paint small sections of a larger canvas made up of the 21 individual sections. This entailed working closely with team mates and with those teams working on adjacent sections. Participants had to match up their paint colours and drawings, thereby ensuring that the parts worked together to make up the whole.

The end result was a masterpiece of art created by amateurs whose only starting point was an anonymous survey asking them to indicate the images that they thought represented the IRBA and its values. These images were all pulled into the overall design, which was translated into the final canvas.

The final canvas will be hung in the recreation area at the IRBA, and you are very welcome to have a look at it if you ever visit our offices. Refer to page 14 for the end result of the strategy and team building day.

The months rush past us so fast that before we know it, another year has flown by. It is good to take the time out to reflect, as the IRBA has just done, so that we can make the most of the months ahead and give our very best in everything that we do.

**Bernard Peter Agulhas**  
CEO

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# EDUCATION, TRAINING AND PROFESSIONAL DEVELOPMENT

## CONTINUING PROFESSIONAL DEVELOPMENT (CPD) CHANGES TO THE IRBA'S POLICY

The Continuing Professional Development (CPD) policy prescribed by the IRBA was established in terms of the Auditing Profession Act, Act No. 26 of 2005 S7(1)(c).

The CPD policy came into effect on 01 January 2007 and the first 3-year reporting cycle ended on 31 December 2009. The IRBA follows a practice of ongoing reflection and the end of the first CPD reporting cycle represented an opportune time for the IRBA to review the CPD policy and its implementation. The CPD policy was reviewed within the context of:

- the Act;
- the IRBA's statutory responsibility;
- feedback received from RAs;
- feedback received from the Education, Training and Professional Development Department; and
- feedback from the Registry Department.

The following changes to the IRBA's CPD policy were approved by the

Board in March 2010. The revised policy will be effective from 01 January 2011.

1. The three reporting categories, namely, professional knowledge, professional skills and ethical values, are appropriate and useful for planning CPD activities. However, the interrelated nature of the categories makes recording difficult as there may be elements of all three categories in one CPD activity. RAs **do not have to record their CPD activities in the three categories.**

However, the IRBA considers ethics to be an important component of CPD and will still require **all RAs, within the 30 hours of CPD per annum, to complete three (3) hours of compulsory ethics CPD and record their ethics hours separately.**

2. Based on the professional status of the auditing profession and the fact that RAs are adult learners, **RAs need only submit**

**a Declaration on an annual basis and not a record of all their CPD activities.** The Declaration will state that the member is aware of and compliant with the IRBA's CPD policy. On the Declaration the RA will record the actual number of CPD hours and ethics CPD hours gained during the reporting period. Although CPD records will not be submitted to the IRBA, it will be the RAs responsibility to ensure that all records and supporting documentation are maintained and that they support the number of hours recorded on the CPD Declaration. The IRBA will conduct random monitoring and the Inspections Department (formerly known as Practice Review) will monitor the CPD records of those RAs under review (as is consistent with the current policy).

3. The Three year reporting cycle will change from a static three year cycle to a **rolling three year cycle.** For example:

Year	2010	2011	2012	2013	2014	2015
CPD hours	28 general 2 ethics	35 general 5 ethics	20 general 2 ethics	25 general 3 ethics	38 general 2 ethics	
Total hours	30	40	22	28	40	

1st three year cycle = 92 Hours

2nd three year cycle = 90 Hours

3rd three year cycle = 90 Hours

4. The IRBA does not currently offer RAs exemption from the CPD policy due to retirement, illness or extended leave. Due to the risks associated with an RA who is not up to date and competent, the IRBA will continue with this practice. It will, however, **offer concessions, only under extraordinary circumstances.** Such applications must be made in writing and will need to be accompanied by full supporting evidence. Applications for a concession will only be applicable for one reporting year on the minimum amount of hours that need to be obtained.

**Note:** You will only submit a CPD Declaration with your annual return in April 2011. You will retain your CPD records and supporting documentation for review by the IRBA, either through the Inspections Department or through random monitoring. The Declaration form will be available on the IRBA web site from January 2011.

We note that a number of RAs have not submitted their CPD records for 2009 and that in some cases CPD records are incomplete. The IRBA would like to assist you in fulfilling the requirements of the CPD policy and retaining your registration with

the IRBA. Please contact Tshepo Maganedisa on 087 940 8785 or email him on [tmaganedisa@irba.co.za](mailto:tmaganedisa@irba.co.za)

For further information or queries on the CPD policy and the changes, please contact the ETP department.

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## THE 2010 IRBA SUPPORT PROGRAMME

In order to build on the outstanding success of the 2009 IRBA Support Programme, the IRBA once again facilitated a Support Programme for the 2009 PPE repeat candidates. The aim of the programme is to assist and enable black candidates (African, Coloured and Indian) who have been unsuccessful in previous Public Practice Examination (PPE) attempt(s) to have a significantly better opportunity of passing the PPE in 2010.

Fasset has assisted the IRBA by funding a portion of the 2010 Support Programme. The Support Programme is available nationally and is hosted in four cities (Cape Town, Durban, Johannesburg and Pretoria). The National School of Accounting (NSOA), in association with the Joint Venture Board Course (JVBC), is responsible for presenting the programme and they offer candidates the opportunity to hone their technical skills and develop professional competence.

The launch of the Pretoria and Johannesburg Support Programme was held on 29 May 2010 at the IRBA offices in Greenstone and was attended by approximately 65 candidates. IRBA, Fasset, JVBC and NSOA representatives welcomed the candidates and set the tone for the programme. The Cape Town and Durban launches were held on 18 June at the respective NSOA offices.

Bernard Agulhas, CEO of the IRBA, demonstrated his support for the programme by attending the first contact session in Pretoria. He encouraged the candidates to take responsibility for their own learning and to commit themselves to the programme. He provided words of motivation and support and, in his personal capacity, offered assistance to the candidates.

The Support Programme is the IRBA's initiative for the advancement of black accountants and auditors in South Africa. The IRBA thanks

the firms who have supported this initiative by providing their candidates with the opportunity to take time off work to participate in the programme.

The 2010 PPE will be written on Tuesday, 23 November 2010 and the results of the Support Programme will be published together with the overall 2010 PPE results on Friday, 25 February 2011.

We wish all candidates the best of luck in their examination!

**Abraham Ramano**

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# STANDARDS

## IRBA PROJECTS

### COMPANIES ACT, 2008 AND DRAFT REGULATIONS

The draft Companies Amendment Bill 2010 was published by the Department of Trade and Industry (dti) on its website in August 2010. The Board continues to engage with the dti, the Minister of Finance and National Treasury, to convey the IRBA's concerns regarding conflicts with the Auditing Profession Act and the implications of the Companies Act and Regulations for the auditing profession and the economy.

The IRBA is aware of the concerns and challenges facing registered auditors and their clients arising from

the extensive legislative changes and uncertainties. Accordingly, please find enclosed a separate communication in relation to the Companies Act and Draft Regulations.

### AUDITOR LIABILITY PROJECT

Progress on this project continues with a view to presenting proposals with regard to capping of auditor liability to the Board later in the year.

### B-BBEE ACCREDITATION

The CEO met with the DG: Trade and Industry on 17 May 2010 to discuss the way forward for the accreditation

of BEE verification agencies. Subject to finalising further requirements for accreditation a decision has been taken, in principle, that the dti will conditionally approve the IRBA. The IRBA will then have the responsibility to ensure that Registered Auditors who issue B-BEEE certificates are qualified to do so.

The dti task group (comprising the IRBA and other stakeholders) held meetings on 10 June 2010 and 11 August 2010. The purpose of these meetings was to discuss the process, timeframes and other matters.

## COMMITTEE FOR AUDITING STANDARDS (CFAS)

The CFAS meets quarterly and its agenda is guided by the CFAS Steering Committee which has regard to local and international developments in its standard setting and auditing guidance activities. CFAS identifies the need for and develops auditing guidance, in a consultative process and recommends auditing pronouncements to the Board for approval. It is responsible for exposing proposed standards for public comment, considering comments received and in turn submitting comments on local and international exposure drafts on consultation papers, draft legislation and draft regulations affecting the auditing profession.

CFAS has three standing committees dedicated to its main areas of activity in developing and issuing on-going guidance for auditors:

- **Reports Standing Committee.**
- **Public Sector Standing Committee.**
- **Sustainability Standing Committee.**

Each of the Standing Committees has smaller task groups comprising of individuals with relevant professional, technical expertise to deal with the particular project for guidance

being developed. **Individuals who would like to participate in and contribute to any of the task groups are invited to contact the Director: Standards.**

### COMMENTS SUBMITTED

CFAS submitted comments on the following exposure draft:

- Actuarial Society of South Africa: *Second Exposure Draft in Respect of the Role of the Statutory Actuary.*

### CURRENT CFAS PROJECTS

- **Access to Audit Working Papers: A Guide for Registered Auditors:** amendments have been made to accommodate the access requirements in *ISA 600 Special Considerations - audits of group financial statements (including the work of component auditors)* for the group engagement partner (principal auditor) responsible for the group audit engagement and the auditor's report on the group financial statements. The Guide will be issued during September 2010.

- **IRBA Guide: "The Assurance Engagement on Attorneys' Trust Accounts":** The IRBA Guide will replace the present "SAICA Guidance for Auditors: The Audit of Attorney's Trust Accounts in terms of the Attorney's Act, No 53 of 1979 and the Applicable Rules of the Provincial Law Societies" that will then be withdrawn. The project will be progressed during September and October 2010, with the Guide due to be issued by the end of the year.
- **The Revised Transitional Assurance Report** approved by the respective Councils of all the Provincial Law Societies and the Attorneys Fidelity Fund and effective from the 2008 financial period is still effective for the 2010 financial year.

- **SAAPS 1, Quality Control:** The SAAPS 1 Task Group has recommended to CFAS that SAAPS 1 be withdrawn. The intention is to adopt the **IFAC Guide to Quality Control for Small and Medium Sized Practices**, after due consideration of the South African context as well as copyright agreements with the IAASB.
- **SAICA guides and circulars:** are reviewed on a regular basis and discussed with the IRBA to determine what actions are required in respect of those guides and circulars considered to require updating. Several of the guides and circulars are to be withdrawn, while others that pertain to audit guidance are to be revised and/or reissued by the IRBA. SAICA and the IRBA will communicate the status of the various guides and circulars affected.
- **Medical Schemes Audit Guide:** A task group has been formed, comprising auditors who specialise in the audit of medical schemes. The various sections of the guide will be allocated to individuals. A retired audit partner, with experience in the audit of medical schemes, will manage the project, to expedite the guide's issue towards the end of 2010.

#### CFAS REPORTS STANDING COMMITTEE (RSC)

- **SAAPS 2 Financial Reporting Frameworks and the Auditor's Report:** The revised SAAPS 2, will deal for the first time with accounting frameworks applicable to public sector entities and government departments. The revised SAAPS 2 will be issued on exposure during the third quarter of 2010.
- **SAAPS 3 Illustrative Independent Auditors Reports - Revised (March 2010)** updates the "Pre-clarity" reports for IFRS for SMEs, a revised Going Concern Decision Tree

and revised Afrikaans reports. The illustrative reports may be downloaded from the IRBA website.

- **SAAPS 3 Illustrative Independent Auditors' Reports** incorporating changes arising from the "Clarity ISAs" and including reports required by the Auditor-General South Africa will be issued towards the end of 2010.

#### Regulatory reports

- **The Department of Trade and Industry – Enterprise Investment Programme (EIP): Manufacturing Incentive Programme (MIP) and Tourism Support Programme (TSP):** The Standards Department assisted the dti with the development of an *Agreed Upon Procedures Engagement and Factual Findings Report* for incentive grant claims. The report has been approved by the dti and it is currently effective and being used. It is available from the dti and it will be uploaded on the IRBA website shortly.
- **The Department of Human Settlements - Home Loans and Mortgage Disclosure Act:** Discussions continue with the Office of Disclosure at the Department of Human Settlements, the South African Banking Association, bank auditors and compliance representatives from banks affected to resolve the auditors reporting requirements on information submitted by banks and others as specified in the Home Loan and Mortgage Disclosure Act and regulations pursuant thereto.
- **Financial Services Board - Long Term and Short Term Insurance:** Discussions continue with the Financial Services Board to resolve concerns regarding the regulatory reporting requirements in the Long Term and Short Term Insurance Act and Regulations.

- **Financial Services Board - Long Term and Short Term Insurance – SAM Project:** The Director: Standards has been appointed to the Steering Committee and the Pillar II and Pillar III working groups of the FSB Solvency Assessment and Management (SAM) Project. This project is expected to extend over the next three years.
- **Financial Services Board – Retirement funds:** Discussions continue with the Financial Services Board regarding any changes to the auditors' reports in the annual financial statements and assistance with the reports required by Section 13B of the Pension Funds Act.

#### CFAS PUBLIC SECTOR STANDING COMMITTEE (PSSC)

**Guidance for Private Sector Auditors when Auditing in the Public Sector;** and **Guidance on the Audit of Performance Information:** Work is continuing on the development of guidance on the audit of financial statements in the public sector and guidance on the audit of performance information for private sector auditors involved in auditing in the public sector with support from the A-GSA resources.

#### ACTIVITIES OF THE INTERNATIONAL AUDIT AND ASSURANCE STANDARDS BOARD (IAASB)

- The IAASB exposure draft of **ISAE 3420, Assurance Reports on the Proper Compilation of Pro Forma Financial Information Included in Prospectuses** was issued on 28 April 2010. Comments are due by 30 September 2010. The exposure draft will be considered by a joint CFAS Task Group and SAICA Project Group and the JSE Limited in revising the present SAICA "Guide on Pro Forma Financial Information (2005)".
- The IAASB exposure draft of **ISA 610 (Revised), Using the Work of Internal Auditors** and **ISA 315 (Revised), Identifying**

**and Assessing the Risks of Material Misstatement through Understanding the Entity and Its Environment** was issued in July 2010. Comments are due by 15 November 2010.

- The IAASB approved for exposure a proposed statement of authority for new **International Auditing Practice Statements (IAPs)**, together with the proposal to withdraw existing IAPs. The IAASB's proposals will be issued contemporaneously with proposed revised **IAPS 1012, Special Considerations in Auditing Complex Financial Instruments**, which is scheduled for approval as an exposure draft at the September 2010 IAASB meeting.
- The IAASB considered issues relating to, and a revised draft of, proposed **IAPS 1012, Auditing Complex Financial Instruments**. Amongst other matters, the IAASB deliberated the structure of the IAPS; the nature and extent of guidance relating to assertions and disclosures; and the effective date for the IAPS. The IAASB will consider a revised draft of the proposed IAPS 1012 for approval as an exposure draft at its September 2010 meeting.
- The IAASB considered issues relating to, and revised drafts of, proposed revised **International Standard on Review Engagements (ISRE) 2400, Engagements to Review Financial Statements**, and proposed **International Standard on Related Services (ISRS) 4410, Engagements to Compile Financial Information**.

Amongst other matters relating to proposed ISRE 2400, the IAASB deliberated the practitioner's objectives, including the emphasis to be given to the performance of review procedures; the approach to performing the review engagement; and the form of the practitioner's conclusion on the financial statements. The IAASB agreed to reconvene via teleconference in advance of

its September 2010 meeting to continue its deliberation of some of these issues.

Amongst other matters relating to proposed ISRS 4410, the IAASB deliberated the scope of the standard, including the practitioner's association with compiled financial information; the nature and extent of the practitioner's work effort in a compilation engagement; and illustrative compilation reports. The IAASB will consider a revised draft of the proposed ISRS 4410 for approval as an exposure draft at its September 2010 meeting.

- The IAASB considered issues relating to, and a revised draft of, proposed revised **ISAE 3000, Assurance Engagements Other than Audits or Reviews of Historical Financial Information**. Amongst other matters, the IAASB deliberated the relationship between ISAE 3000 and the International Framework for Assurance Engagements, and between ISAE 3000 and the ISAs; the work effort required in limited assurance engagements; the approach to use of the ISAE by assurance professionals who are not professional accountants; and the distinction between direct engagements and attestation engagements. The IAASB will consider a revised draft of the proposed ISAE 3000 at its September 2010 meeting.
- The IAASB considered significant comments received on its October 2009 Consultation Paper, **Assurance on a Greenhouse Gas Statement**, together with a draft of the proposed **ISAE 3410** on the same. Amongst other matters, the IAASB deliberated the work effort required in such engagements; requirements related to estimates, uncertainty and materiality; issues relating to comparative information, emphasis of matter, and "fair presentation" criteria; and the implications of regulatory and voluntary reporting requirements. The IAASB

will consider a revised draft of the proposed ISAE 3410 for approval as an exposure draft at its September 2010 meeting.

- The IAASB received a report on findings from Phase One of its **Clarity ISA Implementation Monitoring project**, which addressed early adoption and implementation experiences with the clarified ISAs to date. Looking forward, work will include further information gathering regarding the experiences of small and medium practices in using the clarified ISAs, and development of the design of the post-implementation review phase of the project. The IAASB has asked the IRBA for assistance in completing their questionnaires. CFAS is participating in this IAASB project and the IRBA Inspections Department will assist in assessing the implementation, monitoring and impact analysis aspects in the course of firm and file reviews. This will also be achieved by asking small and medium-sized practitioners for input on their experiences with the clarified standards.
- The IAASB received an update on planned consultations on its **eXtensible Business Reporting Language (XBRL) project**, and considered whether to develop in the immediate term guidance on performing agreed-upon procedures engagements on XBRL data. The IAASB noted the importance of taking a longer-term perspective on assurance needs on XBRL data, and that further input from stakeholders is necessary to making an informed

decision on the appropriate course of action.

- The IAASB received an update on liaison activities with the **International Accounting Standards Board (IASB)** and the IASB's forward work program. The IAASB supported the establishment of additional working groups, for purposes of

monitoring potential auditability issues, for the IASB's projects on extractive activities, financial statement presentation, insurance contracts and revenue recognition.

- The IAASB considered a proposal for the way forward on its project on **audit quality**. Amongst other matters, the IAASB

deliberated the main elements of the proposed way forward, including the nature and scope of a proposed thought piece to be developed in the short term, and the scope and objectives of a more substantive consultative phase in the medium term. The IAASB will further discuss the way forward at its December 2010 meeting.

## ETHICS

### COMMITTEE FOR AUDITOR ETHICS (CFAE)

#### REVISED CODE AND RULES

The revised *Code of Professional Conduct for Registered Auditors* (2010) (the Code) that replaces the existing (PAAB) *Code of Professional Conduct* issued in 1997 and the revised *Rules Regarding Improper Conduct (the Rules)* that replaces the *Old Disciplinary Rules* were approved in May 2010.

The CFAE has, with copyright permission from IFAC, adopted Parts A and B and the Definitions in the Revised IFAC Code of Ethics for Professional Accountants (July 2009). Modifications and changes have been made for additional requirements of the IRBA that are specific to registered auditors in South Africa - these are underlined and in italics to assist registered auditors to easily identify differences from the IFAC Code. The Code applies to **all registered auditors** providing "**professional services**" as more fully defined in the Code and Rules. Whilst the drafting convention of the Code differs completely from that previously applied in the existing IRBA Code, the principles are unchanged. The drafting convention follows that adopted in the International Standards on Auditing with the term "*shall*" denoting a "*requirement*" with which an auditor must comply.

As always the Rules provide the mechanism for the Board to take disciplinary action against registered

auditors and any others registered with the Board. New requirements that may constitute unprofessional conduct include a failure to comply with auditing pronouncements prescribed by the Board and any contravention or failure to comply with the Code.

The **effective date** of the Code and Rules is **1 January 2011** to allow registered auditors time to implement the new requirements. Transitional provisions for later implementation of several new independence provisions relating to: public interest entities, partner rotation - including for "key audit partners", non-assurance services provided to an audit or review client, relative size of fees, and compensation and evaluation policies. In most instances these apply from **1 January 2012**.

Certain aspects of the Code require further research and may be published by way of CFAE Board Directives, or guidance in Circulars in due course.

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**The Committee for Auditor Ethics (CFAE) recently sought nominations for three registered auditors in public practice and an advocate or attorney with at least 10 years' experience in the practice of law to serve on the CFAE for a term of three years. The CFAE will now consider all nominations received and will inform nominees on the outcome in due course.**



## INSPECTIONS

The new Companies Act has introduced the concept of review engagements to replace audits of financial statements for small companies. This has necessitated a reconsideration of the name - Practice Review Department and we have changed this department's name to **Inspections Department**. Reviews will therefore now be referred to as **Inspections** and reviewers as **Inspectors**.

In the July 2009 issue I submitted the changed philosophy of Practice Review and illustrated the revised approach with regard to engagement inspections and in particular the outcomes of such inspections. I also addressed this issue during the road shows in 2009 and since then have had many discussions with practitioners and firms regarding this.

A year has gone by with these changes in place and it has had a considerable impact on all involved.

### FIRM INSPECTIONS

The purpose of firm inspections is to examine the firm's policies and procedures for ensuring consistent

quality in all its audit engagements. To date 43 firm-wide inspections (7 since January 2009) have been performed and we have noted significant improvement in compliance to the Standard on Quality Control as well as the firms' own policies and procedures.

### ENGAGEMENT INSPECTIONS

The purpose of engagement inspections is to examine the documentation on audit files to ensure compliance with the Auditing Standards. 1059 engagement inspections have been performed since January 2009. The unsatisfactory rate has decreased from more than 50% to less than 10%. The unsatisfactory results are primarily due to non-documentation of audit work performed and because of this lack of documentation and audit evidence on file we were unable to satisfactorily assess whether there was adequate documented support for the audit opinion expressed. This is what we refer to as the Risk-based approach to inspections. Where inspection results indicated that the public was at risk we have laid complaints with

the Legal department of the IRBA and two cases have been referred, one already finalised and one still pending.

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## LEGAL

### QUARTERLY REPORT FROM THE DIRECTOR: LEGAL FOR THE PERIOD 1 APRIL 2010 TO 30 JUNE 2010

#### INVESTIGATING COMMITTEE

The Investigating Committee met twice during this period.

Three investigations were closed in circumstances where the committee did not consider it necessary to pursue the complaint.

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

In addition, four matters were resolved with the assistance of the directorate, prior to referral to the Committee, and the complaints were withdrawn or suspended.



Jan Dijkman and Jane O'Connor

The committee took leave of Jan Dijkman during this period. Jan had served as the SAICA representative on this committee for 16 years was well liked and well respected for his thorough preparation for the meetings, his incisive input and his acerbic wit. As Jan had resigned from SAICA he was no longer eligible to serve as their representative on the committee.

**DISCIPLINARY ADVISORY COMMITTEE**

The Disciplinary Advisory Committee met twice during this period and disposed of 14 matters, as follows.

**Decisions not to charge**

- four 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)
- three matters in terms of Disciplinary Rule 3.5.1.2 (the respondent having given a reasonable explanation for the conduct)
- one matter in terms of Disciplinary Rule 3.5.1.5 (in all the circumstances it is not appropriate to charge the practitioner with unprofessional conduct)

**Decision to charge and matter finalised by consent**

- Six practitioners were fined. \*\*
- one matter was a combined case and related to GMP and practice review referrals (R200,000 of which R100,000 was suspended on conditions)
  - one matter related to a JSE referral (R50,000 of which R20,000 was suspended on conditions)

- one matter related to audit negligence (R20,000 of which R10,000 was suspended on conditions)
- one matter arose out of practice review – second cycle, third review (R40,000 of which R20,000 was suspended on conditions)
- one matter related to administration of a deceased estate (R5,000)
- one matter related to an FSB referral (R20,000 of which R10,000 was suspended on conditions)

\*\* In certain of these cases the imposition of sentence was postponed indefinitely on condition that the practitioner in question either withdrew from the Board's register, or became non-attest.

During this period the committee took formal leave of former member Cathryn Emslie, a founder member of the Committee, and paid tribute to her work on the committee. DAC is made up of serving Board members and as Ms Emslie no longer serves on the Board, she was no longer eligible to serve on DAC.



Committee chairman Wynand du Plessis presents Cathryn with a certificate of service

**DISCIPLINARY COMMITTEE**

The Disciplinary Committee did not meet during this period.

**TRENDS**

From time to time I draw the attention of RAs to trends in complaints received, so that they may be especially vigilant regarding such issues. The latest trend of complaints relates surprisingly to complaints lodged by RAs against each other as a result of partnership disputes. We

do not speculate as to the reasons for the explosion of such complaints, but the current economic down turn does spring to mind. RAs are exhorted to exercise the same professionalism towards each other as we expect them to exercise to third parties and clients.

Queries: **Jane O'Connor**  
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**REGISTRY**

**INDIVIDUALS ADMITTED TO THE REGISTER OF THE BOARD From 01 APRIL To 30 JUNE 2010**

Badenhorst Schalk Jakobus Petrus  
 Badenhorst Vermeulen  
 Berry James Robert  
 Bruce Heili Magda  
 Campbell Ryan Arthur  
 Chapman Stephen Neil  
 Clark Ramona  
 Clemitson Eric Michael  
 Cloete Brendon  
 Cloete Izak Malan  
 Coetzee Charmaine Michelle  
 Comley Jonathan Rowan  
 Couperthwaite Douglas John  
 De Kock Charlene Angelique  
 Dreyer Herbert Morgan Evans  
 Du Preez Arno Gerhard  
 Erasmus Hannes Anton  
 Ferguson Cameron Duncan  
 Gardiner Jonathan  
 Gernetzky Chantelle  
 Goldman Ilan David  
 Gormley Bartholomew Thomas  
 Grobbelaar Coert  
 Grobler Philippus Jacobus Francois  
 Harbron Mariette  
 Heyns Bruce Jack  
 Kgopa Paseka Moses

Kieck Nohlene  
 Louca Annja  
 Maartens-Dorey Reinet  
 Mac Millan Alton Shawn  
 Maharaj Merisha  
 Malan Eldine  
 Manana Dumisani Herbert  
 Mapfumo Phossina  
 Maseko Lyndsay Ronald  
 Matumba Charles  
 Mayet Azhar Haroon  
 Mfenyana Lazola Lufefe  
 Minaar Nadia  
 Mlalazi Thembelani Loretta  
 Mohamed Fayaz Begum  
 Mpepanduku Lubabalo  
 Msibi Vusi Tummy  
 Muchaonyerwa Cashmore  
 Naidoo Neil  
 Nameng Moses Tebogo  
 Neethling Rene  
 Nicha Harishchandra Manish  
 Pietersen Josua Janse  
 Pillay Pravashni  
 Pretorius Elizabeth  
 Prinsloo Tiana  
 Rama Shalini  
 Rossouw Vermeulen  
 Roux Frederick Christoffel  
 Schramm Waltraut  
 Sewram Arusha  
 Sibanda Ephraem

Sigasa Nhlanhla Mfundo  
 Slabbert Christian  
 Smit Willem Johannes Jakobus  
 Soldat Denis  
 Statham Ian Anthony  
 Strauss Monique  
 Streicher Orlando Christian  
 Strydom Elanze  
 Sulaman Fazel Mohammed  
 Swart Johannes Adriaan  
 Thomas Hein  
 Torres Fatima Pereira  
 Tshabalala Moroa Lehlogonolo Eric  
 Van Deventer Jan  
 Van Schalkwyk Gert  
 Van Zyl Jeandre  
 Van Zyl Tanya  
 Volschenk Arnold Gerhard  
 Ye Guanwu

## REGISTRY

CONTINUED

### INDIVIDUALS RE-ADMITTED TO THE REGISTER OF THE BOARD From 01 APRIL To 30 JUNE 2010

Bothma Gerbrand  
Frith Ronald Anthony  
Jacobs Daniel Jacobus  
Ngoasheng Isaac Lesetja  
Pretorius Francisca  
Salzmann Nadine  
Van Der Westhuizen Michael  
Weldon Sean Guy

### INDIVIDUALS REMOVED FROM THE REGISTER OF THE BOARD From 01 APRIL To 30 JUNE 2010

Amoilis Clifford Vaughan *Resigned*  
Blumberg Stanley *Resigned*

De Waal George Von Wilfuling *Emigrated*  
Dirker Hendrik Carel George *Resigned*  
Du Plessis Andre *Resigned*  
Du Toit Susanna Maria *Resigned*  
Eloff Jacobus Frederick *Resigned*  
Field Craig Harvey Donovan *Emigrated*  
Immelman Pieter Cornelis *Resigned*  
Joles Frederick Clement *Retired*  
Joubert Christiaan Friedrich *Resigned*  
Joubert Kobus *Resigned*  
Kempen Cornelius Phillipus *Resigned*  
Kretzschmar Louise *Resigned*  
Marx Karin Marika *Resigned*  
Matsho Lecton ArThur *Resigned*  
Mechanic Michael Clive *Emigrated*  
Qually Costa Ross *Retired*  
Schoeman Bernard Jurgens *Resigned*  
Serman Max Aron *Deceased*

Spies Schalk Willem Van Heerden *Deceased*  
Swemmer Phillip Neil *Retired*  
Van Niekerk Scha *Resigned*  
Walsh Helen Janet *Resigned*  
Wesseloo Barend *Resigned*  
Whitelaw John Watson *Removed*

#### Registry

Telephone: 087 940 8800

Facsimile: 087 940 8873

E-mail: [registry@irba.co.za](mailto:registry@irba.co.za)

## CORPORATE SOCIAL RESPONSIBILITY

In July the IRBA CSR committee and staff donated warm winter clothing to a group of boys who live at the All Stars Shelter in Kempton Park. The shelter is a Child Welfare SA project which provides temporary accommodation and schooling for approximately 16 boys between the ages of 12 and 18. We were taken on a tour of their residence, including the recently started vegetable garden. We are excited about this as the committee has discussed

planting trees and plants to offset the carbon footprint of all our inspectors' and committee members' travel expenses. We will be providing seeds and seedlings as part of our next collection.

The boys were at the Child Welfare offices for their personal developmental plans on the visit day, so we made our way there to present them with their gifts. The committee was introduced to Dudu,

the manager of Kempton Park Child Welfare and Isaac, the care taker of the All Stars home. The boys were overjoyed, their joy was expressed by rushing to pick a jersey that they adored and immediately wore them. We collected enough jerseys for each boy to receive two jerseys and with the cold weather we were experiencing, a jersey was a superb choice.



Committee members Henriette Fortuin, Magda Kilian, Khanyisa Makuzeni and Lisa Venables with the boys.



Henriette and Khanyisa with the caretaker, Isaac, outside All Stars

## STAKEHOLDER NEWS

### AFRICA ROSC ACCOUNTING AND AUDITING ROUND TABLE CONFERENCE

As indicated on page 1, the CEO had the privilege of attending this conference in Addis Ababa, Ethiopia, on 9 and 10 June 2010, along with delegates from approximately 30 other African member countries.

It forms part of the joint World Bank - IMF initiative on assisting member countries to strengthen their financial systems by improving capacity to comply with important internationally recognised standards and codes.

The objective of the round table was to take stock of the findings of the Report on the Observance of Standards and Codes (ROSC): Accounting and Auditing assessments undertaken in Africa. It provided an opportunity to share lessons learned and identify how best African countries might define a critical path for the successful implementation of reforms.

South Africa drew a fair amount of attention at the conference, not only because of its status as a leading audit regulator on the continent, but also because the conference took place in the days immediately preceding the kick-off of the FIFA World Cup, where Africa stood together in support of our amazing

continent. It became immediately obvious that it is not only in sport that we must stand together and sing from the same song sheet - Africa needs to support each other and speak as one voice on matters of governance and standards, so that the continent, and not only SA, can be respected globally.



Bernard Agulhas (South Africa) and Selvida Naiken (Mauritius) at the ROSC conference.

## COMMUNICATIONS

In the interests of improved communication with Registered Auditors and other stakeholders, a list of Communiqués sent by bulk e-mail during the period April to June 2010 is set out below. These communiqués may be downloaded from the IRBA website, under the various "News" tabs.

29 April 2010	2010 Annual Renewal - Annual Renewal of Registration Process
11 May 2010	Training Contracts Registration Fees
21 May 2010	Attorney's Trust Account Reports
1 June 2010	FIC PCC No3
2 June 2010	Wits IFRS Refresher
15 June 2010	Annual Fees
23 June 2010	Revised Rules and Code of Conduct
24 June 2010	IRBA News Issue 12

# GENERAL NEWS

## TEAM BUILDING AND STRATEGY DAY

Staff members enjoyed the conversations and the creative time during the strategic day at Rand Airport's Harvard Café, in July.



## GENERAL NEWS

CONTINUED



*These employees were voted as "most helpful team players" on the day. Each was awarded with a floating trophy to be passed on to another colleague who is seen to be living the IRBA values within 10 days of receipt.*

# GENERAL NEWS

CONTINUED



*The end result was our own, unique work of art!*

## CONTACT INFORMATION

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