



# irba

INDEPENDENT REGULATORY BOARD FOR AUDITORS

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# NEWS



(L-R): Professor Temba Zakuza, Dr Suresh Kana, Bernard Agulhas and Mr Singa Ngqwala (Auditor - General Eastern Cape).

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## MESSAGE FROM THE

# CEO

At the beginning of the year, the Board approved the formation of a Transformation Committee to further direct its efforts towards changing the current statistics regarding the demographics of the auditor population. It is clear that we still have a long way to go.

In the meantime, however, individuals in the profession and academia are seizing every opportunity to drive change and make a difference, and if we believe that every bit helps, we might just be surprised. While I appreciate that there are many initiatives in progress, especially at the audit firms, I would like to share one particular experience with you.

I recently accompanied Professor Temba Zakuza from the University of Limpopo and Dr Suresh Kana from PWC to a secluded school in Bizana in the former Transkei, where we addressed the matric students and soon also attracted the attention of the rest of the school. With him being a product of the very same school, Prof Zakuza's primary objective was to 'give back', while Dr Kana and I explained the benefits of becoming, well, an auditor.

However, more importantly, the common message that permeated the brief interaction between us was that anything is possible, irrespective of the circumstances in which one finds oneself. This was not a strange concept to these students, as their school has produced professionals in various industries, including the medical and accounting professions. And South Africa's sterling performance at the recent Olympics and Paralympics is living proof that excellence is always within reach.

But it remained important to remind them that they did not have to face the many challenges on their own. Educators, the profession and elders in the community had a significant role to play in providing them with the required confidence to pursue

their dreams and goals. So while it is often easy to encourage the youth to fight for what they want, it is equally important to demonstrate the necessary support to motivate them and nurture the untapped talent that exists around us.

This is not new. President Mandela and other leaders had been preaching the message for decades. But we need to remind ourselves that there are countless opportunities to make a difference, even though it might not be through formal programmes. We do not have sufficient role models who care enough about the rest of the community to appreciate the difference they can make through small interventions.

I am confident that each intervention by the different stakeholders must impact positively on the community at large, but we have a particular responsibility to create an awareness of the profession and the benefits that flow from being a part thereof. We are grateful to all those that have a genuine passion to make a difference, which is demonstrated by their personal commitment to seize opportunities despite their own busy schedules.

After all, we need to pass on the baton to those who will be running the country in the decades to come. And no matter where in the country we focus our efforts, we are not short of potential and talent, whether it is in the Olympics, or our very own profession.

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## EDUCATION, TRAINING AND PROFESSIONAL DEVELOPMENT

### THE 2012 PUBLIC PRACTICE EXAMINATION

The 2012 Public Practice Examination (PPE) will be written on Wednesday, 21 November 2012. Applications for the examination

will open on Monday 6 August and close on Friday, 28 September 2012. Late applications will be accepted until Friday 2 November 2012.

The Examinable Pronouncements for the 2012 PPE can be found on the IRBA website at Home > Student News > Public Practice Examination - 2012.

Please note that the PPE, in its current form, will only be presented for first time candidates until 2013 and for repeat candidates until 2014. Please see the IRBA's website for more information in this regard.

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## PRIOR PERIOD ERRORS AND THE CONDUCT OF THE AUDITOR

The JSE Limited (JSE) has on a number of occasions queried the conduct of an auditor on whether an amended auditor's report that accompanies re-issued financial statements, or restatements of prior period errors in subsequent financial statements, may have resulted in the auditor issuing an inappropriate auditor's report on the previous financial statements.

The auditor of the subsequent financial statements should take care to obtain sufficient appropriate audit evidence to be satisfied that the restatements of prior period errors relate to facts or conditions which applied on issue of the previous audited financial statements or it may be that the auditor's report on the subsequent financial statements is inappropriate.

An inappropriate auditor's report on either the previous or subsequent financial statements may result in the individual auditor being charged with improper conduct when the auditor may have contravened, or failed to comply with International Standards on Auditing and/or the IRBA Code of Professional Conduct.

### CHANGE IN AUDITOR

Evaluating the appropriateness of the auditor's reports on the previous or subsequent financial statements is usually more complex when there has been a change in auditor and the predecessor auditor does

not consider that the guidance in ISA 560, *Subsequent Events*, on "facts which become known to the auditor after the financial statements have been issued" applies to a predecessor auditor. Accordingly, when a predecessor auditor is queried on restatements and the possible effects on the previously issued auditor's report, the response is that the predecessor auditor's opinion was appropriate based on the facts or conditions that existed at the date of issue of that report. When the subsequent auditor is queried on the same restatements, the response is that the subsequent auditor's opinion was appropriate as the restatements were in respect of prior period errors.

### THE EFFECT OF RESTATEMENTS ON THE AUDITOR'S REPORT

The effects of restatements of prior period errors on the auditor's report on the subsequent financial statements and the effects on the auditor's report on the previous financial statements, whether such financial statements are re-issued or not, is dependent on the auditor's evaluation of the facts and conditions that applied when the previous financial statements were issued and the ability of the auditor to obtain sufficient appropriate audit evidence to support the evaluation.

The disclosures provided in the subsequent financial statements should be adequate for the user to

understand the facts and conditions that applied when the previous financial statements were issued and the prior period errors that have given rise to the restatements. Disclosures are often inadequate in this respect.

Adequate disclosures in the subsequent financial statements may result in the auditor's report containing an emphasis of matter paragraph, in accordance with the guidance in ISA 706, *Emphasis of Matter Paragraphs and Other Matter Paragraphs in the Independent Auditor's Report*, when the auditor considers it necessary, for example, to draw users' attention to the basis for the re-evaluation of the facts or conditions that existed at the date of issue of the previous financial statements.

Inadequate disclosures about the re-evaluation of the facts or conditions that applied at the date of issue of the previous financial statements, or the inability of the auditor to obtain sufficient appropriate audit evidence to support the restatements, may result in a modified opinion in accordance with the guidance in ISA 705, *Modifications to the Opinion in the Independent Auditor's Report* (particularly paragraphs 6(a) and (b), A7(c) and A8 to A12).

## COMMITTEE FOR AUDITING STANDARDS (CFAS)

The *CFAS Strategy* for 2012 to 2014 is available for download on the IRBA website.

### CURRENT PROJECTS

#### Proposed South African Preface and Proposed Due Process Policy

The IAASB's *Amended Preface to the International Quality Control, Auditing, Review, Other*

*Assurance, and Related Services Pronouncements* (the IAASB Amended Preface) was issued in December 2011. The IAASB Amended Preface distinguishes between authoritative International Standards and non-authoritative International Practice Notes and withdraws all existing International Auditing Practice Notes. The IAASB

Amended Preface was approved by the IRBA Board at its meeting in July 2012 and is prescribed for use for registered auditors.

Following the issue of the IAASB Amended Preface the CFAS has approved a proposed *South African Preface to the Quality Control, Auditing, Review, Other Assurance, and Related Services Pronouncements* for exposure for public comment that:

- Acknowledges the amended status and authority of the IAASB Pronouncements adopted by the IRBA and prescribed for use by registered auditors; and
- Clarifies the status and authority of South African Standards and implementation guidance issued as Guides and Practice Notes, developed by the CFAS and issued by the IRBA.

The CFAS also approved a proposed *CFAS Due Process Policy* that clarifies the process followed by the CFAS, its standing committees and task groups, in exposing and adopting IAASB Pronouncements and in developing and issuing IRBA pronouncements. Both will be issued for public comment for a period of 60 days.

The existing SAAPS and Guides will be reviewed during the course of 2012 - 2013 to identify those that will be re-issued as non-authoritative *South African Practice Notes* (SAAPNs, SAREPNs, SAAEPNs or SARSPN) or authoritative Guides that provide guidance for auditors in meeting the legislative requirements of other regulators and government departments in South Africa. In this process, consideration will be given to updating existing pronouncements and withdrawing those that are outdated.

#### CFAS REPORTS STANDING COMMITTEE (RSC)

#### SAAPS 2 (Revised) and SAAPS 3 (Revised) Issued

The South African Practice Statement (SAAPS) 2 (Revised) *Financial Reporting Frameworks and the*

*Auditor's Report* and SAAPS 3 (Revised) *Illustrative Reports* were issued on 30 June 2012, and communicated on 2 July 2012, as non-authoritative guidance to provide practical assistance to auditors for use in South Africa. The SAAPSs provide material that firms can use in developing their training programs and providing internal guidance to their staff.

As non-authoritative guidance in the implementation of the International Engagement Standards, SAAPS 2 (Revised) and SAAPS 3 (Revised) may be implemented immediately on issue and accordingly no longer contain effective dates.

The changes to **SAAPS 2 (Revised)** arise principally from the requirements of the Companies Act, 2008 and Regulations, 2011 pursuant thereto effective from 1 May 2011, and include:

- Removal of references to the Companies Act, 1973, and the inclusion of an Appendix with the Companies Act, 2008, Regulation 27, setting out the financial reporting frameworks to be applied by companies and close corporations;
- The establishment of the *Financial Reporting Standards Council* (FRSC) that advises the Minister of the Department of Trade and Industry on Regulations prescribing recognised general purpose financial reporting frameworks to be applied in South Africa by companies and close corporations; and
- The implications of the Accounting Practices Board commencement of its voluntary winding up process and the withdrawal of SA GAAP as an acceptable general purpose, financial reporting framework, that will cease to apply in respect of a company or close corporation's financial year commencing on or after 1 December 2012.

The changes to **SAAPS 3 (Revised)** arise from the requirements of the Companies Act, 2008 and Regulations, 2011 pursuant thereto, changes to the reporting standards included in the International Standards on Auditing and the International Standards on Review Engagements and also address the public sector reporting requirements of the Auditor-General South Africa.

SAAPS 3 (Revised) includes guidance on the format and wording of individual paragraphs in auditors' and independent reviewers' reports and illustrative reports examples.

Importantly, SAAPS 3 (Revised) provides guidance for the auditor's responsibilities and wording of the paragraph to be included in the auditor's report in terms of ISA 720 *The Auditor's Responsibilities Relating to Other Information in Documents Containing Audited Financial Statements*, that meets the requirements of Section 29 of the Companies Act, 2008 and the needs of the Companies and Intellectual Property Commission (CIPC) on:

- *Other reports required by the Companies Act* namely the Directors' Report, Audit Committee's Report and the Company Secretary's Certificate included in the audited or reviewed financial statements of a company or close corporation.

SAAPS 2 (Revised) is available in a PDF format and SAAPS 3 (Revised) is available in both PDF and Word formats, and may be downloaded from the IRBA website. We hope that auditors will find the illustrative reports useful and that they will enhance the quality of auditors' reports issued.

#### Withdrawal of the existing SAAPS 2 and SAAPS 3

The existing SAAPS 2 and SAAPS 3 have been withdrawn and replaced with immediate effect by SAAPS 2 (Revised) and SAAPS 3 (Revised) issued 30 June 2012.

## JSE Guide

*Guide for Registered Auditors: Reporting on Financial Information contained in Interim, Preliminary, Provisional and Abridged Reports*

A CFAS JSE Task Group is working on final changes to the Proposed Guide that will replace the existing SAICA Guide. The CFAS is expected to approve the Guide for issue on exposure at its meeting on 29 August 2012. The final Guide is expected to be issued by the IRBA during the third quarter of 2012 to become effective from early in 2013.

ISAE 3420 *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*

ISAE 3420 was issued by the IAASB in December 2011 and is effective for such assurance reports issued on or after 31 March 2013. The IRBA Board has approved the adoption of ISAE 3420 for use by registered auditors in South Africa when providing assurance engagements on the compilation of pro forma financial information included in a prospectus/pre-listing statement/circular by any company or entity listed on the JSE.

Registered auditors are advised to familiarise themselves with the Requirements and Application and Other Explanatory Material contained in ISAE 3420 when accepting and performing such assurance engagements as these are more comprehensive than the guidance previously contained in the extant SAICA Guide. ISAE 3420 also provides for reasonable assurance to be expressed, rather than the previous limited assurance opinion. The CFAS, in consultation with the JSE, has taken the following steps to accommodate the implementation of ISAE 3420 in South Africa:

- The relevant JSE Listings Requirements are being amended to require the application of ISAE 3420 in such engagements;
- An *Illustrative Independent Reporting Accountant's Assurance Report on the Compilation of Pro Forma Financial Information*

*Included in a Prospectus/Pre-Listing Statement/Circular*, is to be used in place of *Appendix A* in ISAE 3420, that meets the requirements of the JSE Listings Requirements for assurance reports on Pro Forma Financial Information compiled by applicant issuers and issuers listed on the JSE, that will be available for download from the IRBA website; and

- The Accounting Practices Committee of SAICA has revised the SAICA *Guide on Pro Forma Financial Information*, to update the guidance for preparers and to remove all guidance previously included for registered auditors when providing an independent reporting accountant's report on pro forma financial information as such guidance is now contained in ISAE 3420.

### CFAS PUBLIC SECTOR STANDING COMMITTEE (PSSC)

At the June 2012 CFAS meeting the PSSC proposals to develop *guidance on performing audits on behalf of the AGSA and guidance where the AGSA has opted not to perform the audit of a public sector entity* were approved for inclusion on the CFAS Work Programme. These two guides will further assist private sector auditors in understanding the additional communication, risk management and audit methodology to be followed when auditing public sector entities, as well as the relationship with the Auditor General South Africa.

### CFAS SUSTAINABILITY STANDING COMMITTEE (SSC)

An SSC Task Group has developed an illustrative sustainability assurance report as well as an illustrative engagement letter to assist auditors undertaking engagements to report on sustainability reports issued by their clients. The illustrative sustainability assurance report and illustrative engagement letter will be issued during the third quarter of 2012 and will be available for download from the IRBA website.

*Research request from the International Integrated Reporting Council (IIRC)*

The IRBA Board has approved a request from the IIRC for the SSC to form a Technical Collaboration Group (TCG) to identify critical assurance issues relating to assurance reporting on integrated reports. The TCG will report its findings and recommendations to the IIRC by February 2013. These will inform the assurance aspects to be included in the second Discussion Paper of the IIRC expected to be issued in mid-2013.

This research is intended to provide the Technical Task Force (TTF) of the IIRC with information and analyses in its considerations of the development of the International Integrated Reporting Framework (including the Guiding Principles and Content Elements) to understand the issues and possible solutions affecting the provision of assurance on information in an integrated report. It is anticipated the findings will inform the assurance elements in the second Discussion Paper on Integrated Reporting to be issued by the IIRC in mid-2013. The research is expected to contribute to the development of a sufficiently robust integrated reporting framework to provide suitable criteria for an assurance engagement and report.

**CFAS B-BBEE ADVISORY COMMITTEE**

The CFAS B-BBEE Advisory Committee is finalising the South African Standard on Assurance Engagements (SASAE) 3502

*Assurance Engagements on B-BEE Verification Certificates* (SASAE 3502) which contains the requirements and guidance for B-BBEE Approved Registered Auditors providing such assurance services.

The SASAE 3502 will be considered by the CFAS and, subject to final changes, be recommended to the Board for approval to issue later in 2012.

Following the finalisation of SASAE 3502 the Committee for Auditor Ethics (CFAE) will consider possible amendments to the IRBA Code of Professional Conduct, or additional guidance to be provided to B-BBEE Approved Registered Auditors to address emerging trends regarding possible conflicts of interest and improper conduct directly related to the B-BBEE assurance engagements.

We congratulate those registered auditors who have successfully completed the prescribed B-BBEE MDP programme and have registered with the IRBA as B-BBEE Approved Registered Auditors. To date more than 90 auditors have successfully completed the course and have been registered as B-BBEE Approved Registered Auditors, to provide B-BBEE assurance engagements to issue *B-BEE Verification Certificates* from the date of their registration. A list of the B-BBEE Approved Registered Auditors can be found on the IRBA website.

The DTI has gazetted under Section 9(1) of the Broad-based Black Economic Empowerment Act, No. 53 of 2003 the Information and Communication Technology (ICT) Sector Code and the Property Sector Code in June 2012. The DTI also released a Statement of Clarification on the effective dates on Sector Codes as well the 6-10 year targets. A link to the Sector Codes and the Statements of Clarification are available on the IRBA website.

**ACTIVITIES OF THE INTERNATIONAL AUDIT AND ASSURANCE STANDARDS BOARD (IAASB)****Issue of the 2012 Handbooks by the IAASB**

The electronic versions of the IAASB *2012 Handbook of International Quality Control, Auditing, Review, Other Assurance, and Related Services Pronouncements* and the *2012 Handbook of the IESBA Code of Ethics for Professional Accountants* are now available. They can be accessed at and printed copies can be purchased from IFAC's Publications & Resources site. They will also be made available in PDF format for download from the IRBA website.

The following IAASB pronouncements have been approved by the IRBA Board for adoption and are prescribed for use by registered auditors:

- The IAASB's *Amended Preface to the International Quality Control, Auditing, Review, Other Assurance, and Related Services Pronouncements*.
- ISA 610 (Revised), *Using the Work of Internal Auditors* and consequential changes to ISA 315 (Revised), *Identifying and Assessing the Risks of Material Misstatement through Understanding the Entity and Its Environment*.
- ISRS 4410 (Revised), *Compilation Engagements*.
- ISAE 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information included in a Prospectus*.
- IAPN 1000, *Special Considerations in Auditing Financial Instruments*.

The IAASB's Amended Preface, ISAE 3420, ISA 610 (Revised), ISA 315 (Revised), ISRS 4410 (Revised) and IAPN 1000 are all included in the 2012 Handbooks. The existing IAPNs contained in the 2010 edition of the Handbooks have all been withdrawn by the IAASB and will not be re-issued.

**Plan for a Post-Implementation Review of the Clarified International Standards on Auditing**

The IAASB's post-implementation monitoring review plan was issued in October 2011. The IRBA is one of three national standard setters who have agreed to participate and has established an Implementation Task Group that is engaged in obtaining responses from a broad range of stakeholders to the surveys issued by the IAASB. The implementation review includes:

- the provision of further information about the main differences (if any) between the clarified ISAs and national auditing standards, submitted in June 2012;
- a survey of audit committees submitted at the end of July 2012;
- part 2 of a survey of small and medium practices (SMP survey), due to be submitted by October 2012; and
- a survey of a range of registered auditors on all the clarified standards, due to be submitted by October 2012.

**Other current projects of the IAASB**

Details of progress on this and other projects, including comments received can be found at <http://www.ifac.org/auditing-assurance/projects>.

**Invitation to Comment: Improving the Auditor's Report**

The IAASB issued a consultation document, *Invitation to Comment: Improving the Auditor's Report*, in June 2012, which features a revised auditor's report that illustrates the application of the IAASB's suggested improvements to the auditor's report to meet the calls of the European Union (EU) and investors for more informative auditors' reports.

The Invitation to Comment (ITC) also provides the IAASB's rationale for the suggested improvements, together with a discussion of their potential value and impediments,

and the areas in which feedback is sought. Comments on the ITC are due to the IAASB by 8 October 2012. The ITC may be found on the IAASB's website. The proposals are far reaching and auditors and users of auditor's reports are urged to submit comments to the IRBA by 24 September 2012 for consideration for inclusion in the IRBA's comment to the IAASB.

### IAASB Engagement Standards issued subsequently

ISAE 3410 *Proposed Assurance on a Greenhouse Gas* Statement was issued by the IAASB in June 2012 and is effective for assurance reports covering periods ending on or after 30 September 2013. ISAE 3410 was approved to recommend to the

Board for issue in South Africa at the August 2012 CFAS meeting.

### SMALL AND MEDIUM PRACTICES

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

SMPs may find the publications available on the IFAC website useful in running their practices and in the audit of small and medium enterprises (SMEs). These publications have not been issued as guidance in South Africa as they have not gone through the IAASB's due process for development of International Standards. The guidance may however be of use to SMPs, bearing in mind however that registered auditors are required to apply ISQC 1 and the IAASB International Standards.

The SMP publications may be found at <http://www.ifac.org/about-ifac/small-and-medium-practices-committee> and <http://www.ifac.org/issues-insights/smpps-smes>

## ETHICS

The CFAE Task Groups will be addressing the following issues:

- Possible amendments to the Code of Professional Conduct and/or additional guidance on independence and ethical issues for B-BBEE Approved Registered Auditors engaged to provide B-BBEE Verification Certificates to address emerging trends of possible improper conduct; and
- The Public Interest Task Group will continue to conduct research into the responsibilities of the IRBA in meeting its public interest mandate as the audit regulator, with a view to possible amendments of the Code and additional guidance for auditors;
- The submission of comments on the recent proposed amendments to the IESBA Code of Ethics for Professional Accountants relating

to a *Proposed Change to the Definition of "Those Charged with Governance"* to align the Code with the meaning of those charged with governance as used in IAASB International Standards.

For further information on professional ethical issues you may contact the IRBA by email to [standards@irba.co.za](mailto:standards@irba.co.za) or by telephone on 087 940 8800.

## REPORTABLE IRREGULARITIES

### REPORTABLE IRREGULARITY REPORTS

The FlowCentric Reportable Irregularities (RI) system is working well and we thank those auditors who have responded to automated reminders for the timely submission of their second reports as the number being received late, i.e. after 30 calendar days, has been reduced substantially in the past 6 months. We hope the regular automated reminders, sent following the receipt of a first report, have contributed to the improvement in prompt responses received.

Auditors are urged to continue to submit their second reports within 30 calendar days, as a failure to do so amounts to a contravention of the Auditing Profession Act and may result in a referral to our Legal Department.

When submitting their reports auditors are requested to identify which section, of which Act, has been contravened and resulted in

# REPORTABLE IRREGULARITIES

CONTINUED

the alleged or suspected irregularity. This will assist the IRBA administrators in identifying the appropriate regulator to forward the RI report to. Regulators have requested auditors to include the name of the contact person at the audit client (e.g. financial director), as well as the relevant telephone number and e-mail address, to assist them in their investigations.

Where regulators contact the auditors for information, instead of

the client, please refer the regulator to the client directly. If the regulator asks for access to the audit working papers, please refer to the IRBA Guide on Access to Audit Working Papers on the IRBA website.

## Regulator workshops

The IRBA is in the process of arranging meetings/workshops with the various regulators, in order for the regulators to provide feedback on their investigations and to

understand and find solutions for any administration difficulties. Topics to be discussed are the IRBA's RI process and procedures, feedback on the revision of the RI guide, feedback from regulators to the IRBA in respect of RIs sent to them and the effectiveness of the RI process for enhancing enforcement processes.

## Update of the Reportable Irregularities Guide

The revision of the Reportable Irregularities Guide to make changes arising from the Companies Act, 2008 and Regulations pursuant thereto has been delayed due to the potential implications of the proposed amendments to the Auditing Profession Act currently in progress. Proposed changes to the Reportable Irregularities Guide include:

- guidance for independent reviewers when reporting irregularities to CIPC;
- legal advice regarding the interpretation of a part (c) of the definition: "represents a material breach of a fiduciary duty owed by such a person to the entity or any partner, member, shareholder, creditor or investor of the entity under any law applying to the entity or the conduct or management thereof"; and
- to provide further illustrative examples of RIs.

## Reportable Irregularities received

	Quarter ended 30 June 2012		Year ended 31 March 2012	
Number of reports received and files closed within 40 days	111	86%	637	82%
Number of 2nd reports received late (after due date)	18	14%	140	18%
<b>Total number of RIs received</b>	<b>129</b>	<b>100%</b>	<b>777</b>	<b>100%</b>

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## LEGAL

### QUARTERLY REPORT FROM THE DIRECTOR: LEGAL FOR THE PERIOD 1 APRIL 2012 TO 30 JUNE 2012

#### INVESTIGATING COMMITTEE

The Investigating Committee met twice during this period and referred 17 matters to the Disciplinary Advisory Committee with recommendations.



## DISCIPLINARY ADVISORY COMMITTEE

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

### Decisions not to charge

- two 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);
- one matter 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 (being that there are no reasonable prospects of succeeding with a charge of improper conduct against the respondent);
- one matter in terms of Disciplinary Rule 3.5.1.5 (being that in all the circumstances it is not appropriate to charge the respondent with improper conduct).

### Decision to charge and matter finalised by consent

Three practitioners were fined:

- one matter related to negligence in performing the audit of a listed

entity (fine of R100,000 was imposed);

- one matter related to negligence in performing the audit of a Body Corporate (R50,000 of which R25,000 was imposed, suspended for three years on conditions);
- one matter related to a 3rd inspection, 3rd cycle review (a fine of R60,000 of which R30,000 was imposed, suspended for five years on conditions).

## DISCIPLINARY COMMITTEE

The Disciplinary Committee convened three times during this period.

### FIRST MATTER

On 14, 15 and 17 May 2012 the Committee considered the matter of Mr E R Lindemann of the firm Lindemanns Ingelyf. He was neither present nor represented. The charges and finding appear from the extracts from the Reasons for Finding, as delivered by the chairman of the committee, Adv Alan Dodson SC.

### REASONS FOR FINDING

#### Introduction

The respondent is a registered auditor with the Independent Regulatory Board for Auditors ("the IRBA"). He has been charged with 13 charges of professional misconduct. On Friday 11 May 2012 the respondent tendered his resignation as an auditor, in writing, with effect from 31 May 2012. He accordingly remains a registered auditor at the time of the relevant disciplinary proceedings.

In any event, this is of no moment because section 39(7) of the Auditing Profession Act No. 26 of 2005 ("the Act") provides for the institution of disciplinary proceedings against an auditor whose registration has been cancelled or removed, in respect of conduct committed prior to the cancellation or removal.

Shortly after proceedings recommenced, a document was received from the respondent in which he -

- 1 apologised for his failure to attend;
- 2 stated that he wished to plead guilty in respect of all of the charges save for charges 1, 2 and 12;
- 3 contended that in respect of charges 1 and 2 there were mitigating circumstances in that he was compelled to do what he had done and there had been no consequences for clients;
- 4 stated that as far as charge 12 was concerned, he persisted in his stance that he had not done anything wrong;

- 5 presented certain mitigating circumstances

### The charges

The respondent faced a wide range of charges of infringement of the "old disciplinary rules",<sup>1</sup> being the rules applicable to the complaints in question. These included in respect of the first, second, third, fourth, fifth, sixth, ninth, tenth and eleventh charges, allegations of dishonesty.

In essence, the factual basis of-

- 1 the **first charge** is that the respondent undertook to his partners and conveyed in affidavits to the IRBA that with effect from

<sup>1</sup> Paragraphs 2.1.1 to 2.1.21 of the Disciplinary Regulations referred to in section 59(8)(c) of the Auditing Act, as in force at all relevant times prior to 1 January 2011.

- December 2005 he would no longer perform the attest function and, as regards the IRBA, that he would inform it immediately in writing should he resume performance of the attest function, but this notwithstanding, he signed the audit report to the financial statements of the body corporate, Marcon, in 2006 and an amended report in terms of the rules of the Micro Finance Regulatory Council ("MFRC") in respect of the company PNI Financing on 7 July 2006.
- 2 the **second charge** is that in 2005 he altered a draft report, and in 2006 amended a signed report prepared in terms of the rules of the MFRC, the effect of which was to conceal from the MFRC noncompliance with its rules and with the exemption issued in terms of the Usury Act No. 73 of 1968, which allows micro lenders to charge higher interest rates in respect of micro loans, provided that they are registered with the MFRC and comply with certain other conditions.
  - 3 the **third charge** is that he agreed to set up a trust and transfer the Steyn family farm to it and that he would be paid a fee of R400 000 for doing so. The Steyns also signed a debit order to enable him to deduct his fees when they became due. He never did the work yet debited and transferred to the partnership's banking account amounts totalling R389 600.
  - 4 the **fourth charge** is that in purporting to account for the moneys he had debited from the account, the respondent purported to produce South African Revenue Service ("SARS") receipts for capital gains tax on the transfer of the property, but these receipts were generated by him by paying cheques to SARS for R200 000 which were then dishonoured.
  - 5 the **fifth charge** is that he purported to debit amounts for Value Added Tax ("VAT") on services which were not subject to VAT.
  - 6 the **sixth charge** is that he had undertaken to refund R250 000 of the misappropriated funds and issued a cheque knowing there were insufficient funds in the account to honour the cheque and the cheque was duly dishonoured.
  - 7 the **seventh charge** is that provisional sentence summons was issued against him out of the Western Cape High Court for recovery of the misappropriated funds and he then entered into a settlement agreement involving an acknowledgement of debt in the amount of R341,754.37, payable in three instalments by 1 July 2010, together with interest. This settlement agreement was made an order of court. He only repaid amounts totalling R70,000.
  - 8 the **eighth charge** is that he failed to respond to the Board's correspondence in connection with the Steyn family's complaint.
  - 9 the **ninth charge** is that in his capacity as co-executor in the estate of the late Mr S J Roy, he withdrew amounts from the estate bank account which were not due as the estate had not been wound up and no such amounts were payable to the respondent. The total was R135,660 plus bank charges of R103.95. The withdrawals took place in September and November 2004 and January and February 2005.
  - 10 the **tenth charge** is that he debited from Dr I J Roy's account two amounts of R17,100 each during December 2008, which transfers were reversed on the insistence of Mr A Roy.
  - 11 the **eleventh charge** is that he represented to the late Dr I J Roy before his death that he required a payment of R400 000 into the estate account for the late Mr S J Roy for payment of estate duty. Dr Roy paid R490,000. In fact, no such amount was paid to SARS. Further, he falsely stated in writing to the executor in the estate of the late Dr Roy, Mr Gordon, that he had invested R400,000 in a group account at Investec and would out of that repay portions maturing monthly. He repaid R150,000, but failed to pay the balance. Mr Gordon issued summons for payment of the amount of R250,000 and obtained a default judgment which the respondent has not satisfied.
  - 12 [the twelfth charge was withdrawn.]
  - 13 the **thirteenth charge** is that he failed to respond to correspondence in connection with the Roy family's complaints.
- The committee accepted the respondent's plea of guilty in respect of the third to eleventh and thirteenth charges, and duly found the respondent guilty in respect of them.
- The committee then proceeded on the assumption that the respondent had pleaded not guilty in respect of the first and second charges and heard the evidence led by the pro forma complainant in that regard. [The summary of the evidence is omitted]
- ### Findings on charge 1
- The committee has carefully considered the evidence led by the pro forma complainant as well as the closing argument presented by him.
- The committee has also carefully considered the evidence led as against the charges in considering whether sufficient evidence has been adduced to prove the respondent's guilt.
- In relation to the first charge, the committee is not satisfied that the standard-form, attest/non-attest affidavits which were provided to the IRBA by the respondent excluded performance of the function which the accredited professional or person was required to perform in terms of the MFRC Rules. In this regard the non-attest affidavit only provides that the practitioner will not perform "*audits of financial statements, attorney's trusts or estate agents trusts*". This does not include the function envisaged by the MFRC circular referred to above.
- However, the committee is satisfied that the function envisaged by the

MFRC circular still involved the provision of assurance and the performance of the attest function as it is more generally understood. In particular, it is significant in this regard that the MFRC circular requires that the agreed-upon procedures be performed in accordance with the Statement of South African Auditing Standards.

It is not clear to the committee that the respondent's conduct in this regard constituted a particular, identifiable criminal offence involving dishonesty, as contemplated in paragraph 4.1 of the schedule of charges.

However, the committee is satisfied that the practitioner was dishonest in the performance of work and duties devolving upon him in relation to work of a type commonly performed by a practitioner which he has undertaken or accepted, insofar as he surreptitiously signed the amended PNI Financing report in 2006 and concealed from his partners the fact that he had done so, when he had undertaken to his partners that he would not perform the attest function.

The respondent was guilty of a similarly dishonest breach both of his agreement with his partners and of the affidavit provided to the IRBA insofar as he signed the audit report to the 2006 annual financial statements of the Marcon body corporate.

In the circumstances, on the first charge the committee finds the respondent guilty of the instances of professional misconduct itemised in paragraphs 4.2, 4.4 and 4.5. No adequate factual basis was presented to justify a finding of guilt under paragraph 4.3, which reads :

*"The respondent is guilty of improper conduct within the meaning of rule 2.1.15 of the old disciplinary rules in that, in the respects set out in paragraph 5 below, he failed to comply within a reasonable time with an order, requirement or request of the board."*

### Findings in relation to the second charge

In relation to the second charge, it is clear that the respondent effected the amendments to the draft report prepared by Mr Bester in 2005 and the report prepared by Mr Bester and signed by Mr Heyns in 2006, in connection with PNI Financing. The reports were false insofar as they represented that there was compliance by PNI Financing in respect of the items which had been deleted.

The effect of his conduct was to enable PNI Financing to place before the MFRC documents which falsely represented that they were not guilty of the contraventions of the relevant rules and conditions which had been itemised in the reports in their unamended form.

The crime of fraud is defined as follows :

*"Fraud is the unlawful and intentional making of a misrepresentation which causes actual prejudice or which is potentially prejudicial to another."*<sup>2</sup>

The misrepresentation contained in the documents reflecting the amendments made by the respondent at the very least caused potential prejudice to the MFRC, which was frustrated in the performance of its statutory function and to the members of the public whose interests were sought to be protected by the MFRC and the rules and legislation which they implemented.

In the circumstances, the committee is satisfied that the respondent's conduct in this regard constitutes fraud as contemplated in paragraph 6.1 of the schedule of charges. In any event, the committee is satisfied that the practitioner was in this respect dishonest in the performance of work and duties devolving upon him in relation to work of a type commonly performed by a practitioner which he has undertaken or accepted, as

contemplated in paragraph 6.2 of the schedule of charges.

Accordingly, in relation to the second charge, the committee is satisfied that the pro forma complainant on behalf of the IRBA has proven all of the factual averments underlying the charges and that the respondent is guilty of all of the forms of improper conduct listed in paragraphs 6.1 to 6.5.

### Conclusion

In the circumstances, the respondent is found guilty of charges 1 to 11 and 13.

Insofar as each of the charges list a range of different forms of misconduct infringing different rules, the finding of guilt in respect of each charge is treated as a single offence and, for purposes of sanction, reliance will be placed only on the most serious of the listed infringements found in each case.

## REASONS FOR SANCTION

### Introduction

On Thursday 17 May 2012, the disciplinary committee handed down its decision in respect of the disciplinary sanction imposed on the respondent. The sanction was imposed in respect of various charges on which he was found guilty of improper conduct. The charges are explained in the committee's decision in which it found him guilty of improper conduct.

At the time, the committee indicated that it would give the reasons for its decision on sanction later. These reasons now follow.

<sup>2</sup> The Law of South Africa, 2 Ed Vol 6 Criminal Law para 306.

The committee considers the matter of an appropriate sanction from three perspectives. The first is from the perspective of the particular offence or offences involved. The second is from the perspective of the practitioner involved. The third is from the perspective of the community, including both the broader community served by the auditing profession and the narrower community of the auditing profession itself.

### The offence

The respondent has been found guilty on 12 separate charges. Six of those charges were offences involving serious instances of dishonesty.

The seriousness of the dishonesty was aggravated by the following factors:

- the considerable amounts of money involved;
- the extent to which the respondent abused the trust which had been placed in him, as evidenced by the willingness of clients to allow him to debit fees directly from their bank accounts. The breach of trust was also evident *inter alia* in his having misappropriated funds from the estate of which he had been appointed co-executor.
- the vulnerable position of his clients who were the victims of the offences. This was particularly apparent in the case of the elderly Dr Roy who was, through misrepresentations by the respondent, pressurised into advancing an amount in respect of estate duty following what must have been the traumatic loss at a relatively young age of his son, Mr S Roy.

As this committee said in the context of other disciplinary proceedings involving similar offences by a different practitioner –

*“The criminal conduct in which the respondent engaged was of the worst possible kind that an auditor might involve himself in. He used his position of trust as auditor and accountant to provide the opportunity for engaging in the criminal conduct complained*

*of. His actions were manifestly carefully planned and deliberate. ...*

*When offences involve dishonesty, the Disciplinary Committee and the Board view such matters as being of the utmost seriousness. All the more so where the dishonesty goes to the heart of the auditor’s function.”*

Exactly the same can be said of the respondent in this case.

In addition to the offences involving dishonesty, he has also been convicted of a number of additional offences which reflect very poorly on his conduct as a registered auditor, even though they did not involve dishonesty.

### The practitioner

The practitioner is a 57 year old registered auditor. His practice is in Paarl and Bloemfontein. As pointed out in the decision in which he was found guilty, he has of his own volition removed his name from the register of auditors with effect from 31 May 2012.

On 16 May 2012, the respondent requested that he be given permission to submit written representations to the disciplinary committee in mitigation of sentence. He claimed to be unable to attend the proceedings pertaining to mitigation on account of the fact that they coincided with Ascension Day on the Christian calendar. He considered that this precluded him from attending the proceedings, despite the fact that the IRBA had encouraged him to do so and had undertaken to cover his reasonable air and other travel expenses. It was the first time that he had raised this concern, despite having been notified of the dates for the hearing in March 2012.

The committee decided to receive the written representations. In doing so, the committee makes it clear that it is not encouraging participation in disciplinary proceedings simply through the medium of written submissions. It is the committee’s preference that practitioners attend

disciplinary committee proceedings in person and that if they give evidence in mitigation, they do so in person and under oath.

The written representations presented by the respondent confirmed his acknowledgement that he had done wrong. He said that he had addressed his wrongdoing through his religious faith and by working hard to repay the victims of his offences. Although he did not present evidence of this, he claimed to be in the process of effecting repayments of the funds and to have made progress in repaying his indebtedness. The IRBA was able to obtain independent verification of this from one of his creditors.

Accordingly he asked for leniency and to be given the chance to continue to earn an income to be able to repay these debts. He also pointed out that he employs some 11 people in his practice whose employment would potentially be threatened. He mentioned the fact that he had over the years trained 12 chartered accountants who had taken up positions in the profession, academia and business.

He also raised concerns about the potential impact of publication of his name and the details of his offences.

### The community

From the perspective of both the broader community and the community constituted by the auditing profession, the respondent’s misconduct is a matter of grave concern.

Conduct of the kind in which he engaged brings the profession into disrepute. His victims were members of the public whom the profession was meant to serve and assist. Instead they were severely prejudiced. Apart from the money they lost, they incurred further losses in having to pursue the cost of legal proceedings in recovering the misappropriated funds. They also forfeited interest which might otherwise have been earned on the funds concerned.

The anguish caused to his victims was particularly apparent from a letter which the late Dr Ian Roy addressed to his son Alan Roy, when he sought his son's assistance in raising the R400,000 which the respondent had misrepresented was required to be paid for estate duty.

His misconduct in relation to charge 2 was also prejudicial from the perspective of the public interest. The rules imposed in terms of the Usury Act exemption and the rules of the Micro Finance Regulatory Council are put there specifically to protect vulnerable, poor members of the public. His conduct in relation to this charge had the effect of undermining the protection sought to be afforded the members of the public to whom his client was granting micro loans. It also caused prejudice to the Micro Finance Regulatory Council in the course of its work in regulating the micro lending industry.

### THE SANCTION

The committee gave careful consideration to all of the above matters, including the respondent's written representations.

The committee came to the conclusion that in respect of each of the charges involving dishonesty, the respondent's registration as an auditor should be cancelled and his name removed from the register referred to in section 6 of the Auditing Profession Act.

In addition, where the conduct involved misappropriation of funds and related improper conduct, the committee was of the view that there should in addition be the sanction of a fine. Fines were also imposed in respect of the offences not involving dishonesty in an amount proportional to the seriousness of the offence involved.

In determining the amounts of the fines and in deciding to suspend them, the committee has taken into account his representations as to his personal circumstances. It has also taken into account that –

- the respondent's allegedly weak financial position (although he did not provide evidence of this); and
- albeit belatedly, he did cooperate with the committee insofar as he pleaded guilty to most of the offences with which he was charged; and
- he cooperated in the process of confirming the plea of guilty in the course of the proceedings.

The committee decided to suspend the fines on the condition that they would only become payable in the event that the respondent should at any future date seek to become re-registered as an auditor. In suspending the fines on this condition, the committee should not be seen to be creating any expectation of any entitlement to be re-registered.

Having regard to the respondent's allegedly weak financial position as well as his belated cooperation in pleading guilty to most of the charges, the pro forma complainant on behalf of the IRBA did not seek, and the committee did not make, any order that the respondent pay a contribution towards the costs of the proceedings, notwithstanding its power to make such an award.

Whilst the committee has carefully considered the respondent's concerns about the potential consequences of publication, on balance it is not persuaded that publication of the respondent's name in connection with the offences should be precluded.

Given the serious nature of the offences and the breaches of clients' trust which were involved, the committee has come to the view that the public is entitled to know of what transpired in this regard and of the respondent's role in it. Accordingly, the committee decided that there should be publication of the relevant details in IRBA News. The committee required that in every instance where the respondent's name is

mentioned, his firm's name also be referred to.

It is also appropriate that the IRBA alert the organised accounting profession to the convictions and sanctions imposed.

For these reasons, the Committee imposed the following sanction under rule 7.6, read with section 51(3), (4) and (5) of the Auditing Profession Act:

- In respect of charges 2, 3, 4, 9, 10 and 11, the committee cancels the respondent's registration and orders that his name be removed from the register referred to in section 6 of the Auditing Profession Act.
- The respondent is in addition fined –
  - o R100,000 in respect of each of charges 3, 4 and 11;
  - o R75,000 in respect of charge 9;
  - o R50,000 in respect of charge 6;
  - o R30,000 in respect of charge 5;
  - o R25,000 in respect of charge 10;
  - o R20,000 in respect of each of charges 1 and 7;
  - o R10,000 in respect of each of charges 8 and 13.

The fines in the previous subparagraph are suspended in terms of rule 8.2 on condition that should the respondent at some future date apply to be registered as an auditor under the Auditing Profession Act, or any relevant subsequent amending or repealing legislation, the respondent's prior payment of the fines is a condition of his registration as such.

No order is made as to costs.

The respondent's full names, qualified in each instance by a reference to his firm, Lindemanns Ingelyf, the decisions of the committee on the charges against him and on the finding and reasons in respect of the sanctions imposed, are to be published in the IRBA News.

The decisions referred to above must be taken into account by the Board in considering whether the respondent is a fit and proper person if ever he seeks in future to be re-registered as an auditor.

The Board is requested to notify The South African Institute of Chartered Accountants and any other relevant accounting institution with which the respondent might be registered or seek to become registered, of the information referred to above.

### SECOND MATTER

On 25 May the committee convened again in a matter which was part heard to hear the evidence of the final witnesses, and argument on finding. The finding was handed down by the chairman on 15 June 2012. It is not appropriate to publish the details of this case as yet, as argument on sentence will only be heard on 21 August 2012.

### THIRD MATTER

On 25 - 29 June the Committee sat again to hear another matter. This too is part heard and resumes in January 2013.

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## REGISTRY

**INDIVIDUALS ADMITTED TO  
 THE REGISTER OF THE BOARD  
 From 1 APRIL To  
 30 JUNE 2012**

**Adam** Ziyaad  
**Akram** Nazir Ahmed  
**Alberts** Anneliza  
**Amhatsion** Lemlem Ghebreselassie  
**Bakali** Victor Bamu  
**Bambisa** Makhosazana Sharon  
**Barlow-Tekie** Georgina Nelisiwe  
**Bellini** Marissa  
**Bertram** Celeste  
**Bethell** Leonette  
**Black** David  
**Blum** Sonja  
**Boatwright** Sally Ann  
**Bodenstein** Renette Sophia  
**Booysens** Jan Adriaan  
**Byles** Henry  
**Chen** Su-Chin  
**Coetzee** Jacques  
**Coetzee** Malanie  
**Corbett** Dodrie  
**de Klerk** Aart Jacques  
**de Villiers** Karien  
**Di Emidio** Michele  
**du Preez** Maritza

**du Toit** Francois Paulus  
**Duvenhage** Lourens Marthinus  
**Els** Corné  
**Engelbrecht** Maryke  
**Flack** Denise Elizabeth  
**Froneman** Jacobus Daniel  
**Gani** Mohamed Farouk  
**Greyling** Lucha  
**Hanekom** Brandon Michael  
**Hansen** Sarah Kate  
**Harvey** Lee  
**Hendrikse** Anja  
**Human** Johannes Hermanus  
**Hurley** Chantel  
**Jansen** Charlton Clarence  
**Jeeva** Firdaus  
**Jhetam** Muhammed Bilal  
**Jordaan** Gerhardus Lourens  
**Juta** Xolani  
**Kaloo** Nadia  
**Klaver** Jenny  
**Koen** Maryke  
**Lamprecht** Melani  
**Lefutswe** Tshenolo Edwin  
**Liechi** Robert  
**Lockhat** Muhammad  
**Lombard** Bernadine  
**Mamod** Fatima Kamrudin  
**Marais** Selma  
**Maredi** Lamet Treasure Mahlatsi

**Maritz** Maria Adriana  
**Mashilwane** Thetele Emmarancia  
**Matenche** Refilwe  
**Mathebula** Donald Zondhiwa  
**Matodzi** Thabelo Grace  
**Meyer** Stefani  
**Mlambo** Sherpard Gonera  
**Mothlamme** Lesego  
**Moti** Firdause  
**Mouton** Christa  
**Mthembu** Ntombizodwa Patricia  
**Mullins** Clinton William  
**Ncube** Ronald  
**Nel** Bianca Maureen  
**Nene** Lungile Precious  
**Niebuhr** Martin Werner  
**Odendaal** Donovan Howard  
**Osman** Nabeelah  
**Pauley** Chantelle  
**Pelser** Paul Stephanus  
**Pienaar** Danie Francois  
**Pieterse** Rossouw  
**Podesta** Monique  
**Porter** Nicole Magaretha  
**Prakke** Andrea  
**Ramaleba** Mushavhi  
**Ravhudzulo** Khathutshelo Percy  
**Roos** Hendrik Lukas  
**Saunders** Chantal Amy  
**Scott** Clayton Richard

# REGISTRY

CONTINUED

**Senekal** Stefan Johannes  
**Smal** Christiaan Lambert  
**Smith** Ryan Lee  
**Smuts** Geraldine  
**Snyman** Liesl  
**Steyn** Hendrik Johannes  
**Stoler** Ryan Brett  
**Strauss** Helena  
**Stroh** Melinda  
**Tolmay** Stefanus  
**Tshuma** Siniko  
**van der Laan** Wiebe Willem  
**van der Merwe** Stefan Johan  
**van der Westhuizen** Jacomina Maria Johanna  
**van Jaarsveld** Jacobus Johannes  
**van Jaarsveld** Salomina Johanna  
**van Zyl** Dedre  
**Vandier** Theroshen  
**Verster** Charné Bertha  
**Visagie** Graeme  
**Vorster** Annerie  
**Wessels** Barend Johannes  
**Whitehead** Henry Stephen  
**Woodley** Colleen Helen  
**Zuma** Xolisile Pamela

## INDIVIDUALS RE-ADMITTED TO THE REGISTER OF THE BOARD From 1 APRIL To 30 JUNE 2012

**du Plessis** Simon Jurgens Petrus  
**Els** Frans Sarel Jacobus  
**Friday** Mark Richard  
**Fuls** Kurt Jan  
**Groenewald** André  
**Jack** Vuyo  
**Leolo** Malose Edmund Ntlotlwane  
**Malaba** Nhlanhla Kelvin Siphon  
**Maseng** Modise Ishmael  
**McKay** Cindy  
**Möller** Johanna Theron  
**Mpungose** Hopewell Gladstone Sifiso  
**Muller** Beyers  
**Osman** Hanifa  
**Pather** Kauslin  
**Smith** Ian Frederick  
**Sondlo** Nolubabalo

## INDIVIDUALS REMOVED FROM THE REGISTER OF THE BOARD From 1 APRIL To 30 JUNE 2012

**Aboo** Ebrahim Omar, Deceased  
**Aboo** Fazana, Resigned  
**Abrahamson** Lawrence Paul, Resigned  
**Acker** Madelein, Resigned  
**Aucamp** Maree, Resigned  
**Berger** Stanley Mannie, Resigned  
**Bertie** Christopher John, Resigned  
**Bold** Jamie Shaw, Resigned  
**Booyens** Hanchen, Resigned  
**Botha** Johannes Petrus, Resigned

**Bruce** Heili Magda, Resigned  
**Burger** Abraham Gerhardus, Resigned  
**Calinikos** Philip, Resigned  
**Campbell** Robert Lewis, Resigned  
**Coetzee** Gert Hendrik Jacobus, Resigned  
**Coetzee** Hendrik Andries, Resigned  
**Collett** Llewellyn Jack, Resigned  
**Combrink** Wilma, Resigned  
**Conradie** Pieter Jacobus, Resigned  
**Du Plessis** Susanna Maria, Resigned  
**Engelbrecht** Jacobus Christiaan, Emigrated  
**Fikkert** Michael Hans, Resigned  
**Foster** Michael Jeffrey, Resigned  
**Gaie Booyens** Felicia Frederieka, Resigned  
**Galal** Sapna, Resigned  
**Gerber** Johan Andre, Resigned  
**Geyer** Jacobus Lodewikus, Resigned  
**Gololo** Mamepe Norah, Resigned  
**Gordhan** Yaswant Narotham, Resigned  
**Gould** Patrick George Winchester, Resigned  
**Goussard** Heleen, Resigned  
**Govender** Surein, Resigned  
**Graham** Daniel Edthmund, Resigned  
**Hamann** Ralph Norman, Resigned  
**Harvey** Julie Carolyn, Resigned  
**Hendson** Denise, Resigned  
**Hillocoat** Candice Joy, Resigned  
**Hofart** Gregory Dean, Resigned  
**Jackson** Robert David, Resigned  
**Keet** Alan Edward, Resigned  
**Khan** Amanullah, Resigned  
**Killops** Robert William, Resigned  
**Kirkman** Claude William, Resigned  
**Kruger** Riana, Resigned  
**Labuschagne** Sandra, Emigrated  
**Lambat** Ismail Mahomed Farouk, Resigned  
**Lawson** Vernon James, Resigned  
**Lesejane** Motshwanedi Johannes, Resigned  
**Levin** Bernard Victor, Resigned  
**Levin** Denis Stanley, Emigrated  
**Lipschitz** Kenneth, Resigned  
**Loonat** Mohamed Shafee, Resigned  
**Lourens** Francois Christiaan, Resigned  
**Lubbe** Benjamin Burger, Resigned  
**Luiz** Emanuel Donascimento, Resigned  
**Maharaj** Harish, Emigrated  
**Martin** Kim Taryn, Resigned  
**Marwick** Meredith Oliver Rea, Resigned  
**Mokua** Rapula Solomon, Resigned  
**Molfetas** James Peter, Resigned  
**Mtshali** Thamsanqa Fortune Sikhumbuzo, Deceased  
**Mukova** Kudakwashe Kennedy, Resigned  
**Mustard** Clinton, Resigned  
**Musundwa** Mandla Peter, Resigned  
**Naidoo** Daniel, Resigned  
**Ndwandwa** Sazi Asanda, Resigned  
**Nel** Maralyn Christine, Resigned

**Norris** Bruce Jacques, Resigned  
**Oosthuizen** Roelof, Resigned  
**Preskovsky** Raphael Saul, Deceased  
**Prinsloo** Gideon Johannes Hendrikus, Resigned  
**Read** Neville Bedford, Resigned  
**Reed** Clifford Walter, Resigned  
**Rickard** Ashton John, Resigned  
**Riley** Michael John, Resigned  
**Rushton** Jayne Carol, Resigned  
**Schmidt** Lejanie, Resigned  
**Schneider** Inghe Esthia, Resigned  
**Schutte** Maarten Jacobus, Deceased  
**Sehlapelo** Calvin Paul Mogau Roy, Resigned  
**Singh** Amritha, Resigned  
**Sklaar** Barnett Kevin, Resigned  
**Smit** Leon, Resigned  
**Smit** Willem Johannes Jakobus, Resigned  
**Smith** Glynis, Resigned  
**Spencer** John Hal McCann, Resigned  
**Suknanan** Natasha, Resigned  
**Surtees** Peter Geoffrey, Resigned  
**Swart** Johannes, Resigned  
**Swart** Suzette, Resigned  
**Tamboer** Ronald Johan, Resigned  
**Teague** Lee-Anne, Emigrated  
**Tebbutt** Leonard, Resigned  
**Terreblanche** Hendrik Josephus, Resigned  
**Tijpueja** Patterson Kaetere, Resigned  
**Tromp** Jean-Pierre, Resigned  
**van den Berg** Barend Petrus, Resigned  
**van Tonder** Marietjie, Resigned  
**van Wyk** Adriaan Jacobus Jeremia, Resigned  
**Venter** Riana, Resigned  
**Vermeulen** David Johann, Resigned  
**Visser** Ernestus Johannes Jakobus, Resigned  
**Voigt** Bernard Scott, Emigrated  
**Waymark** John Edward Stuart, Resigned

**Caroline Garbutt**

**Manager: Registrations**

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# 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 January to May 2012 is set out below. These communiqués may be downloaded from the IRBA website, under the various "News" tabs.

10/04/2012	Reminder of Submission Deadline for Documents Required for Change in the Method of Recovery of Cost for Inspections Performed by the IRBA
20/04/2012	Invoices and Annual Returns for 2012
23/04/2012	Registration for the 2012 IRBA Support Programme
25/04/2012	SA Auditor Required to represent the country on AU Board of External Auditors
08/05/2012	IRBA News available
17/05/2012	Application Of Section 90(2) of the Companies Act - Further Extension Granted
22/05/2012	Support programme
12/06/2012	Withdrawal of the Guide for Registered Auditors: The Auditor Attending an AGM
14/06/2012	Inspection Fees
15/06/2012	CFAS Strategy 2012 - 2014
18/06/2012	Joint Guidance for Public Sector Audits

## ROAD SHOW 2012

### TRAINING AND INFORMATION SESSIONS 2012

The 2012 IRBA road show took place countrywide in August and September, and they were once again well supported by RAs. This is a heartening indication of the commitment that RAs and their firms show towards their profession, and is one of the reasons why South African standards are ranked in first place in the World Economic Forum's global competitiveness survey.

The information sessions were hosted by Bernard Agulhas and the IRBA directors, and they comprised a broad overview of developments and changes in the profession as they affect registered auditors, including:

- The latest on the Companies Act
- Amendments to the Auditing Profession Act
- The European Union Green paper

- B-BBEE
- New delivery model
- Funding model

The IRBA is aware of the need to assist RAs with relevant training opportunities in order for them to maintain the high standards of the South African auditing profession. We would therefore welcome feedback from RAs as to other topics which would be useful to them.

## GENERAL NEWS

Like so many other parts of the country, the IRBA's office park at Greenstone Hill was treated to a rare blanket of snow on Tuesday

7 August. Work briefly ground to a halt while the tenants of the park went outdoors to build a small snowman and throw a few

snowballs. Sadly by the afternoon it was back to business as usual, and the snow had all but disappeared again.

## CONTACT INFORMATION

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