

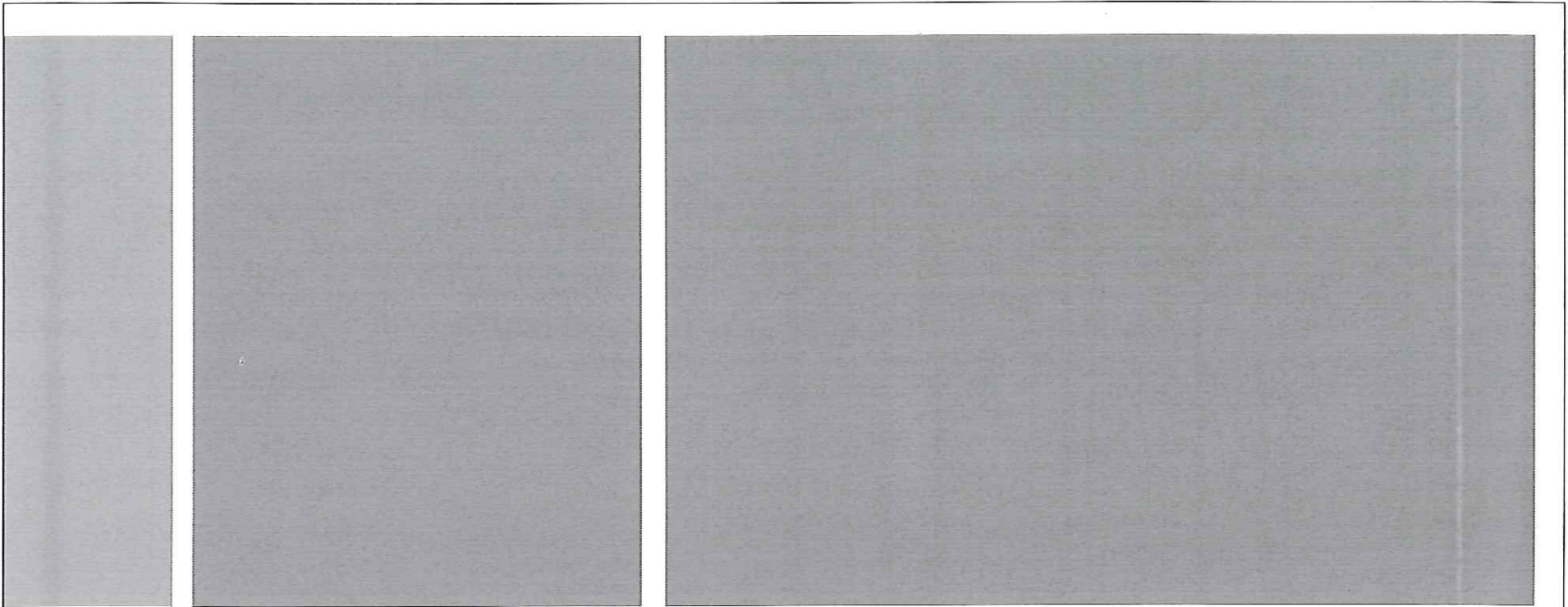
170317sc Finance

# THE POWER OF BEING UNDERSTOOD

AUDIT | TAX | CONSULTING



  
**RSM**



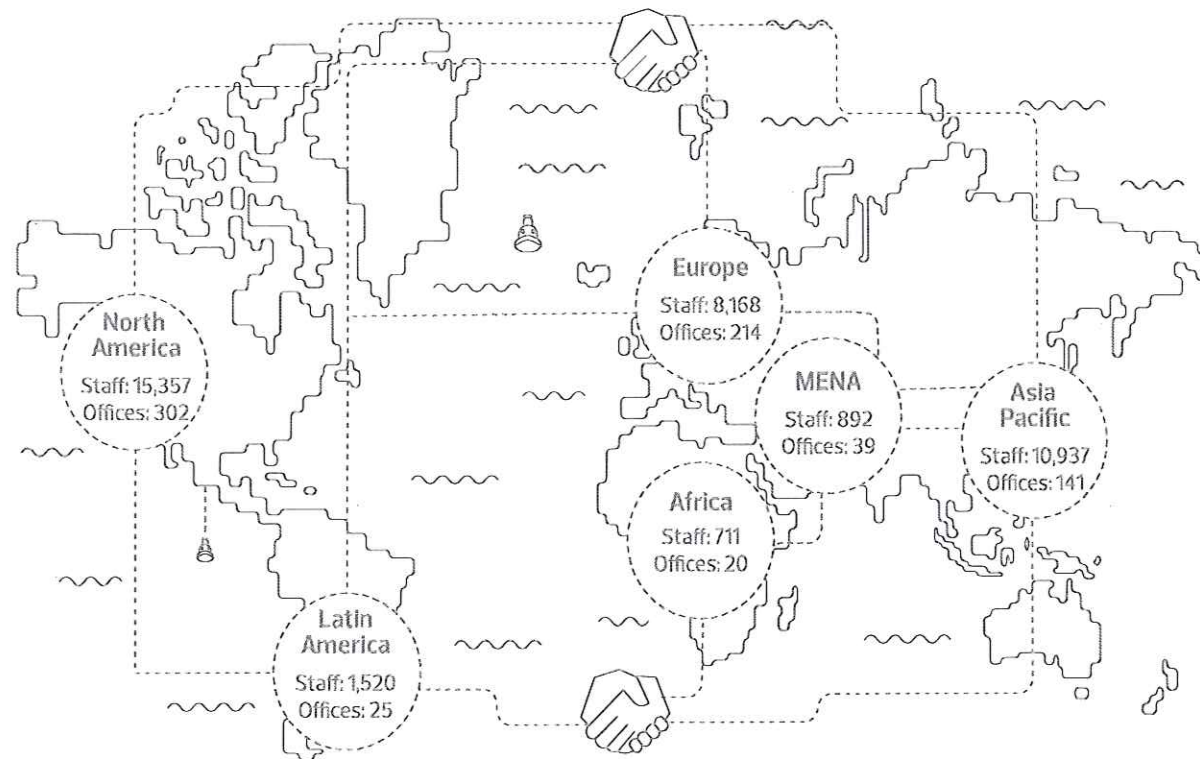
# MANDATORY AUDIT FIRM ROTATION

Henk Heymans

Head of Audit

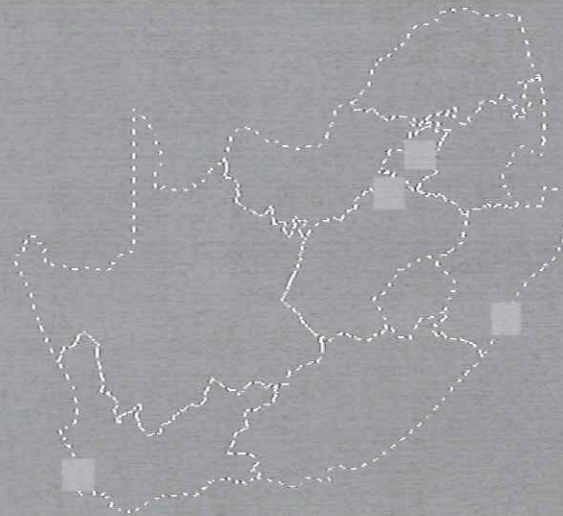


# Our global reach



## RSM in South Africa

- In existence since 1939
- Medium sized firm
- Offices in SA's major business districts





## Our multidisciplinary service offering

Assurance

Local and  
international  
tax

Corporate  
legal services

Outsourced  
accounting  
and payroll

Risk advisory  
services

Management  
consulting

Corporate  
Statutory  
services

Estate  
Planning and  
administration

Individual  
taxation

Corporate  
taxation

Valuations

HR and labour  
consulting

Business  
interruption  
services

B-BBEE  
consulting

Corporate  
finance and  
transaction  
support

Trust  
administration

Family owned  
and managed  
businesses



## Motivation

- Main motive according to the IRBA Consultation Paper is to strengthen auditor independence

We do not have a vested interest: As a medium-sized firm, the proposals will not affect us significantly.

- Public interest
- Enhance audit quality
- Transformation

## Companies appoint auditors

Any regulation dealing with the appointment of auditors belongs in the Companies Act, 2008, not in the Auditing Professions Act

- Requirements already in the Companies Act, 2008:
  - §90: Appointment of auditor
  - §91: Resignation of auditors and vacancies
  - §92: Rotation of auditors
  - §93: Rights and restricted functions of auditors

## Objection

- There is not enough evidence
  - That change is necessary
  - That MAFR is the solution
- Address the familiarity threat specifically
- Little effect on market concentration

More research is needed





THANK YOU FOR  
YOUR TIME AND  
ATTENTION