

12 October 2020

Chairperson: Honourable Mr J Maswanganyi  
The Standing Committee on Finance  
Parliament of South Africa

tsepanya@parliament.gov.za

awicomb@parliament.gov.za

Attention: Ms. Teboho Sepanya

Dear Ms. Tsepanya

## Invitation for Public Comment and request for oral submission:

### Auditing Profession Amendment Bill, No.2 of 2020

Deloitte welcomes the opportunity to respond to the invitation by the Standing Committee on Finance to comment on the proposed amendments to the Auditing Profession Act, 2005 ("the APA"), as introduced by the Auditing Profession Amendment Bill, No.2 of 2020 ("the Bill").

To truly instil confidence and trust in the South African capital markets, we believe a cohesive regulatory regime to ensure effective and comprehensive oversight of the main participants of the financial reporting ecosystem (preparers of financial statements such as accountants and management; those charged with governance such as audit committees; assurance providers such as internal and external auditors) is crucial. We recommend that the amendments to the APA constitute only an initial step by National Treasury in the development of much needed comprehensive regulatory oversight framework for the entire financial reporting eco-system.



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\* Partner and Registered Auditor

**B-BBEE rating: Level 1 contribution in terms of the DTI Generic Scorecard as per the amended Codes of Good Practice**

Associate of Deloitte Africa, a Member of Deloitte Touche Tohmatsu Limited

That being said, Deloitte is fully supportive of the efforts contained in this Bill to address the shortcomings in the Auditing Professions Act with respect to the disciplinary process as well as other measures to strengthen the IRBA and ensure effective regulatory oversight. We provide our comments in an effort to make a constructive contribution to enhance these proposals, streamline processes and ensure the effectiveness and practicality of the proposed measures.

We attach:

- our comments on matters of principle in Annexure A;
- detailed comments are set out in Annexure B, C and D;
- presentation for purposes of reference during the verbal submission

We kindly hereby request an opportunity to make an oral submission on 12 October 2020 and await your confirmation.

Should you need any clarification please contact Carla Budricks at [cbudricks@deloitte.co.za](mailto:cbudricks@deloitte.co.za). or 0845032908

A handwritten signature in black ink, reading "Johan Erasmus". The signature is written in a cursive, flowing style.

Kind regards

Dr Johan Erasmus

Deloitte Africa Regulatory and Public Policy Leader