

**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**QUESTION NUMBER: 3659 [**NW4089E**]**

**DATE OF PUBLICATION: 06 October 2017**

**3659. Mr D J Maynier (DA) to ask the Minister of Finance:**

(a) How many disciplinary processes did the Independent Regulatory Board for Auditors institute against auditors in the 2016-17 financial year and (b) what are the details of the (i) name of each person charged, (ii) name of the auditing firm that employed each person, (iii) disciplinary charges and (iv) outcome of the disciplinary process in each case? NW4089E

**Reply:**

Below is the publically available information on finalised disciplinary processes for the period April 2016 to March 2017. We are unable to supply individual’s names or firm’s names, as the Board determined per section 51(5) of the APA that publication would be in general terms due to the nature of these transgressions.

1. **Cases closed by Disciplinary Hearing**

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| **Case** |  |  |  |
| **First Matter** | On 7 June 2016, the committee postponed the matter of Mr BN. A month prior to the hearing, the practitioner resigned from the IRBA. Although the IRBA is not precluded from continuing with a disciplinary hearing, albeit the practitioner having resigned, the committee decided not to proceed on the merits but rather to postpone the hearing sine die. However, the committee ordered that should the practitioner re-apply for re-registration with the IRBA at any stage, the case will be re-enrolled for a hearing. | | |
|  | **(b) (iii) Charges** | **(b) (iii)**  **Plea** | **(iv)**  **Outcome** |
| **Second Matter**  On 7 and 8 June 2016 the committee finalised the matter of Mr TM. | **Charge One**  Failure to comply with the Code; failure to comply with an order of the IRBA; failure to pay monies due to the IRBA and bringing the profession into disrepute (rules 2.6; 2.13; 2.15 and 2.17 of the Rules Regarding Improper Conduct). | Pleaded not guilty | Guilty |
|  | **Charge Two**  Failure to comply with the Code; failure to respond to correspondence from the IRBA and bringing the profession into disrepute (rules 2.6; 2.12 and 2.17 of the Rules Regarding Improper Conduct). | Pleaded not guilty | Guilty |
|  | **Charge Three**  Failure to comply with the Code; failure to respond, within a reasonable time, to correspondence from the IRBA; failure to comply with a requirement of the IRBA and bringing the profession into disrepute (rules 2.6; 2.12; 2.13 and 2.17 of the Rules Regarding Improper Conduct). | Pleaded not guilty | Guilty |
|  | **Charge Four**  Failure to comply with the Code; failure to respond, within a reasonable time, to correspondence from the IRBA; failure to comply with a requirement of the IRBA and bringing the profession into disrepute (rules 2.6; 2.12; 2.13 and 2.17 of the Rules Regarding Improper Conduct). | Pleaded not guilty | Guilty |
|  | **Sanction**  In respect of sanction, the committee ordered the immediate cancellation of the practitioner’s registration and removal of his name from the register.  In addition, the committee directed that a fair summary of the charges, the findings and sentence imposed, without the name of the practitioner or the name of his firm, be published in the *IRBA News*. | | |

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|  | **Charges** | **Plea** | **Outcome** |
| **Third Matter**  On 9 March 2017 the committee heard the matter of Mr GS. | **Charge One**  Negligence and bringing the profession into disrepute (rules 2.5; 2.6; 2.7 and 2.17 of the Rules Regarding Improper Conduct). | Pleaded guilty | Guilty |
|  | **Charge Two**  Negligence and bringing the profession into disrepute (rules 2.5; 2.6; 2.7 and 2.17 of the Rules Regarding Improper Conduct). | Pleaded guilty | Guilty |
|  | **Charge Three**  Negligence and bringing the profession into disrepute (rules 2.5; 2.6; 2.7 and 2.17 of the Rules Regarding Improper Conduct). | Pleaded guilty | Guilty |
|  | **Charge Four**  Negligence and bringing the profession into disrepute (rules 2.5; 2.6; 2.7 and 2.17 of the Rules Regarding Improper Conduct). | Pleaded guilty | Guilty |
|  | **Charge Five**  Negligence and bringing the profession into disrepute (rules 2.5; 2.6; 2.7 and 2.17 of the Rules Regarding Improper Conduct). | Pleaded guilty | Guilty |
|  | **Charge Six**  Negligence and bringing the profession into disrepute (rules 2.5; 2.6; 2.7 and 2.17 of the Rules Regarding Improper Conduct). | Pleaded guilty | Guilty |
|  | **Charge Seven**  Failure to comply with S45 of the Auditing Profession Act; failure to comply with the Code and bringing the profession into disrepute (Rules 2.1; 2.6 and 2.17 of the Rules Regarding Improper Conduct). | Pleaded guilty | Guilty |
|  | **Sanction**  The practitioner was fined a total of R300 000 in respect of all seven charges, R150 000 thereof was suspended for five years on condition that the practitioner is not found guilty of any offence relating to work done, pertaining to professional services, during the period of suspension.  The committee ordered the practitioner to contribute a sum of R150 000 towards the IRBA’s costs.  In respect of publication, the committee ordered the IRBA to publish, in IRBA News, a summary of the facts of the case, the plea and sanction, excluding the practitioner’s name and that of his firm. | | |

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|  | **Charges** | **Plea** | **Outcome** |
| **Fourth Matter**  On 9 March 2017 the committee heard and finalised the matter of Mr JV | **Charge One**  Failure to comply with the Code (rule 2.1.20 of the old Disciplinary Rules). | Pleaded guilty | Guilty |
|  | **Charge Two**  Negligence (rule 2.1.5 of the old Disciplinary Rules) | Pleaded guilty | Guilty |
|  | **Charge Three**  Negligence (rule 2.1.5 of the old Disciplinary Rules) | Pleaded guilty | Guilty |
|  | **Charge Four**  Negligence (rule 2.1.5 of the old Disciplinary Rules) | Pleaded guilty | Guilty |
|  | **Charge Five**  Negligence (rule 2.1.5 of the old Disciplinary Rules) | Pleaded guilty | Guilty |
|  | **Charge Six**  Negligence (rule 2.1.5 of the old Disciplinary Rules) | Pleaded guilty | Guilty |
|  | **Charge Seven**  Negligence (rule 2.1.5 of the old Disciplinary Rules) | Pleaded guilty | Guilty |
|  | **Charge Eight**  Negligence (rule 2.1.5 of the old Disciplinary Rules) | Pleaded guilty | Guilty |
|  | **Charge Nine**  Negligence (rule 2.1.5 of the old Disciplinary Rules) | Pleaded guilty | Guilty |
|  | **Charge Ten**  Negligence (rule 2.1.5 of the old Disciplinary Rules) | Pleaded guilty | Guilty |
|  | **Sanction**  The practitioner was fined a total of R500 000 in respect of all 10 charges.  The committee ordered that the imposition of the fines be postponed until such time as the practitioner is reregistered with the IRBA and the payment of the fines shall be a condition for such re-registration, if and to the extent that re-registration is sought and permitted.  In respect of costs, the practitioner was ordered to contribute R50 000 towards the IRBA’s costs.  The respondent’s dire financial state of affairs, and that he was no longer practising as a registered auditor, were some of the factors taken into account during sentencing.  The committee ordered the IRBA to publish, in *IRBA News*, a summary of the facts of the case, the plea and sanction, excluding the name of the practitioner and that of his erstwhile firm. | | |

1. **Cases closed by Consent Order or Discharge**

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| Discharge | Rule 3.5.1.1  Rule 3.5.1.2  Rule 3.5.1.3  Rule 3.5.1.4  Rule 3.5.1.5 | | 16 matters  5 matters  2 matters  5 matters  2 matters | | |
| Consent order | Matter 1 – audit | | Fine of R100 000 with R50 000 suspended for 3 years, R5 000 costs, general publication | | |
| Consent order | Matter 2 – audit | | Fine of R100 000 with R20 000 suspended for 3 years, no costs, general publication | | |
| Consent order | Matter 3 – code | | Fine of R50 000 with R25 000 suspended for 3 years, R5 000 costs, general publication | | |
| Consent order | Matter 4 – audit | | Fine of R20 000 with R10 000 suspended for 3 years, no costs, general publication | | |
| Consent order | Matter 5 – companies act | | Fine of R100 000 with R60 000 suspended for 3 years, no costs, general publication | | |
| Consent order | Matter 6 – companies act | | Fine of R80 000 with R40 000 suspended for 3 years, no costs, general publication | | |
| Consent order | Matter 7 – assurance | | Fine of R100 000 with R50 000 suspended for 3 years, no costs, general publication | | |
| Consent order | Matter 8 – assurance | | Fine of R25 000 with R12 500 suspended for 3 years, no costs, general publication | | |
| Consent order | Matter 9 - code | | Fine of R20 000 with R10 000 suspended for 3 years, no costs, general publication | | |
| Consent order | Matter 10 – audit | | Fine of R100 000 with R50 000 suspended for 3 years, no costs, general publication | | |
| Consent order | Matter 11 – companies act | | Fine of R80 000 with R40 000 suspended for 3 years, no costs, general publication | | |
| Consent order | Matter 12 – tax act | | Fine of R40 000 with R20 000 suspended for 3 years, no costs, general publication | | |
| Consent order | Matter 13 – code | | Fine of R40 000 with R20 000 suspended for 3 years, no costs, general publication | | |
| Consent order | Matter 14 – audit | | Fine of R40 000 with R20 000 suspended for 3 years, no costs, general publication | | |
| Consent order | Matter 15 – code | | Fine of R40 000 with R20 000 suspended for 3 years, no costs, general publication | | |
| Consent order | Matter 16 – audit | | Fine of R100 000, no costs, general publication | | |
| Consent order | Matter 17 – assurance | | Fine of R80 000 with R40 000 suspended for 3 years, no costs, general publication | | |
| Consent order | Matter 18 – assurance | | Fine of R60 000 with R45 000 suspended for 3 years, no costs, general publication | | |
| Consent order | Matter 19 – audit | | Fine of R80 000 with R60 000 suspended for 3 years, no costs, general publication | | |
| Consent order | Matter 20 – companies act | | Fine of R40 000 with R20 000 suspended for 3 years, no costs, general publication | | |
| Consent order | Matter 21 – companies act | | Fine of R80 000 with R60 000 suspended for 3 years, no costs, general publication | | |
| Consent order | Matter 22 – audit | | Fine of R40 000 with R20 000 suspended for 3 years, no costs, general publication | | |
| Consent order | | Matter 23 – audit | | Fine of R80 000 with R40 000 suspended for 3 years, R5 000 costs, general publication | |
| Consent order | | Matter 24 – audit | | Fine of R100 000 with R50 000 suspended for 3 years, R5 000 costs, general publication | |
| Consent order | | Matter 25 – audit | | Fine of R60 000 with R25 000 suspended for 3 years, no costs, general publication | |
| Consent order | | Matter 26 – code | | Fine of R100 000 with R25 000 suspended for 3 years, R5 000 costs, general publication | |
| Consent order | | Matter 27 – audit | | Fine of R50 000, R5 000 costs, general publication | |
| Consent order | | Matter 28 - assurance | | Fine of R20 000 with R10 000 suspended for 3 years, no costs, general publication | |
| Consent order | | Matter 29 – audit | | Fine of R100 000, no costs, general publication, with full amount postponed until such time that respondent re-registers with the IRBA | |
| Consent order | | Matter 30 – audit | | Fine of R200 000 with R50 000 suspended for 3 years, no costs, general publication | |
| Consent order | | Matter 31 – code | | Fine of R20 000 with R10 000 suspended for 3 years, no costs, general publication | |
| Consent order | | Matter 32 – code | | Fine of R60 000 with R40 000 suspended for 3 years, no costs, general publication, plus previously suspended fine of R25 000 | |
| Consent order | | Matter 33 – estates act | | Fine of R40 000 with R20 000 suspended for 3 years, R5 000 costs, general publication | |
| Consent order | | Matter 34 – code | | Fine of R20 000 with R10 000 suspended for 3 years, no costs, general publication | |
| Consent order | | Matter 35 – audit | | Fine of R200 000 with R60 000 suspended for 3 years, no costs, general publication | |
| Consent order | | Matter 36 – code | | Fine of R20 000 with R10 000 suspended for 3 years, no costs, general publication | |
| Consent order | | Matter 37 – code | | Fine of R40 000 with R30 000 suspended for 3 years, R5 000 costs, general publication | |
| Consent order | | Matter 38 – companies act | | Fine of R100 000 with R50 000 suspended for 3 years, no costs, general publication | |
| Consent order | | Matter 39 – audit | | Fine of R80 000 with R40 000 suspended for 3 years, no costs, general publication | |
| Consent order | | Matter 40 – audit | | Fine of R80 000 with R30 000 suspended for 3 years, no costs, general publication | |
| Consent order | | Matter 41 – audit | | Fine of R50 000 with R25 000 suspended for 3 years, no costs, general publication | |
| Consent order | | Matter 42 – audit | | Fine of R80 000 with R40 000 suspended for 3 years, no costs, general publication | |
| Consent order | | Matter 43 – audit | | | Fine of R180 000 with R80 000 suspended for 3 years, no costs, general publication |
| Consent order | | Matter 44 – audit | | | Fine of R80 000 with R40 000 suspended for 3 years, no costs, general publication |
| Consent order | | Matter 45 – companies act | | | Fine of R80 000 with R40 000 suspended for 3 years, no costs, general publication |
| Consent order | | Matter 46 – companies act | | | Fine of R20 000 with R10 000 suspended for 3 years, no costs, general publication |
| Consent order | | Matter 47 – audit | | | Fine of R80 000 with R40 000 suspended for 3 years, no costs, general publication |
| Consent order | | Matter 48 – audit | | | Fine of R80 000 with R40 000 suspended for 3 years, no costs, general publication |
| Consent order | | Matter 49 – companies act | | | Fine of R80 000 with R40 000 suspended for 3 years, no costs, general publication |
| Consent order | | Matter 50 – audit | | | Fine of R80 000 with R20 000 suspended for 3 years, no costs, general publication plus previously suspended fine of R15 000, with full amount postponed until such time that respondent re-registers with the IRBA |
| Consent order | | Matter 51 – audit | | | Fine of R50 000 with R25 000 suspended for 3 years, no costs, general publication, with full amount postponed until such time that respondent re-registers with the IRBA |
| Consent order | | Matter 52 – audit | | | Fine of R40 000 with R20 000 suspended for 3 years, no costs, general publication |
| Consent order | | Matter 53 – audit | | | Fine of R200 000 with R50 000 suspended for 3 years, no costs, general publication, with full amount postponed until such time that respondent re-registers with the IRBA |
| Consent order | | Matter 54 – code | | | Fine of R50 000 with R25 000 suspended for 3 years, no costs, general publication |
| Consent order | | Matter 55 – audit | | | Fine of R40 000 with R20 000 suspended for 3 years, no costs, general publication |
| Consent order | | Matter 56 – code | | | Fine of R50 000 with R25 000 suspended for 3 years, no costs, general publication, with full amount postponed until such time that respondent re-registers with the IRBA |
| Consent order | | Matter 57 – code | | | Fine of R50 000 with R40 000 suspended for 3 years, no costs, general publication |
| Consent order | | Matter 60 – code | | | Fine of R50 000 with R25 000 suspended for 3 years, no costs, general publication, with full amount postponed until such time that respondent re-registers with the IRBA |
| Consent order | | Matter 61 – audit | | | Fine of R60 000 with R30 000 suspended for 3 years, R10 000 costs, general publication |
| Consent order | | Matter 62 – audit | | | Fine of R50 000 with R25 000 suspended for 3 years, R10 000 costs, general publication |
| Consent order | | Matter 63 – assurance | | | Fine of R50 000 with R25 000 suspended for 3 years, no costs, general publication |
| Consent order | | Matter 64 – estate agency affairs act | | | Fine of R40 000 with R20 000 suspended for 3 years, no costs, general publication |
| Consent order | | Matter 65 – assurance | | | Fine of R100 000 with R30 000 suspended for 3 years, no costs, general publication |
| Consent order | | Matter 66 – companies act | | | Fine of R40 000 with R20 000 suspended for 3 years, no costs, general publication |
| Consent order | | Matter 67 – code | | | Fine of R80 000 with R30 000 suspended for 3 years, no costs, general publication |
| Consent order | | Matter 68 – audit | | | Fine of R120 000 with R50 000 suspended for 3 years, no costs, general publication |
| Consent order | | Matter 69 – audit | | | Fine of R60 000 with R20 000 suspended for 3 years, no costs, general publication |
| Consent order | | Matter 70 – audit | | | Fine of R80 000 with R40 000 suspended for 3 years, no costs, general publication |
| Consent order | | Matter 71 – audit | | | Fine of R150 000 with R50 000 suspended for 3 years, no costs, general publication |
| Consent order | | Matter 72 – audit | | | Fine of R150 000 with R50 000 suspended for 3 years, no costs, general publication |
| Consent order | | Matter 73 – audit | | | Fine of R100 000 with R50 000 suspended for 3 years, no costs, general publication |
| Consent order | | Matter 74 – audit | | | Fine of R100 000 with R30 000 suspended for 3 years, no costs, general publication |
| Consent order | | Matter 75 – code | | | Fine of R50 000 with R20 000 suspended for 3 years, no costs, general publication |
| Consent order | | Matter 76 – companies act | | | Fine of R40 000 with R20 000 suspended for 3 years, no costs, general publication |
| Consent order | | Matter 77– audit | | | Fine of R50 000 with R25 000 suspended for 3 years, no costs, general publication |
| Consent order | | Matter 78 – code | | | Fine of R80 000 with R40 000 suspended for 3 years, no costs, general publication |
| Consent order | | Matter 79 – code | | | Fine of R100 000, no costs, general publication, with full amount postponed until such time that respondent re-registers with the IRBA |