



National Treasury

INVITATION FOR PUBLIC COMMENT
DRAFT AUDITING PROFESSION BILL, 2004

The Minister of Finance has released the draft Auditing Profession Bill for public comment.

The draft Bill aims to:

- introduce a more comprehensive and modern legislative framework for regulating the auditing profession than the Public Accountants' and Auditors' Board Act, 80 of 1991 and will repeal this Act;
- improve the integrity of South Africa's financial sector and financial reporting by ensuring that there is effective oversight with regard to the auditing profession as a whole; and
- introduce measures to –
 - ensure that potential conflicts of interest between auditors and their clients are minimized; and
 - facilitate swift and appropriate actions to rectify a situation in the event that circumstances give rise to an undermining of the independence of an auditor.

The National Treasury is of the view that the draft Auditing Profession Bill necessitates certain amendments to the Companies Act, 1973 to ensure a comprehensive, all inclusive and consistent approach to the regulation of the auditing profession in South Africa. Recommendations in this regard have been made to the Minister of Trade and Industry, which recommendations are currently under consideration. In order to facilitate and enhance the Cabinet sanctioned public consultation process on the draft Auditing Profession Bill, it was deemed expedient to release a summary of the recommended amendments together with the draft Bill, specifically as these recommendations primarily relate to the entrenchment and safeguarding of the independence of auditors within the corporate environment. It is envisaged that the Company Act amendments will be submitted to Parliament concurrently with the Bill.

The Bill and summary is available on National Treasury's website www.treasury.gov.za.

Written submissions on the draft Bill must be submitted by no later than the close of business on 11 February 2005 via e-mail, post or fax to -

E-Mail: AuditingProfessionBill@treasury.gov.za
Fax No: (012) 315 5890 / 5790
Post: Auditing Profession Bill
Director: Local Government Implementation
Office 1809
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All submissions received will be regarded as being on public record and will be posted on the website. Posting on the website will constitute acknowledgement of receipt and no individual responses to submissions will be made.

Queries may be directed to Ms. Relebohile Malahleha at (012) 315 5103 or Mr Rodney Peterson at (012) 315 5138.