Dear Member

Throughout the lead-up to the IRBA's announcement in August 2016 to adopt MAFR for audit firms in South Africa and the comment period linked to the IRBA's Consultation Paper that closed in January 2017, SAICA has endeavoured to inform and to facilitate engagement with members and a wide range of stakeholders in order to encourage debate and provide a platform for informed decision-making.

In response to the 'Invitation to Public Hearing' from Parliament, SAICA has made a written submission to the SCoF and also had the opportunity to make an oral presentation on 15 February 2017 (slides included).

Our submission to SCoF was based on input received from prior engagements with members and stakeholders, recognising that there are members and stakeholders that are both for and against the introduction of MAFR. SAICA's views are provided in support of applying a measured approach in considering how the IRBA's primary objective of strengthening auditor independence to enhance audit quality could be best achieved.

SAICA cannot currently express its unreserved support for the adoption of MAFR in South Africa. We believe that it is crucial for such a significant decision to be based on robust, comprehensive research that includes an impact assessment in the South African environment, and learning from experience internationally. Furthermore, sufficient time is needed for proper research and for proper change management. There is merit, having investigated and understood the full context of any problem(s), to take appropriate action, while ensuring that the perceived value is commensurate with the impacts and consequences (intended and unintended).

SAICA will continue to keep members informed of developments pertaining to the important topic of MAFR, including opportunities to contribute, as well as further engagements with SAICA, the IRBA and other stakeholders.

Regards

Lindie Engelbrecht
Executive Director: Members and Global Alliances
Tel: 011 621 6879
Email: lindiee@saica.co.za

Willie Botha
Senior Executive: Assurance and Practice
Tel: 011 621 6635
Email: willieb@saica.co.za