Dear Member

As part of SAICA’s approach to ensure broad awareness amongst its members and other stakeholders regarding the developments around Mandatory Audit Firm Rotation (MAFR) in South Africa, SAICA hosted a MAFR Indaba on 10 November 2016.

SAICA arranged this Indaba to facilitate discussions and engagement with various affected stakeholders to create a platform for informed decisions, moderated by an independent facilitator. The Indaba was planned to serve as an opportunity for debate and to provide input for stakeholders to formulate their responses to the IRBA. A total of 74 delegates from 18 stakeholder groups attended the Indaba.

Members can now read the Indaba Overview that provides an overview of the discussion points in relation to the following discussion themes identified from the full-day session that was held:

- Auditor independence - A problem or not
- Consultation, the transparency of information and calls for further research
- The appropriate legal framework for the implementation of MAFR
- Understanding the views of shareholders and investors
- Cost implications
- Measures that already exist and other alternatives
- Challenges for multinational companies and other large groups

Overall, SAICA is satisfied with the outcomes of the Indaba; it provided all stakeholders in attendance with an opportunity to present their views and allowed for rigorous and transparent debate of the issues that had been raised. We are of the view that a measure such as MAFR should not be implemented without due consideration and weighing up of all the issues that are involved, as well as its 'place' in the context of measures that already exist in relation to ensuring auditor independence and audit quality.

SAICA continues to encourage its members from all constituencies to be
responsive to engagements with SAICA, the IRBA and other stakeholders. You are reminded that the IRBA Consultation Paper and public consultation process allows all interested and affected parties to provide input and share their views by providing comments to the IRBA by **20 January 2017**.

Regards

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