

Disciplinary Committee Rulings in terms of SAICA By-law July to September 2019

Only matters where the Disciplinary Committee has ordered either general or specific publication or alternatively where the Disciplinary Committee has made a Ruling in terms of By-law 30.2

Matter One:

1. The Disciplinary Committee convened in terms of SAICA By-law 20.2.3 to consider the Finding made against the member by the Independent Regulatory Board for Auditors (the IRBA) in terms of which the member was :
 - 1.1 found guilty of improper conduct within the meaning of Rule 2.12 in that the member failed to answer or deal with appropriately within a reasonable time, any correspondence or other communication from the IRBA, which reasonably required a reply or other response; and
 - 1.2 found guilty of improper conduct within the meaning of Rule 2.13 of the Rules in that, in the member failed to comply within a reasonable time with an order, requirement of request of the IRBA.
2. The IRBA sanction was a suspension of the member's right to practice as a Registered Auditor for a period of 3(three) years in that the member would not be permitted to do audit or assurance work. This suspension was in turn suspended for 3 (three) years on the condition that the member was not subsequently found to be in contravention of Rules 2.12 and 2.13 of the IRBA Rules regarding improper conduct. The member was further ordered to pay a fine of R50 000 (fifty thousand rand) of which an amount of R25 000 (twenty-five thousand rand) was suspended for 3 (three) years on condition that the member was not subsequently found to have contravened the abovestated IRBA Rules. The member was further ordered to pay the suspended portion of an earlier fine imposed by the IRBA together with a costs contribution of R15 000 (fifteen thousand rand).
3. In considering the IRBA Findings against the member, the SAICA Disciplinary Committee took note of previous sanction imposed by the SAICA Disciplinary Committee in 2015 whereby the member was found guilty of offences under SAICA By-laws 34.17 and 34.18 related to non- payment of SAICA registration and levies fees for a Trainee Accountant and for non-payment of a fine imposed by the Professional Conduct Committee. The sanction imposed was a termination of membership which was suspended for 5 (five) years on condition that the member was not found guilty of another offence or Breach of the SAICA By-laws or other order of Ruling imposed by the Disciplinary Committee; that the member paid the Professional Conduct Committee Fine of R10 000 (ten thousand rand) that the member was not in arrears in respect of any subscriptions or fees that may become due or owing to SAICA. The member was also ordered to pay a fine of R50 000 (fifty thousand rand) of which an amount of R25 000 (twenty-five thousand) was suspended for a period of 3 (three) years on conditions.

4. The SAICA Disciplinary Committee noted further that the member had failed to pay the Professional Conduct Committee fine or the R25 000 (twenty-five thousand rand).
5. The SAICA Disciplinary Committee held that due to the conditions to the suspended termination of membership not having been met by the member, that membership now regrettably had to be terminated, the suspension being overridden by the suspension conditions not having been met by the member and the SAICA Disciplinary Committee therefore did not have a discretion in this regard.
6. The Disciplinary Committee held further that even if there had been a discretion in this matter, the circumstances which led up to the current hearing concerned the Disciplinary Committee in that the member did not answer correspondence from the Institute and was in keeping with the Finding made by the IRBA and the member's conduct towards that regulatory body and the member had failed to advise the SAICA Disciplinary Committee that he would be late in attending the present proceedings. The SAICA Disciplinary Committee therefore found that there were no mitigating factors and no remorse shown by the member as to the conduct displayed towards SAICA and the Disciplinary Committee. It was found that on the contrary, the member's consistent conduct was to ignore correspondence and the member's regulatory body. Accordingly, even if the Disciplinary Committee had a discretion in the present matter, it would most likely have exercised that discretion to terminate the membership of the member.
7. The SAICA Disciplinary Committee further recorded that the Professional Conduct Committee fine of R10 000 (ten thousand rand) and the R50 000 (fifty thousand rand) imposed by the Disciplinary Committee in 2015 should be paid by the member in instalments of R5000 (five thousand rand) per month beginning in October 2019.
8. The SAICA Disciplinary Committee ordered general publication of the matter together with a 50% costs contribution towards SAICA's costs for the present hearing.

Professional Conduct Committee Rulings in terms of SAICA By-law July to September 2019

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Matter One:

1. The member was found guilty of improper conduct in that his failure as the Training Officer, to properly assess a Trainee Accountant prior to signing the Trainee Accountant off per the discharge form, amounted to a breach of the Training Regulations as well as a breach of the Professional Behaviour requirement of the Code of Professional Conduct.
2. The Professional Conduct Committee imposed a fine of R30 000 (thirty thousand rand) of which an amount of R10 000 (ten thousand rand) is suspended for a period of 5 (five) years on condition that the member did not commit a similar offence during this period. The Committee further ordered that the competence of the former Trainee Accountant be assessed independently and that the member would bear the costs of said assessment. The member was further ordered to attend the assessor-training course. The Committee ordered general publication of the matter.

Matter Two:

1. The Professional Conduct Committee found the Trainee Accountant guilty of misconduct in breaching the professional behaviour requirement of the Code of Professional Conduct in that the Trainee Accountant breached the terms of the Training Office employment contract when the Trainee Accountant resigned with immediate effect instead of serving the required 1 (one) month notice period.
2. The Committee reprimanded the Trainee Accountant for their conduct; added a penalty of an additional 6 (six) months to the training contract and also ordered the Trainee Accountant to attend an ethics course approved by SAICA within a 6 (six) month period. General publication of the matter was ordered.

Matter Three:

1. The former Trainee Accountant (“ the Applicant”) applied to the Professional Conduct Committee to be found Fit and Proper to register a new Training Contract with SAICA after she had allegedly absconded from her former Training office.
2. The Applicant requested that the erstwhile Training Office suspend the training contract for 12 (twelve) months to allow the Applicant to complete CTA studies full time. This request was approved and the Applicant agreed to return to the Training Office on 1 February 2019.
3. The Applicant failed to return to the Training Office on 1 February 2019 and submitted a resignation on 3 February 2019. It subsequently came to light that the Applicant had taken up employment with another Training office on 1 February 2019 whilst still in the employ of the former Training office.
4. The Committee found the Applicant not Fit and Proper to register a new Training Contract and advised the Applicant to re-apply after the expiry of a period of 12 (twelve) months. The Applicant was further required to submit proof of having attended a SAICA approved Ethics course. The Committee ordered general publication of the matter.

Matter Four:

1. The Professional Conduct Committee found a member guilty of the following and ordered appropriate sanctions:
 - 1.1 that the member failed in the member’s duties as a Training Officer under the Training Regulations in that the member discharged a Trainee Accountant for the training contract based on incorrect competencies. The Committee imposed a fine in the amount of R25 000 (twenty-five thousand) rand of which an amount of R2 000 (two thousand) rand was suspended for a period of 3 (three) years on condition that the member was not found guilty of similar contraventions during that period; and
 - 1.2 that the member, as the Training Officer, had employed more Trainee Accountants than was allowed by the Training office quota and that said conduct amounted to a breach of the professional behaviour requirement under the Code of Professional Conduct. The Committee imposed a fine of R50 000 (fifty thousand) rand.
2. The Committee ordered general publication of the matter.