

Ref number:775382

5 February 2024

Email: [CommentDraftLegislation@treasury.gov.za](mailto:CommentDraftLegislation@treasury.gov.za)

Dear Sir/ Madam

**Comments on the Maximum Monetary Fines in terms of the Auditing Profession Act**

1. The South African Institute of Chartered Accountants (SAICA) yet again welcomes the opportunity to make submissions to National Treasury on the Proposed Maximum Monetary Fines in terms of the Auditing Profession Act 26 of 2005 published on 5 January 2024.
2. On 16 October 2022, SAICA commented on the now withdrawn gazette on maximum fines and the comment letter is attached as an annexure. The letter is added for reconsideration of its contents.
3. SAICA would like to reiterate the principles raised in the previous letter and seeks an opportunity to engage on the proposed gazette between National Treasury, Independent Regulatory Board for Auditors (IRBA) and the broader auditing profession. Such a consultation can be done within a short period so as not delay the process. Consultation is the cornerstone of any legislative instrument.
4. SAICA also notes the assurances from the IRBA chief executive officer when the proposed maximum fines were published that the prescribed maximum fines are a maximum limit and not fixed. In addition, all cases apply proportionality and scalability when sanctioning in matters of improper conduct. We would like to elevate this to reiterate that a framework to guide IRBA on this application would be prudent to be included within the proposed gazette for legal certainty and objectivity.
5. SAICA looks forward to a positive response to its proposal.

Yours sincerely



Walter Bhengu  
Project Director: Legislation and Governance