

Response to the IFAC Part 2, SMO Self-Assessment Questionnaire

Member Name: The South African Institute of Professional Accountants
Country: South Africa
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| Number | Question Title/Text/Help text | Answer | Comments |
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| IFAC Part 2 SMO Self-Assessment | | | |
| 1. | SMO 1 | | |
| 1.1. | Quality Assurance Program | | |
| 1.1.1. | <i>Quality Assurance Review Program</i> In your jurisdiction is there a mandatory quality assurance review program in place for members of your organization performing audits of financial statements of listed companies? | 1 <input checked="" type="radio"/> Yes 2 <input type="radio"/> No | |
| 1.2. | Responsibility for Quality Assurance - Overview | | |
| 1.2.1. | <i>Responsibility for Quality Assurance</i> Within your jurisdiction, is your organization responsible for monitoring the quality of the work of your members performing audits of financial statements? Select the answer option that is most appropriate. | 1 <input type="radio"/> Yes - for all audits of financial statements | The Independent Regulatory Board for Auditors (IRBA) is responsible for monitoring the quality of work of Registered Auditors (IRBA - www.irba.co.za) |

| Number | Question Title/Text/Help text | Answer | Comments |
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| | | | <p>SMO1 establishes obligations that relate to quality assurance review programs for SAIPA members performing certain audit engagements of financial statements (para.1)</p> <p>- In addition SMO1 expresses a desire that a wide range of professional services performed by professional accountants be subject to quality assurance review programs (QARP) (para. 8)</p> <p>- These additional QARP should be commensurate with the nature of the services provided.</p> <p>Those SAIPA members that are registered with the IRBA are subject to the quality assurance of the IRBA. The Auditing Profession Act also gives a legislative authority to the IRBA.</p> <p>In South Africa the primary act requiring the performance</p> |

| Number | Question Title/Text/Help text | Answer | Comments |
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| | | | <p>of an audit is the Companies Act. Only auditors registered with the IRBA may perform such audits. However, other legislation requiring the performance of assurance and related services does not require the appointment of an IRBA registered auditor. Such report issuers are not subject to the IRBA assurance review program. Examples of such legislation include:</p> <ul style="list-style-type: none"> - National Credit Act and Regulations (www.ncr.org.za) - Sectional Titles Act and Regulations (www.acts.co.za) -Co-operatives Act and Regulations (www.acts.co.za) - National Lottery Board Regulations (www.nlb.org.za) - Close Corporation Act (www.acts.co.za) <p>In this regard SAIPA has a duty to develop and implement appropriate and</p> |

| Number | Question Title/Text/Help text | Answer | Comments |
|--------|-------------------------------|--------|--|
| | | | <p>context specific quality control processes. This requirement is not equivalent to ISCQ1.</p> <p>Some of the quality control measures required by SAIPA of its members include:</p> <p>1) SAIPA members should perform professional services with due care, competence and diligence (SAIPA Handbook; Section 2: Code of Conduct: Paragraph 2 Fundamental Principles).</p> <p>All SAIPA members receive a working paper file containing among other documents, the Control documents for Quality Control of assignments.</p> <p>2) SAIPA requires its members to adopt a program designed to ensure quality control in</p> |

| Number | Question Title/Text/Help text | Answer | Comments |
|--------|-------------------------------|--------|--|
| | | | <p>the performance of professional services consistent with appropriate national and international pronouncements. (SAIPA Handbook: Section 2: Code of Conduct: Paragraph 4: Professional Competence).</p> <p>The SAIPAHandbook, section 3: By-Laws: provide for the conducting of professional evaluations and professional support visits to be done at the practices of members.</p> <p>Written reports are issued after such visits. Control documents used for such visits provide for the signature of the practitioner and the appraiser.</p> <p>3) Members should ensure that professional competence is maintained and shall ensure that they comply with the Continuing Professional</p> |

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|--------|-------------------------------|--|---|
| | | | <p>Development (CPD) requirements of the Institute (SAIPA Handbook, section 3: By-Laws, paragraph 4).</p> <p>In addition refer to response 2.11.1 and 6.1 for further quality control processes related to education requirements and investigation and disciplinary procedures.</p> <p>The SAIPA Handbook is available at www.saipa.co.za.</p> <p>(SAIPA was previously known as CFA. The SAIPA Handbook was revised after this submission was made to IFAC - referencing might therefore be different than those shown, however the content remains the same.)</p> |
| | | <p>2○ Yes - for all audits except those of listed entities</p> <p>3○ Our organization shares</p> | |

| Number | Question Title/Text/Help text | Answer | Comments |
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| | | <p>responsibility for the quality assurance program with another body</p> <p>4☉ No, responsibility for quality assurance for all audits rests with another body</p> <p>5○ Other (please describe)</p> <p>6○ Not applicable - no members of our organization perform audits of listed entities</p> | |
| 1.2.2. | <p><i>Name of Other Body Responsible for QA</i></p> <p>State the name of the other body that is responsible for quality assurance review for all audits.</p> | Independent Regulatory Board for Auditors (IRBA) | All information on the IRBA and the Act is available at www.irba.co.za . |
| 1.2.4. | <p><i>Quality Assurance (Other Body) - Scope</i></p> <p>Is the scope of the of the quality assurance review program implemented by another body materially narrower than the scope of the requirements of SMO1?</p> | <p>1○ Yes</p> <p>2☉ No</p> | |
| 1.3. | <p><i>Activities to promote SMO 1</i></p> <p>Please describe what activities your organization undertakes to promote obligations set in SMO 1 Quality Assurance.</p> | The quality assurance review programme functions through the Independent Regulatory Board for Auditors. | |
| 2. | SMO 2 | | |

| Number | Question Title/Text/Help text | Answer | Comments |
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| 2.1. | <p><i>MB Membership Requirements</i></p> <p>Which of the following are required for individuals to be admitted as members in your organization? Select all the options that are appropriate.</p> | <p>1 <input checked="" type="checkbox"/> Complete a program of professional accountancy education</p> | <p>Membership:</p> <p>SAIPA has a single stream of membership for persons qualifying as full members. Associate membership include accounting technicians, trainee accountants and registered students.</p> <p>Academic Qualification:</p> <p>To qualify as a full member a degree in accountancy is required. (SAIPA Handbook, section 3 – By-Laws; 6.1.1)</p> <p>To qualify as an associate member see SAIPA Handbook, section 3 – By-Laws; paragraph 6.2.</p> <p>Practical training:</p> <p>To qualify as a member, at least three years supervised practical training must have</p> |

| Number | Question Title/Text/Help text | Answer | Comments |
|--------|-------------------------------|---|---|
| | | | <p>been completed with an approved training centre: or an applicant should have at least six years relevant verifiable experience in accountancy. (SAIPA Handbook, section 3 – By-Laws; 6.1.1.).</p> <p>An assessment of professional competency is performed by SAIPA at the end of the practical training. Success in this assessment translates in membership. (SAIPA Handbook, section 3 – By-Laws; 6.1.3)</p> <p>PI Insurance:</p> <p>Membership fees for members in practice include an amount for compulsory professional indemnity insurance.</p> |
| | | <p>2☑ Complete a practical experience requirement</p> <p>3☑ Complete a final assessment</p> | |

| Number | Question Title/Text/Help text | Answer | Comments |
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| | | <div> of the individual's professional capabilities and competencies </div> <div> 4<input type="checkbox"/> None of the above </div> | |
| 2.2. | Continuous Professional Development Is there a requirement for your members to develop and maintain competence through continuous professional development (CPD)? | <div> 1<input checked="" type="radio"/> Yes </div> <div> 2<input type="radio"/> No </div> | <p>The SAIPA/CFA introduced a compulsory CPE program in 1999. As from January 2005, the IFAC requirements of 120 hours in a three-year cycle were introduced by a Board decision. (SAIPA/CFA Handbook, Section 2; Code of Conduct 4.3)</p> <p>CPE hours are divided equally between structured and unstructured hours. Members are required to report to SAIPA on an annual basis the amount of hours obtained. The CPE program is input based.</p> |
| 2.3. | Professional Accountancy Education | | |
| 2.3.1. | Professional Accountancy Education Program Who delivers the professional accountancy education program for your members? Select all the answer options that are | <div> 1<input type="checkbox"/> Our organization </div> | <p>The professional accountancy education providers are universities and universities</p> |

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| | appropriate. | <p>2 <input type="checkbox"/> Another IFAC member body</p> <p>3 <input checked="" type="checkbox"/> Universities</p> <p>4 <input checked="" type="checkbox"/> Approved training institutions</p> <p>5 <input type="checkbox"/> Government bodies</p> <p>6 <input type="checkbox"/> Other organizations</p> | of technology. For course content to meet the requirements of SAIPA/CFA: SAIPA/CFA Handbook, section 3; By-Laws, paragraph 6. |
| 2.3.2. | <p><i>Describe Other Organizations</i></p> <p>Where your response in question 2.3.1 indicates another IFAC member body, universities, approved training institutions, and / or other organizations deliver the professional accountancy education program, describe these organizations and their legal authority to deliver the program. (Include the name of the other IFAC member body where relevant).</p> | Possession of an appropriate Institute accredited degree is required. (SAIPA/CFA Handbook, section 3; By-Laws, paragraph 6.1.2) | |
| 2.3.3. | <p><i>Prof Accountancy Education Program Follow Up</i></p> <p>Please describe how your organization ensures the professional accountancy education program, delivered by the organization in response to question 2.3.1., meets the required content.</p> | We rely on the accreditation status of CHE with regard to the academic component for the Institutes membership requirement as indicated in 2.1. above. | |

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| | Include in your description the specific activities your organization undertakes with regards to the necessary content requirements. | The Institute is in the process of performing program-approved accreditation of universities for the academic requirement for membership. (SAIPA's EDCOM meeting 23 March 2006) | |
| 2.11. | IES 5 Practical Experience Requirement | | |
| 2.11.1. | <p><i>Approved Provider</i></p> <p>Section 2.11 deals with the practical experience requirement established by your organization.</p> <p>Does the practical experience requirement have to be obtained with approved providers or employers?</p> | 1 ☉ Yes | <p>Only approved training centres (ATC) are allowed to provide practical experience to accounting trainees.</p> <p>Persons or practices applying to be ATC's must comply with SAIPA requirements. (SAIPA Handbook, section 1; Constitution; Definitions 2.3 and SAIPA Handbook, By-Laws paragraph 6.2.2)</p> <p>Recognition of prior learning requiring at least six years relevant verifiable accounting experience is also recognized to meet the practical training requirement. (SAIPA Handbook, section 3; By-</p> |

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|---------|---|--|---|
| | | 20 No | Laws paragraph 6.1.1 and 6.3) |
| 2.11.2. | <p><i>Provider Characteristics</i></p> <p>Please describe the characteristics set by your organization for recognizing approved providers.</p> | <p>The training officer/overall evaluator at the ATC must be a full SAIPA/CFA member or a member of another SAIPA/CFA approved professional accountancy body. (SAIPA/CFA Handbook, Section 3 By-Laws, paragraph 6.2.2.6.b)</p> <p>To become an ATC an application must be submitted. Subsequently, a monitor visit is performed. All ATC are issued with working paper CD as well as a toolkit CD. The toolkit CD documents the training program. (SAIPA/CFA Handbook, section 1, Constitution; Definitions 2.3)</p> | |
| 2.11.4. | <p><i>Length of Practical Experience</i></p> <p>What is the required length of pre-qualification practical experience? Select the answer option that is most appropriate.</p> | 10 Three years | Three years at an approved training centre or six years of relevant verifiable experience if not at an ATC. |

| Number | Question Title/Text/Help text | Answer | Comments |
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| | | 2○ Less than three years 3○ More than three years | |
| 2.11.6. | Practical Application SMO 2 | | |
| 2.11.6.1. | <i>Practical Application</i> Where relevant graduate (beyond under-graduate, e.g., masters) professional education has a strong element of practical accounting application, may any portion of the professional education be contributed to the practical experience requirement? | 1○ Yes 2⊙ No | |
| 2.11.7. | Timing of Experience | | |
| 2.11.7.1. | <i>Pre or Post Qualification Experience</i> The practical experience for accountants may be obtained (select all the answer options that are appropriate): | 1□ Before the professional accountancy education program of study 2☑ At the same time as the professional accountancy education program of study 3☑ After the professional accountancy education program of study | Both the academic and practical experience must be completed before the final assessment can be attempted. |
| 2.11.7.2. | <i>Describe Pre or Post Experience</i> Describe the length of practical experience that may be obtained pre-qualification and / or post-qualification. | At least three years pre-qualification and then CPD requirements must be adhered to. (SAIPA/CFA Handbook, section 3, | |

| Number | Question Title/Text/Help text | Answer | Comments |
|---------------------------|---|---------|--|
| By-Laws, paragraph 6.6.1) | | | |
| 2.12. | IES 5 Monitoring of Practical Experience Requirement | | |
| 2.12.1. | <i>Monitoring of Practical Experience</i> Is the period of practical experience monitored? | 1 ☉ Yes | <p>A tool kit CD is issued and during the three-year period, two workplace based computerized electronic simulation assessments are done annually during the first two years and one during the third year of practical training (ESA 1A & 1B in first year; ESA 2A & 2B and ESA 3A). A six monthly report on each learner must be submitted to the Institute. Competency is measured during these assessments.</p> <p>The practical training is monitored by the work place provider against the SAIPA/CFA logbook on a continuous basis (least six monthly).</p> <p>The work place provider is monitored on a three year</p> |

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|---------|--|---|--|
| | | 2○ No | cycle. A moderation process on the training program is currently being instituted. |
| 2.12.3. | <i>Monitoring Practical Experience</i> How is the practical experience requirement (or practical application) monitored and assessed? Select all the answer options that are appropriate. | 1☑ Mentoring system 2☑ Approved training employers and organizations 3☑ Self-declaration required from the candidate 4☑ Record of the practical experience is kept and submitted to the member body when applying for membership 5☑ An assessment is made by the mentor or employer 6□ Other (please describe) | A logbook and a tool kit CD are used to monitor and assess the trainees. |
| 2.13. | IES 6 Assessment of Prof Capabilities and Competence | | |
| 2.13.1. | <i>Assessment by IFAC Body or Other</i> Section 2.13 deals with the final assessment requirements established by your organization. | 1☑ Our organization (including training entities that are affiliated with our organization or a subsidiary | The final assessment is done twice a year, normally during March and November of every year. This is a written |

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| | <p>Select all the organizations involved in conducting the final assessment.</p> <p>If the final assessment is conducted jointly between various organizations, select all those that have some responsibility for conducting the final assessment and in the Comment Box, describe the nature of their respective roles and responsibilities.</p> | <p>of our organization).</p> <p>2 <input type="checkbox"/> Another IFAC member body</p> <p>3 <input type="checkbox"/> Government or regulatory body</p> <p>4 <input type="checkbox"/> Other</p> | <p>evaluation to determine if the candidate is competent or not. Trainees will only be allowed to do the final assessment when the mentor is satisfied that the workplace based computerised simulation assessments were done satisfactorily.</p> |
| 2.13.4. | <p><i>Characteristics of Assessment</i></p> <p>Which of the following characteristics are applicable to the final assessment process? Select all the answer options that are appropriate.</p> | <p>1 <input checked="" type="checkbox"/> Uniform for all students</p> <p>2 <input checked="" type="checkbox"/> Given simultaneously where it is being held in more than once location in the country</p> <p>3 <input checked="" type="checkbox"/> Assessment is set and assessed only by qualified or approved individuals</p> <p>4 <input type="checkbox"/> None of the above</p> | |
| 2.13.5. | <p><i>Qualifying for Final Assessment</i></p> <p>What requirements must the candidate satisfy to take the final assessment? Select all the answer options that are appropriate.</p> | <p>1 <input checked="" type="checkbox"/> Specified pre-qualification requirements relating to professional knowledge, professional skills, and</p> | <p>See SAIPA/CFA Handbook, section 1, constitution paragraph 6 and section 3; By-Laws, paragraph 6.2.2 to</p> |

| Number | Question Title/Text/Help text | Answer | Comments |
|---------|--|---|--|
| | | <p>professional values, ethics, and attitudes</p> <p>2 <input checked="" type="checkbox"/> Specified practical experience requirements</p> <p>3 <input type="checkbox"/> Other (please describe)</p> <p>4 <input type="checkbox"/> None of the above</p> | 6.2.3 |
| 2.13.6. | <p><i>Timing Considerations for Final Assessment</i></p> <p>Is there a requirement or restriction for completing the final assessment? For example, some organization may require the candidate to take the final examination within a specified number of years of meeting the pre-assessment requirements.</p> | <p>1 <input checked="" type="radio"/> Yes</p> <p>2 <input type="radio"/> No</p> | <p>The final assessment must be undertaken at the next sitting of the professional evaluation.</p> <p>For applicants from the non-practical training requirements route must meet the requirements as applicable at the time that the application is made.</p> |
| 2.13.7. | <p><i>Requirement or Restrictions</i></p> <p>Describe the requirements or restrictions relating to when the final assessment must be undertaken.</p> | <p>The final assessment must be undertaken at the next sitting of the professional evaluation.</p> <p>For applicants from the non-practical training requirements route must meet the requirements as applicable at the time that the application is made. (SAIPA/CFA Handbook, section 3, By-Laws paragraph 6.1 & 6.2)</p> | |

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| 2.13.8. | <p><i>Assess Professional Knowledge</i></p> <p>Describe in general terms how required professional knowledge (e.g. technical knowledge about accounting, finance, audit, financial reporting, legislative requirements, information technology etc) is assessed during the final assessment.</p> | <p>The assessment is based on the sections: Accounting; Tax; Auditing; Commercial Law; Management Accounting and practice management.</p> <p>The aim of the final assessment is to assess the learner's ability to integrate the academic with the practical experience gained at the work place.</p> <p>It is a written assessment made up of multiple choice questions and case studies.</p> | |
| 2.13.9. | <p><i>Assess Professional Skills</i></p> <p>Describe in general terms how required professional skills (e.g. ability to solve problems, make decisions, exercise judgment, personal skills, interpersonal and communication skills, organizational and business management skills etc) are assessed during the final assessment.</p> | <p>The aim of the final assessment is to assess the learner's ability to integrate the academic with the practical experience gained at the work place.</p> <p>Case studies and scenarios are used to assess the learner's ability to apply knowledge to situations. This</p> | |

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| | | encompasses the examples above. | |
| 2.13.10. | <i>Assess Professional Values, Ethics, Attitudes</i> Describe in general terms how required professional values, ethics, and attitudes are assessed during the final assessment. | Testing includes knowledge of SAIPA/CFA handbook that includes the constitution, by-laws and code of conduct. This is tested in the practise management section of the assessment. | ?? |
| 2.13.11. | <i>Recorded or Oral Format</i> Is the final assessment conducted through: | 1 <input checked="" type="radio"/> Recorded format with recorded (e.g. written) response required 2 <input type="radio"/> Oral format with oral responses 3 <input type="radio"/> Both recorded and oral response formats | The final assessment is done twice a year nationally at the same time at nine venues around the country. |
| 2.13.13. | <i>Assessment Formats</i> What formats are used in conducting the final assessment (select all the answer options that are appropriate)? | 1 <input checked="" type="checkbox"/> Multiple choice questions 2 <input checked="" type="checkbox"/> Case studies 3 <input checked="" type="checkbox"/> Technical questions 4 <input type="checkbox"/> Thesis 5 <input type="checkbox"/> Other (please describe) 6 <input type="checkbox"/> None of the above | |
| 2.13.14. | <i>Reliability and Validity</i> | | |

| Number | Question Title/Text/Help text | Answer | Comments |
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| | Describe in general terms the procedures in place to ensure the final assessments are reliable and valid. Include a description of how the assessment questions are set and by whom and also how reviewers / assessors are selected. | <p>Final assessments are sent to the different assessment venues in sealed boxes.</p> <p>Invigilators sign a document confirming receipt and confidentiality of the assessment question paper.</p> <p>Questions are received from practitioners, academics and individuals in industry. EDCOM co-ordinate the questions received and set the paper.</p> <p>Qualified assessors in terms of SAQAU requirements are appointed for marking. A panel of independent moderators does moderation.</p> | ?? |
| 2.13.15. | <p><i>Frequency of Final Assessments</i></p> <p>How many times in a year is the final assessment offered? Select the answer option that is the most appropriate.</p> | <p>1 <input type="radio"/> Yearly (or once a year)</p> <p>2 <input checked="" type="radio"/> Half yearly (or twice a year)</p> <p>3 <input type="radio"/> Three sessions a year</p> <p>4 <input type="radio"/> Four sessions a year</p> <p>5 <input type="radio"/> Five sessions a year</p> <p>6 <input type="radio"/> Other (please describe the</p> | |

| Number | Question Title/Text/Help text | Answer | Comments |
|---------|--|--|---|
| | | frequency of the examinations) | |
| 2.14. | IES 7 Continuing Professional Development - CPD | | |
| 2.14.1. | <p><i>Responsibility for CPD Requirements</i> Section 2.14 deals with the continuous professional development requirements established by your organization.</p> <p>Who establishes the continuous professional development requirements applicable to your members? Select all the answer options that are appropriate.</p> | <p>1 <input checked="" type="checkbox"/> Our organization</p> <p>2 <input type="checkbox"/> Another organization (state the name of the organization including whether it is an IFAC member body)</p> <p>3 <input type="checkbox"/> Law and / or regulation (state the name of the law / regulation)</p> <p>4 <input type="checkbox"/> Other (please describe)</p> | <p>The Institute introduced a three year cycle CPD program in 1999. As from January 2005, the Institute adopted the IFAC requirement of 120 hours in three-year cycles.</p> |
| 2.14.2. | <p><i>CPD and Professional Accountants</i> Which membership categories are required to maintain professional competence through continuous professional development? Select all the answer options that are appropriate.</p> | <p>1 <input checked="" type="checkbox"/> All our qualified members</p> <p>2 <input type="checkbox"/> Qualified members who</p> | <p>Continuous professional development is compulsory for all members of the Institute. (SAIPA/CFA Handbook, section 2; Code of Conduct, paragraph 4.3)</p> |

| Number | Question Title/Text/Help text | Answer | Comments |
|-----------|---|--|--|
| | | <p>perform audits of listed entities</p> <p>3 <input type="checkbox"/> Qualified members who perform audits of entities other than listed entities</p> <p>4 <input type="checkbox"/> Qualified members who provide services (other than audit) to the public</p> <p>5 <input type="checkbox"/> Qualified members who are employed in business</p> <p>6 <input checked="" type="checkbox"/> Other (please describe)</p> | |
| 2.14.3. | Requirement - CPD | | |
| 2.14.3.1. | <p><i>Type of CPD Requirement</i></p> <p>Which of the following answer options describes the way the continuous professional development is structured? Select all the answer options that are appropriate.</p> | <p>1 <input checked="" type="checkbox"/> Members must satisfy a number of hours of continuous professional development a year or over a number of years</p> <p>2 <input type="checkbox"/> All members are to satisfy specified content requirements (e.g. specified courses or knowledge content)</p> <p>3 <input type="checkbox"/> Members working in specialist areas or areas of high risk to the public are to satisfy specified content</p> | <p>IFAC requirements must be adhered to. The SAIPA/CFA makes seminars available to its member's and also have the ability to accredit various other learning programs.</p> |

| Number | Question Title/Text/Help text | Answer | Comments |
|-----------|---|--|--|
| | | requirements (e.g. specified courses or knowledge content) 4 <input type="checkbox"/> Other | |
| 2.14.3.3. | <i>Hours of Continuous Professional Development</i> Which one of the following answer options best describes the continuous professional development hours required? | 1 <input checked="" type="radio"/> Members have to complete a minimum of 120 hours or equivalent learning units of relevant professional development activity over a three-year rolling period. 2 <input type="radio"/> Members have to complete a minimum of 20 hours or equivalent learning units in each year 3 <input type="radio"/> Other | Of the 120 hours of relevant professional development activity in each rolling three-year period, at least 60 hours should be verifiable. (SAIPA/CFA Working Paper File 3.1.1.a) |
| 2.14.3.8. | <i>Monitoring of CPD</i> Is there a process to monitor whether your members who are qualified as professional accountants meet the continuous professional development requirements? | 1 <input checked="" type="radio"/> Yes, there is a monitoring process for CPD requirements | Annually members must submit their total CPE hours broken up into verifiable and non-verifiable hours. This is captured on the SAIPA/CFA database and identified annually for non-compliance. Each member must keep record and proof of their CPD |

| Number | Question Title/Text/Help text | Answer | Comments |
|-----------|---|--|---|
| | | | activities. These records and proof is measured against the hours submitted annually when practice visits are done. (SAIPA/CFA Handbook, section 2; Code of Conduct, paragraph 4.3; SAIPA/CFA Working Paper File CD, Section 1) |
| | | 2 <input type="radio"/> No, there is no monitoring process for CPD requirements | |
| 2.14.4. | Monitoring of CPD Requirement | | |
| 2.14.4.1. | <i>Monitoring Process SMO 2</i> Which of the following elements does the monitoring process include? Select all the answer options that are appropriate. | 1 <input checked="" type="checkbox"/> Professional accountants are required to submit a declaration 2 <input type="checkbox"/> Professional accountants are required to submit evidence 3 <input type="checkbox"/> Our organization audits a sample of professional accountants to check compliance 4 <input type="checkbox"/> Compliance is monitored through firm quality control standards 5 <input checked="" type="checkbox"/> Compliance is monitored through a quality assurance review program 6 <input type="checkbox"/> Other (please describe) | |

| Number | Question Title/Text/Help text | Answer | Comments |
|-----------|---|--|----------|
| | | 7 <input type="checkbox"/> None of the above | |
| 2.14.4.2. | <i>Declaration and CPD SMO 2</i> Describe the matters addressed in the declaration (select all that apply): | 1 <input type="checkbox"/> Professional accountant's obligation to meet ethical obligations 2 <input type="checkbox"/> Professional accountant's obligation to maintain knowledge 3 <input type="checkbox"/> Professional accountant's obligation to maintain skills to perform competently 4 <input checked="" type="checkbox"/> Compliance with CPD requirement 5 <input type="checkbox"/> Other (please describe) | |
| 2.14.4.3. | <i>Sanctions SMO 2</i> Where a professional accountant does not satisfy the CPD requirements (within a reasonable period of encouraging the professional accountant to meet the requirements), are sanctions or other non-compliance actions, such as expulsion or denial of the right to practice, imposed? | 1 <input checked="" type="radio"/> Yes, sanctions or actions for non-compliance are imposed 2 <input type="radio"/> No, sanctions or other non-compliance actions are not imposed | |
| 2.14.4.4. | <i>Sanction Types and CPD</i> Describe the nature and extent of the sanction, expulsions or denial of the right to practice. | Non-compliance can result in the immediate and automatic suspension of a member and/or the withdrawal of the privileges that | |

| Number | Question Title/Text/Help text | Answer | Comments |
|--------|--|--|---|
| | | such member enjoys. (SAIPA/CPA Handbook, section 2; Code of Conduct, 4.3 | |
| 2.15. | <i>Activities to Promote IESs SMO 2</i> Please describe the activities your organization undertakes to promote and assist in implementing the pronouncements issued by IFAC's International Accounting Education Standards Board. | This is done on an ad hoc basis. After approval by the SAIPA/CFA EDCOM, education standards are implemented. | |
| 3. | SMO 3 | | |
| 3.1. | <i>Auditing Standards in Law/Regulation</i> Does law or regulation establish the set of auditing standards to be used in the audit of private sector listed entities and non-listed entities? Select all the answer options that are appropriate. Where the law / regulation establishes the auditing standards to be used by reference to the set of standards to be used by their name or by including the text of the standards in the law / regulation, please respond "yes" to this question. Section 3.8. of this module includes questions about the law / regulation. Where the law / regulation gives authority to | <input type="checkbox"/> Yes for audits of listed entities | The Auditing Profession Act, Act 26 of 2005 establishes the Independent Regulatory Board for Auditors (IRBA); See www.acts.co.za ; www.paab.gov.za |

| Number | Question Title/Text/Help text | Answer | Comments |
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| | a national standard-setter to establish the auditing standards, please respond "no". Section 3.2. of this module includes questions about the standard-setter and the auditing standards that are established. | <p>2 <input type="checkbox"/> Yes for audits of non-listed entities</p> <p>3 <input checked="" type="checkbox"/> No for audits of listed entities</p> <p>4 <input checked="" type="checkbox"/> No for audits of non-listed entities</p> | |
| 3.2. | Responsibility for Private Sector Auditing Standards | | |
| 3.2.1. | <i>Auditing Standards - Private Sector</i> Is there only one set of auditing standards or are the auditing standards applicable to listed entities different from non-listed entities? | <p>1 <input checked="" type="radio"/> The auditing standards for listed entities and non-listed entities are the same set of standards</p> <p>2 <input type="radio"/> The auditing standards for listed entities and non-listed entities are not the same set of standards</p> | |
| 3.2.6. | <i>Responsibility for Auditing Standards</i> Who has the authority for establishing the auditing standards for listed and non-listed entities? | 1 <input type="radio"/> Our organization | <p>Independent Regulatory Board for Auditors (IRBA) established by The Auditing Profession Act, Act 26 of 2005 (See www.paab.co.za).</p> <p>The IRBA establishes the standards mainly for listed</p> |

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| | | | and non listed Companies. |
| | | <p>2○ Another IFAC member body</p> <p>3○ Joint process between our organization and another IFAC member body or other organization</p> <p>4⊙ Another organization</p> | |
| 3.2.7. | <p><i>Responsibility - Other SMO 3</i></p> <p>State the organization's name that is responsible for establishing auditing standards for audits of listed and non-listed entities.</p> | <p>The “AUDITING PROFESSION ACT; Act No. 26 of 2005” regulates registered auditors and only those audits to be performed by registered auditors. All companies are subject to a mandatory audit and in addition all registered auditors are required to follow the national standards setters’ audit standards.</p> <p>However assurance services performed by non Registered Auditors in terms of other legislation (other than primarily the companies’ act) are currently not subject to statutory standards. For more detail see section 3.11 of this questionnaire.</p> | |

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| 3.7. | Other Organization Standard-Setter SMO 3 | | |
| 3.7.1. | <i>Standard-Setter and Convergence SMO 3</i> Has the standard-setter established convergence of national auditing standards with IAASB pronouncements? Select the answer option that is most appropriate. | <p>1 <input type="radio"/> Standard-setter's convergence objectives are not known</p> <p>2 <input checked="" type="radio"/> Standard-setter has established convergence as a formal objective</p> <p>3 <input type="radio"/> Standard-setter has not established convergence as a formal objective</p> | One of the objectives of “The AUDITING PROFESSION ACT; Act No. 26 of 2005” is the convergence of South African Audit Standards with IAASB pronouncements. (Auditing Profession Act, s 22(2)(iii)) |
| 3.7.4. | Convergence Established - Standard-Setter SMO 3 | | |
| 3.7.4.1. | <i>Standard-Setter Amendments SMO 3</i> Has the standard-setter issued information that describes differences between the IAASB pronouncements and national standards including: The IAASB pronouncement in effect as at September 30, 2005 that have been adopted | 1 <input type="radio"/> Yes | There are no differences between the national standard and the IAASB pronouncements. |

| Number | Question Title/Text/Help text | Answer | Comments |
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| | <p>or compared with a similar or equivalent national standard or pronouncement; The effective date of national standard or pronouncement where it differs from the IAASB pronouncement; The differences between the IAASB pronouncement and the similar or equivalent national standard and pronouncement; and The reasons for the differences?</p> | 2⊙ No | |
| 3.7.4.2. | <p><i>Submit Information - Standard-Setter SMO 3</i></p> <p>If the standard-setter has issued information about differences between IAASB pronouncements and the national standards and it is available in English, indicate this in your response and submit a copy of the information to Compliance Staff.</p> <p>If this information is not available, refer to the SMO 3: Comparison with IAASB Pronouncements report by clicking on the link and complete it to the extent your organization is able to and submit it in Word format to Compliance Staff.</p> <p>Indicate whether your organization will be</p> | 1⊙ Yes, information is available from the standard setter and in English and will be submitted to Compliance Staff | <p>South Africa has adopted the IAASB pronouncements in full from 1 January 2005 (this includes the same issue and effective dates). The information given on the IRBA website provides a record of changes from the standards previously in use, ie in use prior to the blanket adoption on 1 January 2005. The IRBA does issue South African Practice Statements (SAPS) which deal with South African specific issues. (SAICA, 2006)</p> |

| Number | Question Title/Text/Help text | Answer | Comments |
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| | submitting available information or the "SMO 3: Comparison with IAASB Pronouncements" report. | <p>2○ No, the information is not available from standard-setter; however our organization or jointly with another IFAC member / associate will complete the "SMO 3: Comparison with IAASB Pronouncements" report and submit it to Compliance Staff</p> <p>3⊙ No, information is not available</p> | |
| 3.10. | Translation SMO 3 | | |
| 3.10.1. | <i>Translation of IAASB Pronouncements</i> Are the IAASB pronouncements translated into a national language? | <p>1⊙ No as English is the national language or a widely spoken language</p> <p>2○ Yes, the IAASB pronouncements are translated</p> <p>3○ No and English is not an official language or is not widely spoken</p> | |
| 3.11. | <i>Activities to Promote IAASB Pronouncements</i> Please describe the activities your | SAIPA informs its members on a | However the standards |

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| | organization undertakes to promote and assist in the implementation of IAASB pronouncements and other IAASB activities. | <p>monthly basis via its TechNews of IAASB and IFAC developments.</p> <p>The Institute is currently also part of the ASB (Accounting Standards Board)</p> <p>Currently relevant pronouncements are distributed to members via a monthly newsletter.</p> <p>The members of this Institute are not accredited to perform audits of listed or Un-Listed companies, unless they are registered with the IRBA.</p> <p>However other legislation does allow our members to perform assurance services in certain instances and for certain entities. Some examples include:</p> <p>Assurance reports in terms of the:</p> <ul style="list-style-type: none"> - MFRC regulations, - Sectional Titles Act, - Co-operatives Act, | <p>according to which the above mentioned assurance reports and statutory reports (other than auditing) should be conducted, have not been clearly defined. As a result the Institute in a self-regulatory capacity advises its members to follow the IFAC Handbook on Audit and Assurance Services. The Institute is further actively engaging the legislator, relevant government departments and the regulator (IRBA) to give guidance on the standards to be followed in terms of the above. This includes the underlying financial reporting standards to be followed by entities other than Companies.</p> |

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| | | <ul style="list-style-type: none"> - National Lottery Board Regulations, and the - DTI Industrial Development Program. <p>Statutory reports in terms of the:</p> <ul style="list-style-type: none"> - Non Profit Organizations Act, - Schools Act, - Debt Collectors Act, - SABC Television Licensing Regulations, - Immigration Regulations, and the - Close Corporations Act. - A Trust Deed may allow an Accounting Officer to perform an assurance function. | |
| 4. | SMO 4 | | |

| Number | Question Title/Text/Help text | Answer | Comments |
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| 4.1. | Responsibility and National Ethical Requirements | | |
| 4.1.1. | <p><i>IFAC MB and Ethical Requirements</i></p> <p>Does your organization establish ethical requirements (e.g. code of ethics, code of conduct, ethics rules, member regulations, etc.) to be complied with by your members?</p> <p>Help text: In some countries, ethical requirements may be established on a regional, provincial, or state basis. Where this is the case in your country for the ethical requirements that apply to your members, please contact Compliance Staff for further instruction.</p> | <p>1 <input checked="" type="radio"/> Yes, our organization does establish ethical requirements</p> <p>2 <input type="radio"/> No, our organization does not establish ethical requirements</p> | <p>These are contained in the SAIPA/CFA Handbook, section 2, Code of Conduct.</p> |
| 4.1.2. | <p><i>IFAC MB and Convergence with IFAC Code</i></p> <p>Has your organization implemented convergence with the IFAC Code of Ethics as an objective?</p> | <p>1 <input checked="" type="radio"/> Yes</p> | <p>The Code of Conduct is contained in the SAIPA/CFA Handbook, section 2. The Institute is currently embarking on a project to identify possible areas of non-compliance with the IFAC Code of Ethics. However the current version of the Code of Conduct is based on earlier versions of the IFAC Handbook and it is suspected that areas of non-compliance will be minimal.</p> |

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| | | 2○ No | |
| 4.1.9. | <p><i>IFAC MB Approach to Ethics</i></p> <p>Which of the following options best describes your organization's activities to incorporate the IFAC Code?</p> <p>For the purposes of the Part 2 SMO 4 module, modifications include: Deletion/omission of concepts, principles, or guidance that are established in the IFAC Code; Inclusion of concepts, principles, or guidance that are not in the IFAC Code; Other amendments that give rise to differences between your organization's ethical requirements and the IFAC Code.</p> | <p>1○ Our organization adopted the IFAC Code as issued without modifications</p> <p>2○ Our organization adopted the IFAC Code but with modifications</p> <p>3⊙ Our organization has developed our own ethical requirements with a process to eliminate differences between our ethical requirements and the IFAC Code</p> <p>4○ Our organization develops our own ethical requirements and uses another approach to</p> | See our comment under 4.1.2. |

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| | | incorporate the IFAC Code of Ethics | |
| 4.1.10. | <i>IFAC MB and Code - Eliminate Differences</i> Describe the process used to adopt the IFAC Code or the process used to eliminate differences between your organization's ethical requirements and the IFAC Code. | <p>The process to adopt the IFAC Code is to forward areas of possible difference to the relevant committee for consideration with a view for recommendation for planned implementation and adoption into the SAIPA/CFA Handbook.</p> <p>The responsibility for identifying differences is a task of the Technical Department of SAIPA, and more specifically its Legal and Ethics division. Identifying differences is a current project of this division.</p> | |
| 4.2. | MB and Version of IFAC Code | | |
| 4.2.1. | <i>Version of IFAC Code</i> Which version of the IFAC Code was adopted or used as the basis for your organization's ethical requirements? | <p>1 <input checked="" type="radio"/> The IFAC Code currently in effect, revised and issued in June 2004</p> <p>2 <input type="radio"/> A version issued prior to 2004</p> <p>3 <input type="radio"/> The revised IFAC Code</p> | |

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| | | issued and in effect June 30, 2006 | |
| 4.2.3. | <p><i>MB and Revised Code</i></p> <p>Does your organization have plans to adopt the revised IFAC Code (effective June 30, 2006) or revise your ethical requirements to incorporate the revised IFAC Code? Select the option that is the most relevant.</p> | <p>1 <input type="radio"/> Our organization has already amended our ethical requirements for the revised IFAC Code (effective June 30, 2006)</p> <p>2 <input checked="" type="radio"/> Our organization is in the process of amending or has included a plan to amend our ethical requirements for the revised IFAC Code (effective June 30, 2006)</p> <p>3 <input type="radio"/> Our organization currently has not included in our work program a plan to amend our ethical requirements for the revised IFAC Code (effective June 30, 2006)</p> <p>4 <input type="radio"/> Other (please describe)</p> | |
| 4.2.5. | <p><i>MB and Revision Plans</i></p> <p>Please describe the work program timetable.</p> | <p>June 06 - initiate project</p> <p>July 06 - preparing project timetable and resource allocation</p> <p>August 06 - May 07 - Compare, Analyze and compile revised handbook</p> <p>May 07 - Issue draft to members for comment</p> | |

| Number | Question Title/Text/Help text | Answer | Comments |
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| July 07 - Implement new handbook | | | |
| 4.3. | <i>Ethical Requirements by Gov / Reg Bodies</i> In addition to the ethical requirements established by your organization, are there also laws or regulations that set out ethical requirements to be complied with by your members? | 1 <input checked="" type="radio"/> Yes | Those of our members registered with the IRBA are subject to their Code of Conduct. |
| | | 2 <input type="radio"/> No | |
| 4.4. | Gov / Reg Bodies and Ethical Requirements | | |
| 4.4.1. | <i>Gov/Reg Bodies - Ethical Requirements</i> Where ethical requirements applicable to your members are established in law or regulation, do they include any of the following types of laws and regulations? Select all the answer options that are appropriate. | 1 <input checked="" type="checkbox"/> There is a law / regulation (e.g. Audit Law, Accountants Law) that sets out ethical requirements to be complied with by all professional accountants 2 <input checked="" type="checkbox"/> There is a law / regulation that sets out ethical requirements to be complied with by professional accountants who audit listed entities 3 <input checked="" type="checkbox"/> There is a law / regulation that sets out ethical requirements to be complied with by professional | |

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| | | <p>accountants who audit entities other than listed entities</p> <p>4 <input type="checkbox"/> There is a law / regulation that sets out ethical requirements to be complied with by professional accountants who provide services to the public (other than as auditors of listed or other entities)</p> <p>5 <input type="checkbox"/> There is a law / regulation that sets out ethical requirements for professional accountants employed in business</p> <p>6 <input type="checkbox"/> None of the above</p> | |
| 4.4.3. | <p><i>Describe Law / Reg - Prof Accountants</i></p> <p>Regarding your response to question 4.4.1 and the law / regulation for professional accountants, please:</p> <p>State the law / regulation's name;</p> <p>Provide a general description of the law / regulation;</p> <p>Describe how the law / regulation sets out the scope of professional accountants that it applies to.</p> | The Auditing Profession Act (2005). The IRBA will establish an ethics committee for auditor. The proposed new Companies Act, and Companies Amendment Bill may contain additional requirements for rotaion of audit partners. | |
| 4.4.4. | <p><i>Describe Law / Reg - Audit</i></p> <p>Regarding your response to question 4.4.1 and professional accountants who audit</p> | See previous. | |

| Number | Question Title/Text/Help text | Answer | Comments |
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| | <p>listed entities and / or other entities, please: State the law / regulation's name; Provide a general description of the law / regulation; Describe how the law / regulation sets out the scope of professional accountants that it applies to.</p> | | |
| 4.4.7. | <p><i>Gov/Reg and Convergence</i> Please explain whether your organization has undertaken any activities to promote the IFAC Code of Ethics to the relevant government or regulatory body that sets ethical requirements. Include in your explanation descriptions of any specific activities and the outcome or the reasons why such activities have not been undertaken.</p> | <p>SAIPA has just recently become entitled to apply for accreditation with the IRBA. Once this is achieved such project, if required, will be undertaken.</p> | |
| 4.5. | <p><i>Comparison of Requirements SMO 4</i> Does your organization have information that identifies any differences between the IFAC Code of Ethics currently in effect or the revised Code and the national ethical requirements? In responding to this question, differences include:</p> <p>Principles, concepts, and guidance in the IFAC Code that are not addressed in the national ethical requirements;</p> | <p>1 <input type="radio"/> Yes, our organization has this information and it will be submitted</p> | <p>Refer to 4.1.10 above.</p> |

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| | <p>Principles, concepts, and guidance in the IFAC Code that are not equivalent to the national ethical requirements; Principles, concepts, rules, regulations, laws, or other mandatory ethical requirements in national ethical requirements that are not addressed in the IFAC Code.</p> <p>The phrase "national ethical requirements" as used in this questionnaire refers to the totality of ethical requirements established by your organization and others including government and regulatory bodies that are applicable to your members.</p> | <p>2○ This information will be submitted by another IFAC member body</p> <p>3⊙ No, the information is not available</p> | |
| 4.6. | Fundamental Principles - National | | |
| 4.6.1. | Integrity - Principle | | |
| 4.6.1.1. | <p><i>Integrity</i></p> <p>Do the national ethical requirements require professional accountants to comply with the fundamental principle "integrity" as described in the revised IFAC Code?</p> | <p>1○ Yes, professional accountants are required to comply with the same principle</p> <p>2⊙ Yes, professional accountants are required to comply with a similar or equivalent principle</p> <p>3○ The same or similar /</p> | |

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| | | equivalent principle has not been established | |
| 4.6.1.2. | <i>Integrity Requirement</i> Is the principle set out in your organization's ethical requirements and / or in laws and regulations? Select all the answer options that are appropriate. | <p>1 <input checked="" type="checkbox"/> Our organization's ethical requirements</p> <p>2 <input type="checkbox"/> Law that regulates professional accountants and / or auditors</p> <p>3 <input type="checkbox"/> Securities regulation</p> <p>4 <input type="checkbox"/> Other laws and / or regulation</p> | |
| 4.6.1.3. | <i>Integrity - Other</i> Please state the term used to describe this principle and how this principle is defined. | Integrity is defined in the SAIPA/CFA Handbook, section 2; Code of Conduct, paragraph 2.1 as meaning that membets should be open and honest in their dealings, and truthful in their dealings. | |
| 4.6.2. | Objectivity - Principle | | |
| 4.6.2.1. | <i>Objectivity</i> Do the national ethical requirements require professional accountants to comply with the fundamental principle "objectivity" as described in the revised IFAC Code? | <p>1 <input type="radio"/> Yes, professional accountants are required to comply with the same principle</p> <p>2 <input checked="" type="radio"/> Yes, professional accountants are required to comply with a similar or equivalent principle</p> <p>3 <input type="radio"/> The same or similar /</p> | SAIPA/CFA Handbook, section 2; Code of Conduct, 2.2 |

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| | | equivalent principle has not been established | |
| 4.6.2.2. | Objectivity Requirement Is the principle set out in your organization's ethical requirements and / or in laws and regulations? Select all the answer options that are appropriate. | 1 <input checked="" type="checkbox"/> Our organization's ethical requirements 2 <input type="checkbox"/> Law that regulates professional accountants and / or auditors 3 <input type="checkbox"/> Securities regulation 4 <input type="checkbox"/> Other laws and / or regulation | SAIPA/CFA Handbook, section 2; Code of Conduct |
| 4.6.2.3. | Objectivity - Other Please state the term used to describe this principle and how this principle is defined. | SAIPA/CFA Handbook, section 2; Code of Conduct, 2.2: Objectivity means should be impartial and not allow prejudice or bias, conflict of interest or the influence of others to override their objective judgement. | |
| 4.6.3. | Professional Competence / Due Care - Principle | | |
| 4.6.3.1. | Prof Competence / Due Care Do the national ethical requirements require professional accountants to comply with the fundamental principle "professional competence and due care" as described in the revised IFAC Code? | 1 <input type="radio"/> Yes, professional accountants are required to comply with the same principle 2 <input checked="" type="radio"/> Yes, professional accountants are required to comply with a | See SAIPA/ CFA Handbook; section 2, Code of Conduct, 4 |

| Number | Question Title/Text/Help text | Answer | Comments |
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| | | <p>3○ similar or equivalent principle</p> <p>The same or similar / equivalent principle has not been established</p> | |
| 4.6.3.2. | <p><i>Prof Competence / Due Care Req</i></p> <p>Is the principle set out in your organization's ethical requirements and / or in laws and regulations? Select all the answer options that are appropriate.</p> | <p>1<input checked="" type="checkbox"/> Our organization's ethical requirements</p> <p>2<input type="checkbox"/> Law that regulates professional accountants and / or auditors</p> <p>3<input type="checkbox"/> Securities regulation</p> <p>4<input type="checkbox"/> Other laws and / or regulation</p> | See comment in 4.6.3.1 |
| 4.6.3.3. | <p><i>Prof Competence / Due Care - Other</i></p> <p>Please state the term used to describe this principle and how this principle is defined.</p> | <p>2.3 “Professional competence and due care” which means that members should perform their services with due care, competence and diligence, and have a continuing duty to maintain their professional knowledge and skills at a level sufficient to ensure that all relevant stakeholders (SAIPA/CFA Handbook, section 2; Code of Conduct, 2.3)</p> | |
| 4.6.4. | Confidentiality - Principle | | |
| 4.6.4.1. | <p><i>Confidentiality</i></p> <p>Do the national ethical requirements require</p> | <p>1○ Yes, professional accountants</p> | |

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| | professional accountants to comply with the fundamental principle "confidentiality" as described in the revised IFAC Code? | are required to comply with the same principle 2⊙ Yes, professional accountants are required to comply with a similar or equivalent principle 3○ The same or similar / equivalent principle has not been established | |
| 4.6.4.2. | <i>Confidentiality Requirement</i> Is the principle set out in your organization's ethical requirements and / or in laws and regulations? Select all the answer options that are appropriate. | 1☑ Our organization's ethical requirements 2☐ Law that regulates professional accountants and / or auditors 3☐ Securities regulation 4☐ Other laws and / or regulation | |
| 4.6.4.3. | <i>Confidentiality - Other</i> Please state the term used to describe this principle and how this principle is defined. | “Confidentiality” which means that members should respect the confidentiality of information acquired during the course of performing professional services and should not use or disclose any such information without proper and specific authority, unless there is a legal or professional right or duty to disclose such information. | It is noted that the duty of confidentiality continues beyond the end of the relationship between the full member and the client or employer. |

| Number | Question Title/Text/Help text | Answer | Comments |
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| | | (SAIPA Handbook, section 2; Code of Conduct, 2.4) | |
| 4.6.5. | Professional Behavior - Principle | | |
| 4.6.5.1. | <i>Professional Behavior</i> Do the national ethical requirements require professional accountants to comply with the fundamental principle "professional behavior" as described in the revised IFAC Code? | <p>1 <input type="radio"/> Yes, professional accountants are required to comply with the same principle</p> <p>2 <input checked="" type="radio"/> Yes, professional accountants are required to comply with a similar or equivalent principle</p> <p>3 <input type="radio"/> The same or similar / equivalent principle has not been established</p> | |
| 4.6.5.2. | <i>Professional Behavior Requirement</i> Is the principle set out in your organization's ethical requirements and / or in laws and regulations? Select all the answer options that are appropriate. | <p>1 <input checked="" type="checkbox"/> Our organization's ethical requirements</p> <p>2 <input type="checkbox"/> Law that regulates professional accountants and / or auditors</p> <p>3 <input type="checkbox"/> Securities regulation</p> <p>4 <input type="checkbox"/> Other laws and / or regulation</p> | |
| 4.6.5.3. | <i>Professional Behavior - Other</i> Please state the term used to describe this principle and how this principle is defined. | “Professional behaviour” which means that members should act in a manner consistent with the | |

| Number | Question Title/Text/Help text | Answer | Comments |
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| | | <p>good reputation of the Institute and the accounting profession, refraining from any conduct that might bring the Institute and/or the accounting profession into disrepute. Members should conduct themselves professionally with due consideration towards clients, third parties, other members of the accountancy profession, staff, employers and the general public. (SAIPA Handbook, section 2; Code of Conduct, 2.5)</p> | |
| 4.7. | Threats and Safeguards - National | | |
| 4.7.1. | <p><i>Threats and Safeguards</i></p> <p>Do the national ethical requirements establish a framework or principle similar or equivalent to the threats and safeguards framework as described in the revised IFAC Code (effective June 30, 2006)? Select the answer option that is the most appropriate.</p> | <p>1 <input checked="" type="radio"/> Yes, our organization has a threats and safeguards framework or similar / equivalent framework in our ethical requirements</p> <p>2 <input type="radio"/> Yes, a threats and safeguards framework or similar / equivalent framework is in the ethical requirements established in law and / or regulation</p> | |

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| | | 3○ No, a threats and safeguards framework, or similar / equivalent framework has not been established in the national ethical requirements | |
| 4.7.3. | <i>Threats and Safeguards - Other</i> Please describe the threats and safeguards framework or similar requirement established by your organization or law / regulation. | SAIPA/CFA Handbook, section 2; Code of Conduct, 2.4 | |
| 4.7.4. | <i>Application of Framework SMO 4</i> Which of the following does the threats and safeguards framework, or similar / equivalent requirement, apply to? Select the answer option that is the most appropriate. | 1○ All professional accountants 2○ Only to independence requirements relating to professional accountants in public practice. 3⊙ Other | Apply to all full members and associate members. |
| 4.7.5. | <i>Describe Other Framework SMO 4</i> Please describe the professional accountants that the threats and safeguards framework or similar concept applies to. | All members of SAIPA/CFA - full and associate members | |
| 4.8. | Ethical Behavior Resolution | | |
| 4.8.1. | <i>Identifying and Resolving Unethical Behavior</i> Are there specific requirements and | 1☑ Yes, our organization has | |

| Number | Question Title/Text/Help text | Answer | Comments |
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| | guidance provided to assist your members in identifying and resolving ethical matters? Select all of the answer option that are appropriate. | developed requirements for identifying and resolving ethical matters 2 <input type="checkbox"/> Yes, government, regulatory, or oversight bodies have developed requirements for identifying and resolving ethical matters 3 <input type="checkbox"/> No, there is no such requirements or guidance | |
| 4.8.2. | <i>MB and Ethical Conflict Resolution</i> Are the ethical conflict resolution requirements and guidance adopted from the IFAC Code or similar / equivalent to the guidance in the Code? Select the answer option that is the most appropriate. | 1 <input type="radio"/> Yes, the requirements and guidance are adopted from the IFAC Code 2 <input type="radio"/> Yes, the IFAC Code was used as a model in developing the requirements 3 <input checked="" type="radio"/> Yes, the requirements are similar / equivalent to the IFAC Code 4 <input type="radio"/> No, the requirements differ from the IFAC Code | |
| 4.9. | Independence and Threats So Significant | | |
| 4.9.1. | <i>Provisions and Threats to Independence</i> The "SMO 4: Provisions Relating to Threats to Independence" report refers to specific | 1 <input type="radio"/> Our organization will complete the "SMO 4: | |

| Number | Question Title/Text/Help text | Answer | Comments |
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| | <p>provisions of Section 290 of the revised IFAC Code of Ethics that are currently in effect. Section 290 requires members of assurance teams, firms, and when applicable, network firms be independent of assurance clients and describes specific circumstances that may give rise to threats to independence.</p> <p>Where Section 290 is applicable to your members, the SMO 4 Comparison of Threats to Independence.doc SMO 4: Provisions Relating to Threats to Independence report should be completed and submitted to Compliance Staff. Alternatively, where this information is available in another format it can be submitted instead of the report. Select the option below to confirm the information to be submitted.</p> <p>Help text: Section 290 of the revised Code of Ethics is currently in effect. Section 290 describes specific provisions that may give rise to threats to independence that are so significant, no safeguards are available to reduce the threat to an acceptable level. For some provisions the Code describes the actions that are available to address the</p> | <p>Provisions Relating to Threats to Independence" report</p> <p>20 Our members provide assurance services; however, another IFAC member body will complete the "SMO 4; Provisions Relating to Threats to Independence" report or provide the relevant information to Compliance Staff.</p> | |

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| | threat. | 3⊙ Our members do not provide assurance services; therefore, Section 290 and the Provisions Relating to Threats to Independence is not applicable to our organization. | |
| 4.10. | National Ethical Requirements - Other | | |
| 4.10.1. | National - Prof Accountants | | |
| 4.10.1.1. | <i>National Additional - Prof Accountants</i> Are there rules, regulations, laws, or other mandatory ethical requirements established by your organization, government, regulatory or other bodies that your members must comply with but are not addressed in the revised IFAC Code (effective June 30, 2006)? | 1⊙ Yes 2○ No | |
| 4.10.1.2. | <i>National Conflicts - Prof Accountants</i> Are there principles, concepts, and guidance in the revised IFAC Code (effective June 30, 2006) that conflict with national ethical requirements applicable to your requirements? | 1○ Yes 2⊙ No | |
| 4.10.1.3. | <i>National Comparison - Prof Accountants</i> Please provide a general description about the additional national ethical requirements or conflicts with the revised IFAC Code. | N/A | |

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| | This information may be submitted as a separate document to Compliance Staff. | | |
| 4.10.2. | National - Public Practice | | |
| 4.10.2.1. | <p><i>National Additional - Public Practice</i></p> <p>Are there rules, regulations, laws, or other mandatory ethical requirements established by your organization, government, regulatory or other bodies that are applicable to your members who are professional accountants in public practice that are not addressed in the revised IFAC Code (effective June 30, 2006)?</p> | <p>1 <input type="radio"/> Not applicable as our members do not operate as professional accountants in public practice</p> <p>2 <input type="radio"/> Yes</p> <p>3 <input checked="" type="radio"/> No</p> | |
| 4.10.2.2. | <p><i>National Conflicts - Public Practice</i></p> <p>Are there principles, concepts, and guidance in the revised IFAC Code (effective June 30, 2006) that conflict with national ethical requirements applicable to your members who are professional accountants in public practice?</p> | <p>1 <input type="radio"/> Not applicable as our members do not operate as professional accountants in public practice</p> <p>2 <input type="radio"/> Yes</p> <p>3 <input checked="" type="radio"/> No</p> | |
| 4.10.3. | National - Business | | |
| 4.10.3.1. | <p><i>National Additional - Business</i></p> <p>Are there rules, regulations, laws, or other mandatory ethical requirements established by your organization, government, regulatory or other bodies that are applicable</p> | <p>1 <input type="radio"/> Not applicable as our members do not operate as professional accountants employed in business</p> | |

| Number | Question Title/Text/Help text | Answer | Comments |
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| | to your members who are professional accountants in business that are not addressed in the revised IFAC Code (effective June 30, 2006)? | 2 <input type="radio"/> Yes 3 <input checked="" type="radio"/> No | |
| 4.10.3.2. | <i>National Conflicts - Business</i> Are there principles, concepts, and guidance in the revised IFAC Code (effective June 30, 2006) that conflict with national ethical requirements applicable to your members who are professional accountants employed in business? | 1 <input type="radio"/> Not applicable as our members do not operate as professional accountants employed in business 2 <input type="radio"/> Yes 3 <input checked="" type="radio"/> No | |
| 4.11. | <i>Translation of IFAC Code</i> Has your organization or others (e.g. government or regulatory body) translated the IFAC Code (in effect) or earlier versions of the Code? Select all the answer options that are appropriate. | 1 <input checked="" type="checkbox"/> No, as English is an official language or widely spoken language 2 <input type="checkbox"/> Yes, our organization has translated the IFAC Code 3 <input type="checkbox"/> Yes, a government, regulatory, or other body has translated the IFAC Code 4 <input type="checkbox"/> No, the IFAC Code has not been translated and English is not an official language or widely spoken language | |

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| 4.15. | <i>Activities to Promote IFAC Code of Ethics</i> Please describe the activities your organization undertakes to promote and assist in implementing the pronouncements (e.g. IFAC Code of Ethics) and work of IFAC's International Ethics Standards Board for Accountants. | Information is distributed to SAIPA/CFA members via monthly newsletters and other methods. There is also direct link to IFAC on our website. | |
| 5. | SMO 5 | | |
| 5.1. | <i>Public Sector Accounting Standards - Objective</i> Has the federal government / national government established convergence with International Public Sector Accounting Standards (IPSASs) as an objective? | 1 ☉ Yes | The Accounting Standards Board has developed its accounting standards (known as Standards of Generally Recognized Accounting Practice) based on the International Public Sector Accounting Standards as issued by the IPSASB of IFAC, as well as standards issued by the IASB where applicable. The standards developed by the ASB will be applicable to all three spheres of government, as well as municipal entities, public entities, Parliament and provincial legislatures, and Constitutional Institutions. |

| Number | Question Title/Text/Help text | Answer | Comments |
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| | | | By the Minister of Finance approving these standards (currently only three approved for application in public entities), international standards are being utilized, and unless a South African specific reason exists to deviate from the text of the IPSAS (and amendments resulting from the IASB improvements and convergence projects), are being adhered to. (Source: www.ipfa.co.za) |
| | | 2○ No 3○ Information is not available or not known | |
| 5.3. | Convergence and IPSASs | | |
| 5.3.1. | <i>Convergence Approach - IPSASs</i> Which of the following best describes government's convergence objective? Select the answer option that is the most appropriate. | 1□ IPSASs are adopted as drafted without amendments 2□ IPSASs are adopted with amendments 3☑ National public sector accounting standards are | |

| Number | Question Title/Text/Help text | Answer | Comments |
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| | | developed with a process to eliminate differences between the national standards and IPSASs 4 <input type="checkbox"/> IPSASs are incorporated using another approach | |
| 5.3.3. | <i>Comparison Information SMO 5</i> Is information about the IPSASs that have been incorporated (e.g. by adoption or other approaches) publicly available? Information should include the IPSASs issued and in effect that have been incorporated and differences between the IPSASs and national public sector accounting standards where differences exist. | 1 <input type="radio"/> Yes 2 <input type="radio"/> No 3 <input checked="" type="radio"/> Our organization is not aware of such information | |
| 5.4. | <i>Activities to Promote IPSASB Pronouncements</i> Please describe the activities your organization undertakes to promote pronouncements issued by the International Public Sector Accounting Standards Board. Please provide an explanation where such activities have not been undertaken because they are not within the scope of your organization's objectives or work program. | The Institute for Public Finance and Auditing has as one of its strategic objectives to build stakeholder relations with the IFAC IPSASB and Education Committee. The Institute promotes IPSASB pronouncements by hosting focus group sessions with its members and other interest stakeholders (e.g. public finance practitioners who are | |

| Number | Question Title/Text/Help text | Answer | Comments |
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| | | <p>not necessarily members of the Institute) to discuss the overarching principles contained in the standards or exposure drafts issued, and to solicit comments from participants at the workshop regarding the various proposals and any practical application issues that exist. :</p> <p>In addition to this, any new IPSASB pronouncements are included in our Newsletter which is sent to members, and where applicable, a more lengthy article included in our technical publication called the 'Journal' (which is distributed to numbers and other interested stakeholders).</p> <p>The Institute also has two other main ways of promoting the publications issued by the IPSASB;</p> <p>1 A link is to be included to the IFAC 2006 Handbook of International Public Sector Accounting Pronouncements, and any other publications;</p> <p>2 IPSASB pronouncements are included as reference material in</p> | |

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| | | our professional qualification Source: Institute for Public Finance and Auditing (IPFA), www.ipfa.co.za | |
| 6. | SMO 6 | | |
| 6.1. | <i>Investigation and Discipline Program</i> In your jurisdiction is there a program for investigating and disciplining members of your organization for misconduct, including breaches of professional standards and rules? | 1 ☉ Yes | The Constitution of the Institute provides for the appointment of Investigation and Disciplinary Committees. (SAIPA Handbook, Section 1; Constitution, paragraph 14 and section 3; By-Laws, paragraphs 15 &16) Based on the type or number of complaints received the investigations committee may authorise a practice review at a members practice. The SAIPA Technical Department appoints an accredited assessor to conduct the quality control. These assessors are provided with a checklist based questionnaire. The selected member is also |

| Number | Question Title/Text/Help text | Answer | Comments |
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| | | | provided with the questionnaire before the assessment The review is comprehensive and includes a review of the practice administration, available resources, working papers and processes, and exposure provided to accounting trainees. |
| | | 2○ No | |
| 6.3. | Responsibility for Investigation and Discipline | | |
| 6.3.1. | <p><i>Body Responsible for Investigation and Discipline</i></p> <p>Is your organization responsible for investigation and discipline of misconduct, including breaches of professional standards and rules by its individual members (and, if local laws and practices permit, by firms)? Select the answer option that is most appropriate.</p> | <p>1⊙ Yes, our organization has this responsibility</p> <p>2○ No, responsibility for investigation and discipline rests solely with an external body</p> <p>3○ Our organization shares responsibility for</p> | See comments 6.1 above. |

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| | | investigation and discipline with an external body 4○ Other | |
| 6.5. | SMO 6 - Detailed Assessment | | |
| 6.5.1. | Rules and Procedures for Investigation and Discipline | | |
| 6.5.1.1. | <i>Rules and Procedures</i> Does your organization establish in its constitution or rules the provisions and processes for the investigating and disciplining your members? | 1○ Yes 2○ No | See comments 6.1 above. |
| 6.5.1.3. | <i>Misconduct</i> In your jurisdiction, which of the following are considered "misconduct" as described in SMO 6 paragraph 4? Select all the answer options that are appropriate. | 1☑ Criminal activity 2☑ Acts or omissions likely to bring the accountancy profession into disrepute 3☑ Breaches of professional standards 4☑ Breaches of ethical requirements 5☑ Gross professional negligence 6☑ A number of less serious instances of professional negligence that, cumulatively, may indicate unfitness to exercise practicing rights | |

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| | | 7 <input checked="" type="checkbox"/> Unsatisfactory work 8 <input type="checkbox"/> Other (please describe) | |
| 6.5.2. | <i>Types of Sanctions</i> Which of the following actions can be imposed by those who judge such issues: Select all the answer options that are appropriate. | 1 <input checked="" type="checkbox"/> Reprimand 2 <input checked="" type="checkbox"/> Loss or restriction of practice rights 3 <input checked="" type="checkbox"/> Fine/payment of costs 4 <input checked="" type="checkbox"/> Loss of professional title (designation) 5 <input checked="" type="checkbox"/> Exclusion from membership 6 <input type="checkbox"/> Other (please describe) | |
| 6.5.3. | Provision of Information and Guidance to Members | | |
| 6.5.3.1. | <i>Information and Guidance</i> Does your organization make each member fully aware of: - All provisions of the ethical code and other applicable professional standards, rules and requirements (and any amendments), whether issued by IFAC or at the national level by the member body and - Consequences of non-compliance? | 1 <input checked="" type="radio"/> Yes 2 <input type="radio"/> No | |
| 6.5.3.2. | <i>Information and Guidance Description</i> Provide a brief description of how your | SAIPA / CFA meets this | |

| Number | Question Title/Text/Help text | Answer | Comments |
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| | organization meets this requirement of SMO 6. | requirement through the Investigation Committee and Disciplinary Committee (SAIPA/CPA Handbook, section 3; By-Laws, 13 to 15) | |
| 6.5.4. | Obligations to Report to Outside Bodies | | |
| 6.5.4.1. | <i>Reporting to Outside Bodies</i> Is your organization obligated under local laws to report possible involvement in serious crimes and offences by its individual members or member firms to the appropriate public authority and disclose related information to that authority? | 1 <input type="radio"/> Yes 2 <input checked="" type="radio"/> No | Exclusion from membership is reported to other professional bodies and the names of offenders are published in the SAIPA/CPA journal. |
| 6.5.4.2. | <i>Reporting to Outside Bodies Follow Up</i> Please describe your plans to introduce an obligation or requirement to report possible involvement in serious crimes and offences by individual members or member firms to the appropriate public authority and disclose related information to that authority. | Serious crimes are dealt with through the legal system. | |
| 6.5.5. | <i>Approach to Proceedings</i> What type of approach does your organization use to initiate investigation and discipline proceedings? Select all the answer options that are appropriate. | 1 <input checked="" type="checkbox"/> Information-based | Complaints against members are submitted by clients that feel aggrieved. Action is taken against members that do not adhere |

| Number | Question Title/Text/Help text | Answer | Comments |
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| | | 2 <input checked="" type="checkbox"/> Complaints-based 3 <input type="checkbox"/> Other (please describe) 4 <input type="checkbox"/> None of the above | to CPD requirements. Review visits can result in action against members. |
| 6.5.6. | Investigative Powers and Processes | | |
| 6.5.6.1. | <i>Powers</i> Does your organization have all required powers so that authorized personnel can carry out an effective investigation? | 1 <input checked="" type="radio"/> Yes 2 <input type="radio"/> No | |
| 6.5.6.3. | <i>Cooperation of Members</i> Do the powers to carry out an effective investigation include: Select all the answer options that are appropriate. | 1 <input checked="" type="checkbox"/> A requirement for members (and member firms) to co-operate in the investigation of complaints and to respond promptly to all communications from the member body 2 <input checked="" type="checkbox"/> Provision for sanctions in the event of failure to comply 3 <input type="checkbox"/> None of the above | SAIPA/CPA Handbook, section 3; By-Laws, 16 |
| 6.5.6.6. | <i>Expertise and Resource</i> Does your organization maintain appropriate expertise and adequate financial and other resources to enable timely investigative and | 1 <input checked="" type="radio"/> Yes (please describe) | A qualified legal person deals with the complaints and independent legal |

| Number | Question Title/Text/Help text | Answer | Comments |
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| | disciplinary action? | 2○ No | representaion is allowed. (SAIPA/CFA Handbook, section 3; By-Laws 16.4) |
| 6.5.6.8. | <p><i>Independence and Subject of Investigation</i></p> <p>Does your organization in all cases, confirm at the start of the investigation that any individual chosen to assist in an investigation is independent from (a) the subject of the investigation, and (b) anyone connected with or interested in the matter investigated?</p> <p>Help text: If a conflict exists at the start of an investigation, or arises during the investigation, the chosen individual should immediately withdraw. Similar considerations apply equally to anyone else connected with the investigation and hearing of cases.</p> | <p>1⊙ Yes</p> <p>2○ No</p> | See SAIPA/CFA Handbook section 3; By-Laws 16.4 |
| 6.5.6.10. | <p><i>Infrastructure</i></p> <p>Which of the following best describes your organization's investigation and discipline infrastructure? Select all the answer options that are appropriate.</p> | <p>1⊙ One committee/panel to investigate the complaint and a separate committee/tribunal to administer disciplinary action</p> <p>2○ A single committee/panel to conduct the investigation and administer disciplinary action.</p> | |

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| | | 3○ Other | |
| 6.5.6.12. | <i>Independent Review</i> Has your organization established and does it maintain a process for the independent review of complaints by clients and others where it has been decided by the investigation committee that the matter will not be referred to a disciplinary hearing? | 1○ Yes | The Investigation Committee independently from the Dicipinary Committee fully considers complaints. |
| | | 2⊙ No | |
| 6.5.6.13. | <i>Independent Review Follow Up</i> Please explain why your organization has not established and maintained such a process. | No applicable as the investigations decision is final. A request may be forwarded by the agrieved party to our Chief Executive, which may ask for a re-investigation. | This will be looked at by council. |
| 6.5.7. | The Disciplinary Process | | |
| 6.5.7.1. | <i>Composition of Tribunal</i> Does the tribunal responsible for the disciplinary hearing contain a balance of professional expertise and outside judgment (e.g., composed of accountants and non-accountants)? | 1⊙ Yes (please describe) | Evidence is obtained from all interested parties and the complaint is investigated by an independent assessor. All facts are presented to the committee. Written statements must be affidavits. Witnesses can be heard. (SAIPA/CFA Handbook, |

| Number | Question Title/Text/Help text | Answer | Comments |
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| | | 2 <input type="radio"/> No | section 3; By-Laws) |
| 6.5.7.3. | <p><i>Conflicts</i></p> <p>Are members of the investigation committee or the disciplinary tribunal permitted to serve on both at the same time, or in relation to the same case?</p> | 1 <input type="radio"/> Yes | |
| | | 2 <input checked="" type="radio"/> No | |
| 6.5.7.5. | <p><i>Independence of Tribunal</i></p> <p>Briefly describe how the disciplinary tribunal exhibits independence.</p> | See comment in 6.5.7.3 above. | |
| 6.5.7.6. | <p><i>Appeals Process</i></p> <p>Does your organization's rules:</p> <p>Select all the answer options that are appropriate.</p> | <p>1 <input checked="" type="checkbox"/> Permit a qualified lawyer or other person chosen by the defendant to accompany and represent the defendant at all disciplinary hearings and to advise him or her throughout the investigative and disciplinary process</p> <p>2 <input type="checkbox"/> Permit the defendant to appeal the conviction and any imposed sanction</p> <p>3 <input checked="" type="checkbox"/> Permit any order made against the defendant to be suspended by the tribunal that convicted the defendant, pending the hearing of that</p> | |

| Number | Question Title/Text/Help text | Answer | Comments |
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| | | <p>appeal</p> <p>4 <input checked="" type="checkbox"/> Prohibit the appeal tribunal from including a prosecutor or a member of the first tribunal, or any other individual who was concerned with the original conviction</p> <p>5 <input type="checkbox"/> Require that the same procedures apply to the appeal process as apply to hearings before the disciplinary tribunal</p> <p>6 <input type="checkbox"/> None of the above</p> | |
| 6.5.7.7. | <p><i>Appeals Process Follow Up</i></p> <p>Please explain why your organization has not established the rules that were not selected.</p> | The Dicipinary Committee has the final say. The complainant can take the complaint up for civil action if he is not happy with the verdict of the Dicipinary Committee. | |
| 6.5.8. | Administrative Processes | | |
| 6.5.8.1. | <p><i>Elements of Administrative Processes</i></p> <p>As a part of Investigation and Discipline administrative processes does your organization:</p> <p>Select all the answer options that are appropriate.</p> | <p>1 <input type="checkbox"/> Establish time limits for disposal (completion) of all cases</p> <p>2 <input checked="" type="checkbox"/> Maintain and operate tracking</p> | |

| Number | Question Title/Text/Help text | Answer | Comments |
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| | | <p>mechanisms, to ensure that all investigations and prosecutions are promptly handled, and that all necessary action is taken at the appropriate stage</p> <p>3 <input checked="" type="checkbox"/> Maintain a procedure requiring (a) notification to all persons employed or otherwise participating in the investigative and disciplinary processes (or having access to information concerning such processes) of the importance of maintaining confidentiality, and (b) a binding agreement to maintain that confidentiality</p> <p>4 <input checked="" type="checkbox"/> Maintain secure and confidential facilities for the storage of case papers and other evidence</p> <p>5 <input checked="" type="checkbox"/> Maintain records of all investigation and disciplinary proceedings</p> <p>6 <input type="checkbox"/> None of the above</p> | |
| 6.5.8.2. | <p><i>Elements of Administrative Processes Follow Up</i></p> <p>Please explain why your organization has not established the administrative processes</p> | <p>Due to fast distenses and nature of investigation done, the</p> | |

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| | that were not selected. | investigation can not be guaranteed to be finalized in a pre-determined time. | |
| 6.5.8.3. | Case Numbers | | |
| 6.5.8.3.1. | <i>2005 Heard Case Numbers</i> Indicate the number of cases heard in 2005. | 40 | |
| 6.5.8.3.2. | <i>2004 Heard Case Numbers</i> Indicate the number of cases heard in 2004. | 41 | |
| 6.5.8.3.3. | <i>2003 Heard Case Numbers</i> Indicate the number of cases heard in 2003. | 38 | |
| 6.5.8.3.4. | <i>2005 Completed Case Numbers</i> Indicate the number of cases completed in 2005. | 20 | |
| 6.5.8.3.5. | <i>2004 Completed Case Numbers</i> Indicate the number of cases completed in 2004. | 15 | |
| 6.5.8.3.6. | <i>2003 Completed Case Numbers</i> Indicate the number of cases completed in 2003. | 20 | |
| 6.5.8.3.7. | <i>Average time required for disposal of cases</i> Indicate the average time (in months) required for the disposal (completion) of a case. This number should include both the | 18 | |

| Number | Question Title/Text/Help text | Answer | Comments |
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| | time spent on (a) the investigation of the complaints and (b) the disciplinary proceedings. | | |
| 7. | SMO 7 | | |
| 7.1. | <p><i>Accounting Standards in Law/Regulation</i></p> <p>Does law or regulation establish the set of accounting standards to be used for preparation of financial statements of private sector listed entities and non-listed entities? Select all the answer options that are appropriate.</p> <p>Where the law / regulation establishes the accounting standards to be used by reference to the set of standards to be used by their name or by including the text of the standards in the law / regulation, please respond "yes" to this question. Section 7.8. of this module includes questions about the law / regulation.</p> <p>Where the law / regulation gives authority to a national standard-setter to establish the accounting standards, please respond "no". Section 7.2. of this module includes questions about the standard-setter and the accounting standards that are established.</p> | <p>1 <input checked="" type="checkbox"/> Yes, for financial statements of listed entities</p> | <p>In South Africa, the standard setting body is the Accounting Practices Board (APB) who took a decision to harmonise Statements of GAAP with the International Accounting Standards (IAS). Minor differences as a result of different effective dates, and in some cases options permitted in the IAS were removed from Statements of GAAP and additional requirements included. In February 2004 the APB took a decision to issue the text of International Financial Standards (IFRS) without any amendments. The Statements of GAAP are therefore exact replicas of IFRS and a dual numbering system is used to refer to the IFRS and the relevant</p> |

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| | | | <p>Statement of GAAP. The Preface also explains that in the body of Statements of GAAP, any reference to a specific IFRS is synonymous with the relevant AC number, unless otherwise indicated. Consequently, where an entity is preparing financial statements in terms of Statements of GAAP they are in effect complying with IFRS.</p> <p>Listed companies</p> <p>All listed companies are required to prepare financial statements in terms of IFRS for annual periods commencing on or after January 2005. This is a JSE Listing Requirement.</p> <p>Unlisted companies</p> <p>Unlisted companies are not required to prepare financial statements in terms of IFRS, but may choose to do so.</p> |

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| | | | <p>However, unlisted companies must prepare financial statements in terms of Statements of GAAP, as issued by APB. This is a requirement of the Companies Act. The result would be that such companies are effectively complying with IFRS, as IFRS are issued, in South Africa as Statements of GAAP.</p> <p>However, such companies are not able to use the transitional-provisions and options in IFRS 1(AC 138).</p> <p>Other Unlisted Entities i.e. Close Corporations</p> <p>However, various other legislation (other than the companies act) require the preparation of financial statements in accordance with generally accepted accounting practice (so called small "gaap"). These include:</p> <ul style="list-style-type: none"> - National Credit Act and Regulations |

| Number | Question Title/Text/Help text | Answer | Comments |
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| | | | <p>(www.ncr.org.za) - Sectional Titles Act and Regulations (www.acts.co.za) -Co-operatives Act and Regulations (www.acts.co.za) - National Lottery Board Regulations (www.nlb.org.za) - Close Corporation Act (www.acts.co.za)</p> <p>There is currently no standard setter for this other type of financial reporting "standard".</p> |
| | | <p>2 <input checked="" type="checkbox"/> Yes, for financial statements of non-listed entities 3 <input type="checkbox"/> No, for financial statements of listed entities 4 <input type="checkbox"/> No, for financial statements of non-listed entities</p> | |
| 7.8. | Law/Reg and Accounting Standards | | |
| 7.8.1. | <p><i>Law/Reg Accounting Standards - Private Sector</i></p> <p>Is there only one group of accounting standards or are the accounting standards applicable to listed entities different from non-listed entities?</p> | <p>1 <input checked="" type="radio"/> The accounting standards for listed entities and non-listed entities are the same set of standards</p> | <p>See answers to previous questions.</p> |

| Number | Question Title/Text/Help text | Answer | Comments |
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| | | 2○ The accounting standards for listed entities and non-listed entities are not the same set of standards | |
| 7.8.2. | <i>Accounting Standards for Private Sector</i> Does the law/regulation require the use of International Financial Reporting Standards and other pronouncements issued by the International Accounting Standards Board? Select the answer option that is most appropriate. | 1○ The law/regulation simply refers to International Financial Reporting Standards as the accounting standards (without bringing in the full or partial text of individual IFRSs) 2○ The law/regulation contains the full text of each IFRS 3○ The law/regulation contains the main principles of the IFRSs 4☉ The law / regulation has a requirement to use IFRSs using another approach (please describe) 5○ The law / regulation requires the use of national standards with no reference to IFRSs | See SAICA response |
| 7.8.9. | <i>MB Responsibilities and IASB SMO 7</i> Does your organization have responsibility for any of the following activities? Select all the answer options that are appropriate. | 1□ Develop other authoritative pronouncements | See response to question 7.1. iro financial reporting for entities other than Companies. |

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| | | <p>2 <input type="checkbox"/> Promulgate the IFRSs established by law / regulation (e.g. by publishing or communicating the standards to the public)</p> <p>3 <input type="checkbox"/> Other (please describe)</p> <p>4 <input checked="" type="checkbox"/> None of the above</p> | SAIPA has a responsibility to provide guidance to its members iro these entities. |
| 7.8.12. | <p><i>Other Organization SMO 7</i></p> <p>Do any of the following organizations have responsibility for developing or implementing the accounting standards established in law / regulation?</p> | <p>1 <input type="radio"/> Another IFAC member body(ies)</p> <p>2 <input checked="" type="radio"/> Government or regulatory body</p> <p>3 <input type="radio"/> Non-IFAC professional body</p> <p>4 <input type="radio"/> Other organization</p> | Accounting Practices Board |
| 7.9. | Law/Reg and IASB Pronouncements | | |
| 7.9.1. | <p><i>Incorporation into Law/Reg SMO 7</i></p> <p>Is information publicly available about IFRSs and other IASB pronouncements that have been established into law/regulation, including:</p> <p>IFRSs and other IASB pronouncements that have been established into law / regulation; Whether the IFRS or IASB pronouncement established into law / regulation is the</p> | 1 <input type="radio"/> Yes | |

| Number | Question Title/Text/Help text | Answer | Comments |
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| | <p>version in effect as at September 30, 2005; The effective date set by law / regulation where it differs from the IFRS or IASB pronouncement; The differences between IFRSs and IASB pronouncements and what was established into law / regulation; and The reasons for the differences?</p> | 2⊙ No | |
| 7.9.2. | <p><i>Incorporation Description - Law/Reg SMO 7</i></p> <p>If the information about the status of IFRSs and other IASB pronouncements that have been established into law is available in English, indicate this in your response and submit a copy of the information to Compliance Staff.</p> <p>If this information is not available, complete the SMO 7: Comparison with IASB Pronouncements report and submit it in Word format to Compliance Staff.</p> <p>Indicate whether your organization will be submitting available information or the "SMO 7: Comparison with IASB Pronouncements" report.</p> | <p>1○ Yes, information is available and in English and will be submitted to Compliance Staff</p> <p>2○ No, information is not</p> | Refer SAICA response to this question. |

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| | | <p>available; however our organization or jointly with another IFAC member / associate will complete the "SMO 7: Comparison with IASB Pronouncements" and submit it to Compliance Staff</p> <p>3 <input checked="" type="radio"/> No, information is not available</p> | |
| 7.10. | Translation SMO 7 | | |
| 7.10.1. | <p><i>Translation of IFRSs</i></p> <p>Are the IFRSs and other IASB pronouncements translated into national language?</p> | <p>1 <input checked="" type="radio"/> No, as English is an official language or widely spoken language</p> <p>2 <input type="radio"/> Yes, the IFRSs are translated</p> <p>3 <input type="radio"/> No and English is not an official language or is not widely spoken</p> | |
| 7.11. | <p><i>Promotion Activities SMO 7</i></p> <p>Please describe the activities your organization undertakes to promote and assist in the implementation of IFRSs and other IASB pronouncements and activities.</p> | Refer to 7.1. In addition, the members of the Institute are informed of the latest developments at APB by Newsletters, the Journal and other means. | |
| 8. | Certification of Chief Executive | | |
| 8.1. | <p><i>Complete Certification</i></p> <p>Once all required questions have been completed, the Certification of Chief Executive should be signed and submitted to</p> | <p>1 <input checked="" type="checkbox"/> Yes, the Certification of Chief Executive has been submitted</p> | |

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| | Compliance Staff. Click here to download a copy of the Certification form. | 2□ | |