

ACCA MEMBERS NETWORK, SOUTH AFRICA

CHAIRMAN'S REPORT – ANNUAL GENERAL MEETING, 22 JULY 2010, RADISON GAUTRAIN HOTEL

1 Preamble

A warm welcome extended to all the members.

This meeting is an important one because it's the first AGM of our recently established Members Network in South Africa. The network is a platform through which you as members can have a sense of community and participation in the affairs of the Association in the country. This is particularly important given the small but growing size of ACCA membership in this largest and most advanced economy on the continent. In terms of the Network Members' constitution, the role of the Network is to advise Council, the Chief Executive and the South Africa Manager on matters relating to:

- a) Strategic development;
- b) Current and future issues affecting Network Members;
- c) Raising ACCA's profile and enhancing its reputation in South Africa
- d) New ideas and topics which may be addressed through courses, publications and other services; and
- e) Technical issues and consultative documents

This report covers work done by the Network Panel, your executive committee, during the reporting period, and includes important developments of interest to Members

2 Meetings

Since its election, on 5 October 2009, the Panel has held 7 official meetings as shown in the attendance record below.

Panel Member		5 Oct 2010	9 Nov 2009	17 Dec 2009	26 Jan 2010	9 March 2010	25 May 2010	12 July 2010
Chama Kamukwamba	Chairman	X	X	x	x	x	X	X
Raj Mahabeer	D/ Chairman	x	X	x	x	x	X	X
Elina Bvurere	Member	X	X		X			
Jennifer Njelesani	Member	X	X		X	x		
Alick Kapeza	Member	X	X		X			X
Edmore Chinhakwe	Member	X	X	X	X			
Lawrence Gudo	Member							
Johnny Eliades	Member	X					X	X
SA Manager/Representative	Attendee	MC, Z	CP	QS, NV		MC, TV, QS	CP, MC	CP

Table 1 Record of Panel Members Attendance (X)

Frequent interactions with the SA Office were also held and covered a broad range of strategic issues

3 Technical Committees

In order to broaden participation and allow for specialization, the Panel formed two committees to focus on key areas of our work:

- Technical Committee: Raj Mahabeer (Chair), Elina Bvurere, Edmore Chinhakwe
- Stakeholder Relations: Jennifer Njelesani (Chair), Alick Kapeza, Johnny Eliade*s, Lawrence Gudo*

*(Still to confirm)

Network Members that may wish to contribute and participate in professional discussions, networking events and initiatives are free to contact the committees through the respective chair.

4 Professional matters

The Panel had opportunity to give contribute to the following matters which remain unresolved:

4.1 Accreditation for Audit - IRBA

This matter remains an on-going issue which the CEO and the local office remain engaged with. The issue is complicated by matters of transformation, as well as technical issues that need to be addressed on both sides. At this stage it remains every member's role to continue building relationships with influential people and creating goodwill in the market. In this regard, we are pursuing the nomination of one of Members to sit on the board of the IRBA in terms of their public invitation.

4.2 Accountancy Industry Transformation Charter

Both the Chairman and Deputy Chairman participated in formulating ACCA's comments to the CA Charter after it was gazetted in October 2009. The submission was made on 27 December 2009. In response, DTI formally invited ACCA and the Charter Representative Council i.e. SAICA, IRBA and Audit Industry representatives to try and resolve the objections that ACCA had raised. After the discussion, ACCA was given an opportunity to re-submit its final changes for consideration to DTI. The office submitted these on 30 June 2010 and we await the outcome.

The principle of ACCA's submissions was that the Charter was exclusionary and did not address the transformation of the industry as a whole. ACCA's position has always been that the industry needed to be opened up beyond the existing dominant players to allow access to the profession by using other qualification routes. Government efforts to open up the economy through the work of the Competition Commission and legislation such as the BBBEE Act of 2003 strengthen our position. It was also noted that the current shortage of some 25,000 qualified accountants in the economy would not be easily

overcome by maintaining the status quo. ACCA is well positioned to make its contribution to the economic growth of the country.

5 Opportunities and Prospects

Non-audit opportunities that are opening up for Members in public practice include:

- Tax Practitioners in terms of the Tax Practitioners Unit under SARS

The South African Institute of Tax Practitioner has already been formed. Further information can be obtained on its website.

- Independent Reviews for Audit exempt entities in terms of the Company Act of 2008

Corporate legislation in South Africa is subject to major reform. One of the requirements that will impact on the auditing profession is that private companies will no longer require an audit but, instead, an independent review.

The Panel will continue to deliberate and focus on strategies that will contribute towards the accreditation of its eligible members to practice as Registered Auditors and to play a meaningful role in the industry.

6 Dates for Panel Meetings – 2010/2011

The following dates have been proposed for the Network members' up date meetings and the AGM.

29 September Johannesburg

29 November Cape Town

31 January, Johannesburg

24 March AGM Johannesburg (with elections)

End