

# Webinar on the Namibian PAAB's draft bill


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Hosted by the Southern African Institute for  
Business Accountants

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SOUTHERN AFRICAN INSTITUTE  
FOR BUSINESS ACCOUNTANTS

*Accountants and Auditors  
Bill, 2019*

# Agenda:



Recommendations of the World Bank Report on the Observance of Standards and Codes (ROSC) – June 2013 (South Africa)



Proposed changes in Namibia's Public Accountants' & Auditors' Board's new Accountants and Auditors Bill, 2019 (AA Bill)

# Recommendations of the World Bank's ROSC

- Comprehensive regulation of the professional accountancy organisations (accounting and auditing) was one of the recommendations in the 2013 World Bank ROSC on South Africa (refer to page 43 of the World Bank's ROSC)
- Namibia - Public Accountants' & Auditors' Board (PAAB)

# Accountants and Auditors Bill, 2019

- Current Public Accountants' and Auditors' Act, 1951 (the PAA Act) is originally a law of South Africa
- Adopted by Namibia on obtaining independence in 1990
- No amendments since 1994
- A legal review is thus required to ensure the PAA Act is fit-for-purpose
- The AA Bill will repeal the PAA Act

# Accountants and Auditors Bill, 2019

The AA Bill comprises fourteen parts:

- Part 1- Introductory provisions
- Part 2- Constitution and Governance of Authority
- Part 3- Objectives, Functions and Powers of Authority
- Part 4- Staff of Authority
- Part 5- Committees of Board
- Part 6- Finances of Authority
- Part 7- Accreditation of Professional Bodies
- Part 8- Registration of Accounting Technicians, Professional Accountants and Auditors
- Part 9- Cancellation or Suspension of Registration of Registered Person
- Part 10- Specific Provisions Relating to the Provision of Auditing Services
- Part 11- Inspectorate of the Authority
- Part 12- Disciplinary Powers of Board
- Part 13- Offences
- Part 14- General Provisions

# Accountants and Auditors Bill, 2019

## Part 1- Introductory provisions

“**Accounting services**” is defined as including:

- the preparation of financial records, returns, statements or information;
- making any presentation on behalf of a client to third parties in matters concerning accounting or insolvency matters;
- Taxation services;
- Accounting and insolvency advisory services;
- Forensic services;
- Other assurance and related services relating to accounting advisory services and company statutory services, and lastly
- Other services prescribed by the Board in the Gazette.

# Accountants and Auditors Bill, 2019

## Part 1- Introductory provisions

“**Audit**” means an independent examination by a registered auditor in accordance with the audit standards of:

- financial statements with the objective of expressing an opinion on whether financial statements are prepared in all material respects in terms of a recognised financial reporting framework;
- financial or other information, **prepared in accordance with audit standards**, with the objective of expressing an opinion thereon, and includes audits performed on behalf of the Auditor-General and “auditing” and “auditing services” have a corresponding meaning.

# Accountants and Auditors Bill, 2019

## Part 1- Introductory provisions

**“Unprofessional conduct”** means improper or dishonourable or unworthy conduct, or conduct which, if regard is had to any code of professional conduct applicable to the accounting or auditing profession or issued by an accredited professional body, as the case may be, is improper or dishonourable or unworthy, and includes acts and omissions specified under section 76.

**VS**

**Improper conduct (Per IRBA’s APA)** means any non-compliance with this Act or any rules prescribed in terms of this Act or any conduct prescribed as constituting improper conduct.



# Accountants and Auditors Bill, 2019

## Part 2- Constitution and Governance of Authority

### The Accountants' and Auditors' Regulatory Authority Board

- Should consist of **nine non-executive members** appointed by the Minister,
- The abovementioned should include at least:
- **One** registered auditor;
- **One** registered professional accountant ; and
- **One** registered accounting technician.
- Members are appointed to the Board for a **3-year term**, renewable once

# Accountants and Auditors Bill, 2019

## Part 2- Constitution and Governance of Authority

### The Accountants' and Auditors' Regulatory Authority Board

- Clause 11 states as follows: “The Board and its committees must keep minutes of its meetings and submit such copies to its members **within 14 days of the meetings**, **duly signed by the chairperson** presiding at that particular meeting as to the correctness of the content thereof.

# Accountants and Auditors Bill, 2019

## Part 5- Committees of Board

Clause 26 – The Board may establish any number of committees in addition to the the following permanent committees:

- education, training and professional development committee;
- registration and accreditation committee;
- standards committee;
- inspection and quality assurance committee
- ethics committee
- investigation committee; and
- disciplinary committee

Board committees must consist of **at least two Board members**, with the Board designating a Board member as **chairperson** to each board committee.

# Accountants and Auditors Bill, 2019

## Part 8- Registration of Accounting Technicians, Professional Accountants and Auditors

Clause 43 (b) “**member in good standing**” means a member of an accredited professional body or similar body in a foreign country who:

- does not owe any membership fees or other dues to that professional body or similar body;
- is not subject to a disciplinary proceeding by the Authority or by that professional body or similar body; and
- complies with the continuing professional development requirements.

# Accountants and Auditors Bill, 2019

## Part 11- Inspectorate of the Authority

- Clause 68 - Practice reviews (68(2) notify at least **10-days** before review)
- Clause 69 - Powers of inspection and quality assurance committee, inspectors and forensic inspectors
- Clause 70 - Duties of registered person or accredited professional body in respect of practice review
- Clause 71 – Practice review or investigation report
- Clause 72 – Powers of inspection and quality assurance committee

# Accountants and Auditors Bill, 2019

## The AA Bill is intended to achieve the following:

- Continue the existence of the Public Accountants' and Auditors' Board as the Accountants' and Auditors' Regulatory Authority of Namibia ("AARA")
- Regulate the registration and minimum requirements of accounting technicians, accountants and auditors
- Make provision for an accreditation framework for the regulation of accounting technicians, accountants and auditors
- Prescribe an appropriate framework for the education and training of properly qualified accounting technicians, accountants and auditors as well as their ongoing competences
- Support the growth and transformation, advance the standing and effectiveness and promote the integrity of the accounting and auditing professions
- Empower the AARA to prescribe accounting standards and auditing standards which are internationally comparable

# Accountants and Auditors Bill, 2019



Questions and Answers...

# Thank you

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