

IRBA prioritises Steinhoff/Deloitte case

Despite constraints on the speed with which the Independent Regulatory Board for Auditors (IRBA) can deal with complex investigations such as the Steinhoff/Deloitte matter, it will continue to prioritise high public interest cases such as this.



Bernard Agulhas, CEO of the IRBA

The IRBA wrote to the chairman of the Standing Committee on Finance (SCoF), Yunus Carrim, on last week to update the committee on the status of the case.

“Since we attended the hearing into the Steinhoff matter in January 2018, we can confirm that we have commenced reviewing the Deloitte audit files of Steinhoff for the years 2014, 2015 and 2016. Following the widely-reported allegations of accounting irregularities, the auditors did respond by raising a reportable irregularity (RI). The auditor has since confirmed that the RI is continuing, the resolution of which is pending the conclusion of the internal investigation by PwC,” says Bernard Agulhas, CEO of the IRBA.

Multifaceted

“While the recent ruling in the Dutch court which ordered Steinhoff to amend its 2016 accounts has confirmed some elements which we will review, the Steinhoff case is a multifaceted one which will require significant investigation. Nevertheless, our initial review of the audit files has identified some lines of further investigation which we are pursuing.”

At the time of the audits for 2014 and 2015, the local Steinhoff entity was the listed holding company with its primary listing on the Johannesburg Stock Exchange. In 2016, the primary listing moved to the Netherlands; therefore, the audit files for 2016 pertain to Steinhoff Africa's local subsidiaries.

As pointed out by Agulhas in parliament on 31 January 2018, the IRBA has approximately 150 open investigations at any given time, which means that it has to carefully balance its limited resources to prioritise high public interest investigations.

"Before the investigation will be concluded, we will need the restated annual financial statements and the PwC Internal Review Report, which we are waiting for," he says.

For more, visit: <https://www.bizcommunity.com>