



Public Accountants' & Auditors' Board
Openbare Rekenmeesters- en Ouditeursraad
Lekgotla la Basupaletlotlo ba Setjhaba le Bahlahlobi ba Dibuka
Ibhodi yabaGcini kanye nabaCwaningi bamaBhuku eziMali

☎ (011) 622-8533

(011) 622-4029

751595, Garden View, 2047

South Africa

Docex: 158 Johannesburg

7 Ernest Oppenheimer Avenue

Bruma, Johannesburg

Website: www.paab.co.za

Established in terms of Act 51/1951
(now Act 80/1991)

Mr R M Young
C²I² Systems
P O Box 171
RONDEBOSCH
7701

By e-mail: rmyoung@ccii.co.za

4 June 2002

Dear Mr Young

ALLEGED IMPROPER CONDUCT - PRICEWATERHOUSECOOPERS

Thank you for your e-mail dated 30 May 2002.

I must, at this stage, advise you that the Board is empowered by the Public Accountants' and Auditors' Act to investigate and if necessary hear any allegations of improper conduct against a practitioner and, if such practitioner is found guilty, to impose one of the prescribed punishments. The prescribed punishments include a caution, reprimand, fine not exceeding R150 000, suspension from practice, removal of the practitioner's name from the register of accountants' and auditors or temporary, permanent or qualified disqualification from registration with the Board as an accountant and auditor.

As can be seen from the above, the powers of the Board are purely disciplinary in nature and we cannot make any orders for specific performance, or assist you with the recovery of funds.

I must also advise you that the Board's investigation of improper conduct, by its very nature, takes time. Each complaint is, once all the documentation is collated, referred to the Investigation Committee for investigation. Each such complaint is investigated thoroughly, impartially and on its merits. If the Investigation Committee is unable to resolve the matter, for whatever reason, the matter is referred to the Disciplinary Committee who will then hear the matter in a tribunal which runs much along the lines of a criminal trial.

Rule 3.4 of the Disciplinary Rules of the Board stipulates that:

“... a complaint shall be in the form of an affidavit, detailing in precise terms the specific acts or failure complained of”,

I shall be grateful if you would furnish me with an affidavit in compliance with Rule 3.4, based on the documents attached to your e-mail of 30 May 2002. Please would you either include hard copies of the e-mailed documents in your affidavit, all documents then being initialled by yourself and the Commissioner of Oaths, or alternatively, please verify in your affidavit that the documents e-mailed to me are to be read as part of your affidavit.

I also require that you state on oath in your affidavit that the documents are what they purport to be. For example you need to state on oath that the Strategic Defence Packages Joint Report which is attached to your e-mail is in fact a true copy of the issued original document.

Upon receipt of your affidavit the matter will receive further attention.

You will appreciate, I am sure, that as the Rules are delegated legislation it is essential that the stipulated procedures are adhered to.

I must also bring to your attention that the Board's jurisdiction extends over individuals who are registered with this Board as registered accountants' and auditors'. The Board does not prosecute firms, only individuals, and furthermore, the Board has no jurisdiction over non-auditing firms' members. In this regard and with specific reference to your e-mail, the Board would probably be in a position to investigate the conduct of Mr Beggs and I would appreciate hearing from you whether this is adequate for your purposes.

As the accused party is entitled to be informed of the nature of the conduct imputed to him, please confirm, when furnishing your affidavit, that you have no objection to the affidavit being disclosed to the accused.

Yours sincerely

PJ O'CONNOR
DIRECTOR: LEGAL