

30 October 2018

Statutory Audit Market Study  
C/O Competition and Markets Authority  
7<sup>th</sup> floor, Victoria House  
37 Southampton Row  
**London WC1B 4AD**

BY EMAIL: [statutoryauditmarket@cma.gov.uk](mailto:statutoryauditmarket@cma.gov.uk)

Dear Sir / Madam

### **STATUTORY AUDIT MARKET – INVITATION TO COMMENT**

The above matter refers and we wish to thank you for the invitation to comment. The statutory audit market and specifically the “Big Four” have been quite topical in recent times. Capital markets are key to our business and ultimately to the communities that we serve. The external audit profession plays a pivotal role to ensure public confidence in the results provided by listed companies, other businesses and entities.

The quality of the work performed by the statutory auditor is paramount to our expectations. We have been satisfied with our statutory auditors PricewaterhouseCoopers (PwC) but would of course welcome any initiative that would improve the business environment in general. This has to be balanced against the backdrop of a fair fee that will enable an audit opinion that can be relied upon by all stakeholders. Our business has and continues to evolve, and we need a statutory auditor that can meet the demands of our business.

Our comments are limited to the following concepts:

1. **Joint or shared audits** – Mediclinic had historical experience with shared audits (different auditors for certain operations), which was subsequently changed to one audit firm for the group. Our experience with one set of auditors for the group are:
  - improved co-ordination of the group audit;
  - efficiencies resulting in lowering of audit fees; and
  - improved quality of audits.
2. **Transferring the powers, partially or wholly, to appoint audit firms and manage their performances away from audit committees** – One of the key responsibilities of the audit committee is to select and appoint the external auditors. Removing this responsibility from audit committees could undermine the pivotal role that audit committees play in the governance of listed and other companies.

Yours faithfully,

  
**P. MYBURGH**  
GROUP CHIEF FINANCIAL OFFICER