

28 January 2018

Statutory Audit Market Study
C/O Competition and Markets Authority
7th floor, Victoria House
37 Southampton Row
London, WC1B 4AD
BY EMAIL: statutoryauditmarket@cma.gov.uk

Dear Sir / Madam

**STATUTORY AUDIT MARKET –
PRELIMINARY FINDINGS PUBLISHED ON 18 DECEMBER 2018**

The above matter refers and we wish to thank you for the invitation to comment. We also refer to our previous submission dated 30 October 2018.

Our comments to the preliminary findings are limited to the following proposed remedies:

Remedy 1: Regulatory scrutiny of auditor appointment and management

Any proposed scrutiny of audit appointment and management by the regulator should be structured as such that it does not shift any responsibilities and accountabilities away from audit committees.

Remedy 2: Mandatory joint audits

Mediclinic is an international private healthcare services group, with current operating divisions in Switzerland, Southern Africa (South Africa and Namibia) and the United Arab Emirates. PriceWaterhouseCoopers (PwC) are the auditors of the company and the group, which include their UK, Swiss, UAE and South African offices.

From our perspective, mandatory joint audits may have the following negative impacts:

- duplication in work performed by the different auditors, resulting in increased cost;
- co-ordination of audits over several jurisdictions becoming more complex;
- different audit firms may not have the same international scale and representation in all the jurisdictions where Mediclinic has operations;
- risk of not meeting timelines to finalise audits and publish results; and
- risk of issues not being addressed due to the lack of co-ordination or lack of responsibility between the two sets of auditors.

As an alternative to mandatory joint audits, a market share cap may be a more acceptable remedy, provided that the choice of auditors is not limited by implementing too low caps.

Yours faithfully,



P. MYBURGH
Group Chief Financial Officer