‘AFRICA RISING’
How Fanile Shongwe is on a bold quest of turning the story to reality

FOCUS OF THE MONTH

THE CHARTERED ACCOUNTANT OF THE FUTURE

THE FUTURE WORLD OF WORK • THE PROFESSION • DEBATING THE FUTURE • DATA ANALYTICS

13

APC HONOURS ROLL CANDIDATES ANNOUNCED

INTEGRATED REPORTING
SIX YEARS ON
Most people would call heads or tails. The rare ones would use the coin more wisely instead of leaving it up to chance.

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<td>‘The illiterate of the 21st century will not be those who cannot read and write, but those who cannot learn, unlearn and relearn …’ Alvin Toffler, Future Shock</td>
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ASA and SAICA are looking for 35 outstanding and ‘out of the ordinary’ young businessmen and women worthy of the opportunity to be awarded.

The awards recognise not only their leadership ability, personal determination and drive, but also how these exceptional individuals give back to the community and less fortunate and how that brings an extraordinary balance to their professional achievements.

JUDGE: ANDILE KHUMALO

This experience blew me away and was humbling to any presumption I may have had regarding my own achievements. I realised I was never this smart at age 35! Contestants came from across the full spectrum – entrepreneurship, the accounting industry and academia.

‘I found it a selfishly inspirational experience – I learned more from them than they probably did from me’

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“It was a great honour to be named the top CA(SA) under 35 in South Africa. Recognising that calculated risk taking plays a great role in building our society, I’m glad that my CA(SA) heritage prepared me to confront (and not to avoid) the various entrepreneurial and corporate challenges and opportunities that presented themselves. Success is not final. Failure is not fatal. It is the courage to continue that counts.”

WIN

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OR SCAN THESE PAGES FOR INFORMATION AND ENTRY FORMS

2017 35 UNDER thirty five

MOSE KUTADZAUSHE

SPONSORED BY

T&C apply Evaluative criteria available on the ASA website http://www.accountancyza.org.za/35-under-35/

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A few years ago research by the Oxford Martin School at the University of Oxford suggested that 47% of the jobs in the US are at risk. This is supported by theoretical physicist and futurologist Michio Kaku – he says that any job that requires repetition of work tasks is at risk, but the jobs that will be saved in future are the ones that robots are not able to do. For example, jobs that require intellectual capital and common sense will survive – jobs that involve creativity, imagination, leadership, analysis, science, or writing.

At SAICA we are also well aware of the fact that in order to remain relevant, we need to change. And this has a direct impact on the way we educate and train prospective CAs(SA) and assist our existing members in upskilling themselves, as well as on the role the profession plays in society.

In the feature that starts on page 14 of this issue, Mandi Olivier (Senior Executive Professional Development at SAICA) discusses what SAICA is doing in this regard. SAICA recently commenced formal research into expected competencies of CAs(SA) in the future. This project, titled CA2025, will undertake a number of focus groups and one-on-one interviews over a two-year period in order to best understand how and what we need to change what CAs(SA) should be able to do to function effectively in the future.
ECONOMY • LOCAL

CONSUMER CONFIDENCE FALLS

During 2015, South African consumers were helped by relatively low inflation (4.6%) compared with an average wage increase of 7.7%. Unfortunately, this systematically changed in 2016 as inflation moved noticeably higher, the Reserve Bank continued to hike rates, and banks became much more circumspect in the granting of credit. The net result is that at the start of 2017 the consumer has less discretionary income available for general retail activity. At the same time consumer confidence has fallen well below the long-term average on a sustained basis and the Minister of Finance recently increased income tax.

Source: Kevin Lings, Chief Economist at Stanlib

ANNOUNCEMENT

SAICA ANNUAL GENERAL MEETING

The Annual General Meeting of members of the South African Institute of Chartered Accountants (SAICA) will be held at the SAICA Offices, 17 Fricker Road, Illovo, Johannesburg, on 22 June 2017 at 09:00.

Due and proper notice of the aforementioned meeting will be provided via the following means:
1) Electronic mail – if you are registered on our database as a member capable of accepting communications from SAICA in this manner; and
2) SAICA website – visit www.saica.co.za.

Registration and proxy voting via SAICA’s e-voting platform will open at 09:00 on Thursday, 01 June 2017 and will close at 09:00 on Tuesday, 20 June 2017, 48 (forty-eight) hours before the time appointed for the AGM.

In order to use the e-voting facility, members must register and cast their proxy e-votes and follow the on-screen prompts which will be detailed in the e-voting Guidelines. There will be no paper-based proxy-voting option and all proxy-voting will be conducted through the e-voting system.

On the day, voting will be made available on the e-voting solution during AGM proceedings on 22 June 2017.

Should you require assistance in accessing the e-voting platform, please contact the SAICA Call Centre for assistance at 0861 072 422 or +27 (11) 621 6600 or email AGMproxy@saica.co.za.

Issued by:
Welsh Gwaza
Company Secretary
The South African Institute of Chartered Accountants

ECONOMY • POLITICS

FUJUKSHA TO HOST 2020 OLYMPIC BASEBALL AND SOFTBALL

The stadium is about 100 km (62 miles) from the nuclear plant hit by the 2011 earthquake and tsunami.

Source: BBC News

THE NUMBERS

8.4% The increase banks saw in headline earnings in 2016, according to the PwC major banks report.

35% of employees with retirement funds intend to cash in.

JAPAN’S ROBOTIC INDUSTRY

Japan has experienced a decline in population since 2010, inducing minimal immigration levels and falling fertility rates. With the population (and labour force) projected to shrink by as much as one-fifth over the next 50 years, what incentives to invest in automation technology are high. So it is perhaps not surprising that Japan has one of the largest robotics industries in the world, employing over a quarter of a million people. Many types of robot are already commercially available, including humanoid robots, androids, guards and domestic robots, in addition of course to industrial robots. Citizens are increasingly familiar and comfortable interacting with them, including the elderly.

Source: Bank Underground

IT READS PHISHY

It seems like the latest trick of scammers is to target corporate employees with emails that appear to be sent from their boss. Otherwise they are hacking one person’s email account and mailing everyone one on their contact list with a suspicious link. And there again, because people think it’s a trustworthy source who is emailing them – they are most likely to let their guard down and fall for it and open the link.

To avoid falling for a phishing scam most companies will likely use phishing-detection from cyber-security firms. But there are a few clues to safeguard yourself against becoming a victim. Be aware of any misspelling or odd grammar. The document hackers want you to click on will usually show something odd such as extra letters. If you see any of these red flags, delete the email or call the sender to find out if it’s real.

Simply put, use your common sense. Ask yourself, why should you be getting an email to reset your password out of the blue? Or be sceptical about an email that appears to be from a friend or family member asking you to click on a random link.

Source: Fortune

HUGE DIAMOND FOUND IN SIERRA LEONE

In Kono district of Sierra Leone, a miner discovered a 706-carat diamond. It was handed over by a miner to President Ernest Bai Koroma, who thanked him for not smuggling it out of the country and offered to reward him with some of the proceeds from the sale of the diamond.

The gem may not be the largest ever found, but it’s pretty close. Last year, an uncut 1 109-carat diamond was auctioned in London – the largest uncut diamond ever found.

Source: CNN International
**LOCAL • INTERNATIONAL**

### PROFIT PER PORSCHE

Porsche Pockets $17 250 profit on every car. With few people settling for just the basic Porsche, it has been calculated that average revenue breaks down to almost $99 000 per vehicle.

**Source:** Bloomberg

### SA RANKS HIGH ON LOGISTICS

The country ranks 20th out of 160 countries in 2016 index, up from 34th in 2014 and above Italy, Norway and South Korea. South Africa has outperformed its peers among upper middle-income countries in the World Bank’s most recent Logistics Performance Index, the bank’s 2016 report shows.

The index reflects the perceptions of countries’ logistics users and is made up of a number of sub-indices, such as for infrastructure and the efficiency of customs clearance.

Given the rise in protectionism in developed countries, the need to improve the logistics chain in Africa has become more acute. South Africa’s exports to the US have dropped 29%, from $9,5 billion in 2011 to $6,8 billion in 2016.

**Source:** Business Day

### SUPERSIZED POD OF HUMPBACKS

Humpback whales are suddenly hanging out in massive, densely packed ‘super groups’ and scientists are trying to figure out why. This curious phenomenon has been spotted off the coast of South Africa by researchers and the general public.

The whales’ meet-up spot is far away from where humpback whales usually summer in the Antarctic. The groups swell from 20 to 200 and they are focused on one thing – feeding.

**Source:** CNN

### HEALTH • LOCAL

#### ITALY RANKS TOP WITH HEALTH

Italy has been ranked the healthiest country on earth in the Bloomberg Global Health Index of 163 countries. The Italians are in way better shape than Americans, Canadians and Brits, who all suffer from higher blood pressure and cholesterol and poorer mental health.

**Source:** Bloomberg

### EQ CAN TRUMP IQ FOR SUCCESS

Emotional intelligence (EQ) is a crucial skill for both leaders and employees. But several studies point to just how important EQ can be to success, even trumping IQ and experience.

Research by the respected Center for Creative Leadership (CCL) in the US found that the primary causes of executive derailment involve deficiencies in emotional competence. Each year, CCL serves more than 20,000 individuals and 2,000 organisations, including more than 85 of the Fortune 100 companies. It says the three main reasons for failure are difficulty in handling change, inability to work well in a team, and poor interpersonal relations.

#### THE NEXT LEVEL

Apparently the Temple of Heaven Park in Beijing has installed toilet paper dispensers with facial recognition to stop visitors from taking too much paper. It is said that machines scan visitors’ faces before dispensing a fixed length strip of paper for the reason that visitors take large amounts of it home. It has reignited debate over the lack of social graces in China.

**Source:** BBC News

### 79% – the percentage

South Africa’s maize harvest is forecast to rise by, permitting an export surplus of about three million tons

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UPFRONT | UPDATES

PROFIT PER PORSCHE

SA RANKS HIGH ON LOGISTICS

**Source:** Bloomberg

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HEALTH • LOCAL

SUPERSIZED POD OF HUMPBACKS

**Source:** CNN

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ITALY RANKS TOP WITH HEALTH

**Source:** Bloomberg

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EQ CAN TRUMP IQ FOR SUCCESS

**Source:** Bloomberg

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THE NEXT LEVEL

**Source:** BBC News
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Great business decisions need the foresight of a responsible business leader. CAs(SA) have the necessary business skills and experience to assess every layer of business and make holistic decisions that have sustainable impact on the future of your business. Partner with a leader that has the knowledge and foresight to make a meaningful impact in your business.

Partner with a responsible business leader. Partner with a CA(SA) today.
We are experiencing a period of radical change. This is characterised by the increasing speed with which we see and experience changes in business, technology, and the environment. It has already been termed the Fourth Industrial Revolution (or 4IR).

The World Economic Forum defines the Fourth Industrial Revolution as: ‘The possibilities of billions of people connected by mobile devices, with unprecedented processing power, storage capacity, and access to knowledge, are unlimited. And these possibilities will be multiplied by emerging technology breakthroughs in fields such as artificial intelligence, robotics, the Internet of Things, autonomous vehicles, 3-D printing, nanotechnology, biotechnology, materials science, energy storage, and quantum computing.’

Some specific impacts of the Fourth Industrial Revolution are:

- Disruption of every industry (most likely to be impacted are professional services, financial services, ICT and retail)
- The breadth and depth of changes which impact all aspects of business and its systems
- The speed of current breakthroughs (at an exponential and not a linear pace) (Moore’s Law – technology doubles in capacity and halves in price every 18 months)

We need to ask ourselves some critical questions in order to ensure that the accounting profession remains relevant:

- What competencies should we equip prospective chartered accountants with to ensure they remain relevant when they enter the workplace?
- How should existing chartered accountants change their skills mix in order to remain relevant?
- What impact will changing technology have on the role of future chartered accountants?
- What will happen to the accounting profession if we don’t take steps to remain relevant?

While many see change as a threat to their existence, there are in fact many opportunities that can be taken advantage of with the changes that are coming, particularly as it relates to changes in technology. We need to be masters of our own destiny and embrace and drive these opportunities.

**SO WHAT IS SAICA DOING?**

SAICA is well aware of the need to change in order to remain relevant. This has a direct impact on the way we educate and train prospective CAs(SA) and assist our existing members in upskilling themselves, as well as on the role chartered accountants play in society.

Increasing demands are being placed on accounting professionals, demands we may not necessarily have been educated or trained for. Of course one of the cornerstones of being a professional is that you embrace lifelong learning and that you continue to change and develop as the world around you changes. But exactly what competencies (skills, knowledge and behaviours) do we need to change or develop in order to remain relevant?

SAICA recent commenced formal research to expected competencies of CAs(SA) in the future. This project, titled CA2025, will undertake a number of focus groups and one-on-one interviews over a two-year period in order to best understand how and what we need to change what CAs(SA) should be able to do in the future world of work.

The research project itself has the following objectives:

- To propose the SAICA competency framework that will ensure that CAs of the future can continue to develop as responsible leaders who remain relevant to the markets they serve and who continue to serve the public interest
- To propose the IRBA competency framework to ensure RAs of the future can still fulfill their responsibilities by serving the public interest and the needs of the economy

The sub-objectives of the study are:

- To investigate perceptions of stakeholders (audit practitioners, specialist auditors, regulators, professional bodies, executive management of listed companies, investors, futuroists, other prominent/relevant role players and academics) on how the current roles and responsibilities of CAs and RAs will need to change so as to remain relevant in an environment characterised by accelerating change and deepening complexity
- To investigate perceptions of the abovementioned stakeholders regarding the current levels of technical competence, professional skills, values, ethics and attitudes that are needed by today’s CAs and RAs
- To investigate perceptions of the abovementioned stakeholders regarding how the technical competence, professional skills, values, ethics and attitudes needed by today’s CAs and RAs should change for these practitioners to remain relevant through 2025 and beyond

A team of academics at the University of Pretoria will independently conduct the research. The study will be conducted by means of focus group discussions (six in total) and some 85 personal interviews with key stakeholders.

Although the research will take a period of two years to complete, the approach during this period is to start fleshing out details behind the additional expected competencies prospective chartered accountants should be able to demonstrate.

This feature contains the views of a few of our members around the future of the profession and we look forward to showcasing more of these views as the project rolls out.
For centuries doctors, accountants, lawyers, teachers and architects have solved problems too complex for most of us. But today, the future of these professions is seriously in question as artificial intelligence, non-thinking machines and automated systems are poised to do the jobs of human experts at a fraction of the cost.

Such a prediction triggers one of two responses, says Daniel Susskind, co-author of The Future of the Professions. Young professionals are often furious; consumers are quietly optimistic.

‘For consumers it is very exciting. There will be far more affordable access to expertise that has traditionally been locked up in the heads of the professionals,’ he says. Or put another way: ‘The professions have created a Rolls-Royce service and most people are walking.’

Susskind wrote the book with his father, Richard Susskind, a lawyer. It is based on 100 interviews across eight professions, from law through to accounting, consulting and the clergy.

A barrage of statistics sets the scene. In 2014, 48 million Americans used online tax preparation software rather than traditional tax accountants. The best-known legal firm in the US is no longer a traditional law firm, but rather the legal advice platform legalzoom.com.

One architectural firm recently used flying robots to assemble a building; doctors talk to patients via Skype; even the Catholic Church has an app that tracks sins as it prepares its flock for confession.

There are two major factors that are shaping this future. First, the failure of ‘the grand bargain’. This is how the professions traditionally provide services to the exclusion of others, instead of as gatekeepers of knowledge.

Not only are their processes expensive and antiquated in our Internet-based society, it’s as if there is ‘an intentional obfuscation’ of the work they do, according to Susskind.

Second, to quote Patrick Winston, one of the fathers of artificial intelligence (AI), there are lots of ways of being smart that aren’t smart like us. This idea is central to the book.

‘We tend to think that the only ways of performing tasks like human beings is to replicate the way human beings perform,’ explains Susskind.

‘A professional will say, “What I do in my job is exercise judgement and as a machine can’t think or reason, it can never exercise judgement, so these particular tasks are safe from automation.”’

This is the wrong question, he says. It is not “can a machine ever exercise judgement?” The right question is, “To what problem is judgement the solution? Why do we call upon human experts in this particular case to exercise judgement?” The answer is uncertainty, he says.

‘So a better question is, “Can a machine deal with uncertainty better than a human being?” The answer to that is of course they can. What machines are incredibly good at doing is processing far larger volumes of data than human beings and running algorithms and routines through them.’

Famously, the first evidence of this was back in 1997 when IBM’s Deep Blue beat world chess champion Garry Kasparov. The computer was able to calculate up to 530 million moves per second whereas Kasparov – at best – could consider about 100 moves per go. The computer won through brute force processing power.

Fourteen years later the supercomputer IBM Watson stunned Jeopardy audiences when it won hands down...
against two of the American quiz show contestants.

Today’s second wave of AI machines are no longer being built to replicate human reason. It is this that the Susskinds define as the ‘artificial intelligence fallacy’.

In the second wave of AI, many of these systems and machines are outperforming human beings by working in fundamentally different ways, Susskind says.

‘They are not like us. So much time is spent thinking about whether AI systems are conscious or thinking. That is not the most important question from the point of view of the professions.

‘What is most important is to ask if these machines can outperform human beings even if the way they do it looks very different to the way human beings do it? The answer to that is increasingly “yes”.

In America, Daniel Katz, a law professor, has created a machine that successfully predicts the outcome of US Supreme Court decisions. This system knows nothing about the law, it relies on data from past Supreme Court cases.

‘This lesson isn’t just true for judgement but across all faculties of human beings,’ continues Susskind. ‘It’s a mistake when people say a machine can never exercise creativity or empathy.’

**FUTURE ROLES FOR ACCOUNTANTS**

If you’re seeing visions of Stanley Kubrick’s HAL 9000 or your inner sceptic is doing cartwheels, it’s worth knowing that Richard Susskind has spent the past 40 years writing about how technology is going to affect the legal profession.

In 1996, when Richard published *The Future of Law*, predicting that the dominant way lawyers and their clients would communicate would be through email, the Law Society of UK and Wales declared that he shouldn’t be allowed to speak in public and he was bringing the profession into disrepute.

Since then, Susskind senior has written a clutch of weighty legal tomes and when *The Future of Professions* was published in the UK in October 2015, Acuity heard that lawyers across London rushed out and bought a copy.

‘I heard accountants did the same,’ says his son. ‘The accounting profession, probably perhaps more so than the law, has adopted and taken up the book. There’s been a huge amount of interest, both from practitioners and professional associations as they ask themselves what their role might be in the twenty-first century. In particular how associations can help their members understand the changes that are taking place and give strategies to deal with it.’

Disappointingly, it is the medical profession that is ostrich-like. The Susskinds’ joint collaboration brings an inter-generational perspective to their research. To write it, father and son initially holed up in a ‘bunker’ in the city of London, brought in white boards, post-it notes, hundreds of their books, and trays of smoked salmon sandwiches as ‘mind fuel’ to thrash out their argument.

Over the four-year period Susskind junior says: ‘We agreed to argue until we agreed on every point.’

Intriguingly, he describes 2014/15 as a watershed.

‘I think people wouldn’t have been so receptive to the book if it had come out earlier. Something happened during this time – people’s attitudes to technology and what it was capable of doing, companies like IBM working with Watson, Google’s work on AI, other books such as *The Rise of the Robots* by Martine Ford. All of them said something significant is changing.’

Susskind is both optimistic and pessimistic. In the medium term, the scenario is less about unemployment as about redeployment. The book describes a new class of ‘paraprofessionals’ who will be equipped to undertake routine tasks previously done by senior professionals.

It identifies seven models for the production and distribution of practical expertise and 12 new roles, which range from ‘empathisers’ who can provide reassurance and empathy, to data scientists and systems engineers. The longer term, he admits, is more troubling.

‘It’s hard to avoid the judgement that there will be a decline for human professionals. In a world where these systems and machines become more capable the most challenging question will become one of distribution. It will be difficult to live in a society where some very productive people work while less productive people don’t work. The problems will be distributional and political and how we reconcile those things.’

For all of us, some serious food for thought.
DEBATING THE FUTURE

We introduce to you

Stanford Payne CA(SA) is a leading executive and entrepreneur coach, business strategist and columnist with global ties and experience assisting and enhancing individuals and businesses to own and maximise their unique goals and needs. Stanford is a spiritual family man, wanderlust sufferer, film buff, foodie, creative designer, tree hugger and Radiohead fan.

Paul Plummer CA(SA) is a senior manager at Monitor Deloitte driving business innovation, disruptive technology and rapid commercialisation for clients. Paul is a universal connector of people, an ideator and igniter of the business of tomorrow, and a snowboarder who enjoys playing chef, collecting shells and auditing in his spare time.

Terry Moore CA(SA), MBA is a director of and a business adviser to a number of corporates across a broad range of industries. Terry was previously a partner at Deloitte following which he spent a number of years in various leadership positions, ultimately serving as CEO of Global Forest Products. For over 20 years Terry has been actively involved in many of SAICA’s educational and development programmes.

Stuart van der Veen CA(SA) is the founder of Paper Plane, a firm hacking corporate venturing and venture capital. Stuart is a co-founder, with Stellenbosch University, of the Exponential Africa Institute and is a Singularity University EP alumnus, a 2016 Top 35-under-35 finalist, and an SAPSA top three finalist for the young professional of the year. Stuart works with start-ups as a Google LPA mentor in San Francisco and as a UJ Commercialisation Investment Committee member.

KEY TRENDS

WHAT KEY TRENDS ARE IMPACTING THE PROFESSION TODAY?

Paul Plummer

I feel there are four main trends impacting and causing disruption in the profession:

- **Omnipresent technology**: Technology is disrupting business models and radically changing the workplace and how work is done.
- **Demographic upheavals**: With millennials making up more than half the workforce, and many baby boomers working post retirement age, there is potential for incongruence of work styles and culture.
- **The rate of change has accelerated**: With consistent universal change, there is need to remain agile and adaptive to remain relevant.
- **Social contract trend**: Younger workers demand rapid career growth, a compelling and flexible workplace and a sense of purpose at work – a massive transformative purpose (MTP).

Stuart van der Veen

Prioritisation of new career skills (Basic coding, AWS, Tensor Flow, etc) over traditional skills and the ability to start working either during or directly after qualifying, without further examinations/qualifications. Also, acquiring a skill in which you can work independently without any specific affiliations required.

Terry Moore

The blockchain platform and triple entry accounting and Artificial Intelligence (AI), in the form of algorithms, have the potential to eliminate a vast element of general accounting and auditing work. The move from reporting on the past via the annual financial statement (AFS) format to integrated reporting will intensify – AFS are already pretty much obsolete. Financial advisory work will be done mainly by AI and will be fully automated.

The value attached to the audit process has been and continues to be eroded. This, in turn, will manifest itself in increasing legal actions (probably in the form of class actions) against board members and auditing entities. To avoid calamity, the skills base will need to be widened to include a far greater element of general business theory and practice with a specific emphasis on technology. This is especially relevant in the context where the disruptive technologies are the order of the day and threats of hacking or denial of service through botnet attacks will become increasingly frequent.

Stanford Payne

E&Y in the UK made headlines in 2015 by changing their criteria for recruitment, which are no longer based on qualifications. The industry now is more aware and sensitive to this, as business trends across boards show that to become who you want to in business takes more than just a piece of paper – things like passion, aptitude, strengths and abilities.
The emphasis on IFRS (which is essentially rule-based accounting) will become irrelevant and obsolete. The processes needed to correctly account for items of expenditure and revenue will be fully automated.

In the profession, technology skills are at the moment generally confined to using Pivot tables in Excel. This won’t suffice and a detailed understanding of coding, developing algorithms, etc., will be fundamental, along with an advanced understanding of cyber security.

We may see a premium placed on strong interpersonal skills, as these continue to be eroded as a greater degree of communication occurs through social media and the related electronic interfaces.

Ethics and ethical behaviour will remain a key attribute but—and this is very important—some thirty years ago the profession was regarded as people of probity which may no longer be true.

An elementary Google search for ‘probity’ yields, among others, the following: ‘integrity, honesty, uprightness, decency, morality, rectitude, goodness, virtue, right-mindedness, trustworthiness, truthfulness, honour, honourableness, justice, fairness’.

These attributes served the profession well for many years and sadly, may be lacking today. The profession, like many others, has suffered from a values drift and in the process considerably weakened its status in society. Realistically, society today views a chartered accountant as someone who does or who has the ability to earn high levels of income. This is far cry from being regarded as people of probity.

The skills that will be needed are not teachable necessary at profession level unless more focus is actually placed on training and developing humans and understanding what business is all about and what is needed to bring success above profit.
ARE YOUNGER EMPLOYEES HARDER TO ENGAGE?

**IS THIS A GENERATIONAL CHALLENGE?**

**STUART VAN DER VEEP**

It’s more than just the way millennials use technology that makes today’s youth different – they behave differently too. Their behaviour is coloured by their experience of the global economic crisis and this generation place much more emphasis on their personal needs than on those of the organisation. Millennials tend to be uncomfortable with rigid corporate structures and turned off by information silos. They expect rapid progression, a varied and interesting career and constant feedback. In other words, millennials want a management style and corporate culture that is markedly different from anything that has gone before – one that meets their needs.

**STANFORD PAYNE**

Younger employees have different needs. They can absolutely be engaged but that means that institutions need to acknowledge their needs within the bigger organisation and see how it can be met focusing on staff first, then clients and their servicing and last business profit.

**PAUL PLUMMER**

The answer to this is relatively complex. I believe it comes down to what I can only describe as purpose parity. If your younger employee and yourself have a congruent vision as to the reason you come to work in the morning, your underlying mantra driving your day, giving a deeper meaning to your engagement, then the answer is no. If you don’t understand and agree on the ‘why’ you are doing what you are doing, it is certain your level of engagement with younger employees will be a challenge. In essence, it feel is less of a generational challenge, but rather more of a clarity of shared vision of your MTP.

**FUTURE CA(SA)**

**FOCUS**

24 APRIL 2017

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**STANFORD PAYNE**

Younger employees have different needs. They can absolutely be engaged but that means that institutions need to acknowledge their needs within the bigger organisation and see how it can be met focusing on staff first, then clients and their servicing and last business profit.

**PAUL PLUMMER**

The answer to this is relatively complex. I believe it comes down to what I can only describe as purpose parity. If your younger employee and yourself have a congruent vision as to the reason you come to work in the morning, your underlying mantra driving your day, giving a deeper meaning to your engagement, then the answer is no. If you don’t understand and agree on the ‘why’ you are doing what you are doing, it is certain your level of engagement with younger employees will be a challenge. In essence, it feel is less of a generational challenge, but rather more of a clarity of shared vision of your MTP.

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RESKILLING THE EXISTING WORKFORCE

WHAT WILL EMPLOYERS HAVE TO DO TO?

TERRY MOORE
Essentially employee development will become as integral to the day-to-day operations of any business, as is delivering value. Work will increasingly take the form of one-off projects (gigs) that are interdisciplinary in nature. Job descriptions will lose importance and more fluid learning-type organisations will evolve.

Learning will be driven out of the workplace but much will take place online in real time – that is, as the need arises. This will be a far more effective form of learning and deals a death knell to the ‘horse and water’ conundrum that has for so long bedevilled conventional learning. Essentially, experiential will be the key word.

STANFORD PAYNE
The key to staying relevant will always be to embrace and empower us to address the prevailing reality. A sense of curiosity coupled with a strong dose of cynicism (or more technically professional scepticism) may have reduced the pain and suffering that occurred in the meltdown.

STUART VAN DER Veen
Technology enables and encourages on-demand, instant communication that is not necessarily in person or face to face. It also enables accurate, real-time measurement of output/ productivity, rendering annual KPIs obsolete. It has increased the speed at which tasks or transactions are performed, and feedback received. It enables people to work very autonomously and even more globally.

STANFORD PAYNE
Technology is playing a huge role which the profession is probably ignoring as it is the biggest challenge the professional will be facing in the next 10 years. According to an Oxford University research study in 2013, the typical ‘accountant’ role will be the most extinct job by 2025, precisely due to technology. If the professional and profession acknowledge this and act upon it by specialising and thinking outside the box, some of these challenges can be overcome and even mastered into opportunity.

I think Deloitte is a frontrunner having acknowledged this challenge and proactively taken advantage of the opportunities that come with this. The key to staying relevant will always be to upstage technology and still be in need – thus human involvement.

TERRY MOORE
At some level, SAICA has already made a move in the right direction in the Assessment of Professional Competence (QE Part 2). This assessment of competence is everything that the old examination was not and represents an important move.

In terms of thought leadership, the profession may have lost its way in the last 30 years. It has become increasingly reactive, maybe in fear of litigation. Even in the functional world of finance, investment bankers (in the form of ‘quants’) have developed entirely new businesses and new products (notably at great cost to society) and the profession has been slow to react – especially in so far as understanding the dangers that these new inventions bring and drawing attention to them. Cynically one can argue that the profession was, in fact, complicit in the great financial crisis of 2007–2009 in opting to place reliance on the work of others, such as the rating agencies, rather than questioning the prevailing reality.

A SOLUTION FOR THE FUTURE

HOW CAN QUALIFICATIONS KEEP AHEAD OF THE DEMANDS OF BOTH EMPLOYERS AND PROSPECTIVE CHARTERED ACCOUNTANTS?

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A sense of curiosity coupled with a strong dose of cynicism (or more technically professional scepticism) may have reduced the pain and suffering that occurred in the meltdown.

STANFORD PAYNE
The experience and specialism of the candidates or chartered accountants are what will make the difference going forward. And unfortunately, qualifications cannot substitute experience.

Today the future is changing so quickly that the old way of doing and thinking is not as applicable as it always was and if one does not adapt one will die.

STUART VAN DER Veen
Accountants will need a mindset and attitude which enables them to embrace opportunities and change. This is especially important given the difficulty of predicting how technology may evolve and be applied across businesses. Accountants will need to focus on the differentiated values that they can offer businesses, the economy and the wider public interest. The environment will emphasise personal characteristics such as flexibility, collaboration and openness to change. It will also require a willingness to learn and acquire fresh skills throughout a career.

PAUL PLUMMER
We need to structure our programmes to embrace and empower us to address the pertinent macro trends noted in my first comment above. Part of the answer will be to design our programmes to develop competencies.

We need to foster an entrepreneurial spirit, especially with the opportunities Africa have to play a leading role in the global context.

The key to staying relevant will always be to upstage technology and still be in need – thus human involvement.
Research indicates that many functions in the professional services field are likely to be automated in the near future.

To prepare for this disruption and to entrench the viability of the auditing and assurance profession, awareness and preparation are key.

Through my travels and conversations with colleagues, clients and friends I have learnt that there are different interpretations of what exactly data and, more specifically, data analytics is. Do these interpretations really differ?

I have, however, spotted a common understanding: ‘the silver bullet’ reduced staff numbers and improved efficiencies, cost savings, etc. Those are all terms that come up when discussing data analytics; but are those perceptions taking us in the wrong direction in the sense that if it does not happen immediately, we lose faith in the data analytics journey and continue with our traditional way of doing things?

Without getting into the technical detail of data analytics, let us rather consider it a business imperative for our profession. Interestingly, in the auditing and assurance profession, many auditors challenge the use of data analytics and question its necessity, especially if the current traditional audit approach has been, and remains relevant. Imagine if many finance managers would not change their approach has been, and remains relevant. Imagine if many finance managers would not change their approach – consider how many manual consolidations would still be performed.

So why change? Why fix something that is not broken?

It is safe to say that disruption is on the horizon in the auditing and assurance profession. It is about automation; less manual intervention; systems that produce high-quality output enabling real-time decision-making. All of this is necessary to boldly forge ahead into the digital age.

Consider how Uber disrupted the taxi industry, LinkedIn disrupted the recruitment industry, and Facebook and Instagram disrupted social interaction. Facebook and Instagram disrupted social interaction. LinkedIn disrupted the recruitment industry, and Facebook disrupted travel. Amazon disrupted the retail industry, and Google disrupted search. And we hear it everywhere – ‘businesses must disrupt themselves (before someone else does) to survive’.

The fact of the matter is – very few companies have successfully disrupted themselves. Instead, they leverage their existing assets to expand into new, high-growth markets and in doing so, they disrupt someone else. Think about how Google is disrupting the telecommunications industry with Project Loon – providing Internet access to individuals in rural and other remote areas.

Regardless of whether we could argue that the auditing and assurance profession is protected by our laws and regulations, the reality is: tension remains in the system for better, faster and more efficient audits. Users demand evolution of audit and assurance services and the profession would have to respond in the interest of the continued relevance and value of the external audit. Clients are also realising that auditors have (or should have) access to technology and are moving towards a more automated audit approach – they expect enhanced efficiency as a result:

• Businesses are competing in a tight market where innovation is the order of the day. Some businesses are already investing millions in technology such as artificial intelligence. They can now make decisions via virtual and/or augmented reality, not to mention the concept of ‘mixed reality’. So instead of communicating in words, pictures or video clips, virtual reality enables businesses to communicate in a new age language of ‘seeing is believing’. This creates pressure for auditors. They are expected to leverage these off these technologies by using 100% of the data to perform higher-quality and, of course, more efficient, continuous audits that support real-time business decisions.

As a result of the increased competition among audit and assurance services providers, enhanced risks assessment and risk response capabilities, including the ability to add value by providing greater insights to clients’ businesses, is becoming a non-negotiable – and using data and analytical techniques and tools to achieve this is key.

• High-audit quality is of utmost importance in protecting the public interest and enhancing the credibility of financial reporting thereby contributing to the stability of financial markets. The auditors’ ability to have a 100% view over all the transactions increases the opportunity to identify risks and direct the focus of the audit. Using technology that increases the auditor’s coverage and insight may contribute towards heightened levels of professional scepticism in evaluating trends, anomalies, exceptions, etc, and enhancing audit quality. Automating tasks that have historically been conducted manually enables the auditor to spend more time on understanding the entity’s financial information and reporting, analysing and evaluating results and exercising professional judgement in drawing conclusions in relation to the risks identified.

• Finally, the International Auditing and Assurance Standards Board (IAASB) released a Request for Input (RFI): Exploring the Growing Use of Technology in the Audit, with a Focus on Data Analytics in September 2016. The RFI provides insights into the opportunities and challenges with the use of data analytics in the audit of financial statements, whether all of the considerations relevant to the use of data analytics in an audit have been identified and how best to proceed in relation to standard settings. At the comment closing date, the IAASB had received 43 comment letters, with some additional submissions that will be accepted after that date.

For the profession to remain relevant the effect and impact of technology in everything that we do cannot be ignored. Professional accountancy bodies may need to revise the competencies that aspiring professional need to demonstrate as part of the qualification process by creating more analytical thinking and increasing the use of technology during the training programme.

Based on my experience, we as auditors have always analysed data in some way or another in any type of audit. Predictive analytics have been used in auditing for many years. However, the data and information that is now available is yearning for even more robust and meaningful analysis and interpretation, for which auditors do not necessarily always need the most advanced tool available.

Now, let us take that leap forward and disrupt the traditional audit approach to avoid being left behind! }

**NOTES**

1 A general business term to denote instituting challenge (disruption) within a business to break old corporate habits (Simon Waldman, Creative Disruption: What You Need to Do to Shackle Up Your Business in a Digital World 2010).

Sub-Saharan Africa is one of the fastest-growing economic hubs in the world. The average real gross domestic product for the whole of the region has been rising by 5% a year and real income per capita has increased by 2.1% a year, according to the African Development Bank. Prices for minerals, grain, and other raw materials soared on rising global demand and Africa is set to benefit from the continuing upsurge in commodity values.

Yet the absence of crucial physical infrastructure on most of the continent remains the biggest obstacle to achieving the region’s full economic potential. First, countries in Africa cannot capitalise on the value of their substantial resources without the transport infrastructure in place to export. Acute shortages in power and communication networks are also significant challenges for businesses across all sectors.

Mozambique is a prime example of this, with its massive construction boom over recent years being primarily driven by the coal industry. The government and the mining companies operating in the country have had to invest substantial amounts of time and hundreds of billions of dollars in capital to construct rail and road infrastructure, as well as upgrade port facilities before the export of resources to the international market could begin on a meaningful scale.

Along with this, the continent also has vast human capital that, again, cannot be developed without the power, affordable transport, health and educational infrastructure to sustain economic growth, employment and skills creation, improved living standards and poverty reduction.

In short, there is a need for more infrastructures, and investors who have capital to invest are still impeded from participating in profitable markets with high growth potential owing to the continent’s largely underdeveloped state.

On a government level, some of the capital for this has already been made available. South Africa is expected to spend R58.5 billion on infrastructure over the next three years, to name but one example. Uganda this year approved its infrastructure expansion plan of around US$7 billion, and Kenya’s infrastructure spend in the next year is expected to be around US$3.6 billion.

But this is just a portion of the required funding and if infrastructure projects on the continent are to succeed, the private sector would need to contribute a substantial portion of the required resources. Luckily the world’s mining houses are not the only investors that have seen the possibilities for return on investment.

The global alternative investment industry, which includes assets such as private equity, hedge funds, and infrastructure, is estimated to be worth around US$13 trillion by 2020.1 It is predicted to be the fastest-growing segment of the asset management industry globally over the next ten years, and Africa is ideally positioned to take advantage of this.

**THE POTENTIAL FOR INFRASTRUCTURE INVESTORS IN THE CONSUMER MARKET**

Natural resource and skills development is only one part of the continent’s potential. The retail space also offers significant return on investment for international investors. South African companies have only been a few of the most well-known corporates, including ABSA, FNB, MTN, Vodacom, Pick n Pay, Shoprite and Impala Platinum, who have capital to invest. New mobile technologies can unlock growth and leapfrog the limitations and costs of physical infrastructure in important areas of economic life.

Telecommunications in Liberia, Ghana, Nigeria and Tanzania; retail and food in Zambia, Malawi and Mozambique; and mining in Ghana, Tanzania and Mozambique, have all been able to capitalise on in recent years. And some of the most well-known corporates, including Absa, FNB, MTN, Vodacom, Pick n Pay, Shoprite and Impala Platinum, have expanded their footprints on the continent with notable success.

The possibilities in the consumer market are only just being unlocked. Countries in sub-Saharan Africa have achieved great progress following the stabilisation of the region’s social, political and economic situation, and the South African government has fostered amicable trade relationships with its neighbours and beyond within sub-Saharan Africa. This has created a perfect opportunity for South Africa-based infrastructure development companies.

Africa is also well positioned to benefit from the rapidly accelerating technological changes taking place today. New mobile technologies can unlock growth and leapfrog the limitations and costs of physical infrastructure in important areas of economic life.

A spark for the continent ignited within Fanile and he purposefully began to spend a lot of time with some of their senior executives to help him understand exactly what it means to call Africa home and how to drive her growth. Most importantly, he had found a place where he could make a difference that really matters.

**WHAT WORDS DO YOU LIVE BY?**

‘It always seems impossible until it’s done.’ – Nelson Mandela

**WHAT CITY DO YOU LIVE IN?**

And when I need a serious break, I visit my parents in the village in KaMhlushwa, Mpumalanga, and have been playing lately, my resting heart rate has been fluctuating quite a lot.

**WHAT DO YOU DO TO RELAX?**

Second, the quality of leadership – institutions like SAICA and the Institute of Directors in Southern Africa (IoDSA) are playing their role to improve the quality of leadership. My view is that we also need to encourage building this from the bottom up, starting with teaching ethics and good governance at an early age across all disciplines.

And finally, the quality of education – critical thinking is an essential ingredient for problem-solving and innovative thinking and needs to be taught at an early age.

**WHAT DRIVES YOUR PASSION TO MAKE A DIFFERENCE IN AFRICA? AND WHAT DIFFERENCE ARE YOU ALREADY MAKING?**

KwaZulu-Natal and then need to dovetail the common regional and continental level. We need to work closely with policy-makers to ensure that government and business at both a national and continental level. We then need to dovetail the common vision with policies that make it easy to do business.

**WHAT IS THE GREATEST CHALLENGE YOU’VE EXPERIENCED AND HOW DID YOU OVERCOME IT?**

**WHAT IS ONE CHANGE EVERY PERSON CAN MAKE TO MAKE AFRICA A BETTER CONTINENT?**

Everyone needs to play a part. Businesses need to work closely with policy-makers to ensure that policies are business friendly and drive the agenda of making it easy to do business in the continent.

**WHAT IS THE BEST PIECE OF ADVICE YOU EVER RECEIVED?**

Never underestimate the value of local knowledge, a business lesson drawn from the Battle of Sandlwane. It is surprising how many people still overlook this principle and decide to go it alone. At Standard Bank, being on the ground allows us to play a role in navigating local complexities to able to achieve successful closure of transactions.

**WHAT CITY DO YOU LIVE IN?**

Maputo. It has a fantastic outdoor lifestyle and its proximity to Portuguese Island, Machangulo Peninsulas and Ponta Mamoli makes it easy to get away for a quick visit. People are hospitable – Mozambique is one of the few countries I know where people still stop and greet on the street. People genuinely care about each other’s wellbeing.

**WHAT DRIVES YOUR PASSION TO MAKE A DIFFERENCE IN AFRICA? AND WHAT DIFFERENCE ARE YOU ALREADY MAKING?**

Standard Bank has offered me the opportunity to make a difference through banking. We are a significant financier and provider of capital-raising services to clients in the mining and metals; oil and gas; power and infrastructure; telecommunications and media; consumer; and financial institutions sectors.

We have recently been involved with the financing of the dredging of the Maputo Port Channel. The port received the biggest vessel in its history, a 90 000-tonne vessel. Post the dredging and with further capex spend, the port will able to handle Panamax vessels. The liquefied natural gas (LNG) projects are expected to increase Mozambique’s GDP tenfold when they eventually take off.

**WHAT DO YOU BELIEVE IS HOLDING AFRICA BACK FROM REACHING ITS ECONOMIC POTENTIAL? HOW CAN THIS BE CHANGED?**

First, the poor business climate – there is a need for a common strategic vision between government and business at both a regional and continental level. We then need to dovetail the common vision with policies that make it easy to do business.

**WHAT CITY DO YOU LIVE IN?**

And when I need a serious break, I visit my parents in the village in KaMhlushwa, Mpumalanga, and have been playing lately, my resting heart rate has been fluctuating quite a lot.

**WHAT DO YOU DO TO RELAX?**

I am an avid Arsenal supporter and have been since the days of Ian Wright and JVC shirts. On weekends it’s me, my daughters and Arsenal. Based on how the teams have been playing lately, my resting heart rate has been fluctuating quite a lot.

**WHAT IS THE GREATEST CHALLENGE YOU’VE EXPERIENCED AND HOW DID YOU OVERCOME IT?**

The environment has been very challenging in Mozambique over the last 18 months. The challenges we face as a country are well documented and it is an understatement to say that the environment in which we operated over the last 18 months was dynamic and complex. Despite the complexities, what is clear is that everyone who is passionate about Mozambique is rolling up their sleeves to get involved in the trenches and help return the country to its great growth trajectory.

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Kimeshnee Singh CA(SA), a partner at Deloitte Durban, is a phenomenal yet humble achiever. Fondly known as Kimmy, she believes that the little things in life make a difference.
WHAT EXACTLY IS A ‘BROAD-BASED OWNERSHIP SCHEME’?

The most recent definition I could find for ‘Broad-Based Ownership Scheme’ (BBOS) in a B-BBEE context was the DTT’s 2005 draft version of Statement 100 on Ownership, which read: “‘Broad-Based Ownership Scheme’ means a collective ownership scheme constituted with the view to facilitating the participation of specified natural persons in the benefits flowing from the ownership by that scheme or by its fiduciaries of an Equity Interest in an Enterprise.’

I find it strange that this well-worded definition was not transferred into either the 2007 or 2013 codes of good practice, as it would have eliminated a lot of ongoing speculation. Instead, the definition in the 2013 amended codes of good practice (Gazette 36032) simply reads: “‘Broad-Based Ownership Scheme’ means an ownership scheme which meets the rules set out in Annex A.”

It is therefore safe to say that an ownership scheme that complies with all 15 of the rules contained in the 2013 codes constitutes a compliant BBOS that can be recognised as a legitimate B-BBEE shareholder.

Verification agencies are required to verify that the scheme complies with all the rules. The wording of the scheme’s constitution, MOI or trust deed, whichever applies, is of utmost importance. The scheme must benefit at least 80% black people, who must be individuals or a clearly defined class of natural persons. Distributions may only be made to qualifying beneficiaries in terms of fixed percentages or formulas contained in the constitution and the fiduciaries should have no discretion over these aspects. 50% of the fiduciaries must be independent, 50% must be black people and 25% must be black woman. The remainder of the rules are of an administrative nature.

A rule not to be ignored is that the scheme must be able to demonstrate ‘evidence of full operational capacity to operate as a Broad-Based Ownership Scheme’. This must be ‘evidenced by suitably qualified and experienced staff, experienced professional advisors, operating premises and all other necessary requirements for operating a business’. Clearly this cannot be a paper exercise only.

Determining practical and sustainable objectives, identifying the right trustees and drafting a compliant constitution for a BBOS can be a complicated, lengthy and expensive process that many smaller companies may find quite daunting.

Owing to pressure from their customers, I see many companies opting for seemingly ‘easier’ alternatives for black shareholding. In doing so they are missing out on the numerous benefits of true broad-based ownership.

AND REMEMBER

Nobody will expect a new employee, especially one fresh out of university, to know everything on their first day. However, the job market is increasingly competitive and those fortunate enough to land their first job need to do everything in their power to keep it. Make sure that you add value to the workplace in more than one way to prove that you are worthy of the position.

Take initiative and ask for more tasks to do, as it is imperative to be proactive and not sit unoccupied at the desk waiting for a new task.

TIPS FOR YOUNG CAs IN THE WORKPLACE

Of the greatest achievements for anyone studying to become a chartered accountant is probably the day that they graduate. Once this milestone has been achieved, the new CA is on the road to starting his or her career. Before embarking on this lifetime journey, it is very important that all young CAs take control of their future career as they enter the very competitive job market.

The first job a qualified CA takes is critical as it will define the direction of the graduate’s entire career. Decisions made and actions taken during this period can impact their professional future, so each move must be carefully considered and should be in line with the graduate’s future career goals.

The transition from being a student to being an employee can be tough, so young CAs must make sure that they are ready for this challenge. As a student, they are used to being managed in the casual ‘campus’ atmosphere whereas the work place will be a completely professional environment. The way they conduct themselves as a new CA should align with professional office conduct. They must realise that they may face various obstacles as they will not be ‘spoon-fed’ in the working world and as most offices have a hierarchy, they may not be immediately treated as an equal in the office.

Procrastination is not an option in the working world, as tasks have to be completed at a specific deadline that often cannot be extended. It is vital to plan properly and have good time management skills to ensure that a deadline can be met with ease – and not rush to get it done on the last minute, as this can also lead to mistakes. It is also important to learn how to work under pressure. There are always instances where a task has to be completed urgently and mistakes simply cannot slip through, so it is vital to know how to react to these requests.

It is also important to ‘talk the talk’ in the professional environment. It is important for the graduates to realise that the people in the office are their colleagues and not their university friends, so it is important to polish their communication skills for the workplace. They should be very careful of what they say and most importantly, how they say it.

IN ADDITION

It is often asked how the voting rights attached to shares held by a BBOS will be exercised. Simply stated, the fiduciaries of the scheme exercise such voting rights on behalf of the beneficiaries. This also applies in a B-BBEE context as confirmed by the DTI in the Amended Tourism Sector Code gazetted on 20 November 2015, which states: ‘Participants in Juristic Persons with these discretionary terms seldom have the right to vote at general meetings of the Juristic Person.

‘Their rights are represented by the fiduciaries who make decisions on their behalf. For this reason, the Economic Interest of such Participants … will serve as a proxy for their voting rights.’
ACCOUNTANTS OF THE FUTURE
HOW CAN YOU REINVENT YOUR FIELD?

THE FUTURE

What will the future look like? At its core, it will still need to support basic human needs like food, security and feeling loved. We’re moving towards an ‘Uber’ world – one where car-, home- and equipment-sharing will become the norm.

Personal ownership will fade as a priority and technology will reign in as many fields as there are. For chartered accountants, it may mean that services such as compliance and auditing may become commoditised.

Consider what skills you will need to compete in a world like this, as the next generation of CAs is already being created.

Many times in history, individuals or corporations have stood out because they thought outside the box and reinvented the way they approached and did something. This then marked a change in the entire industry or field, and so their names and stories have made history.

Take the high jump, for example. For many years, the high jump was predominantly performed using a scissors technique. Since there is a physical limit in the height that can be reached with this move, the performance of athletes plateaued. But then along came Dick Fosbury, who revolutionised the event.

After much experimentation and many failed attempts, he changed the game forever by testing and then introducing a unique ‘back-first’ technique. This method lowered the body’s centre of mass mid-jump – allowing him to literally reach new heights! His hard work, innovation and determination paid off, and he came home with the gold medal at the Summer Olympics of 1968. Now known as the Fosbury Flop, his technique has been adopted by almost all high jumpers today.

Stories like this always make me ponder what the field of chartered accountancy is like now, and how it could change in the future. It also makes me think of course, how you or I can change it. I believe there is great potential for innovation in our industry.

Here are some thoughts I have on what skills and scenarios CAs of the future can expect:

• Cloud accounting will dominate. Data will be storage-light and not difficult to access, as opposed to fixed databases on client premises.
• Compliance work will be commoditised and done by supercomputers and AI engines.
• The current models of ‘strong control’ management and hierarchical office-bound seniors are not what millennials want to sign up for. They are not interested in old-fashioned systems, equipment, offices and restrictions. Future CAs will be increasingly tech-savvy and are keen to progress faster than before.
• Clients want value, not verification. CAs of the future will need to provide this.
• CAs will have to be able to market and sell their personal and their business services – something that is not taught at most schools. Cloud computing will increase competition with offshore firms that could pitch for work themselves.
• Strong emotional intelligence and interpersonal skills will be necessary to navigate and engage with clients. Again, the ability to communicate well and negotiate is something that is not taught at most schools.

As a profession of accountants, we will need to change and adapt. It’s best to start embracing changes now and continue to learn, grow and empower others.

BRET TROMP CA(SA)
CFO of Discovery Health

MY (YOUR) RIGHT TO DISCONNECT

How can you reinvent your field?

DISCONNECTION = FREEDOM

Challenge yourself to disconnect for a day, week or month.
• Social media:
  How about deleting the apps on your smartphone?
• Smartphone:
  What about usage rules (bedroom-free – including charging – or not after 8 pm)?
• Email:
  What about disabling phone-email with an out of office reply and email-free weekends?

With extra time – don’t scratch the proverbial tech-itch but do what you’ve missed (early morning surf or hike, reading that book or time with the kids)?

Most importantly, keep track of your new insights and what this freedom feels like.

Good luck for a tech-disconnect time.

BRETT TROMP CA(SA)
LEADERSHIP ADVISOR

STANFORD PAYNE CA(SA)
BUSINESS ADVISOR
ICF-Accredited Executive and Business Coach

017 started with a bang, despite most people saying they wanted a slow start after a hectic 2016. Unfortunately for most of you, slowing down is not always up to you. There are so many distractions and opportunities that, without you being fully aware of them, derail you from the course you wanted to be on.

Technology is playing a big part in destroying your right to be in control today - consider the Internet, social media, smartphones, gadgets, emails, the list goes on.

Technology evolved to make your species a more developed species to be more productive, healthier, happier and better adapted, but it seems to have taken over the world. Scenes from the Stanley Kubrick masterpiece 2001: A Space Odyssey comes to mind.

Technology addiction is yet to be classified as a mental health condition (research aplenty though) and refers to compulsive and obsessive behaviours where tech is at play. Research is yet to confirm what causes this, but like other addictions it seems to have its roots in a combination of environmental, biological and genetic factors.

And this was developed to help you?

Research globally says that emails dictate your stress levels in such a way that in places government (France) and industry (motor industry giants) have to apply regulatory rules.

How are emails really impacting your life? What creative ways can you come up with to own your life despite business and work pressures?

Neuroscience reminds us that social interaction is one of the most important keys to a ‘happy’ being. Time limitations have you connect with friends and family via Facebook. Unfortunately technology here is a very poor substitute for real connection and time together.

More people than ever are disconnecting from social media completely. So, what might happen to your relationships if you swap one hour of social media with real-life humans every day?

One client recently lost their phone and was off-line for three blissful days. What can you do to create the same without throwing it away?

What are the today’s trends around sustainable vegetable gardening and camping telling you? Research seems to indicate that it is reactive state of survival – managing through the chaos trying to look after the planet, eating real food again where tech had no say, and having a legitimate excuse to not be available.

Surely you don’t have to run away to the mountains with no connectivity to be you. Own your right and disconnect.
The Value-Added Tax Act 89 of 1991 contains general time and value of supply rules. There are however specific time and value of supply rules that are applicable to connected persons. A special value of supply rule is essentially triggered where connected persons are not dealing at arm’s length.

**CONNECTED PERSONS**

- A ‘connected person’ is defined in the VAT Act and includes but is not limited to:
  - A company and any other company which has control or the shareholders which are substantially the same
  - A company and any natural person where that natural person owns more than 10% of the shares or voting rights in the company

**TIME OF SUPPLY**

The general time of supply rule, the earlier of the invoice or payment, is replaced with the following time of supply for connected persons:
- If goods are to be removed – the date of removal
- Other goods – the date when the goods are made available to the buyer
- Services – when the services are performed

The special time of supply rule for connected persons does not apply where the time of supply is triggered by the general time of supply rules on or before the date that a return was submitted, or where the whole or part of consideration cannot be determined at the time of supply to be made to a connected person who is entitled to a full input tax deduction.

**VALUE OF SUPPLY**

The general value of supply is as follows:
- Where the consideration is in money the amount of money which is payable as the price charged for the supply.
- Where the consideration is not in money then the consideration will be the open market value of that consideration

A special value of supply rule applies to connected persons where no consideration is received, or consideration is below the open market value or the consideration cannot be determined at time the supply is made and the purchaser would not be entitled to a full input tax deduction on the goods or services acquired had an open market value been charged then the value of the supply is the open market value. This rule does not apply where the supply made is a fringe benefit provided to an employee.
C
porate reporting has evolved hugely since the Second World War. This evolutionary process has been driven by many factors, including the broadening of share ownership, the information revolution and the aftermath of a plethora of corporate collapses, as well as a concomitant burgeoning of standards and regulatory requirements. All of these factors led to corporate reports growing in length and detail, but the process was uncoordinated and annual reports were becoming unintelligible. Certainly, few people read them. There was a desperate need for a framework to provide some cohesion and direction. In 2011 representatives from various stakeholders came together in London to form what became the International Integrated Reporting Council (IIRC). It issued an International Integrated Reporting Framework (‘IR‘ Framework) in 2013. This Framework’s main objective was to enhance the understandability of corporate reports and to make them more useful to stakeholders. It aimed to achieve this by broadening the scope of the report, but at the same time reducing detail and only reporting material information. In this way annual reports would provide a balanced and more holistic picture of the organisation. Reports needed to provide key information on performance but also information that allowed readers to make assessments about future prospects. The supporting detail could be obtained from other online reports such as the annual financial statements or sustainability report.

South Africa was one of the leaders in the development of integrated reporting and the first to implement it through JSE listing requirements.

So, has integrated reporting improved the quality of corporate reporting?

To my mind, there has been a substantial improvement in the quality of reports over the past six years. The best integrated reports follow the recommendations contained in the ‘<IR> Framework’. The first and most obvious improvement is that reports are shorter and easier to read and understand. They deal with the important issues without the distortion of detail. For example, Standard Bank’s 2016 integrated report is 128 pages in length. This compares with its 2007 report which was 308 pages.

Granted, the 2007 report included the annual financial statements, but that was a large part of the problem. The latest Vodacom report is 92 pages and that includes the notice to shareholders. The 2007 report was 185 pages.

At seminars on integrated reporting, participants often ask: ‘What is the optimum length of an integrated report?’ That is not an easy question to answer, since it depends on the type of business and the nature of issues that need to be discussed. For instance, it is unlikely that a large commercial bank could compete on length with a retailer.

In the past, reports were mostly presented as a series of unconnected sections (silos) including the chairman’s report, financial statements, corporate governance statements, risk analysis, and maybe a section on sustainability. However, it was difficult for the reader to relate the different sections, which were often prepared independently. This meant that it was almost impossible to make meaningful assessments about future prospects. The best integrated reports now go out of their way to connect information so that the various aspects of the business can be better related and understood. Organisations use illustrations, page references and symbols to connect information such as strategic thrusts and risks, performance and the outcomes on the capitals. This helps the reader greatly in understanding how the organisation’s strategy is working.

Fundamental to modern reports is the focus on material information. In by-gone years, it seemed that the objective was to confuse the reader with detail. Now reports focus on the important and material issues that the reader ought to be aware of to be able to assess the organisation’s performance and future prospects. It is interesting to look back at reports and notice how the reader was hidden in the detail or left out completely.

Formerly, most of what was reported related to past performance. While this is important to understand, it is equally important to be able to understand how the organisation creates value and if it has the capacity to do so in the future. By providing information about the business model, strategy and the capital that the organisation uses or affects,1 it is virtually impossible to produce a credible integrated report without embedding integrated thinking in an organisation. Integrated thinking is described as the active consideration by an organisation of the relationships between its various operating and functional units and the capitals that the organisation uses or affects.1 In a recent research project carried out by SAICA, some organisations described how they had changed the way they conducted board meetings since they had seriously embarked on integrated reporting. Several integrated reports now comment on integrated thinking in their integrated reports including Redefine Properties and Standard Bank.

In South Africa, we have come a long way over the past six years and perhaps we are not aware of the radical changes that have taken place because we see them evolving from year to year. To put this into perspective, I invite you to look at annual reports of some foreign companies which have not embarked upon integrated reporting and you will see what I mean. Try wading through the latest Volkswagen report – all 424 pages!

NOTE

THE REASONABLE PERSON

While the concept of reasonable person seems clear and understood in law, this is not so clear in terms of the Code. The lack of a definition is not helpful and PAs have to develop their own thinking to fill the concept with more meaning. They can then include this concept to the decision-making processes when evaluating the effectiveness of safeguards in reducing the threat of non-compliance with the five fundamental principles of the Code to an acceptable level.

Such a conclusion is subject to the RITP test. In sections where the Code requires RITP test to be applied, the wording that engages the RITP is not always identical, which just adds to the complexity of the concept. In the definition of 'Acceptable Level' [this is a level at which an RITP would be likely to conclude, weighing up all the facts and circumstances available to the [PA] at that time ... ]; however, in 290.43 the wording is extended to ‘... whether a reasonable and informed third party, weighing the significance of the breach (of independence) the action to be taken and all the specific facts and circumstances available ... ’; a condition that also considers the significance of the matter.¹

THE INFORMED PERSON

The reasonable person must also be ‘informed’ and that requirement relates to the status of that RITP at the beginning of an evaluation of a decision made by a PA. It is also a very important requirement in when the RITP applies his/her mind to a decision regarding compliance with the Code by the PA. Thus, the adjective ‘informed’ requires that the RITP has certain professional capabilities about auditing, accounting, and the provision of professional services. I suggest that a person with less than ten years’ experience in the profession would not meet the requirements of ‘informed’.²

As the RITP is required to assess whether, for example, a decision achieved the objective of reducing a threat to compliance with the Code to an acceptable level, it is also necessary for the RITP to have a solid understanding of the Code which regularly makes use of the Code. It is taken for granted that the RITP himself/herself is bound by the provisions of the Code and therefore must comply with the requirements of the Code and must also use the Conceptual Framework¹ should there be any threats to the RITP’s compliance with the five fundamental principles pronounced in section 100(5). The activity of an RITP is not expressly included in the definition of ‘Professional Activity’, or ‘in Professional Services’, but the activity and the service of the RITP can be captured under ‘review’, thus including the services of an RITP and bringing the RITP under the umbrella of the Code. It seems reasonable to state that the review work of an RITP could not be performed by a person who is not a member of the auditing and accounting profession.

An RITP may also require assistance from other persons who have specific expertise in a field related to the circumstances surrounding the decision that was made by the PA and which is subject to an RITP’s review. This expertise can relate to subject matter expertise or it can be an ethicist or a person with knowledge in the field of ethical conflict resolution. However, these experts can only be guiding the process of review as the ‘informed’ part of RITP requires particular expertise of the work of a PA and experience in the field of professional services and the Code. Where the RITP was so assisted, these experts must also be obliged to follow the confidentiality requirements of the Code and must also comply with their own professional confidentiality requirements.

When being called upon to conclude on a decision made by a PA, the RITP will take into account all the relevant facts and circumstances available at the time which the PA knows or should have known. This clearly obliges a PA to cast the net of information gathering wide and go beyond that which is obvious and in the forefront. Reflection of importance and cognitive bias must be excluded in as much as that is possible for a person. The section of the Code headed ‘Ethical Conflict Resolution’ sets out some procedures that can be adopted by the PA and RITP.

THE THIRD PARTY

The ‘third’ party is a very relevant notion in that the person acting as RITP must be independent of the PA whose decision is subject to review. Independence is a concept of paramount importance to the profession and must be always be considered when performing professional services and an RITP provides such services. Lack of independence will lead to a self-interest threat to objectivity which threat must be addressed through the application of the ‘Conceptual Framework Approach’¹. Independence in appearance and in fact is written into the Code in recognition of the profession’s acceptance of its responsibility to act in the public interest and therefore the RITP needs to be independent and be seen to be independent.

Compliance by the RITP with the fundamental principle of objectivity is essential when reviewing a decision made by a PA and non-independent would be a threat to compliance with the fundamental principle for which there would be few if any safeguard that could eliminate the threat or reduce it to an acceptable level.

THE ACTIVITIES OF THE RITP

The RITP must weigh up ‘all the specific facts and circumstances available to the PA at the time’.¹ This places the RITP in a position that he/she must consider matters that are applicable to the decision made by the PA but were not necessarily considered by the PA. This requires the PA to make a significant effort to gather all the facts and circumstances and extend to considering legal provisions, accounting and auditing standards, the code of conduct, laws and regulations, and the like. It is not possible to provide a comprehensive list.

NEED AN RITP?

The selection of an RITP must be made bearing in mind those factors discussed above. It appears to be unlikely that the PA whose decision is under review would have influence in the appointment, because of...
the independence requirements. Often the need for an RITP is only identified when a complaint is lodged against a PA, in which case a PA needs to be appointed to act as an RITP.

**DOCUMENTATION**

How does a PA achieve the objective of bearing in mind the requirement of consideration for an RITP? Section 100.22 states that ‘it may be in the best interest of a [PA] to document the substance of the issue, the details of any discussions held, and the decisions made concerning the issue.’

If such documentation is prepared, the PA will usually have sufficient evidence to demonstrate that the RITP requirements have been considered; sufficient documentation will show the deliberations taken and sources of information that has been referred to, so that the RITP can easily assess the decision made and come to the conclusion that compliance with the Code is compulsory for the PA; of the Code is compulsory for the PA; the Code is prescriptive. These are indicated by the word ‘shall’, which obliges the PA to apply the Code as instructed.

**THE PROPOSED CHANGES TO THE EXTANT IESBA CODE**

Just recently international comment was made on the Exposure Draft* (note 7) in which we saw for the first time a definition of the RITP:

‘The concept of a reasonable and informed third party is a test which involves an evaluation by a hypothetical person. Such a person possesses skills, knowledge and experience to objectively evaluate the appropriateness of the PA’s judgments and conclusions. This evaluation entails weighing all the relevant facts and circumstances that the accountant knows, or could reasonably be expected to know, at the time that the evaluation is made to determine whether the accountant complies with the fundamental principles.’

This definition or a variance of it may well find its way into a new version of the IESBA Code of Ethics and thus into the Code.

A new idea is now included in the definition of the RITP which relates the concept of the RITP to a test to be conducted by a hypothetical person. Does this change the idea of an RITP and its nature function as is derived from the extant version of the Code? I do not think so; perhaps a PA will have a clearer understanding how to proceed when certain decisions have to be made in terms of the Code. Does this definition make it any easier to apply this concept of the RITP? Most probably not and there is still need to fill the concept with meaning and status. What has not been given any consideration is the timing when to apply the test and no indication is given as to what qualifies a person to act as RITP which is still quite nebulous and some suitable characteristics have been set out above.

The ‘reasonable and informed third party’ is a complex and in some circles a much-debated concept of the Code which requires to be understood and applied with confidence. The code is there to make the profession trustworthy and hence build trust between its members their clients and the public. The profession is challenged to bear the provisions regarding the RITP in mind and PAs are best advised to consider the RITP in their decision making in terms of the Code and then to document their decisions. The concept of an RITP gains more acceptance in the profession itself and The Revised Ethical Standard 2016 published by the Financial Reporting Council has paragraph 114 which deals with the ‘Third Party Test’.

**NOTES**

1 Brackets inserted by me.
2 Significance is part of the conceptual framework when evaluating its performed by the PA. There does not seem to be a reason to mention it again in 290.43.
3 Sections 100.6 to 100.11 – see also 100.2 (a), (b) and (c).
4 Sections 100.10 to 100.25.
5 Sections 100.6 to 100.11.
6 Section 150.1.
7 In this regard see also the new publication by IESBA regarding Responding to Non-Compliance with Laws and Regulations, which is featured in two new paragraphs, 220 and 360, and is applicable in terms of that Code from 15 July 2017.
8 Sections 290.20 to 291.29.
10 There is currently an exposure draft under consideration: Proposed Revision of the Code pertaining to Safeguards – Phase 1 which proposes a definition. This is being discussed towards the end of the paper.

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**Our future leaders have arrived!**

Well done to our successful APC candidates!

We’re proudly celebrating the following exam results:

- **378** – the highest number of passes
- **90%** – our ACI* candidate pass rate (national pass rate 85%)
- **2** – candidates who were awarded honours in the APC

* African, Coloured and Indian

As they grow into the leaders of tomorrow, we look forward to continuing the journey alongside our new CAs.
The CA(SA) journey is not for the faint-hearted. It takes a minimum of seven years to complete and those who begin the journey need talent, diligence and commitment to come out on the other side with this qualification in hand. Today, this is precisely what the 2 247 aspiring CAs(SA) who succeeded in the 2016 APC can boast about doing.

For successful candidates, passing the APC is the crowning jewel to the many years of studying and training undertaken to become a CA(SA). For the profession, their achievements cement the high regard the CA(SA) designation continues to have for delivering financial management competencies. For the profession, their achievements cement the high regard the CA(SA) designation continues to have for delivering financial management competencies. Perhaps more importantly, the 2016 sitting of the APC demonstrates the efforts SAICA continues to put into ensuring its qualifying process reflects the development of relevant competencies a CA(SA) needs to have in the workplace. Adding to the real-life nature of the assessment, candidates are now able to opt in to using a computer to ‘write up’ their responses to the assessment tasks using a secure software package.

To all the successful candidates, Mandi Olivier, Senior Executive of Professional Development at SAICA, has the following message: ‘Well done, class of 2016! The renowned American architect Frank Lloyd Wright once famously said, “I know the price of success: dedication, hard work and an unrelenting devotion to the things you want to see happen.” Today, the 2 247 successful candidates who passed the 2016 APC examination are living proof of this having spent almost seven years preparing for this moment. We look forward to seeing you grow and develop in your career as you become our future business leaders.’

TRANSFORMATION AT THE HEART OF THESE RESULTS
As a critical stakeholder in the South African economy, one of the key responsibilities SAICA has undertaken is to ensure that there is a consistent supply of adequately and suitably qualified professionals who are representative of the country’s demographics. To this end, SAICA is also pleased to reveal that this year’s APC results continue to show a change in the demographics of the profession.

With 58% of the writing population made up of black candidates compared to 50% when the APC exam was first written in 2014, we are seeing a direct result of the significant resources that go into SAICA’s various Thuthuka transformation initiatives,’ explains Olivier. Olivier adds, ‘SAICA is extremely pleased with this year’s candidates’ successes. They positively illustrate that SAICA is leading the process of transforming South Africa’s chartered accountancy profession and economy as a whole.’
MATTHEW LEGG

HOW DID YOU PREPARE FOR YOUR EXAMS? By sitting in a room, discussing and debating day in and day out with a team of three of the most brilliant minds I know. Dane, Dean, Kerri (in alphabetical order), thank you for bringing me through – this achievement is as much yours as it is mine.

WHAT DID YOU DO TO CELEBRATE THIS GREAT ACHIEVEMENT? I spent the day (and early hours of the next morning) both physically and telephonically with those who shared in this journey (the pains and the triumphs) with me – my study group, my family and my colleagues from both UCT and Deloitte.

WHAT IS THE BEST PIECE OF ADVICE YOU HAVE EVER RECEIVED? Always follow your heart, but remember to take your brain with.

WHY DID YOU CHOOSE AN ACCOUNTING CAREER? To stop giving a damn – to stop worrying and fretting about the future, what could have or what should have been, or regretting the ‘mistakes’ of the past. The less worry, fret, stress and regret, the more time available for actually doing.

WHAT ARE YOUR FUTURE ASPIRATIONS? To give ten times as much back to the world as it has given to me throughout my 25 years on earth. That and opening a surf shop on some exotic island, sipping margaritas every day. That and being a surfing legend.

WHAT IS YOUR MOST MEMORABLE MOMENT OF THE EXAM? Choosing a different path and what my life would be like.

WHAT DID YOU DO TO CELEBRATE THIS ACHIEVEMENT? Spending quality time with my loved ones and creating memories.

WHAT/WHO INSPIRED YOU TO BECOME A CA(SA)? My family and my colleagues from both UCT and Deloitte.

HOW DID YOU PREPARE FOR YOUR EXAMS? I thoroughly enjoyed the APC preparation process whereby you are given five days to research an industry and a case study to work on. I felt like I was in my element researching and trying to figure out all of the ways that the examiner could ask a specific question. Another thing that sets this preparation process apart from other exams is the ability to work with a team (fellow APC candidates). Our team would meet up on a daily basis for hours to work on, discuss and debate the case study. Without the ability to collaborate with my fellow APC candidates, it would have been a much harder task to get to where I am today.

DID YOU EVER FEEL LIKE GIVING UP? WHAT MOTIVATED YOU TO STICK IT OUT? I put in a lot of hard work and sleepless nights and ensured that I was stubborn with a purpose – also known as perseverance.

WHAT ARE YOUR FUTURE ASPIRATIONS? My future aspirations are to strive for a good work–life balance – in other words, work hard, play hard. I want to work for a company in an industry that I am interested in and where I can associate with the values of a company.

WHAT/WHO INSPIRED YOU TO BECOME A CA(SA)? The person who inspired me to follow a career in accounting was my accounting teacher in high school. He was always so incredibly passionate and enthusiastic about his subject that in the end it was easy to choose to pursue a career as a CA(SA).

WHAT ARE YOUR FUTURE ASPIRATIONS? To work in a very challenging and rewarding environment in my element researching and trying to figure out all of the ways that the examiner could ask a specific question.

DID YOU EVER FEEL LIKE GIVING UP? WHAT MOTIVATED YOU TO STICK IT OUT? All the time, but I just kept reminding myself that having come this far I cannot give up. I have always been incredibly passionate and enthusiastic about my subject.

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KYLE MOODLEY

**DID YOU EVER FEEL LIKE GIVING UP? WHAT MOTIVATED YOU TO STICK IT OUT?**
Yes, I think the majority of the APC class of 2016 did at one stage during this amazing journey. What motivated me to keep pushing on was my determination to finish what I had started. It would have been my biggest regret had I given up. I think that I even surprised myself with the outcome.

**IS THERE ANYONE YOU LOOK TO AS A ROLE MODEL AND WHY?**
It’s difficult to pinpoint any one individual. I was lucky to have many role models to look up to throughout my life. To my parents (Robin and Delice) and sister (Cherise), who always see the best in others. To Michael, who showed me the importance of hard work and to Prelecia for completing this journey with me. She played a major part in my success and made me into the person I am today.

**HOW DID THE COMPANY SUPPORT YOU IN THIS JOURNEY?**
At PKF, I was lucky enough to be surrounded by the right people with the right solutions. From my first interview with Robyn, to the constant support and encouragement from Andrea, Jerusha, Nicolas and my fellow audit trainees, who have always believed in me and helped me immensely during this journey. I would not have accomplished this without you.

**WHAT ARE SOME OF YOUR HOBBIES?**
Playing video games (especially FIFA, in which I am a Division 1 champion), going for jogs on the beach and enjoying creative activities.

PETRI STRAUSS

**HOW DID YOU PREPARE FOR YOUR EXAMS?**
During my preparation, it was important to me to understand the bigger picture of each topic rather than solely understanding it from a theoretical perspective. This enabled me to be flexible and to not be too narrow-minded in answering the unpredictable questions on the day.

**DID YOU EVER FEEL LIKE GIVING UP? WHAT MOTIVATED YOU TO STICK IT OUT?**
There was a day somewhere in my third year of varsity where I considered giving up. After much thought I came to the conclusion that I had already crossed the Rubicon and that I was too deep into this journey to turn back.

**IS THERE ANYONE YOU LOOK TO AS A ROLE MODEL AND WHY?**
I read an article in ASA a few years ago about Vusi Nkabini who became a CA(SA) at the age of 52 after almost two decades of pursuing the designation and facing many challenges in his personal life. After reflecting on the article his story motivated me to reach my own career goals.

**HOW DID THE COMPANY SUPPORT YOU IN THIS JOURNEY?**
Deloitte exposed me to a wide variety of clients across various industries of varying complexities which enabled me to have dealt with most of the audit and accounting standards and many of the tax, legal and corporate governance concepts that we faced in our APT and APC tests. This benefited me significantly as I could think practically about what was required of me when answering each question rather than to just think of what was required of me in theoretical terms.

LOUISA PRETORIUS (DE KRAMER)

**HOW DID YOU PREPARE FOR YOUR EXAMS?**
The best way to prepare is to put effort into the board course. The course is designed to help you pass but in the end what you make of it will be the deciding factor.

**DID YOU EVER FEEL LIKE GIVING UP? WHAT MADE YOU STICK IT OUT?**
I often felt like giving up. But knowing you have come so far and that this is the final push is what helps you to see it through. You don’t want to come this far just to throw it all away.

**WHAT IS THE BEST PIECE OF ADVICE YOU EVER RECEIVED?**
Stress is only useful while you can still do something about it. Stressing after the exam about the result won’t change the outcome.

We congratulate our class of 2016!
9 out of 13 Honours Candidates were APT Candidates
1 898 / 2 529 APC Candidates did our Programme
DANIELLA SHENKER

WHAT/WHO INSPIRED YOU TO BECOME A CA(SA)?
The commercial world has always fascinated me and this drew me to studying towards becoming a chartered accountant. My experience in the profession thus far has matched my expectations in that the profession has provided me with a solid commercial grounding and an insight into the intricacies of business.

IS THERE ANYONE YOU LOOK TO AS A ROLE MODEL AND WHY?
My family has been a continuous support in both my professional and personal life – teaching me the value of hard work, the importance of understanding one another and the fact that challenges faced can always be overcome with the help of tenacity and strength.

This degree has provided me with a platform for continual development and has given me the opportunity to challenge myself and to work with an array of people, some of whom have inspired me and some of whom have qualities that I hope to be able to emulate.

WHAT ARE SOME OF YOUR HOBBIES?
When I’m not saving the world one audit at a time, I am in front of my canvas painting and putting my touch on what I see in the world around me. With this, I am able to embrace my creative side and together with the time spent with family and friends, achieve a balance in my life.

WHAT ARE YOUR FUTURE ASPIRATIONS?
I believe that our beautiful South Africa holds so many opportunities to allow me to work in a dynamic environment where I am able to have an impact that matters.

The experiences I have had in the profession thus far, coupled with the lessons I have learnt on a professional and personal level, is what I will take forward with me in all my future endeavours.

WALLACE BARNES

WHO INSPIRED YOU TO BECOME A CA(SA)?
My father was the main inspiration for me to take the business route and proved to me first hand that hard work and perseverance pay off. CA(SA) was not originally part of the plan, but after completing my undergraduate accounting degree, it was a challenge I could not refuse.

HOW DID YOU PREPARE FOR YOUR EXAMS?
I was part of a very hard-working and committed group, evidenced by the fact that two of us made the honours roll. Preparing for these examinations differed from any studying done in university as it forced us to gain a holistic understanding of the scenario, which I enjoyed thoroughly.

WHAT DID YOU DO TO CELEBRATE THIS GREAT ACHIEVEMENT?
I celebrated my result with members of my study group, loved ones and family. We enjoyed a glass of wine while watching an open-air show with the Stellenbosch mountains as backdrop. What a memorable moment to complete the course of the APT/APC programme.

SORET NEL

WHO INSPIRED YOU TO BECOME A CA(SA)?
My grandfather has always been in business and from an early age he told me about life as a businessman. He, together with my accounting teacher, who is very passionate about accounting, contributed towards me becoming a CA(SA). My grandfather always encouraged me to persevere. I never gave up as I wanted to make him proud by becoming the first CA(SA) in our family.

HOW DID YOU PREPARE FOR THE EXAMS?
I had an excellent study group! All of us individually worked out the triggers and had a group discussion at the end of each day. We also made use of the contact sessions with the APT teaching team where we received valuable information on exam techniques and feedback after each assessment.

WHAT DID YOU DO TO CELEBRATE THIS GREAT ACHIEVEMENT?
I celebrated my result with members of my study group, loved ones and family. We enjoyed a glass of wine while watching an open-air show with the Stellenbosch mountains as backdrop. What a memorable moment to complete the circle where my journey to become a CA(SA) started! In the end, there is nothing better than spending quality time with those who have supported you on this journey.

DID YOU EVER FEEL LIKE GIVING UP? WHAT MOTIVATED YOU TO STICK IT OUT?
Honours year at university was definitely the most challenging time throughout the whole journey. Consistently working late into the night and having to give up many of the social aspects of studying at Stellenbosch University was not easy, but I knew that it would be worth it in the end.

WHAT DID YOU DO TO CELEBRATE THIS GREAT ACHIEVEMENT?
Well, you’d have to ask me again when the celebrations are over, but we had a fantastic office function and a weekend to remember.

HOW DID THE COMPANY SUPPORT YOU IN THIS JOURNEY?
Deloitte was very supportive throughout, providing us with sufficient time and resources to properly prepare. They were also very understanding when it came to taking leave.

WHAT ARE YOUR FUTURE ASPIRATIONS?
This is a hard one and a question that has come up all too frequently in the last few weeks! I would have to say that my main aspiration post-articles is to do something that is both challenging and will, in the long term, make a positive impact in the world.

MOORE STEPHENS

Congratulations to all our successful Moore Stephens candidates for passing the APC Exams. We appreciate the effort that went into achieving this great accolade.
JASON SMITH

WHAT/WHO INSPIRED YOU TO BECOME A CA(SA)?
Numerous influences have inspired me to become a CA(SA). First, the CA(SA) is an internationally recognised qualification providing attractive career opportunities across numerous industries worldwide. Second, my brother and father are CA(SA)s and as such I have grown up with a financial background and a developed keen interest in finance and financial management. Hence, the diverse topics encompassed within the qualification determined my desire to complete the CA(SA).

HOW DID YOU PREPARE FOR YOUR EXAMS?
I completed the UCT Board Course where a key focus was on completing assignments consistently throughout the period, as well as consistently updating my knowledge of industry developments and current affairs.

HOW DID THE COMPANY SUPPORT YOU IN THIS JOURNEY?
I work in the PwC Banking and Capital Markets Division in Johannesburg. PwC have provided effective training sessions throughout my term spent at PwC, ensuring our knowledge is consistently updated and in line with latest industry developments. Furthermore, PwC staff were accommodating to the fact that we were writing the APC exam and ensured we had sufficient time for preparation throughout the year.

WHAT ARE YOUR FUTURE ASPIRATIONS?
The CA(SA) qualification is the starting point on my journey. I aim to complete the CFA Level III exam in June 2017 and ultimately become a CFA charter holder in the near future. Additionally, I am looking for exposure to the financial industry and more specifically corporate finance and international markets. Finally, I aim to complete my MBA within the next few years before determining the next leg of my journey.

RICHARD DUFFY

HOW DID YOU PREPARE FOR YOUR EXAMS?
Preparing for the exams required planning well before the actual five-day pre-release period. I made sure I had a room booked for myself and the team and that I stocked up on food and put my ‘out of office’ on! Importantly, I made sure that I went through my past assessments and learnt from the feedback that the markers provided. Looking back I was able to identify the mistakes I made so that I would not make them again in future.

DID YOU EVER FEEL LIKE GIVING UP? WHAT MOTIVATED YOU TO STICK IT OUT?
I’ve never been one for giving up when things get tough. Seeing how happy all my friends at KPMG were the day that they passed the 2015 APC was a big motivating factor.

WHAT ARE YOUR FUTURE ASPIRATIONS?
I have an open mind toward my future career. Being of Irish nationality, I have the exciting opportunity of working and travelling within Europe. I am also open towards which industry I’d like to specialise in and look forward to making this decision before my articles come to an end.

WHAT ARE SOME OF YOUR HOBBIES?
I’ve recently started to trade in equities and I am excited to learn a lot from my friends who have significant experience with this. After hours and on weekends I turn to photography. I’m passionate about capturing the moment and recently acquired a film camera to add to my collection. Cape Town’s beautiful landscapes give me a great excuse to get out and explore.

GREG TOMASELLI

DID YOU EVER FEEL LIKE GIVING UP? WHAT MOTIVATED YOU TO STICK IT OUT?
There were many times I stared at the towel. Especially my final undergraduate year, I had a fear of not making it into honours at Stellenbosch and right throughout honours I had a fear of failure and re-doing the torturous honours year! I kept asking myself if the CA route is the best way to pursue my aspirations. I thought of rather doing investment banking and with a CFA. Fortunately I was born a fighter and on most occasions I tend to run toward challenges and face them at the core, look them right in the eye, and deal with them. I thankfully pushed through and fought harder every day.

WHAT IS THE BEST PIECE OF ADVICE YOU HAVE EVER RECEIVED?
‘You think of your sword and his sword and nothing else’– Hector in the movie Troy. Focus only on the challenge at hand.

WHAT ARE YOUR FUTURE ASPIRATIONS?
I would like to be involved in the private equity space. I have a passion for scaling a great business model and turning an underperforming business around that is operating in the right industry with the wrong leadership. To be involved in listing businesses would be a great feat. Venture capitalism has also stirred an interest within me before. Creating value, improving efficiencies and transferring energy are some of my highest passions.

WHAT ARE SOME OF YOUR HOBBIES?
I love reading, as well as keeping up to date with trends and future developments. I love-learning new concepts or methods. Furthermore, I love the ocean and wildlife, sailing, fishing, game drives, hiking and of course sports, especially tennis and football.

WHO INSPIRED YOU TO BECOME A CA(SA)?
My high school accounting teacher inspired me. She had such a love for accounting that she made it exciting.
Paris is an easy city to navigate and explore by subway, its famed Métro. It’s probably one of the most accessible cities in Europe. So, if you are lucky enough to be visiting the city for business or pleasure, you’ll want to stay somewhere that’s as part of the city’s history and unique experiences such as the Louvre, fashion and food.

The InterContinental Paris Le Grand Hotel is one of Paris’ most beautiful and historical hotels. Its doors opened already in 1862 and it was built by the wealthy brothers Isaac and Émile Péreire. The hotel’s construction was part of the complete reconstruction of Paris, a vast public works programme commissioned by Napoleon III and directed by Georges-Eugène Haussmann which included the demolition of crowded and unhealthy medieval neighbourhoods, the building of wide avenues, parks and squares, the annexation of the suburbs surrounding the city, and the construction of new sewers, fountains and aqueducts. The hotel filled an entire triangular city block and boasted 800 rooms on four floors for guests with another two for servants.

Throughout its long history the hotel has hosted royalty such as Tsar Nicholas II of Russia and King Edward VII of England. In 1869, James Gordon Bennett Jr met with Henry Morton Stanley in the hotel’s Imperial Suite to convince him to make his famous journey to Africa in search of David Livingstone.

Since then it was acquired by other hotel groups, but in 1983 it was bought by the InterContinental Hotel group and they’ve managed to keep the history alive since then.

Today the hotel offers historical charm in central Paris. The sumptuous rooms and suites offer superb views of the world-famous Palais Garnier, home to the esteemed Paris Opéra. And culinary delights await you at two acclaimed restaurants – Café de la Paix, with its rich cultural history, and La Verrière, set in a beautiful winter garden.

With its well-known history of hosting Paris’s most exclusive events, the spectacular Salon Opéra ballroom has been magnificently restored to new heights of elegance.

The hotel has more than 2 000 square metres of events facilities and is perfect for intimate business meetings as well as gala dinners. The impressive Conference Centre offers 13 rooms with high-tech equipment and natural lighting and there are two grand ball rooms.

Each of the 470 rooms is luxurious and spacious – and once you lie down on the king-size bed you’ll actually consider taking a quick nap to revive your energy to explore this astounding city. And you’ll need it – with the famous Galeries Lafayette department store a mere five minutes and the Avenue des Champs-Élysées just 500 metres away.

Business as well as leisure guests benefit from round-the-clock special attention and care. The most exacting guests have Club InterContinental and its VIP lounge at their disposal.

It’s not a surprise then to know that this hotel features at the top of any visitor’s list and that on many booking sites it’s rated as the best value-for-money hotel in Paris.

A DARK, EDGY LIFESTYLE STATEMENT

Rolls-Royce Sandton recently launched the Rolls-Royce Black Badge in South Africa. This new series comes in Ghost and Wraith only, and what more fitting place to launch the cars than the newly revamped Kyalami race track.

AUTHOR: Torque Talk is a member of SAGMJ

Black Badge is an attitude to life, an aspect of the Rolls-Royce brand that appeals to those people who are elusive and defiant, the risk takers and disruptors who break the rules and laugh in the face of convention. They are driven by a restless spirit. They play hard and they change the world. Technically and aesthetically Black Badge is the alter ego of Rolls-Royce, darker, more assertive, more confident and powerful, and more demanding.

With Black Badge we have created the most commanding presence on the super-luxury landscape. It is a powerful, and more demanding. More assertive, more confident and aesthetically Black Badge is the alter ego of Rolls-Royce, darker, more assertive, more confident and powerful. The transformation begins with the ‘Flying Lady’ who changes not in design, posture or material, but in colour to represent the owner’s dark obsession. She mutates into a high-gloss black vamp, proudly scything through the night-time cityscape.

The final touch? The moody light cast from the black starlight headliner and reflected around the cabin from the polished fascia to create a darkly atmospheric ambiance.

Today’s generation of young, self-empowered, self-confident rule-breakers are just as uncompromising and unapologetic in their choice of living and lifestyle as their predecessors. They follow the road less travelled, live the unconventional life, darkly obsessed by their own pursuits and accomplishments from which they derive a pure adrenaline rush.

The result is Black Badge.

THE SUBSTANTIVE TRANSFORMATION OF AN ICON

The transformation begins with the ‘Flying Lady’ who changes not in design, posture or material, but in colour to represent the owner’s dark obsession. She mutates into a high-gloss black vamp, proudly scything through the night-time cityscape.

The Double R badge on the prow, flanks and aft of every Black Badge motor car, inverted to become silver on black while chrome surfaces such as the front grille surround, boot lid finisher, lower air inlet finisher and exhaust pipes turn dark. The multiple layers of paint and lacquer that go into creating Black Badge Black are repeatedly hand polished – the most exacting painting and polishing process ever used for a solid paint colour.

The ‘Unlimited’ infinity logo is also embroidered on the Black Badge’s upholstery as black leather combines with vibrant colours of Tailored Purple in Ghost Black Badge and Cobalto Blue in Wraith Black Badge, delivering a more edgy feel to the cabin.

The result is Black Badge.

AN ALTER EGO FOR A NEW BREED OF CUSTOMER

Rolls-Royce Black Badge speaks to the darker, more assertive, confident and demanding aesthetic of these customers. As a truly bespoke response to their desires, the interplay of brand and customer has had a transformative effect on the appearance and substance of Rolls-Royce Ghost and Wraith. The result is Ghost Black Badge and Wraith Black Badge.

With Black Badge we have created the most commanding presence on the super-luxury landscape. It is a truly transformative moment for our great brand,” enthuses Torsten Müller-Ötvös, CEO of Rolls-Royce Motor Cars.
Let Your Legacy Work For Others...

FINANCIAL MANAGER - CTX East Rand

Logistics and distribution specialist is looking for a CA(SA) to manage the finance function. A minimum of 5 years’ experience specifically gained within FMCG, Logistics or Supply Chain Management. Key performance areas include maintenance of accurate systems for budgeting, financial control, accounting, costing, treasury, preparing monthly and annual financial reports, staff management etc. Advanced Excel and numeric skills are essential. Please contact Odineam on (011) 355 9999 or email chrism@thepc.co.za

FINANCIAL MANAGER - BMRK, 91 William CTC, Josh East

FMCG manufacturing and distribution concern seeks an Operational Finance Manager with a completed B.Com (Hons), CA(SA) or CIMA, 5 years financial experience and a minimum of 3 years’ internal management experience. Be responsible for the KPI financial function and various operational functions including IB and tax. Advantages of being based in the East Rand. Call Mattie on (011) 355 9999 or email mm@thepc.co.za

FINANCIAL PLANNING AND ANALYSIS MANAGER - BMRK CTC

Leading Manufacturing concern has a superb opportunity for a FP&A Manager based in Bellville. The role will provide both operational and financial support to the company as well as provide guidance on all strategic and tactical matters as they relate to project management, cost benefit analysis, forecasting, financial planning and financial risk management. Call Arlene on (011) 355 9999 or email arlene@thepc.co.za

CHIEF ACCOUNTANT - EFM CTC East Rand

Multinational concern requires a Financial Accountant with good business acumen. Be responsible for monthly reporting, project management and financial statements. Takes over the Internal Control Excellence and ensure all budgets and procedures are clearly established. A CA and completed articles, essential with 3 years’ related experience. Successful candidate must come from a Multinational with SARS and IAS GAAP experience. Call Candice on (011) 355 9999 or email candice@thepc.co.za

FINANCIAL CONTROLLER - BMRK - 86064 CTC MIDRAND

Multinational healthcare / medical concern has an opportunity for a qualified CA(SA) with some commercial experience. Previous experience in medical, pharma or TIICC would be highly advantageous. Tradition would include preparing HIV & AIDs reports, tax calculations and submissions, valuations reports and preparing budgets and forecasts. Mentor bank account transactions and render and submit FG payments for SDRS approved. Good working knowledge of IFRS and USGAAP additional. SAP knowledge is a bonus. Please call Adrian on (011) 355 9999 or email aj@thepc.co.za

CREDIT ANALYST (EE) - BMRK - 86064 CTC CENTURION

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Call Jasmin on (011) 355 9999 or email jasmin@thepc.co.za

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