

IRBA News

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It is easy to bandy around numbers, especially if you are an accountant. And if you are an auditor as well, it is best to ensure that those numbers add up.

However, if balancing these numbers was as simple as balancing the books, the auditing profession would be smiling all the way to the bank. But nobody is smiling just yet.

If the current scenario was playing against the backdrop of the early nineties, then one could still have expected some imbalance between, let's call it, economically active auditors, and the economically active population. But we are almost 20 years post 1994, and the situation appears largely unchanged. So, naturally, the question on everyone's lips is: what has the profession done to transform itself and the country?

The response may come as a surprise, especially when it is considered what has actually been done in attempts to not only attract and retain more Black auditors, but also to influence the wider South African economy.

Auditing firms invest large amounts each year to support transformation in the profession, and the Institute has implemented endless projects to change the demographics of the Chartered Accountancy Profession. The IRBA has also been running a successful support programme for repeat students for the last couple of years, whereby it delivers programmes to assist candidates who failed the Final Qualifying Exam, to improve their chances with any second or subsequent attempts.

In addition, the IRBA established a Transformation Committee with a specific mandate to address the attraction and retention of Black auditors in the profession. This committee will consider the challenges faced by Black students in entering and remaining in the profession, as well as their experiences in the working environment. But similar research has already been done by other bodies, albeit not necessarily with an audit focus. However, the Transformation Committee will not drive change if it does more of the same, and consequently, its approach will focus mainly on how it can influence projects and processes that can lead to change. And what needs to be influenced involves schools, teachers, government, education, and curricula, amongst others.

It must also identify opportunities where the IRBA can partner with other initiatives and bodies which have a similar interest to transform the demographic representation of the profession. However, transformation of the profession forms but a small part of the transformation required in the country. So when the opportunity to play a bigger part in achieving government's policy objectives for transformation presented itself in the form of regulating the Broad-Based Black Economic Empowerment (B-BBEE) industry, the IRBA agreed to take on this additional responsibility with not only the required rigour to create the much needed confidence in the B-BBEE verification industry, but also with the required vigour. Subject to the finalisation of the relevant legislative frameworks, the IRBA will soon be regulating the B-BBEE Verification industry and so contribute to the achievement of government's broader policy objectives.

The number of auditors registered with the IRBA to perform B-BBEE Verification services is increasing, and with most of them meeting the requirement to obtain a level 3 rating for their own

transformation, there is a clear commitment that the profession itself is serious about transformation.

But quantum, ratings and numbers should not be the only measure of transformation. Quality deserves equal importance. Therefore, any projects and initiatives must necessarily give the required attention to aspects which will make a real difference – not merely increasing the numbers.

So this is the real challenge for a profession which is driven by hard numbers and not necessarily by the context in which those numbers appear, and while a substantial amount of effort has clearly been put into transforming the profession, there still remains a lot to be done.

Finally, South Africa's number 1 rating in the world by the World Economic Forum for its auditing standards has certainly strengthened the confidence in our financial markets and thereby stimulated local and foreign investment in the country. This in turn stimulates economic growth and job creation – and that on its own should be a good measure of transformation.

So while the profession and the IRBA will continue to influence the numbers coming through, we must bear in mind the difference it makes through setting a high bar, and if the country as a whole has benefitted by such standards, then it can rightfully claim to be agents of change.

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