

More black public sector auditors needed

The results of the 2012 Public Practice Examination (PPE), the final assessment of professional competence for candidates wishing to become registered auditors (RA) or chartered accountants (CA)(SA), revealed an improved pass rate of 76% from the previous year (2011: 74%); however there remains much room for greater inclusivity within the profession.



In an awards ceremony for the top 10 PPE candidates for 2012, Bernard Agulhas, CEO of the Independent Regulatory Board for Auditors (IRBA) said that despite the pleasing progress achieved, there is still a severe shortage of black auditors who have a central role to play in achieving inclusive growth of the South African economy.

Agulhas said that a highly professional, competent and ethical pool of auditors is a critical component in achieving such growth through the provision of assurance to local and global investors. While transformation and inclusivity are key objectives of government, these are also priorities for the IRBA and the auditing profession.

Further acceleration needed

The number of black PPE candidates has risen from 481 in 2008 to 570 in 2012, with the pass rate rising from 204 to 331 over the same period.

Of the 766 black candidates that entered the 2012 PPE for the first time, 566 passed, resulting in an overall pass rate of 74%.

"Despite the steady progress made in transformation within the auditing profession, without further acceleration, South Africa will not easily achieve the growth it desires," said Agulhas.

The IRBA views this transformation as a national imperative because of the duty that auditors play in protecting the public by providing assurance about the accuracy and reliability of financial statements, and in holding those that are allocated public funds accountable to taxpayers.

Recent findings from the Auditor General (AG) regarding the 2011/12 audit outcomes of national and provincial governments revealed a declining number of public entities with clean audits. Only 117 of the 536 entities, accounting for less than a quarter, received clean audit opinions.

The AG's report showed that one of the root causes of the poor public sector audit outcomes was failure to perform the requisite internal control and assurance responsibilities. It was also revealed that last year R102 billion was paid to consultants over a three-year period hired to help departments to perform their duties.

Agulhas said that this is a clear indication of the need for more skills, particularly within the public sector.

"We need to develop audit competencies within the public sector in order to reach a sustainable solution," said Agulhas. "This also allows us to accelerate transformation and resolve these shortcomings within national and provincial governments without retaining this expertise externally."

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