

Auditing industry needs to 'fully transform'

Public Enterprises Minister Malusi Gigaba has called on corporate SA to join hands with government in the procurement of professional services from previously disadvantaged companies to promote transformation.



(Image: GCIS)

The plea followed the appointment of SizweNtsalubaGobodo as Transnet's external auditors for five years a value of more than R60m annually.

Addressing a media conference in Johannesburg on Monday, Gigaba said transformation of the accounting industry remained a sore point in SA's democracy and society at large.

"...This sector is still dominated by whites (80.9%), with under-representation by Africans (3.7%) in particular. These statistics bear testimony to the fact that this is a sector that is struggling fully to transform, and it remains aloof to the dynamics of our social organisation as a country. Today's announcement is a contribution towards changing the landscape of the sector," the minister said.

SizweNtsalubaGobodo was selected out of three bidders based on technical ability, black economic empowerment and price.

Accountants add considerable value to business by driving down costs and identifying drivers of value and profitability, he said. They are instrumental in obtaining access to finance and strengthening the balance sheet, and are the lifeblood to financial transparency.

Demand will increase

Gigaba said in the next five to 10 years, the demand for qualified accountants would increase in SA largely due to growth of industrial activities.

"The appointment of SizweNtsalubaGobodo takes place during a critical time for Transnet when it is rolling out a capital expenditure programme worth R300bn to the economy, linking communities, towns, cities and provinces and creating sustainable economic development. We hope that the accounting firm will not only be focusing on number crunching for Transnet but will become a strategic business advisor and support Transnet in meeting their national objectives," he said.

Transnet plans to allocate R7.7bn out of the capital expenditure programme to skills development and procurement programmes.

"This is an honour, not only for SizweNtsalubaGobodo, but for the whole of the industry. We are delighted that a company of Transnet's size with such an enormous responsibility in this economy has shown confidence in one of us," said Victor Seseko, chief executive of SizweNtsalubaGobodo.

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