



- 1918 establishment of su
- 1925 establishment of ems
- 1925 first lecturer appointed in accounting sciences
- 1928 first ems female student
- 1960 first professor in accounting
- 1961 launch certificate in theory of accountancy
- 1976 first award of bachelor's degree
- 1985 appointment of first female lecturer
- 1998 prof olivier (current director) appointed as chairperson
- 2001 appointment of first female professor
- 2007 first thuthuka students arrive
- 2009 first nrf rated researcher
- 2013 restructuring school of accountancy
- 2013 introduction of parallel medium
- 2015 fire in van der sterr building
- 2017 inauguration of renovated van der sterr building
- 2018 100 year anniversary of su

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**Photos:** Michelle de Bruyn &  
Riana Goosen

# {ITC} 2018

HonsBRek-studente van 2017 het die “Initial Test of Competence” in Januarie 2018 afgelê

**248** studente het ITC geskryf – ’n rekordgetal vir SvR.



slaagkoers van US = 94%



landswye slaagkoers = 78%



US is 2de onder 15 SAIGR-geakkrediteerde universiteite landswyd



3 studente onder top 10-posisies landswyd:



Reinhard Arndt



Wini-Louise Myburgh



Helen Denny

*“ ’n Hoogtepunt vir my in my tyd as direkteur is die groei in studentegetalle tot die tweede grootste residensiële universiteit gemeet aan die suksesvolle ITC kandidate, asook die groot hoeveelheid geakkrediteerde navorsingsuitsette wat die Skool jaarliks aflewer.” – Prof. Pierre Olivier – Direkteur: Skool vir Rekeningkunde en Vise-dekaan EBW.*

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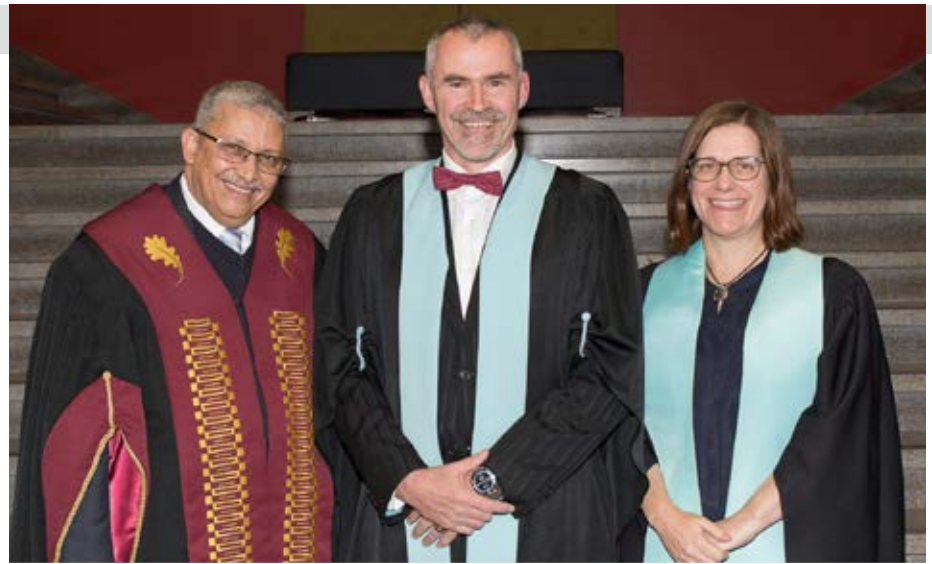
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# Prof Nel delivers his inaugural address

Professor Soon Nel, Professor in Management Accounting and Finance, and Deputy Director: Research at the School of Accountancy, presented his inaugural address on 10 May 2018 and was subsequently introduced as the 12<sup>th</sup> full professor in the history of the School of Accountancy. He was introduced by Prof Ingrid Woolard, Dean of the Faculty of Economic and Management Sciences, who listed his principal research interests as equity valuations, investment appraisals, and mergers and acquisitions.

In his address titled *The quick, rough and dirty side of the market-based ap-*



F.l.t.r.: Prof Nico Koopman, Vice-Rector: Social Impact and Transformation, Prof Soon Nel and Prof Ingrid Woolard, Dean of the EMS Faculty  
(Photo: Anton Jordaan)

*proach to valuations: caveat emptor vs. caveat venditor*, Prof Nel highlighted the inherent dangers embedded in the use of multiples as a valuation approach when valuing a company or an equity stake held in a company. He specifically addressed pitfalls pertaining to peer group selection, conventional multiples, composite constructs and intra-modeling inconsistencies.

Prof Nel has received awards for, *inter alia*, best paper, teaching excellence and Rector's Awards for outstanding achievement, and has compiled various research reports for The Economist Group. He is the Editor-in-Chief of the South African Journal of Accounting Research and is a visiting professor at the Stellenbosch University Business School.

■



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# Meet the dean

**P**rofessor Ingrid Woolard joined the Economic and Management Sciences (EMS) faculty on 1 May 2018. Besides her work as Dean of the EMS faculty and Professor in the Department of Economics, she is also serving on the Davis Tax Committee. She previously served as Chair of Employment Conditions Commission that advised the Minister of Labour on minimum wages.

Prof Woolard is married and a mother of two. She is the first female dean to lead the EMS faculty and emphasised her excitement to work with a highly committed team when she took the time to talk to *RekNUUS*.

## What excites you most about SU?

SU has a very clear vision of where it wants to go. I have huge respect for the university's management team. There is a long-run plan and I am very excited to be part of that.

## You are the first female dean of the faculty. Does this affect your leadership style?

When I became the first female dean of Commerce at UCT I was really puzzled by the question "what is your female

leadership style?". I thought "why, being a female, would I need a different leadership style?" But, I have come to realise that there are some characteristics that are perceived as male leadership characteristics, and some that are perceived as female leadership characteristics. These are typically being more empathetic, listening better and being more participatory. I think it's all about achieving a balance.

## What aspects of your job makes you happy?

I love being a dean. I love the variety of the job. I love the 'people stuff'.

## Where did your love for academia start?

I started out as a researcher, so research was definitely my first love. I am very much a data person, and I spent 10 years collecting longitudinal data on the changing lives of 28 000 South Africans, which hopefully the world will use to understand poverty dynamics a little better. The skills I developed when managing large research projects, placed me in a position to add value in a more managerial role.

## Knowing what you know now, what advice would you have appreciated as a student?

You need to get the most out of this, there are so many rich experiences inside and outside of the classroom. It's a cliché, but these really are the best years of your life! Don't miss out on any opportunities.

## What does your ideal graduate of the EMS faculty look like?

We really need to think harder about graduate attributes. It's not only about the content. How we teach these attributes, such as self-management, life-long learning and analytical skills is a different challenge.

## Who are you at home?

I pretty much work all the time, so I don't have much in the way of hobbies. I do like to read when I get a chance and I love food and wine! Luckily my husband, Chris, is an amazing cook so I am very spoilt. ■





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# Topdosente

Die Universiteit van Stellenbosch se Fakulteit Ekonomiese- en Bestuurswetenskappe se topdosent-kompetisie, geborg deur *Die Burger*, is vanjaar vir die agtste keer aangebied.

Sophia Brink en Eloise de Jager, senior lektore by die Skool vir Rekeningkunde (SvR), het die Skool se naam vanjaar weereens gestand gedoen. Sophia is aangewys as die algehele wenner van die 2018-topdosentkompetisie en Eloise, wat in 2017 met die louere vereër is, het vanjaar die algehele derde posisie behaal.

*RekNUUS* het hierdie twee uitnemende dosente gevra oor watter eienskappe 'n sogenaamde 'topdosent' moet beskik:

Sophia: "'n Liefde en passie vir sy/haar vakgebied en die vermoë om daardie liefde en passie aan studente oor te dra. Ek glo 'n goeie dosent is toeganklik vir studente en beskik oor die vermoë om moeilike konsepte op 'n eenvoudige manier te verduidelik. Ek glo ook dit is belangrik om altyd entoesiasies en goed voorbereid te wees."

Eloise: "Ek dink elke dosent beskik oor verskeie goeie eienskappe, elkeen moet net uitvind wat hul eie goeie eienskappe is en daarop bou. Vier eienskappe wat vir my uitstaan is: entoesiasme in die klas, passie vir jou vakgebied en onder- rig, 'n goeie kennis van jou vakgebied en natuurlik 'n sin vir humor!" ■



Regs bo: Sophia Brink ontvang haar prys as algehele wenner van die topdosentkompetisie.  
Regs onder: Eloise de Jager beklee die derde posisie in die topdosentkompetisie.

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# CA(SA), a profession rebuilding trust



A number of recent events linking members of the CA(SA) profession to state capture and accounting irregularities have brought to light instances where the profession might not have lived up to its reputation of trust, integrity, and ethics.

While only a couple of individuals and firms have been implicated, the repercussions have been far-reaching and detrimental to the profession as a whole. Although the profession is made up of individuals, and the profession as a whole cannot be judged by the actions of individuals, the loss of public trust has had a profound impact and there is now an urgent need for public trust and confidence in Chartered Accountants (South Africa) (CAs(SA)) to be rebuilt.

True to the nature of the CA(SA) brand, many of the individuals in the profession are taking collective responsibility to rebuild trust in the profession and to re-establish the reputation of the CA(SA) brand. The profession has also used the events of the past as an opportunity to reconsider the purpose and relevance of CAs(SA) in society, and the governance processes of the South African Institute of Chartered Accountants (SAICA) to deliver on its mandate and stakeholders' expectations.

SAICA initiated a governance review of the organisation, its by-laws and disciplinary processes in order to become more responsive and proactive, rather than merely reactive. Professor Mervyn King, world-renowned corporate governance specialist and leading author in the field of governance, has been appointed to advise and lead a task team of senior members of the profession

to perform the governance review. The review includes aligning the board composition with the relevant best practices standards of corporate governance. The work of the task team will be stakeholder focused with broad consultation and road shows with stakeholders and members on the outcomes of this process before making final recommendations.

SAICA is also considering the impact of a broader range of challenges that will affect the profession, including the impact of new technology, maintaining relevant educational standards, ethics and integrity as well as the broader spectrum of stakeholders' perception of and respect for members.

## Change is coming.

The CA2025 project is an overall project that is looking at the impact of technology, and the challenges that is expected to arise from the fourth industrial revolution and the skills and competencies required of the CA(SA) of the future. One of the deliverables of this project is the redesign of the Competency Framework which drives the education and training of aspiring CAs(SA). The framework is expected to improve focus on, amongst other, interpersonal skills, higher order thinking skills and leadership, as well as citizenship. Ensuring the continued relevance of CAs(SA) once qualified is under investigation, with a new output-based Continuous Professional Development policy in the process of being approved. 2019 will also see the implementation of a revised Code of Professional Conduct.

Other role-players in the profession,

such as the Independent Regulatory Board for Auditors (IRBA) and Auditor General of South Africa (AGSA), have also made significant strides in improving their capabilities and accountability and are currently waiting on parliamentary action. Firms in the profession have also performed introspection and self-review of their processes and policies, while at the same time spending additional time with clients giving assurance and ensuring confidence in their independence and ethics. In July, IRBA called on audit firms to introduce the public reporting of relevant internal information in the form of a Transparency Report. Although it is mandatory in some jurisdictions, South African audit firms are not bound to such regulations. Deloitte SA issued the 2018 Transparency Report on a voluntary basis.

It takes years to build a reputation of integrity and trust. It will take time to rebuild trust again. As a profession, CAs(SA) are known for doing things properly; and the current process of rebuilding trust will make the profession stronger by preventing recurrence and instilling the correct values among its members. The profession is taking ownership and not waiting for outside parties to rebuild trust. ■

*Prof Riaan Rudman – Associate Professor in Auditing and proud CA(SA) (rjrudman@sun.ac.za)*

(To keep keep abreast of further developments visit the SAICA ethics page: <https://www.saica.co.za/News/EthicsandDiscipline/tabid/4178/language/en-ZA/Default.aspx>)



# Versatile students and alumni

## Lungelo's thought-provoking essay wins Student Leadership Summit

BACcHons student, Lungelo Ngobese, walked away with the coveted trophy of the 10th South African Institute of Chartered Accountants' annual Student Leadership Summit (SLS).

Lungelo was named one of 30 finalists of the SLS competition and was announced as the overall winner on 5 October 2018 in Johannesburg.

Lungelo demonstrated that responsible leaders need to be willing to base every action and decision on their values and principles. The judging panel valued this in his essay submission and he clinched the winning spot for his insightful and solution-driven essay detailing the contributions chartered accountants must make to improve the communities from which they come.

F.l.t.r.: Asanda Mhluzi (UCT - 3rd place), Lungelo Ngobese (SU - 1st place) and Ashleigh Langton (UJ - 2nd place) (Photo: SAICA)



Jean-Luc Tostee

## Cape Town International Case Competition

Jean-Luc Tostee, a BComHons student at the School of Accountancy, is a member of a proudly Stellenbosch University student team, NKMJ Consulting, that participated in and won a prestigious international case competition in March 2018.

Other team members included Ntsika Mbebe, Megan Higgs (both students at the Engineering Faculty) and Kara Meiring (a student at the Law Faculty).

The competition, hosted by the University of Cape Town (UCT), was aimed at finding a 'Back-end user funded solution to the Cape Town housing crisis' and was open for entries from teams across the globe.

National teams had two months to work on their solution whilst international teams had three months, from which five local teams and three international teams were selected to advance to the final round based at UCT. The final round consisted of a three-day session for teams to refine their idea after being exposed to the housing crisis hands on with tours of the surrounding areas and informative sessions on the crisis. The teams then had to pitch their ideas to a panel of judges including representatives from the Cape Town Municipality and The Boston Consulting Group.

NKMJ's solution tackled the pressing issues of the lack of proof of residential address documentation and credit records for inhabitants in informal settlements. These were identified as the significant factors by the team as the lack of this documentation results in further problems including the inability to open a bank account, obtain FICA documentation, apply for a loan and possible effects on employment opportunities. Therefore, NKMJ's solution, called H.O.M.E was that of a "Humanised form of blockchain technology in which, through the interface of a mobile application, users can create their own credit records, create a proof of residential address and identify small projects to incrementally upgrade their homes". The crux of the system revolved around imitating blockchain technology in which certified community members act as verifiers of a user's address which would form the base of the necessary FICA documentation. From here, the app integrated a deposit driven system to establish the base of a credit record and additionally allowed for micro projects to be undertaken to improve user's housing structures. The solution was designed to be fully funded through the marketing monetisation of the App itself, with the structure of a NGO being at the heart of the operation.

NKMJ's idea and premutation was selected as the overall winner of the competition with Ntsika Mbebe also being awarded speaker of the competition.

## Accounting vs Equitating

"Precision, patterns, practice, algorithms, balance, limited time, exact lines, counting the steps, confidence, facing your fear, accurate execution!" According to Madine Dercksen, a first year BAcc student, this terminology from Saddle Seat horse riding is applicable to both accounting and horse riding. Horse riding opened doors for Madine, taught her valuable lessons, lead to lifelong friendships and enabled her to travel the world, from New York to New Orleans, and Washington to Atlanta, with the Protea Equitation team. Madine says that equitation taught her that even when she was doing a task alone, she was still part of a team to achieve the desired result. Also, that "it is essential to be doing my best, even when I am not given the best."

"In my passion, I will find my purpose – I hope to be doing that in my career one day as well!"

Right: Madine Dercksen, horse rider and BAcc student



## Alumnus emerges as Entrepreneur of the Year

Louw Barnardt, owner and Managing Director of Outsourced CFO, a financial management company that renders technical and visionary CFO services to emerging technology and innovation businesses, received the 2018 Emerging Entrepreneur of the Year® award at the annual Entrepreneur of the Year® competition. The competition was sponsored by Sanlam and BUSINESS/PARTNERS and the awards ceremony was held on 6 September 2018 in Johannesburg.

Louw noticed a gap in the South African market for high-level, yet accessible financial consulting. He says that many businesses, especially those in the start-up and scale-up phase, require the time and skills of a qualified CA or CFO, but do not have the resources or capacity to take one on full-time. Outsourced CFO helps small-to-medium business owners rethink, automate and scale their businesses in the pursuit of business eminence.

Louw says that he was honoured to receive this award and be ranked among the top entrepreneurs in South Africa, all of whom are doing incredible work in their respective industries.

Visit [www.outsourcedcfo.co.za](http://www.outsourcedcfo.co.za) for more information.

Left: Louw Barnardt



# Data analytics

**A**uditing has evolved over the past decades.

In a manual environment, a substantive based audit approach was sufficient. By the 1950s auditors started to question whether a fully substantive based approach mitigates audit risk. By the 1970s, risk analysis and controls testing, sampling and flowcharts using a risk-based audit approach became the norm. This evolution to focus on audit risk took 20 odd years. The introduction of computer technology changed the audit landscape, but many auditors did not adapt in their approach. Computers were used to perform small-scale audit procedures on selected parts of the audit by means of using Computer Assisted Audit Techniques (CAATs).

Today, even though the quantum of available data has flourished, CAATs are used to test financial data and advanced Excel techniques are considered the pinnacle of data analysis.

Increased risks, changes in client expectations and the availability and volume of data requires auditors to do more with less, create value for and give business insights to clients. Data analytics has the potential to mitigate risks and unlock value. Data analytics can enable auditors to improve the risk assessment process, perform more focused substantive procedures and perform tests of controls more efficiently. It often involves simple analytical routines but it also involves complex models that have the potential to produce high-quality projections, define associations, identify anomalies and provide better business and audit insight. An enhanced understanding of

the client's business also allows for better execution of audit procedures in areas of work where judgement or forecasting is necessary. Examples include going concern evaluations and understanding the process of estimation for provisions. Data analytics contribute to making more accurate predictions and predicative analytics also assist in fraud detection.

Data analytics enable auditors to manipulate a complete (100%) data set and integrate financial data sets with other non-specialist, non-financial data. Data analytics involve the extraction of real-time data using fields within the basic data structure, rather than the format of traditional records. Data analytics enhances the quality, transparency and granularity of audit execution, reporting and communication with management. Real-time data makes spreading audit efforts over the year easier, rather than being concentrated at the year-end, thus reducing audit time and improving risk responses.

**Data analytics can also assist with, amongst others:**

- identifying control weaknesses, in particular identifying the root causes of exceptions
- quantifying the impact of control weaknesses or manual interventions, and
- improved benchmarking with external data.

Using data analytics also has its challenges. Past experience shows that many auditors consistently fail to ad-

vance in line with current technological developments. Many auditors do not have the required skills to apply data analytics. Accountants learn how debits and credits affect the financial statements, and as a result they understand the consequences of overstating or understating accounts and how risks related to the financial statements can be minimised. However, data analytics require a different skillset which current auditors may not possess. Data analytics require the identification of patterns and relationships, which in turn require a different approach to using the data to draw conclusions. Besides not knowing how to manipulate and interpret data (i.e. a skills gap), auditors might not have the tools available to fully understand and manipulate the high volume, velocity and variety of data available. Dealing with this overload of information can be problematic, as the auditor needs to ensure the integrity, correctness (i.e. validity, accuracy and completeness) and relevance of data is maintained to ensure they achieve their audit outcomes. Spending a lot of unnecessary time to obtain and sanitise the data for its intended purpose could also be counter-productive.

In order to leverage off the benefits that can be derived from data analytics, auditors need to evolve and embrace the full potential the current technology evolution allows and not take too long before reacting. ■

*Prof Riaan Rudman – Associate Professor in Auditing (rjrudman@sun.ac.za)*

**Data analytics** is one of the topics in the Master of Commerce (Computer Auditing) programme offered by the School of Accountancy. The next cycle of the programme is expected to commence in 2020.

**For information about the programme, visit:**

[http://www.sun.ac.za/english/faculty/economy/accounting/programmes/academic-programmes/masters-lectured-options-mcom-\(computer-auditing\)](http://www.sun.ac.za/english/faculty/economy/accounting/programmes/academic-programmes/masters-lectured-options-mcom-(computer-auditing))

or contact **Prof Riaan Rudman** at [rjrudman@sun.ac.za](mailto:rjrudman@sun.ac.za) or 021 808 2701.



# Personeel-dinge



Mareli Dippenaar (Foto: Clifford & Bennita Word Photography)

## Mooie musiek

Abba, Queen, Broadway, Disney, Silverscreen...dít is maar net sommige van die opwindende produksies deur die Stellenbosse Stadsorkes, onder leiding van Paul van Zuilenburg, waarvan Mareli Dippenaar 'n lid is. Mareli is 'n senior lektor wat finansiële rekeningkunde doseer en in haar vrye tyd graag musiek maak. Sy speel viool vandat sy sewe is en was oor die jare lid van verskeie simfonie orkeste en kore. Sy is tans 'n lid van die Stellenbosse Stadsorkes wat in 2015 gestig is en gereeld konserte in Stellenbosch, Somerset-Wes en Paarl hou. Die orkes bestaan uit beide amateur- en professionele musikante en lok groot gehore met hul toeganklike musiek-uitvoerings. Dit is ook die eerste Suid-Afrikaanse orkes om in 'n wynkelder op te tree en hul bied gereeld produksies in die Lourensford-wynkelder aan, waar konsertgangers kan wyn proe en na wonderlike musiek luister.

## Talented dancers

On 14 April 2018 the School showed that we are not only about the numbers when four of the School's lecturers took part in the Maties Dance Society ballroom dancing competition "Dancing in Style". In this stylish event Liezl Smith, Riana Goosen and Waldette Engelbrecht participated in the competition and Roelof Baard danced with Liezl as her dancing partner. It was an evening of flair and flamboyance, rhythm and routines. Liezl Smith and Roelof Baard took first position in the themed waltz and Riana Goosen won the overall third place.

F.l.t.r.: Waldette Engelbrecht, Roelof Baard, Liezl Smith & Riana Goosen



## A love for music

Jan Dreyer, a lecturer in financial accounting and operatic bass, has enjoyed singing from an early age and has been part of numerous choirs. He is definitely more than your average bean counter and in August 2018 he performed at the re-opening of the refurbished Cape Town City Hall with the prestigious Cape Town Symphonic Choir in a rendition of Mahler's 2nd Symphony, called the Resurrection – quite fitting for the opening of a refurbished city hall. In September 2018 Jan performed with the singing students of SU at the Opera Gala Highlights evening with the University of Stellenbosch Symphony Orchestra.

F.l.t.r.: Frances Coetzer and Jan Dreyer





Andrea Herron



Stiaan Lamprecht

## Athletic accountants

The School is proud of its two athletes that like to spend long hours on the road. On 10 June 2018 Andrea Herron, senior lecturer in taxation, completed her first Comrades Marathon. Even though it is a long day on the road, her months of training and dedication paid off and she describes the experience as life-changing, "When you cross the finish line you are not the same person that started the race. The experience changes you, and you grow as a person through the experience". Andrea only started running seriously about two years ago, and for such a short running career, she has certainly achieved a lot!

Dr Stiaan Lamprecht lectures financial accounting, and also only recently resumed his running career. He has proven his grit on the road when he completed his second Two Oceans Ultra Marathon on 31 March 2018. The marathon has earned the reputation of one of the world's most beautiful marathons, stretching along much of the Cape peninsula's coastline. Stiaan also took part in the Hippie-Half Marathon at the Woodstock festival in Pinckney, Michigan. The race was held in the woods surrounding the Hell Creek Ranch. He flew the Matie flag high, taking part in his official Matie Club vest!



Arthur Bishop



Riana Goosen

## Flink fietsryers

Die Skool se kranige fietsryers Arthur Bishop, senior lektor in bestuursrekeningkunde, en Riana Goosen, lektor in bestuursrekeningkunde, het, na die teleurstellende kansellasië van die 2017 Cape Town Cycle Tour, die 2018-fietsstoer met ywer aangepak. Die fietstoer is op 11 Maart 2018 gehou en die dag het goeie weerstoestande opgelewer. Arthur en Riana se ure op die fiets het vrugte afgewerp en beide fietsryers het die berugte Suikerbossie met 'n glimlag kaf gedraf en die 108km suksesvol voltooi.

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## Making a **global** impact with **auditing** research

**P**rofessor Riaan Rudman, an associate professor in auditing, was invited by the National Library of Estonia to be one of the keynote speakers at an official centenary anniversary event of the Republic of Estonia, entitled Imagine a National Library from 25-26 October 2018.

The National Library of Estonia acts as the parliamentary library of the country, and was established in 1918. Since its proclamation in 1918 as the Republic of Estonia, the centennial conference has been one of the official anniversary events of Estonia. The opening remarks were delivered by the

President of the Estonian Parliament, Mr Eiki Nestor and by the President of the International Federation of Library Associations and Institutions, Ms Gloria Perez Salmeron.

Prof Rudman was the first speaker with a presentation on the impact of the evolution of the internet and changes in online user behaviour on libraries. Other speakers addressed the challenges faced by libraries in the digital age, the functions of national libraries and services offered in the future. Speakers included Dr Janis Kreslins (Royal Library of Sweden), Mr Aslak Sira Myhre (Director of the National Library of

Norway), Dr Guy Berthiaume (Director of the National Library and Archives of Canada), Ms Lily Knibbeler (Director of the National Library of the Netherlands) as well as the Rector of the Estonian Art Academy, Prof Mart Kalm. Prof Rudman also presented additional lectures on social media risks and acceptable online behaviour to the general public and the staff of the National Library of Estonia in partnership with the Estonian Ministry of Culture. ■

*"I am honoured to be invited to be amongst such a list of distinguished speakers, particularly to be asked to speak at a library conference as the only Chartered Accountant in the room. It showcases, not only the relevance of my research on web evolution, but also highlights the fact that South African research is recognised internationally".*



Top: Prof Rudman as illustrated by a cartoonist present at Imagine a National Library.  
Above: Prof Rudman in action, pictured with a fellow delegate.

# Thuthuka 2018

The Stellenbosch Thuthuka programme strives to develop well-rounded professionals that enter the chartered accountancy profession after graduation from SU. Thuthukans are encouraged to participate in activities and initiatives that develop both professional and personal skills.

The Thuthuka students below, proudly share their travel adventures, community service engagement, peer support initiatives and sport achievements during 2018.



tional business, politics, and finance and to gain insight on business events occurring all around the world. I also managed to make incredible friends from all around the world and during our free time we explored London's landmarks, tried out different foods, went shopping and took loads of pictures together. We visited attractions such as the London Eye, London Bridge, Tower of London, Buckingham Palace, British Museum, The Shard, Monument and Sky Garden Lounge. We also shopped on Oxford Street, visited a number of markets and we took the Thames River Cruise which were all breath-taking and definitely worth every pound spent.

"I am truly grateful to my mother and the SU International Office for making this possible for me, and I highly appreciate the support and well wishes that I received from the Thuthuka Project managers, my family and my friends."

Siphesihle Ngema

## King's College Summer School Experience (Siphesihle Ngema)

"In July this year, I had the opportunity to study a short summer course at King's College London in the United Kingdom. During my three-week stay in London, I was able to study in, and explore the awe-inspiring city of London.

"The experience was nothing short of amazing, especially because it was

my first time abroad. It was without doubt one of the most liberating and phenomenal experiences of my life, through which I was able to engage in the topic of International Business at one of the world's top 25 universities.

"The course that I studied enabled us to broaden our knowledge of interna-

"I would definitely encourage every student to apply to study abroad because it is indeed a great way to learn, travel and to grow."

## Summer school visit to University of Ljubljana, Slovenia

(Tori Minnaar)

“My perspective on a lot of things changed.”

“I was selected to attend the summer school exchange to the University of Ljubljana in Slovenia and it was an enriching experience that no one will ever be able to take away from me.

“I made incredible memories and lasting friendships. I would highly encourage everyone to do something similar, sometime in their life.

“I chose to do the course on ‘The Entrepreneurial Mindset’, which was more of a self-discovering journey that

helped you to understand yourself, your own strengths and weaknesses, as well as entrepreneurial skills that you will be able to use one day to start your own business. We spoke a lot about things that people are generally too afraid to speak about, like your fears, failures and risks. The course was presented in a circle setup that was more interactive than what I am used to at Stellenbosch. It had a lot less people, which allowed you to be more comfortable to speak about certain topics with other people and the professor. I found the course very interesting, quite different and I really enjoyed it.

“We got the opportunity to visit Venice, Lake Bled and we visited the most beautiful gorges and waterfalls. On the first evening we had an international evening, which gave you a chance to get to know someone else’s culture

and basic knowledge about food and drinks from each country. We had a tour of the city, a historical Slovenian evening, neon light party, salsa dancing and many more fun planned events hosted by the university.

“My perspective on a lot of things changed. Mainly on things like cultural differences and people, and how to approach them or how to not get offended. I realised that we all come from different backgrounds and that judging is not always the easiest way out.

“Overall my experience was worth all the stress, additional grey hair, tireless nights and endless emails for funding. I would just like to say thank you to everyone who made this dream a reality!”

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## Creating a work-life balance with sport

(Dhilshaad Adonis)

"Being involved in sports since primary school and never skipping a year, it is no doubt that I will always find myself squeezing sports in somewhere amongst my academics and many other commitments. It has always kept me sane and it is pretty much my dosage of stress relief. I have done athletics for my entire schooling career, touch rugby for 3 years and now I find myself in the Maties womens sevens rugby team. However, studying BAccounting and being part of the Thuthuka Bursary Fund, I was forced to, more often than not, skip training sessions and substitute it with a structured tutorial.

"Playing rugby with a team of women from different socio-economic backgrounds, studying different degrees is more fun than it is scary. Having such an amazing team has taught me that teamwork makes the dream work.

"I study a bit every day and train two days of the week. This is besides gym. Juggling everything might sound like quite a mission, but it is all about good time management.

"As much as I love studying and having my name associated with a cum laude or three, rugby is and will always be my passion. It has made me the well-rounded person that I am and

I would advise any person who loves sports, to make time for it amidst their studies."

"Juggling everything might sound like quite a mission, but it is all about good time management."



Magneil Isaacs (middel) saam met twee leerders wat hy gratis tutor.

spyte van risikofaktore in my gemeenskap, het ek nog altyd die potensiaal gesien in skoolleerders wat wil presteer. Hulle is bereid om hard te werk, al is daar soms geen insentief vir hulle om hard te werk nie.

"Ek is 'n Thutukan en is baie bewus dat wiskunde 'n algemene uitdaging is waarmee skoolleerders in my gemeenskap worstel. Ek is bevoorreg om 'n bydrae te kan lewer en gratis wiskunde tutorlesse aan te bied. Ek het twee genoeë skoolleerders, Payton en Kayden, afsonderlik van Paul Roos Gimnasium en Cloeteville Hoërskool, genader om hulle te help met enige probleme wat hulle ondervind in wiskunde.

## 'n Beginpunt: my gemeenskap

(Magneil Isaacs)

"Ek glo werklik: Education is the most powerful weapon that you can use to change the world."

"Ek is oorspronklik van Cloeteville, Stellenbosch. Cloeteville is 'n baie rustige gemeenskap, maar dit is 'n gemeenskap met sy eie uitdagings. Na my mening is dit 'n gemeenskap met 'n tekort aan goeie voorbeelde vir kinders.

"Onskuldige skoolleerders word uitgelok om betrokke te raak by geweld, diefstal en bendebedrywighede. Ten

"Ek leer hulle effektiewe wyses waarmee hulle wiskunde kan aandurf en konseptualiseer in 'n verstaanbare taal.

"Dit is ontsettend vervullend om 'n bydrae te lewer in my gemeenskap – al is dit nie iets groot nie.

"Dit motiveer my om meer betrokke te raak in my gemeenskap want ek bespeur verswygde potensiaal, wat ontbloom moet word!

"Ek glo werklik: Education is the most powerful weapon that you can use to change the world."

## First year portfolio initiated in 2018

(Shanice Cyster)

"While serving as a group leader in 2017 and also being a first year Stellenbosch Thuthuka Student in 2016, I had first-hand experience of the transition difficulties of entering a community like Stellenbosch University. The Thuthuka student community comes from a variety of different backgrounds, cultures and communities. "This being said, we as Stellenbosch Thuthuka saw the need for a First Year Committee to be established in the year 2018 to facilitate this transition through peer support.

"The mission of this portfolio was to create a space where each Thuthukan can be true to themselves and reach their full potential in spite of the personal obstacles they might experience

due to the difficult transition. They were given mentors within Thuthuka to assist them throughout the year from welcoming week until the end of the year. Previously we focused on this only during welcoming week.

"Our kick-off event was to educate the students about the Stellenbosch Thuthuka bursary programme and the society. We shared our values and also what we strive to achieve. With the knowledge gained here the students are now able to go back into the community and share more about the bursary to prospective Thuthuka Students.

"During the second term we hosted a braai and games day where we created a space for team relationship

building. At this event, students got the opportunity to learn more about each other in a casual and social setting.

"Our final event was a workshop that was facilitated by Ms Michilene Meyer, the project co-ordinator, who has a background in psychology and social development. The focus of the workshop was finding your identity and adjustment to life at SU. This workshop was invaluable and students requested that we continue with this initiative because it offered a safe space for them to share and critique the factors that were difficult to manage as they navigated university life at SU." ■

"With the knowledge gained here the students are now able to go back into the community and share more about the bursary to prospective Thuthuka Students."

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*"The quality of teaching offered and learning facilitated by the School is evidenced by inter alia the numerous internal and external direct and indirect teaching-related awards bestowed on our lecturing staff on a regular basis over many years, and the fact that we are now the second largest residential university nationally in terms of successful first attempt ITC (SAICA first professional examination) candidates, which is no mean feat. I am proud, but equally humbled, to be responsible for supporting and growing this excellence in teaching amongst my colleagues from a management perspective – it is my job to guide, enable and support them to do what they excel in, and to help them with my experience when they encounter difficulties, and I love doing so." – Prof Pieter von Wielligh, Deputy Director: Learning and Teaching*



Fl.t.r.: Jana van der Westhuizen, Sybil Smit, Prof Arnold Schoonwinkel, Mareli Rossouw, Hanne Mertens, Amber de Laan, Cayley Tarr & Willem Odendaal

## First years appreciate most influential lecturers

The Vice-Rector (Learning and Teaching), Professor Arnold Schoonwinkel, hosted the first-year achievement awards for the 2017 cohort on 11 April 2018 at the Neethlingshof Wine Estate. The event celebrates the top 33 first-year students across faculties at Stellenbosch University. Four students, all studying towards a Bachelor of Accounting degree at the School of Accountancy, Jana van der Westhuizen, Hanne Mertens, Cayley Tarr and Willem Odendaal, were invited to this event. Each student was asked to nominate one lecturer who had contributed the most to his/her academic achievement. Three lecturers from the School of Accountancy, Sybil Smit, Mareli Rossouw and Amber de Laan, were nominated.

Jana thinks Sybil is remarkable and summarised her thoughts as follows: "Soms is passie al wat nodig is om studente te oortuig dat hul óók 'n liefde vir 'n vak kan ontwikkel. Dit gee hul 'n hupstoot om struikelblokke met meer selfvertroue aan te pak en te oorkom." Hanne thanked Mareli by stating, "You have made a massive impact on my passion for the subject through your energetic enthusiasm and dedication – for accounting, for lecturing and for your students and you never treat us as just another student number."

Caley was thankful for techniques transferred by Amber and stated, "In that one lecture you taught me to think for myself; to not blindly accept what I'm told and to approach lectures with an enquiring mind. It is the most

important skill that I've been taught in my university career by far, and I'm very grateful that I was taught this so early on."

Willem also nominated Amber and had the following to say, "You were an inspiration to me throughout the entire 2017 year. To see someone with such a passion for his work, inspired me to one day have the same passion towards my job. You have such a great understanding of the course content and have a unique and practical way of teaching it to your students." ■



# Excellence in Teaching Awards

At Stellenbosch University, good teaching is the expected norm, but excellent teaching is rewarded (SU Teaching and Learning Policy, 2018:3). In 2017, Stellenbosch University initiated the annual Excellence in Teaching awards.

These awards are an opportunity to value 'excellent teaching', that is, reflective and contextually-aware at institutional level.

The aims of the awards were:

- To show support at an institutional level for excellence in teaching and learning in higher education;
- To generate a cadre of academics who are able to provide inspiration and leadership in teaching in their disciplines and across the institution, and
- To generate debate and public awareness about what constitutes teaching excellence.

Eligible candidates for the awards were required to complete a teaching portfolio which showcased their teaching and learning journey. It describes 'how they teach' with a critical reflection on their practices and 'why they do it' in that way by considering their teaching philosophy and role. The reflective narrative demonstrate their professional growth with regard to the scholarship of teaching and learning, as well as their ability to integrate teaching and learning and research. Candidates were nominated by the EMS faculties on the basis of a teaching portfolio and evaluated by an institutional selection committee.

Anria van Zyl (Information systems) and Natasha Sexton's (Auditing) teaching portfolios were both commended this year at the SU teaching awards. Anria received the award "Commendable portfolio", while Natasha received a reward for "Evolving portfolio" at a function hosted by Prof Schoonwinkel, Vice Rector: Learning and Teaching. ■



F.l.t.r.: Anria van Zyl & Natasha Sexton

"My visie vir die Skool is om professionele rekenmeesters met vaardighede wat relevant is vir die toekoms af te lewer deur onder andere die suksesvolle implementering van die CA2025 program." – Prof. Pierre Olivier – Direkteur: Skool vir Rekeningkunde en Vise-dekaan EBW

## Hons-studente bedank hul gunsteling



V.l.n.r.: Arthur Bishop & Gretha Steenkamp

Die HonsBRek-studente wys jaarliks die dosente aan wat die meeste vir hulle gedurende die Honneurs jaar beteken het. Gretha Steenkamp, 'n senior lektor in finansiële rekeningkunde, en Arthur Bishop, 'n senior lektor in bestuursrekeningkunde, is hierdie jaar onderskeidelik deur die Engelse en Afrikaanse groepe as die studente se gunsteling-dosente aangewys.

Arthur praat met lof van sy Afrikaanse groep: "Ek het die studente altyd as waarderend en vol belangstelling ervaar en daarom was dit vir my 'n groot voorreg om vir hulle te kon klasgee."

Gretha sê die volgende was spesiaal vir haar van die Engelse groep: "Dit was my eerste keer dat ek in Engels klasgegee het (en ek was bietjie skrikkerig daarvoor), maar hulle het dit maklik gemaak vir my aangesien hulle deelgeneem het in die klas en gelag het vir my flou Engelse IFRS grappies! Gaan hulle mis!" ■

# A century under review

The timeline shows some highlights in Stellenbosch University's (SU's) history. For more highlights and interactive features, visit [www.sun.ac.za/100](http://www.sun.ac.za/100) or join the conversation on social media, using #SU100.



**1918** Stellenbosch University started out with four faculties (Science, Education, Arts and Social Sciences, and AgriSciences), 503 students and 40 lecturing staff on 2 April.

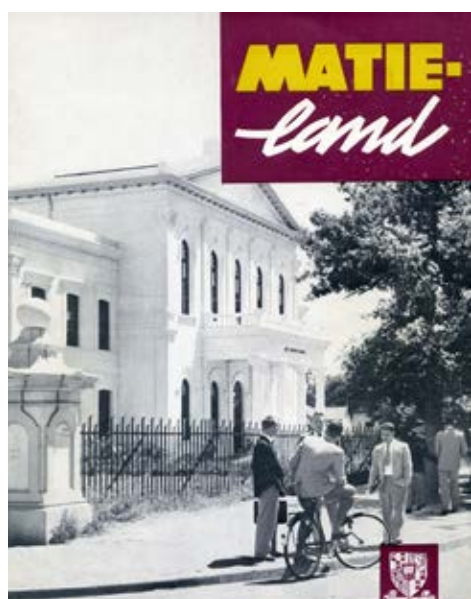
**1919** SU's first graduation ceremony took place. Students that previously studied at the Victoria College were awarded their qualifications by the University of the Cape of Good Hope.



**1922** Dr Lydia van Niekerk became the first ever woman to be appointed as professor at SU.

**1925** The Faculty of Commerce (now Economic and Management Sciences) was established with CGW Schumann already being appointed as lecturer in commercial sciences in 1924.

**1932** SU's first fully-fledged administration building was commissioned (now the Admin B Building). More storeys were added by 1960.



**1934** Prof RW Wilcocks, a lecturer in Psychology, became rector after the position of rector (abolished in 1926) was re-introduced. As chairman of the Senate he held the position of SU head of management since 1933.

**1941** The student newspaper, Die Matie, was established.

**1944** The Bureau for Economic Research, SU's oldest research institution, was established.

**1955** Historian Prof HB Thom, head of the Department of History, succeeded Prof Wilcocks as rector.

**1958** Lectures started for the first students in the new Extramural Division. The MBA courses, and over time the SU Business School, originated from this.

**1960** The historical farm Coetzenburg was purchased and was gradually developed as sportsgrounds.

**1966** SU celebrated "100 years of higher education" – commemorating the existence of Stellenbosch Gymnasium resulting in college training over time and which eventually led to the establishment of Stellenbosch University in 1918.



**1975** The Langenhoven Student Centre was opened 55 years after fundraising was started for a place of assembly for students. It was named in memory of former student CJ Langenhoven, and students nicknamed it Neelsie.

**1981** After the death of the vice-chancellor, Dr JS Gericke, earlier in the year, the rector, Prof Mike De Vries, became the first academic to also hold the ceremonial position of vice-chancellor, in addition to the position of rector.

**1984** The new SU library building was commissioned as South Africa's only library that is completely located underground.

**1986** Bellville Park campus came into operation as a satellite campus.

**1991** Nelson Mandela visited SU for a meeting on invitation of the (then) Contextual Hermeneutics Centre

**1995** The Neelsie Centre, opened its doors as shopping centre containing a variety of businesses. The concept of a student centre such as this is described as unique in South Africa.



**1995** Radio Matie (later MFM) became a fully-fledged community radio station.

**2007** Prof Russel Botman, a theologian, became the first coloured rector and vice-chancellor. He had been lecturer in practical theology and missiology at SU from 2002.

**2010** SU's HOPE Project was launched as a strategic long-term plan for the next decade – with SU focusing on five of the International Millennium objective themes.

**2014** Prof Russel Botman whose term was extended for another five years in 2012, passed away.

**2015** Prof Wim de Villiers was appointed as Stellenbosch University's new rector and vice-chancellor. A Matie alumnus and medical doctor who also studied and worked abroad become the University's 12th Rector

**2018** A task group, established in July 2016, works on a process to implement a new vision and strategy for Stellenbosch University (Vision 2040).

Source: Oosthuizen, H. 2018. Matieland: Eeufees-uitgawe. Vol. 61:10-29.

“ 'n Geleentheid wat vir my in ons geskiedenis uitstaan, is die totstandkoming van die Skool vir Rekeningkunde wat bestuur word deur 'n direkteur wat *ex officio* ook 'n vise-dekaan van die Fakulteit is en die aanstelling van drie adjunkdirekteure nl. Leer en Onderrig, Navorsing en Sosiale Impak en Transformasie.” – Prof. Pierre Olivier – Direkteur: Skool vir Rekeningkunde en Vise-dekaan EBW.





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# Business leadership skills in the 4IR

**T**he fourth industrial revolution (4IR) is upon us and is characterised by concepts such as artificial intelligence, machine learning, advanced robotics and the Internet of Things. 4IR is expected to affect most, if not all, industries in a significant manner.

With large-scale automation imminent, it is estimated that by 2030, at least one-third of activities in 60% of occupations could be automated. These changes will have a significant effect on: the current way businesses operate, employees' job descriptions and skills needed and ultimately the corporate culture of the business. Professional accountants often find themselves leading these organisations and their leadership skills will therefore also have to adjust. Gone are the days when a business leader could simply lead a company, based on his or her intellectual abilities alone. These once sought after 'hard skills' or 'learned' technical skills will soon be performed by 4IR technologies – performing advanced data analysis, several accounting and administrative functions as well as providing standardised advice, all at a much faster pace than humanly possible.

**The question then becomes: where can a business leader then still add value?**

The World Economic Forum identified the following top ten skills, which will be needed and will be relevant by 2020: complex problem solving; critical thinking, creativity, people management, teamwork, emotional intelligence; judgment and decision making; service orientation; negotiation and cognitive flexibility. In short, it is all the things technology cannot yet do. It seems that in a soon-to-be machine dominated world,

we will need to revert back to identifying areas where the human element can still add value. In other words, the 'so-called' soft skills.

Soft skills refer to having social and interpersonal skills, good communication abilities, emotional intelligence, being a team player, building trust and good relationships with people, being self-motivated and showing empathy towards others' viewpoints and needs. With technology levelling the playing field in many previously seen competitive and differentiating areas, building a strong corporate culture with these required soft skills, will be a strategic advantage to companies.

Business leaders need to realise that dealing with employee wellness is no longer just a Human Resource's related function. The tone of corporate culture is set right at the top of the corporate chain. Here are just some of the challenges modern day leaders will need to face in developing a healthy corporate culture:

- Up to 65% of tomorrow's jobs do not yet exist today. Leaders will need to guide, motivate and train their staff to embrace these different job functions - being aware of the employees' fears and frustrations in this process.
- Leaders will need to manage collaboration between team members better – ensuring a 'learning organisation' atmosphere is created which encourages creativity and innovation.
- They will also need to have high levels of emotional intelligence – being able to manage their teams through conflict situations, since an unhealthy

corporate culture has the ability to infiltrate many areas of the business – affecting employee morale and ultimately the bottom-line negatively in the long-run.

- An increasing number of employees work remotely. This results in greater isolation from colleagues and could negatively affect employees' morale, motivation levels, teamwork and even losing sight and connection with the company's vision and values. Leaders would need to be aware of and manage any changes in the corporate culture including changes in employees' behaviour, emotional state, and productivity levels.

Some businesses have, however, already started to recognise the importance of identifying employee wellness as a critical success factor in the fourth industrial revolution. The emotional state of employees often influences their motivational levels, which ultimately affect the way they deal with the customers – impacting the bottom line in the long run. Like Richard Branson said: "if you look after your staff, they'll look after your customers."

It seems that in the end, in a world driven by machines and technology, the key for business leaders to gain a competitive advantage could very well come back to only one thing: its human touch.■

*Riana Goosen – lecturer in Management Accounting (goosen@sun.ac.za). A similar article has been submitted to Accountancy SA for publication purposes.*



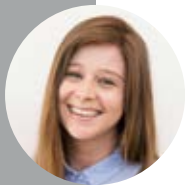


# New Staff



## Armand Bruwer (academic)

Originally from a farm near Vryburg, in the North West, Armand Bruwer has always had a passion for teaching and described the “out-of-the-box-thinking” of SU students as being a convincing factor in deciding to teach at Stellenbosch University. He is looking forward to new students and new challenges in 2019 and to his students of 2018 he just wants to say, “Go and be wonderfully weird!”



## Chrystal Pienaar (akademies)

Chrystal Pienaar het reeds sedert haar eie studentedae moeiliker konsepte aan haar vriende verduidelik. Sy het haar passie vir opleiding tydens haar betrokkenheid by die opleiding van nuwe klerke en werknemers by haar vorige werk ontdek. Sy sien uit daarna om haar passie in 2019 voort te leef en ook 'n bydrae tot die navorsingsveld te lewer.



## Gary de Vink (academic)

During his years as student, tutor and academic trainee at the College of Accounting at UCT, Gary's eyes opened to a potential future in academia. Gary describes his highlight working at the School of Accountancy, being the constant support from colleagues and students. His advice to students? “Consistency is key in everything you do.”



## George Ramages (academic)

Originally from Somerset West, George decided to join Stellenbosch University in order to be part of a community that seeks to excel in teaching and learning and he cannot wait for the opportunity to teach again in 2019. His message to the students is to “work hard, work smart and never be afraid to ask a question or give an answer”.



## Gideon Swanepoel (akademies)

Gideon sien baie uit daarna om van sy huidige studente in 2019 te sien gradueer! Hy is glad nie 'n onbekende gesig by die SvR nie en het reeds in 2015 sy akademiese klerkskap hier voltooi, en toe die geleentheid om weer terug te keer opduik, het hy dit met beide hande aangegryp. Sy boodskap aan studente: “Wees altyd jouself en geniet die studentelewe voluit!”



## Sher-Lee Arendse (academic)

Originally from Cape Town, Sher-Lee came to Stellenbosch University in order to experience a new environment and journey. She is all for creating a positive energy and she is very excited to apply what she had learnt as a newbie in 2018, to her new classes of 2019.



## Yadah Fourie (akademies)

Yadah Fourie het reeds in haar HonsBRek-jaar by Universiteit van Stellenbosch gewoet dat sy weer hierheen sal terugkeer. Sy beskryf haarself as iemand wat nog altyd 'n regte *nerd* is en daarom maak dit vir haar soveel sin om haar kennis en eie ervarings aan ander oor te dra.



## Ilse Frans (administratief)

Wanneer Ilse, oorspronklik van Johannesburg (Pniel), nie by die SvR is nie, is sy waarskynlik besig om te bak en brou. Sy is ook lief daarvoor om tyd saam met familie te spandeer. Ilse het voorheen haar studies aan die Skool vir Publieke Leierskap, ook deel van die EBW-fakulteit by die US, voltooi en het dus met groot opgewondenheid teruggekeer na nóg 'n uitstekende skool in die EBW-fakulteit.



## Yvette Diedericks (administratief)

Yvette is oorspronklik van die Paarl en het van dag een af baie welkom in die SvR gevoel. Sy spandeer graag tyd saam met familie en beskryf dans as haar “sielskos”. Sy sien uit na 2019 en na die nuwe uitdagings wat nog 'n jaar by die SvR bied.





# Bitcoin – output tax consequences

**B**itcoin is a virtual cryptocurrency that exists in electronic form.

It is neither issued by a central bank nor attached to a fiat currency (currency declared by a government to be legal tender), but it can be held as an investment or can be exchanged for goods and services. The use of Bitcoins as a means of payment for goods and services has grown substantially over the past few years and merchants are more prone to accept Bitcoins due to the fees charged being lower than typical credit cards processors.

Uncertainty exists regarding the output tax consequences for a South African Value-Added Tax (VAT) vendor who receives Bitcoins in exchange for the supply of goods or services, which are subject to VAT. Furthermore, the output tax consequences when the same vendor subsequently exchanges the Bitcoins for South African Rand on a local exchange platform, such as Luno or Ice3X, are also uncertain.

For a transaction to attract VAT, the requirements of 'supply' of 'goods' or 'services' by a 'vendor' in 'the furtherance of any enterprise' must be met. The wide definition of 'supply' in section 1(1) of the VAT Act No. 89 of 1991 ('the Act') includes any provision of goods or ser-

vices in the course of the taxpayer's business. A supply can also include a supply under a barter exchange transaction when goods or services are supplied for a consideration that is not money. Section 1(1) of the Act defines 'goods' as any corporeal movable thing, fixed property or any right in any such thing, excluding money. 'Money' is defined as coins issued by the South African Reserve bank or any coin or paper currency of any other country other than South Africa which is used or circulated as currency. According to section 1(1) of the Act the definition of 'services' would apply in instances where 'goods' are not supplied. The 'furtherance of an enterprise' requires that goods or services must be supplied for 'consideration' – thus payment in any form. Should these requirements be met, VAT will be levied at the standard rate of 15%.

Derived from the above it is clear that the exchange of goods or services for Bitcoins will constitute a barter exchange transaction which is subject to output tax of 15% on the market value of the Bitcoins received on the day of the transaction. The subsequent exchange of Bitcoins for South African Rand by the South African vendor would constitute a 'supply' of 'services' in

exchange for consideration as Bitcoins will not be treated as 'goods' or 'money'. Therefore, all the requirements to attract VAT are met and output tax of 15% will be levied on the value of the exchange. The exchange will not qualify as an exempt supply as it does not meet the requirements of a 'financial service' as set out in section 2 of the (current) Act.

In the 2018 Draft Taxation Laws Amendment Bill, National Treasury proposed to include "the issue, acquisition, collection, buying or selling or transfer of ownership of any cryptocurrency" under section 2 of the Act. These activities will then be exempt from VAT in terms of the provisions of section 12(a) of the Act. If a vendor, who makes 100% taxable supplies, accepts Bitcoins as a means of payment and then subsequently exchanges or sells them for South African Rand, such vendor will now be making mixed supplies and in consequence will have to apportion its input tax. ■

*Please note: This article was written before the Taxation Laws Amendment Bill 2018 has been adopted by the National Assembly.*

*Cecileen Greeff – Lecturer in Taxation (cgreeff@sun.ac.za)*

# The School honours top students

The annual prize-giving of the School of Accountancy, in respect of academic achievements of students during 2017, was held at the Van der Sterr building on 7 August 2018. Gretha Steenkamp, senior lecturer in Financial Accounting at the School of Accountancy, was the guest speaker at the function. Gretha shared her insights in respect of the relationship between share repurchases and share-based remuneration for executive directors of companies listed on the JSE in her presentation titled "Is share repurchases providing executive directors with a method of increasing their own share-based remuneration?"

Details of the prizes received by the students of the School of Accountancy follow below :



2017 Prize winners of the School of Accountancy (Photo: Henk Oets)

## SPONSORS AND PRIZES AWARDED

### SAICA (The South African Institute of Chartered Accountants)

- Best first year Thuthuka student
- Second-best first year Thuthuka student
- Best second year Thuthuka student
- Second-best second year Thuthuka student
- Best third year Thuthuka student
- Second-best third year Thuthuka student
- Best BAccHons Thuthuka student
- Second-best BAccHons Thuthuka student
- Best BAccHons student in Taxation
- Best BAccHons student in Auditing
- Best BAccHons student in Financial Accounting
- Best BAccHons student in Management Accounting
- Best first year BAcc student in professional subjects
- Best second year BAcc student in professional subjects
- Best third year BAcc student in professional subjects
- Best BAccHons student

## PRIZE WINNERS

Siphesihle Sanelisiwe Ngema  
 Hingis Aimee Hoop  
 Curtley Sherman Olyn  
 Bradley Tito  
 Lungelo Mthunzi Ngobese  
 Carlo Franklin Arenz  
 Chad Brandon Adams  
 Taahir Bemmelman  
 Reinhard Bernhard Arndt  
 Ryelan Calton Hardnick  
 Jordan-Blaine Lamprecht  
 Edwin Bunge  
 Hanne Mertens  
 Christine Lee Brokensha  
 Anja Kanzler  
 Reinhard Bernhard Arndt

## SPONSORS AND PRIZES AWARDED

## PRIZE WINNERS

### SANLAM

- Best third year BCom student in Financial Accounting, Taxation and Management Accounting
- Best first year BAcc student
- Best second year BAcc student
- Best second year BAcc student in Financial Accounting

Jan-Petrus Steynberg  
Hanne Mertens  
Christine Lee Brokensha  
Christine Lee Brokensha

### BASS GORDON

- Best third year BAcc student in Financial Accounting

Sybrand Albertus Strauss

### CIMA

- Best BComHons student in Management Accounting

Charlton Blake Roux

### DELOITTE

- Best second year BAcc student in Financial Accounting and Taxation
- Best third year BAcc student in Financial Accounting and Taxation
- Second-best BAccHons student

Christine Lee Brokensha  
Sybrand Albertus Strauss  
Jordan-Blaine Lamprecht

### EY

- Best progress in Financial Accounting II by a BAcc student
- Two prizes awarded to BAccHons student who showed the best progress

Eben Roux  
Estienne Postma and Hanél Woest

### KPMG

- Best first year BAcc student in Financial Accounting
- Best BAccHons student in Financial Accounting
- Phumzile Njomose Memorial Prize

Hanne Mertens  
Jordan-Blaine Lamprecht  
Curtley Sherman Olyn

### LEXISNEXIS

- Two book prizes to meritorious BAcc students

Melissa Coetzee and Marena Esté Woest

### LITTLE BIG BOOKSTORE

- Best third year BCom student in Financial Accounting
- Second-best third year BCom student in Financial Accounting

Linda Kallis  
Christin Linde

### PASTEL SOFTWARE

- Best third year student in Information Systems

Evan Eugene Abrahams

### PwC

- Best second year BAcc student in Auditing
- Best third year BAcc student in Auditing
- Second-best third year BAcc student
- Best third year BAcc student
- Best BAccHons student

Christine Lee Brokensha  
Jason Robert Crawford  
Jason Robert Crawford  
Anja Kanzler  
Reinhard Bernhard Arndt



**SPONSORS AND PRIZES AWARDED****PRIZE WINNERS****ROUX VAN DER POEL – merit bursaries (PwC)**

- Merit bursaries to BAccHons students

Danielle Lamprecht  
Thomas Hartman  
Hulisani Madzhie  
Roenie van Staden

**PKF**

- Best third year BAcc student in Financial Accounting, Taxation and Management Accounting
- Best second year BAcc student in Financial Accounting, Taxation and Management Accounting
- Best second year BCom student in Financial Accounting

Sybrand Albertus Strauss  
  
Christine Lee Brokensha  
  
Joshua George Peebles

**SAIPA (The South African Institute of Professional Accountants)**


- Best first year BCom student in Financial Accounting
- Best third year BCom student in Taxation


Elizza Frey  
Myron Govender

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# Virtual money. The hidden costs...



Money does not grow on trees, but money can be grown in a computer server farm in the form of *virtually currency*. Virtual currency is defined as “a digital representation of value that is neither issued by a central bank or a public authority, nor necessarily attached to a fiat currency, but is accepted by natural or legal persons as a means of payment and can be transferred, stored or traded electronically”. Bitcoin is the most well-known virtual currency and the most widely used. Bitcoin is a digital medium of exchange that can be acquired, held and traded electronically without government, financial services or regulatory involvement. Bitcoins are considered a cryptocurrency because cryptography is used to secure the ownership and trade of these digital currencies. Records are maintained of Bitcoin transactions by the blockchain, a transaction log distributed across a network of participating computers which provides transactional evidence in a permanent and public record. Bitcoins have the potential to revolutionise any economy’s financial system as a secure method of payment. Over the past couple of years, Bitcoins have also shown significant growth and investment potential. China has indicated their intention to move towards virtual currencies.

Bitcoins hold many benefits, but also hold many “hidden” costs.

Bitcoins are still in its infancy stage. Its features are still in development, with the focus on making it more secure and accessible. Although the number of Bitcoin exchanges and ATMs have increased, accessibility is still problem-

atic. Many customers are still unaware or have limited knowledge and understanding of how digital currencies and Bitcoin work. This is hampering growth and is exposing companies to risks. Unlike credit cards, customers paying with Bitcoin might not benefit from rebates and rewards credit card companies give customers. This also hampers growth and large-scale acceptance.

Businesses need to decide how Bitcoins will be held: internally, on a local server or an off-site offline server or stored in a virtual “wallet” on a third-party web-based exchange. Each method poses a security risk to the company particularly because Bitcoins do not have physical substance, is not backed by a store of value (such as gold or US-dollar) and is uninsurable. Sufficient controls need to be implemented to address the security risks of theft and fraud. Double-spending risks also exist, resulting from the time lag in transaction confirmation and the fact that fast payment attacks currently succeed with new detection techniques still being integrated in the Bitcoin implementation software.

Bitcoin is currently anonymous and cannot be linked to personal or business information. This poses many risks in itself. This anonymity can be used to facilitate possible illegal transactions across the globe, or disregard global laws and regulations. Should the Bitcoins be converted into cash, it will result in bankers and regulatory authorities asking additional questions with regards to the sources of funds and taxation of funds. Similarly, since Bitcoins are not regulated by governments, there is no oversight or protection against fraud. Possible fu-

ture regulation poses risks to the future value of bitcoin. Although the value of the Bitcoin has been stabilising the last six months, after initial high volatility in the first few years after inception, price volatility and exchange rate risk remain risks for any business trading with various currencies.

When retailers use Bitcoins as a medium of exchange for goods or services, it will be described as virtual currency, but due to its limited circulation it would not meet the accounting definition of functional currency; gains and losses should, however, still be reported. Uncertainty also exists regarding whether Bitcoins are considered cash, a cash equivalent, an intangible asset or an investment, each with unique accounting recognition criteria that will have different impacts on the financial statements depending on the classification. Other accounting implications that also need to be considered include the measurement of Bitcoins, revenue recognition, tax effects and the disclosure of Bitcoin transactions to ensure that users of the financial statements understand the effect of bitcoin transactions on the business.

Bitcoins are still in its infancy stage, however it is growing in its acceptance as an alternative method of payment. Early adopters of virtual currency can make their money grow virtually, but it does come at a “hidden” cost.■

Mari Thomas & Prof Riaan Rudman – Mari Thomas is a MCom (Computer Auditing) alumnus and Prof Riaan Rudman is an Associate Professor in Auditing (rjrudman@sun.ac.za)

The next cycle of the Master of Commerce (Computer Auditing) programme is expected to commence in 2020. For information about the programme, visit: [http://www.sun.ac.za/english/faculty/economy/accounting/programmes/academic-programmes/masters-lectured-options-mcom-\(computer-auditing\)](http://www.sun.ac.za/english/faculty/economy/accounting/programmes/academic-programmes/masters-lectured-options-mcom-(computer-auditing)) or contact Prof Riaan Rudman at rjrudman@sun.ac.za or 021 808 2701.

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# Teacher Professional Development Workshop for Financial Literacy

*“Die EMS Teacher Professional Workshop for Financial Literacy, wat onder leiding van me. Ellané van Wyk gedurende Junie 2018 vir 115 rekeningkunde onderwysers afkomstig uit die Wes-Kaap aangebied is ten einde hul rekeningkundige vaardighede te verbeter, is die sosiale impak projek onder die vaandels van die Skool vir Rekeningkunde, wat die grootste impak gehad het, aangesien dit nie alleen rekeningkunde onderwysers bemagtig het nie, maar uiteindelik ook leerders wat deur hulle onderrig word.” – Prof. Kobus van Schalkwyk, Adjunk-direkteur: Sosiale impak & Transformasie*

After an absence of three years, the Teachers' Enrichment Program (TEP), as it was previously known, was presented on 25 and 26 June 2018 at Stellenbosch University. The program was revamped into a professional development workshop accredited by the South African Council for Higher Education (SACE) and the Western Cape Education Department (WCED).

The program was presented by six lecturers and senior lecturers from the School of Accountancy: Andrea Heron, Lize-Marie Sahd, Waldette Engelbrecht, Alwyn Visser, Nicolette Kloppe

and Cara Thiar. Two other lecturers, Cecileen Greeff and Mareli Rossouw, are conducting research on the outcomes and effectiveness of the program, and will be submitting their work to an accredited academic journal. This research is also valuable to the WCED, as programs such as these are crucial in advancing and improving education in Economic and Management Sciences at Western Cape schools.

Teachers who attended the program were tutored in Basic Financial Literacy, including the accounting equation and accounting cycles. Very positive feedback

was received upon completion of the program.

Key players in the discussions and arrangements around the program included Dr Audrey Wyngaard (Directorate: Research WCED), Karen Dudley (Director: Curriculum GET Grades ECD to 9), Ebrahim Peck (Chief Education Specialist: Curriculum GET, WCED) and Antionette Venter (Deputy Chief Education Specialist: Curriculum GET, WCED). They all indicated that the program should become a permanent training opportunity on the WCED calendar. ■

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# Students making a difference

As narrated by Lungile Tshabalala (BAccHons student at Stellenbosch University):

**B**ehind every successful community, is a tribe of other community members ploughing back into the community, and community members who are empowered to empower others. This is the main reason why the Standerton Career Expo is hosted annually.

There is an Afrikaans saying that says “Ondervinding is die beste leermeester”, which simply means that experience is the best teacher. We have experienced how it feels to be from an underdeveloped community, with limited access to career guidance. For example, I only realised in first year, that one can embark on a career journey, for example wine making. All of my life I have been exposed to a limited number of careers. Research assisted me to broaden my horizons in terms of careers, but it did not provide me with practical examples where I can interact daily and look up to people in different types of

careers within my town.

After realising that one can embark on a career journey in wine-making, I felt like I have been blind all of my life. Only then did I realise how limited my knowledge was, in respect of career goals to take on, because nobody really reaches out to young people in terms of career planning. Even though I was from a great school, which offered career guidance, I realised that there are other scholars who are not as privileged. In a nutshell, that is the heart that is beating behind our community projects.

We annually assist learners with:

- Career Guidance & Life After Matric
- University Online Applications
- Listed Companies Representatives
- Consulting varsity students in various career fields
- Bursaries & Learnerships information

We are in the process of launching another component to our organisation, where we are planning to launch an SABS-approved reusable pad drive, where we will bless needy school girls who cannot afford sanitary pads, and as a result miss learning opportunities at school on a monthly basis, each with three reusable pads, to ensure that they never miss school as a result of lack of access to sanitary pads.

The initiative is undoubtedly a great success each year and the feedback from the learners is always testament to this! ■



Prof. Johan Matthee

## Rus sag, prof. Matthee

Die Skool vir Rekeningkunde het met hartseer verneem dat Professor Johan Matthee, oud-voorsitter van die (destydse) Departement Rekeningkunde (1976-1996) en oud-dekaan van die Fakulteit Ekonomiese- en Bestuurswetenskappe (1996-2001) op 1 Julie 2018 oorlede is.

Prof. Matthee het in 1965 aan die Departement Rekeningkunde begin doseer en het aan die begin van 1972 die jongste professor aan die Universiteit van Stellenbosch geword. Hy was instrumenteel in die beweging om aspirant-rekenmeesters te verplig om for-

mele grade te verwerf voor hulle as rekenmeesters kwalifiseer en die huidige BRek en BRekHons programme is hiervoor ingestel.

Prof. Matthee het diep spore in die Departement en Fakulteit getrap, en het met sy intrede as dekaan in 1996 gesê: “Ek het nog nooit ’n werk of ’n betrekking gehad nie. Dit wat ek deur die jare gedoen het, was vir my ’n stokperdjie – my werk is vir my ’n fees”. Almal wat oor die jare die voorreg gehad het om saam met hom te werk, kan hiervan getuig. ■

# Personeel-nuus

## Meesters-graduandi van die SvR



V.l.n.r.: Liezl Smith (MCom Rekenaarouditering), Nannette Botha (MCom Rekenaarouditering) & Cecileen Greeff (MCom Rekenaarouditering)

## Academic trainees



F.l.t.r.: Ryelan Hardnick, Charlton Roux, Ilarie Zevenbergen, Jeanré Bester, Linmari Kotze & Orlando van Schalkwyk

## Everyday Heroes



Employees of the School of Accountancy celebrated Casual Day on 7 September 2018, in aid of Dorethea Special Needs School. The theme for 2018 was "Be an Everyday Hero". F.l.t.r dr George Nel, Wilmarie Grobbelaar, Michilene Meyer, Petro Gerber, Liesl de Villiers, Ilse Frans, Waldette Engelbrecht.

## Personeel wat die diens van die SvR verlaat het

Die volgende personeellede het gedurende 2018 die diens van die SvR verlaat.

Die SvR is dankbaar vir die diens wat hulle hier gelewer het en wens hulle alle voorspoed met hulle toekomsplanne toe.

### Ellané van Wyk

Ellané is vir die afgelope 21 jaar werksaam by die SvR. Sy het al vier van die professionele vakke (finansiële rekeningkunde, belasting, audit en bestuursrekeningkunde) in haar tyd by die SvR doseer, maar sy is vir die afgelope 20 jaar 'n integrale deel van die belastingspan. Sy het 'n besondere liefde vir die natuur en gaan voortaan hierdie liefde met haar knap belastingkennis saamspan om die beste moontlike belastingaftrekkings van omgewingsonkoste vir belastingpligtiges te beding. Verskeie van die bestaande personeel is ook onder haar bekende hande opgelei.

### Riyaan Davids

Riyaan joined the School of Accountancy in 2016 as a lecturer in management accounting. He showed commitment and enthusiasm for his subject and students and will be missed by his colleagues.

## RekNUUS-bedankings

RekNUUS bedank graag vir Yvette Diedericks, Maudrie Claasen, Kim Daniels, Ilse Frans, Liesl de Villiers en Freddie Jacobs vir hul administratiewe bystand.



# The new IFRS Conceptual Framework for Financial Reporting - More of the same?

**M**arch 2018 saw the International Accounting Standards Board (IASB) issue a revised Conceptual Framework for Financial Reporting (Framework).

Since its first issue in 1989, the original framework was partially revised in 2010 by updating the objectives of financial reporting and the qualitative characteristics of decision-useful information. The remaining text of the 1989 Framework, including the definitions of assets, liabilities, equity, income and expenses, and recognition and measurement criteria remained as is, until now.

## How will the 2018 Framework impact preparers and users of financial statements?

Although the status of the Framework is that it is not a Standard, the concepts set out in the Framework form the base from which Standards are prepared. As such, the Framework can be used to understand and interpret Standards. This becomes important when preparers need to interpret existing Standards, choose between accounting policy alternatives or develop accounting policies when no Standard applies to a particular transaction or event.

## Will it change the current Standards?

The IASB was mindful that changes in the 2018 Framework should not automatically lead to changes in the Standards. In fact, the IASB analysed the possible effect of the new definitions, the concepts supporting those definitions and the recognition criteria. The IASB noted that the requirements of existing Standards were often consistent with the outcomes of applying the 2018 Framework. However, the IASB indicated an inconsistency between the 2018 Framework and IAS 37 Provisions, Contingent Liabilities and Contingent Assets as interpreted by IFRIC 21 Levies, when identifying a liability, although the accounting requirements have not been affected.

## Some interesting changes

In the definitions of an asset and a liability the notion of an expected cash flow has been replaced with the concept 'has the potential to produce economic benefits'. For example, an asset is now defined as 'a present economic resource controlled by the entity as a result of past events'. The IASB argued that the uncertainty about the flow of

economic benefits best fits in the **recognition criteria** or **measurement** of the asset or liability.

Since 1989, individual Standards introduced new measurement bases that were not noted in the original Framework. The new guidance on measurement bases and factors that will help the IASB to develop measurement requirements is therefore a welcomed revision.

In conclusion, the 2018 Framework is effective for annual periods beginning on or after 1 January 2020.

The general view is that the new Framework is welcomed.

The changes will not only assist the IASB in developing concept-based Standards, but also assist preparers to develop consistent accounting policies when no Standard specifically applies to a particular transaction or event. Last, but not least, the 2018 Framework will also assist users of financial statements to understand and interpret all the International Financial Reporting Standards. ■

*Dr Stiaan Lamprecht & Theo Mey –  
Lecturers in financial accounting  
(clam@sun.ac.za & tmey@sun.ac.za)*

## So, what is new or updated?

The 2018-Framework:

- now defines what financial statements are and what constitutes a reporting entity;
- revised the definitions of assets, liabilities, income and expenses;
- revised the recognition criteria;
- now introduces derecognition criteria;
- revised the measurement bases and provides conceptual underpinning for deciding on a measurement basis; and
- now introduces concepts about presentation and disclosure.



# Navorsing | Research

*“Dit is verblydend om te sien hoe die kwantiteit en kwaliteit van die SvR se navorsingsuitsette aan die toeneem is. Die SvR se 2018 navorsingsuitsette het met ongeveer 30% verhoog, vergeleke met 2017. Na verwagting sal ongeveer 25% van die SvR se doserende personeel teen 2023 oor PhD's beskik, wat belowende navorsingsuitsette vir die afsienbare toekoms voorspel. Ek is beïndruk met ons personeel se positiewe ingesteldheid teenoor die navorsingsuitdagings wat die SvR ervaar.” – Prof. Soon Nel, Adjunk-direkteur: Navorsing*



Arthur Bishop

**Arthur Bishop** recently published an article titled “A project management framework for small- and medium-sized entities: Accounting software implementation” in volume 11 of the open access journal *The Journal of Economic and Financial sciences* (JEF).

This article is a follow-up article published by Arthur on the challenges faced by small- and medium-sized entities (SMEs) during the selection and implementation of accounting software packages. Not managing the software package installation and configuration processes properly will result in the accounting software not working properly and not achieving the strategic goals of the SME. The purpose of this study was to examine, by means of an extensive literature review, the potential of PRINCE2 (Projects in Controlled Environments) as a project-management framework for application by SMEs during the implementation of new accounting software. The potential of scaling down PRINCE2 to a version usable to SMEs was investigated.

PRINCE2 was found to be a suitable framework for use by SMEs in the implementation of accounting software packages,

but only if tailored properly to incorporate the specific needs of the SME and adjusted to specifically address strategic alignment issues. Recommendations by other researchers on the weaknesses and shortcomings of the PRINCE2 framework were also investigated and included in the development of a new model for SMEs. This article contributes to the academic literature by providing it with a standard tailored version of PRINCE2 that can be used by SMEs in the implementation of new accounting software.

Arthur was also involved in the development of online learning material for McGraw-Hill Education and the authoring of problems and cases for six of the chapters in a new academic textbook, titled *Management Accounting 6<sup>th</sup> edition: South African content*. The sixth edition of *Management Accounting* offers a comprehensive and balanced introduction to management accounting theory and practice. The South African version has been written specifically for courses in South Africa and promotes practice as a method of learning through real-world and numerical examples, vignettes, and graded end-of-chapter exercises, problems and cases.

**Professor Rika Butler** continued her research on human behaviour towards

computer security in 2018. Based on their research on computer users' behaviour concerning passwords, Rika and Martin Butler published an article titled “Some password creators are more equal than others: towards customisation of online security initiatives” in Volume 20 of the *South African Journal of Information Management* (SAJIM).

Online security is a growing concern and user authentication through passwords remains an important mechanism to protect online assets.



Rika Butler

Research to date has highlighted the need to address human behaviour but without an indication of where the emphasis of security education, training and awareness (SETA) initiatives should be, beyond improved password practices. The aim of this study was to, through analysis of the password behaviour of South African online consumers: (1) un-

derstand the prevalence of poor practices among consumers overall and (2) identify specific password deficiencies prevalent among demographic groups to serve as focus areas for tailored intervention programmes. The study uses a quantitative research approach. An online survey was used to gather demographic data, perceptions about online security and applied password practices. A sample of 737 valid responses was analysed for this research. Based on the descriptive analysis of the responses three key observations were made. Firstly, there is a distinct difference in the incidence of poor password practices for all respondents and thus support for tailored interventions. Secondly, there are variances between the practices within different demographic groups that could be used for customisation of interventions. Finally, the different poor practices cannot be uniquely attributed to one particular set of demographic factors. The study concluded that to improve computer password security in South Africa, password SETA programmes should be customised for areas where individual needs exist and not merely per password practice or demographic group.

**Shaneen Conradie** and **Dr Stiaan Lamprecht** published an article titled "What are the indicators of a successful business rescue in South Africa? Ask the business rescue practitioners" in the *South African Journal of Economic and Management Sciences*, Vol. 21(1).



Shaneen Conradie

The article found that business rescue, in terms Chapter 6 of the Companies Act No. 71 of 2008, is still relatively new to the South African business environment. The need for a successful business rescue regime is beyond doubt. However, a consistent manner to measure the success

of the regime has not been determined. Previous research into possible indicators of business rescue success was based on a review of international business rescue regimes that share the same underlying philosophy as the South African business rescue regime.

This study extends previous research efforts by soliciting the opinions of 16 South African, senior business rescue practitioners on the indicators of business rescue success. The researchers used a qualitative research approach. The Delphi research technique was used to gather qualitative and quantitative empirical data from business rescue practitioners. The experts reached a high level of consensus on various indicators of a successful business rescue. Most notable are that business rescue should save as many jobs as possible and that the actual outcome should be compared to that estimated in the business rescue plan.



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- SAIPA
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- 45 Trainees
- 130 Staff



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Stiaan Lamprecht

A novel indicator of success is the business rescue points saved or rescued, when using the public interest score.

The study makes a valuable contribution to the debate on what constitutes a successful business rescue by adding the considered opinion on indicators of success by one group of experts in the field of business rescue, namely senior business rescue practitioners.

Dr Lamprecht recently visited the University of Michigan's Mixed Methods Research Program. During his visit, Dr Lamprecht worked closely with Co-Director Dr Timothy C. Guetterman to identify ways that mixed methods can be leveraged in accountancy research. He also met faculty from the University of Michigan Ross School of Business to explore different collaboration opportunities.

**Eloise de Jager** focuses her research on Higher Education. Eloise co-authored an article with Dr Eli Bitzer titled "The views of commerce students regarding 'free' higher education in South Africa" in the *South African Journal of Higher Education*, Vol 32(4), 12 - 36. She also presented a paper on this topic at the Middlesex University in Mauritius during December 2017.

The study aimed to investigate the perceptions of commerce students at one South African research-intensive university regarding the idea of 'free' higher education. A questionnaire survey generat-

ed structured responses on 'free' higher education and open-ended questions asked students about their definition of 'free' higher education and the effects it may have on the South African economy.

At the end of 2015, student protests that demanded 'free' higher education took place at most South African universities. An official response from the South African government regarding a long-term solution to the issue of 'free' higher education is still not clear. In the meantime, a zero present increase in university fees for 2016 and an increase of not more than 8% for 2017 was announced. South Africa is known for expensive higher education as tuition fees increase every year. Many students struggle to fund their studies, while government subsidies to higher education institution decrease. A few pertinent questions that remain unanswered include: What does 'free' higher education mean?

Will it be feasible to implement 'free' higher education? And if it proves to be feasible, how will it be implemented?



Eloise de Jager

The results suggest that even though most students were aware of the student protests regarding 'free' higher education that took place, not all of them agreed with such a position. The respondents perceived it mainly as non-feasible for South Africa to implement 'free' higher education on a large scale.

Despite the views of commerce students at one South African university, if 'free' higher education might be considered as a viable option in South Africa, the implementation considerations should be further examined. These issues will be explored in a follow-up study.

**Jan Dreyer** presented his paper "Broad-based black economic empowerment: The holy grail for financial performance?" at the 2018 *South African Institute for Management Scientists (SAIMS)* conference in Stellenbosch.



Jan Dreyer

A number of researchers have investigated the compound abnormal returns of JSE-listed companies before and after making B-BBEE announcements. Others have examined the relationship between a company's B-BBEE score and a range of financial ratios. Given inconclusive empirical evidence, Jan set out to improve prior studies by using a larger sample, a longer time-frame, a more comprehensive B-BBEE measure and a wider range of financial performance measures. Whereas previous researchers evaluated the relationship between companies' B-BBEE scores and mostly accounting-based ratios (such as return on sales),

the current study will also include market-based and value-based measures.

**Carla Morris** presented her work-in-progress on Broad-based Black Economic Empowerment (B-BBEE) at the *SIBR Conference on Interdisciplinary Business and Economics Research* held in Osaka, Japan in July 2018. Her research, titled "The impact of Black Economic Empowerment on business risk – evidence from the South African industrial sector", has subsequently been published in the *African Journal of Business and Economics Research*, Volume 13(2), p. 99-120.



Carla Morris

Prior research shows that South African executives strongly believe that socio-economic transformation through B-BBEE has negative consequences for business, despite being associated with higher financial performance. Carla's study challenged the validity of these negative perceptions by evaluating the relationship between business risk and the individual B-BBEE elements: black ownership, management control, employment equity, skills development, preferential procurement, enterprise development and socio-economic development initiatives. The study analysed the B-BBEE scorecards of companies in the South African industrial sector of the Johannesburg Stock Exchange from 2010 to 2015, using time-series multivariate panel regression and secondary statistical transformations.

The results demonstrate that an industrial company's level of B-BBEE has minimal to no impact on the level of its business risk.

Consequently, B-BBEE should not be perceived negatively as a business risk factor to be mitigated through an entity's corporate risk management strategy. It effectively disproves the notion that the higher corporate performance associated with B-BBEE is simply gained as a reward for an associated higher risk. On the contrary, this study shows that socio-economic transformation through B-BBEE carries no downside risk and management of South African industrial companies are advised to approach their entity's B-BBEE exposure with the objective of fully harnessing its performance benefits.

Carla also presented research titled "Developing employable business graduates: Demonstrating pervasive skills through blended-learning business simulations" in conjunction with **Professor Riaan Rudman** and **Natasha Sexton**, at the *23rd International Conference on Teaching, Education & Learning* during September 2017 in Bali, Indonesia.



Natasha Sexton

The South African job market requires well-rounded business graduates who are able to show initiative in solving unstructured business problems, whilst maintaining working relationships with clients and colleagues. The study examined a practical business simulation designed to create business awareness and showcase the aforementioned graduate attributes.

The simulation comprised the components of a business plan in various presentation formats (video, Excel and PowerPoint), with further deliverables

including real-world sourcing of financing and a critical self-assessment of students' business plans. A post-assignment questionnaire comprising Likert-scale questions and open-ended comments was used to gather student feedback on the efficacy of the simulation.

The study showed that business simulations offer students a greater awareness of current affairs and the financial sector, and stimulated practice in their pervasive skills – professionalism, time management, professional scepticism and teamwork inter alia. In addition, using business simulations through an online learning platform offers unexpected benefits as a forum for peer discussions on areas of difficulty.

**Dr George Nel's** research interest focuses on the use of alternative communication channels by companies to communicate with investors. In this regard, he also serves on the board of directors of the Investor Relations Society (South Africa). During the course of 2018 he co-authored, with Professor Eon Smit from the Stellenbosch Business School and Professor Leon Brümmer from the University of Pretoria, two papers that examined the impact of Internet investor relations (i.e. use of corporate websites to communicate financial and non-financial information to investors) on information asymmetry and the cost of capital respectively.

The first paper titled "The link between Internet investor relations and information asymmetry" was published in the *South African Journal of Economic and Management Sciences (SAJEMS)*. Information asymmetry (best described as the situation where one party has more or better information than the other) is said not only to increase transaction costs and decrease liquidity, but also to diminish the quality of investment decisions taken by investors, thus weakening the overall functioning of markets. Given the inherent difficulty with a direct observation of information asymmetry, three different proxies were used to estimate information asymmetry: bid-ask spread, price impact, and analyst following. A significant negative association was

found with information asymmetry for all three information asymmetry proxies used.



George Nel

The second paper titled “The impact of Internet investor relations on the cost of capital: evidence from companies listed on the Johannesburg Stock Exchange” was published in the *Australian Accounting Review (AAR)*. This study aimed to investigate one potential benefit of Internet investor relations, a reduction in the cost of capital.

The level of Internet investor relations was found significantly and negatively related to the cost of debt, cost of equity and the cost of capital.

Although the current study deals with JSE data, the problem investigated is universal in nature and according to the authors’ knowledge, the first study to comprehensively examine the impact of Internet investor relations on the cost of capital.

Some empirical support is therefore provided by these two papers for the notion that companies may potentially benefit from a well-developed Investor relations strategy through both a reduced information asymmetry and cost of capital.

Continuing the work on the benefits of investor relations, he also presented a paper titled “The link between Internet

investor relations, share liquidity, share price volatility and the cost of equity: Evidence from JSE listed companies” at the *16th Annual International Conference on Finance* held in July 2018 in Athens. The purpose of this paper was to explain the process that underlies the relationship between Internet investor relations and the cost of equity using structural equation modeling. This study found that although empirical support is provided for the view that companies may potentially benefit from a well-developed Investor relations strategy through a decreased cost of equity, the results suggest that the mediated or indirect link between Internet investor relations and the cost of equity is more important than the direct link.

Dr Nel also co-authored a paper with **Cara Thia** titled “An exploratory study of the effect of country-by-country reporting ambiguities on Johannesburg Stock Exchange-listed companies” in the *South African Journal of Economic and Management Sciences*, Volume 21(1).



Cara Thia

The article investigated the regulations issued by South Africa that implement country-by-country (CbC) reporting standards for multinational enterprises (MNEs) on 23 December 2016. Country-by-country reporting will be applicable to all MNEs with a group revenue in excess of R10 billion. The aim of the study was twofold: to identify ambiguities that might influence the filing obligation and subsequent scope of CbC reporting in South Africa and to quantitatively measure the potential impact of any identified ambiguities. This study used data from Johannesburg Stock Exchange-listed

companies. The study commences with a review of the relevant regulations and other applicable literature and continues with a quantitative analysis exploring alternative interpretations deduced from this review. The review identified conflicting interpretations on categorising companies as an MNE Group or not, as well as in measuring the revenue threshold.



Rudie Nel

An analysis of the group structures and annual reports of a selected sample of 78 companies showed that the scope of CbC reporting will depend on the definitions applied to an MNE Group and revenue.

It was concluded that further guidance is needed to determine whether non-controlling entities must be considered as Constituent Entities, as well as how to measure revenue (i.e. whether only the International Financial Reporting Standards [IFRS] 15 revenue line item should be used or whether other income should also be included).

**Rudie Nel** authored a paper titled “Investor tax-driven preferences for dividends and share repurchases of listed companies” which was placed in the *South African Journal of Accounting Research*, Vol. 32:1, pages 71-87.

The research is based in finance literature and the effect of taxes in corporate payout decisions. Tax reform in South Africa has been extensive since 2011, with the amendment of ‘dividend’ as defined,



followed by the introduction of dividends tax and consecutive increases in the applicable tax rates. Extant literature predominantly focuses on periods prior to these reforms and understates the role of taxes in a choice between dividends and share repurchases.

The purpose of this paper was to enunciate the increased role of taxes in a preference for dividends and share repurchases as a result of tax reform. An exploratory study was performed in which the nominal after-tax value of a R100 dividend or share repurchase was calculated for an individual, corporate and fund investor over a period of tax reform. A tax differential was then calculated to quantify the magnitude of changes over the different periods. Evidence of higher tax differentials from tax reform in 2011, which also resulted in certain tax-induced preferences for dividends and share repurchases. The change in tax-induced preferences is submitted as an indication of the increased role of taxes as a result of the reform.

It is submitted that a corporate shareholder is the most affected by the tax reform based on the category taxpayer with the highest tax differentials since the tax reform in 2011.

Rudie Nel also co-authored another paper with Pieter Janse van Rensburg titled "Debt capitalisation: An analysis of the application of section 24BA of the Income Tax Act which was placed in *De Jure*, Vol. 51(1), page 35-49. Debt capitalisation refers to a case through which debts are capitalised by issuing shares. In principle there are three methods of debt capitalisation, being the direct issue of shares (with or without cash flow), capitalisation through set-off and the conversion of debt instruments into shares. The paper considered the application of section 24BA to each of the three methods. A significant finding is that for set-off as a method of debt capitalisation, value

Riaan Rudman



mismatches between subscription loans and the market value of shares issued could attract adverse tax consequences in terms of section 24BA if shares have been issued at a discount or a premium to the value of the subscription loan.

The impact of Information Technology on the accounting profession is pervasive. Most professionals, including accounting professionals do not realise the full impact.

**Professor Riaan Rudman's** research interest focuses on the impact of developing technology on business, and the governance thereof. In line with Stellenbosch University's strategic objective of Internationalisation, he spent some time during 2018 making a global footprint with his research. Prof Rudman was invited by the National Library of Estonia to be one of the keynote speakers at an official centenary anniversary event of the Republic of Estonia, an international conference titled "Imagine a National Library". His presentation focused around the impact of the evolution of the internet and changes in online user behaviour on libraries. The conference also addressed topics such as the future prospects of libraries in general, the value of national libraries for the society, also the national library as a space. This notion of a changing online user behaviour was extended in a paper titled: "Safeguarding Africa's riches in a digital era". It was presented at an international conference in Casablanca, Morocco. He argued that the online experience has changed significantly with much of these changes are driven by web technology. Africa's youth is developing new ways to access infor-

mation. This mass of unstructured information available online presents many new opportunities.

Much of the focus has been on ensuring that users gain access to data and resources but less thought is given to whether users should have access or how that access is controlled.

In recent times, more African companies have been targeted by cyberattacks and Africa is viewed as the next "online gold mine" due to poor IT governance of online behaviour. The publicity resulting from the increasing number of internet incidences in Africa have caused more emphasis to be placed on governing online activity in developing countries. The paper presented an alternative governance framework to govern IT risks through the evolution of Web n.0 at different levels of maturity.

Lize-Marie Sahl



As part of an international research collaboration with Kings University, Texas, Prof Rudman co-authored an article titled: "Addressing the incremental risks associated with adopting Bring Your Own Device" published in *Journal of Economic & Financial Sciences*. As part of the research, a conference presentation titled: "BYOD: IT governance responsibility that cannot be delegated" was made at Harvard University in Boston during July 2018. **Lize-Marie Sahl** assisted in the paper. The objective of the presentation

was to develop a governance framework that identifies the core categories of controls required to ensure the effective governance of BYOD while also ensuring alignment with management strategies.

Turning his focus to other advanced technologies, he assisted Jana van Wyk in co-presenting a paper titled: "Cognitive computing: minimum requirements for governing bodies" which was presented at the *Southern African Accounting Association* Western Cape regional conference on 6 September 2018.

He serves on the editorial boards of various local and international accredited journals, as well as serving on the organising committee of an international conference, having successfully arranged *International Conference on Information Communication Technologies in Education* in Greece. During 2018, he revised the chapter 5 of *Auditing fundamentals in a South African Context* published by Oxford University press. He also co-presents and is the course leader of the Masters in Computer Auditing course.

**Jana van Wyk's** first accredited article was accepted for publication in the *Southern African Journal of Accountability and Auditing Research*.

The objective of this paper was to investigate and develop a comprehensive set of internal controls that can assist governing bodies in the management of significant risks pertaining to the implementation and use of a cognitive system or applications with cognitive abilities. As part of the research Jana co-presented a paper titled: "Cognitive computing: minimum requirements for governing bodies" at the *Southern African Accounting Association* Western Cape regional conference with Prof Riaan Rudman. They argued that cognitive computing is considered as one of the drivers behind the third era in the evolution of computing. The "information revolution" being driven by the growth in data, advances in enabling technologies and organisation's need to increasingly realise value from data. They argue that governing bodies responsible for oversight of governance are often unaware of the risks associated with cognitive systems, and consequently

they do not implement appropriate system of internal control.



Jana van Wyk

Their paper provided a structured approach to identify significant risks pertaining to the implementation of a cognitive computing system, with a specific focus on developing a comprehensive framework that can be used to assist governing bodies in governing and managing their cognitive computing system. Organisations could use the framework to develop its own checklist based on, inter alia, their environment, existing risk management policies and strategies and relying on their existing risk rating scale and maturity.

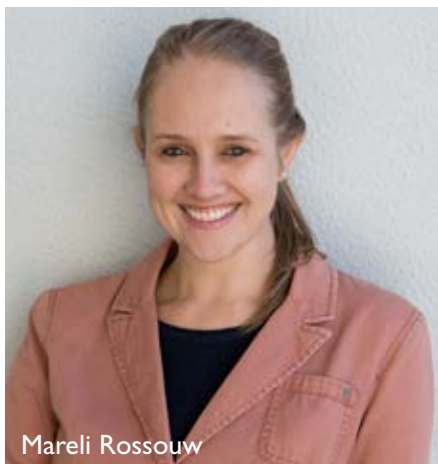
During the last six years, **Lize-Marie Sahd** has focused her research on the understanding of new technological advances in the business world and more specifically the risks that businesses are exposed to in the deployment of these technologies. During 2018 she presented a paper, co-authored by Prof Riaan Rudman, titled "IT governance in a mobile environment: Ensuring governing bodies discharge their responsibility effectively" at a conference held in Zurich, Switzerland in July 2018. The conference presentation, and work in progress research paper, identifies mobile technology as a disruptive technology that has changed all areas of business operations, including business strategies.

Employees are increasingly using mobile devices with computing, storage

and communication capabilities to perform their business functions.

This gives rise to benefits, but also exposes businesses to increasing risks. International governance frameworks assign the responsibility for IT governance to the governing bodies of organisations. In order to discharge this responsibility they usually assign the risk assessment and evaluation of the systems of internal controls to other organs in the organisation, such as internal audit. They have tools at their disposal such as governance frameworks, standards and practices that assist with this task, however these frameworks are generic and need to be customised to a specific organisation and technology in order to be useful. Governing bodies might not have the knowledge to customise these generic frameworks to, for example, a mobile technology environment. The objective of the research was to develop an executive matrix or tool that identifies the core objectives of good corporate governance and categorises the controls and procedures required to ensure the effective governance of mobile technology and alignment with management strategies. This will allow governing bodies to discharge their responsibility with respect to planning, organising and aligning of strategies across the various structures within an organisation, and evaluating and monitoring the effectiveness of the overall governance environment. In order to achieve the objective, the research uses COBIT 5 to develop a mobile technology risk exposure and best practices control checklist, as well as an executive controls summary, to assist governing bodies charged with its oversight to evaluate an entity's mobile technology controls.

**Mareli Rossouw** published an article titled "Language of instruction and its effect on the performance of accounting students" in Volume 32(2) of the *South African Journal of Higher Education*. The purpose of this study was to investigate language of instruction and the effect it has on the performance of undergraduate Accounting students at a South Af-



Mareli Rossouw

frican university. Students who have Afrikaans as their home language (Afrikaans students) are faced with the choice of receiving instruction in their home language or in English – the language of the business world. The research design was empirical in nature.

Questionnaires were distributed to obtain students' school and university results, and to gather student and lecturer opinions on matters affecting language of instruction.

The benefit that English might have in the workplace was ranked among lecturers as the most popular reason contributing towards Afrikaans students' choice for receiving instruction in English.

It was found that, among Afrikaans students, home-language instruction leads



Henriette Scholtz

to marginally better mid-year results at tertiary level. It was also interesting to discover that more than one-third of student participants who are receiving instruction in Afrikaans indicated that they would consider a switch to English. This study proves that the choice of language of instruction in the undergraduate Accounting course would not necessarily be detrimental to student performance given that a student obtained an A or B symbol for their home-language subject in grade 12.



Suzanne Kieviet

**Henriette Scholtz** and **Suzanne Kieviet** co-authored an article titled "Board size and board composition: does it really matter?" which was published in the *Southern African Journal of Accountability and Auditing Research*.

A board of directors is a group of individuals who are elected to act as representatives of the shareholders to establish corporate governance structures and make decisions on major company issues. According to the agency theory, the owners or shareholders of a company rely on the directors of that company to control and respect their interests. This study investigates whether board size and composition influence firm performance for 80 of the Top 100 South African companies as listed on the Johannesburg Stock Exchange from 2013 to 2015.

Tobin's Q and return on assets are used as performance measures.

The board composition factors considered are: board size, proportion of non-executive directors, proportion of executive directors and proportion of

independent non-executive directors. The study finds that the proportion of non-executive directors and independent non-executive directors on a board is significantly positively related with firm performance. The study also finds that board size has a non-significantly negative relationship with firm performance and that the proportion of executive directors has a significantly negative relationship with firm performance measured as Tobin's Q and an insignificantly positive effect on return on assets.

Henriëtte Scholtz also co-authored an article with **Sybil Smit**, and Nadia Mans-Kemp (Department of Business Management) titled "Assessing the extent of application of integrated reporting guidelines by South African banks" which was published in the *Southern African Journal of Accountability and Auditing Research*, Vol. 20: 2018 (57-69).



Sybil Smit

Corporate communication changed considerably over the last two decades, evolving from separate reports on financial and sustainability performance to integrated reporting. Given that South Africa is regarded as an integrated reporting pioneer, the authors set out to investigate the extent of application of integrated reporting guidelines by locally listed banks for the reporting periods 2011, 2013 and 2015. Annual scores were allocated to each bank to reflect their application of the International Integrated Reporting Council's framework. Positive developments were noted pertaining to the application of some of the guiding principles and content elements. There is, however, still scope for improve-



ment, especially pertaining to the integrated reporting of the small banks.

As stakeholders require material information to make informed decisions, banks should focus on providing more substantive details in an integrated manner.

Educators should cultivate the integrated thinking philosophy among future corporate leaders.



Gretha Steenkamp

**Gretha Steenkamp** is currently conducting research for her PhD on the topic "The relationship between share repurchases and share-based remuneration for executive directors of Johannesburg Stock Exchange (JSE) listed companies". She has completed a pilot study, and together with her supervisor (Professor Nicolene Wesson) published an article in the *South African Journal of Accounting Research* in 2018 titled "Share-based incentives for South African CEOs: Trends 2002–2015" (Volume 32(1), pages 46-70).

Share-based incentives comprise a significant portion of executive remuneration.

To enable proper governance, stakeholders need to be aware of the characteris-

tics of share-based incentives. The aim of this study was to evaluate the trends relating to executive share-based incentives in South Africa. Share options were the most popular share-based incentive until 2008, but were then replaced by share appreciation rights (SARs) and later by full quantum schemes (performance and restricted shares). Compared to global evidence, SARs were popular for longer and full quantum schemes became prevalent later in South Africa. Increased use of full quantum schemes in later years signal improved alignment of executive/shareholder interest. Divergent disclosure practices in the AFS increased the risk that executives in South Africa could be utilising share-based incentives to extract rents from companies. It is recommended that regulators should prescribe comprehensive standardised disclosure for share-based incentives.

Gretha Steenkamp also presented her research at two conferences in 2018. The first was at the Meditari Accountancy Conference 2018, held in Sun City (South Africa) on 27 and 28 June 2018. The second was the World Finance Conference held in Mauritius on 25 to 27 July 2018. Both presentations focussed on the results of her PhD pilot study and was titled "The relationship between share repurchases and share-based remuneration for executive directors of JSE-listed companies: An exploratory study". Nicolene Wesson was the co-author of the paper presented at the conferences. The paper investigated the relationship between share repurchases by companies listed on the JSE and the share-based remuneration of its chief executive officers (CEOs). A significant positive relationship was found between share-based remuneration granted to CEOs and share repurchases by such companies (especially when the subsidiary repurchases, general repurchases were executed and the repurchases were not announced). It is recommended that the JSE should require the announcement of all general share repurchases (preferable in real time, or at pre-determined intervals). Otherwise, share repurchases (especially general repurchases executed by subsidiaries, which are often unannounced) allow CEOs the opportunity to increase their

share-based remuneration.



Mareli Dippenaar

Furthermore, Gretha co-authored an article titled "Disclosure of directors' remuneration" with **Mareli Dippenaar** that appeared in the November 2017 issue of *Accountancy SA*. This preliminary study found that the disclosure requirements relating to the value of share-based remuneration per director are interpreted and applied inconsistently by companies listed on the JSE, which leads to incomparability between similar companies. Values disclosed, presumably in an attempt to comply with the Companies Act, were found to include:

- grant date fair value
- gain on exercise of share options
- value of all share-incentives (not only options) exercised during the reporting period
- sufficient information for readers to calculate the value of all share-incentives exercised themselves
- the expense calculated in terms of the second International Financial Reporting Standard on share-based payments or
- a combination of the above.

Mareli then proceeded to publish an article titled "A critical analysis of the meaning of the term 'value' in Section 30(6) (e) of the Companies Act" in the *South African Journal of Economic and Management Sciences*, Vol. 21(1). Sections 30(4) and 30(5) of the Companies Act 71 of 2008 (the Act) require, inter alia, disclosure of the remuneration received by each director in a company's annual financial statements. Section 30(6) defines the term 'remuneration', which includes,

inter alia, in Section 30(6)(e) the 'value' of any option or right granted to a director, as contemplated in Section 42, which deals with options for the allotment or subscription of securities or shares of a company. It is uncertain what the intended meaning of the term 'value' is in this context and it is interpreted differently by different companies in practice. Possible interpretations of the term 'value' include the grant date fair value of the rights, the fair value at reporting date, the fair value on vesting date, the expense calculated in terms of the International Financial Reporting Standard on share-based payments, the gain on exercise of the rights and the intrinsic value on reporting date.

It is submitted that the most likely meaning is the grant date fair value, but it is recommended that the wording of Section 30(6)(e) is amended to reflect the meaning intended by the legislature.

Mareli also published an article titled "The role of tax incentives in encouraging energy efficiency in the largest listed South African businesses" in volume 21(1) of the *South African Journal of Economic and Management Sciences*. The objective of this preliminary study was to determine the role that the available tax incentives play in the decision making of large South African businesses (selected from the JSE Top 40 Index) regarding investment in renewable energy (RE) or energy efficiency (EE) projects. Findings highlighted that, while tax incentives do play a role in decision making, various other non-tax factors drive South African businesses' decisions to invest in EE and/or RE projects. These businesses do not perceive the available tax incentives as effective, nor do they regard them as sufficiently motivating for businesses to change their environmental behaviour. They also feel that the government should reduce the burden of complying with the requirements of Section 12L

(the EE allowance). Improving the available RE and EE tax incentives in South Africa might result in more businesses considering the implementation of RE or EE projects.

**Danielle van Wyk** predominantly performs research in the tax and accounting fields. She wrote an article together with Silke de Lange from the Law Faculty titled, "Exploring the South African tax consequences of a residential property lottery", which was published in the 21<sup>st</sup> Volume of the *South African Journal of Economic and Management Sciences* on pages 1-10.



Danielle van Wyk

Disposing of a residential property by way of a lottery sounds peculiar, but a number of these transactions relating to residential properties in South Africa have recently taken place. As this is not an ordinary way of disposing of and acquiring residential property, it is submitted that it is necessary to explore the tax consequences resulting from such a transaction. The objective of this article was to explore some of the most pertinent South African tax consequences of such a residential property lottery transaction, from the viewpoint of the owner ('seller') who disposes of the residential property and the winner ('purchaser') who acquires the residential property in terms of the lottery.

The conclusion reached is that the possible tax consequences of such a transaction can create tax risks or can result in unintended tax consequences relating to inter alia income tax (including capital gains tax), transfer duty and donations tax.

The insights provided in this article do not always result in conclusive answers but they may, however, result in further research to be conducted, and a number of such areas for further research were identified. Should residential property lottery transactions occur more frequently in South Africa in future, it is recommended that the South African Revenue Services (SARS) issues clear guidance on the tax treatment from the perspective of the owner and the winner of such a transaction to ensure that any uncertainties are dealt with correctly. ■

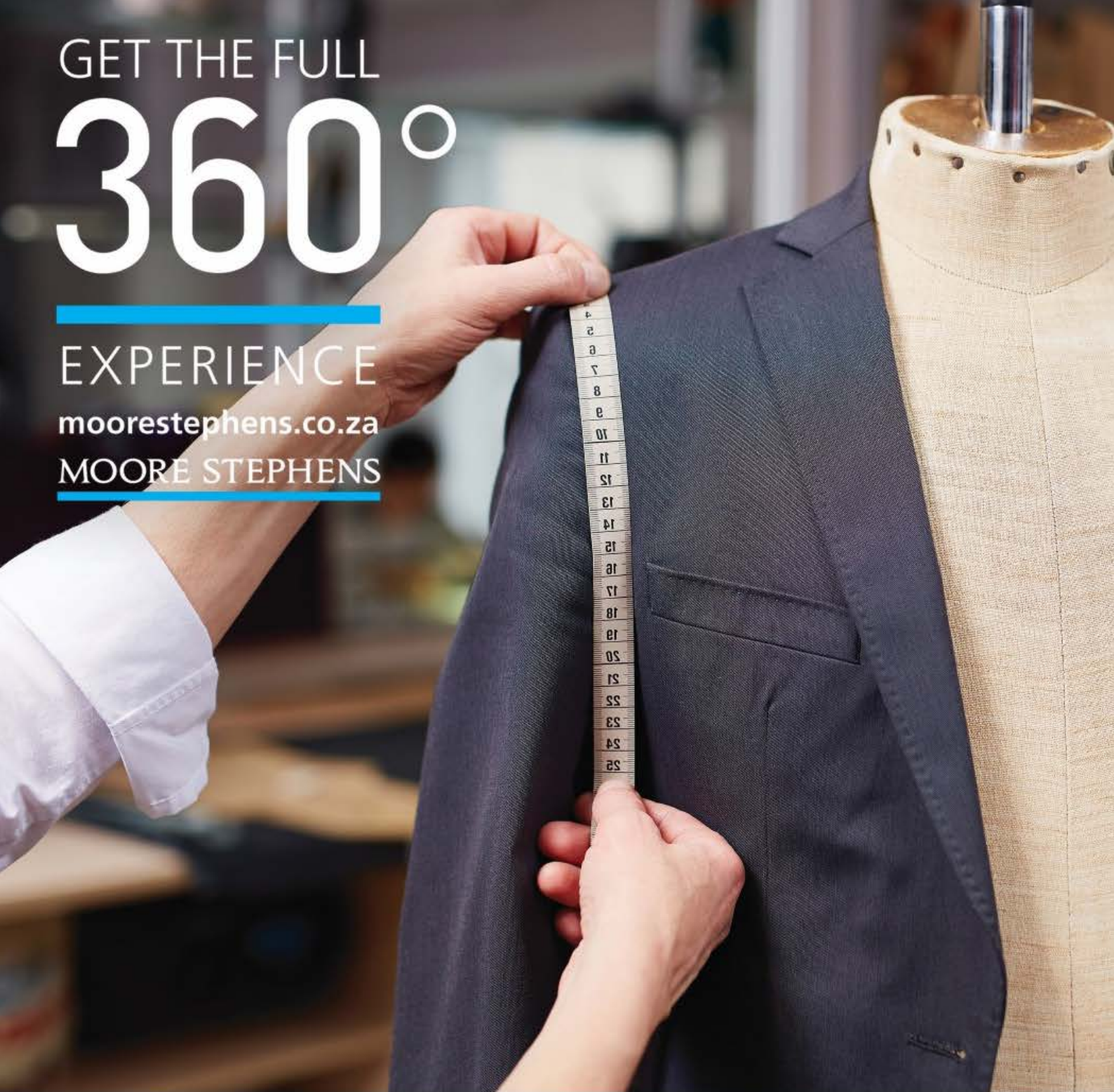


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