

## IN HIERDIE UITGAWE

- 1 Pia Lourens ontvang Fakulteit se hoogste toekenning
- 2 Skool vir Rekeningkunde spog met topdosente in die Fakulteit
- 3 Studenteprestasies in onlangse eksterne professionele eksamens
- 4 Auditing reporting enters a new ear – the most significant development in auditing in recent history
- 6 SchiMathUs bridging program's contribution towards transformation
- 8 #audit\_sexy
- 11 Soon Nel visits NYU Stern School of Business
- 12 Jaarlikse Prysuitdelingsfunksie
- 14 Ek was daar ...
- 18 Investing in the small business community
- 19 Farai promotes Critical Engagement Women Empowerment
- 20 Studente van die Skool presteer in verskeie sportsoorte
- 22 Trude visits the University of Hohenheim in Stuttgart
- 23 Retirement reform
- 24 #theAmazing\_Audit378
- 26 Valuing a smaller company that is incurring losses
- 28 Stellenbosch Thuthuka Society
- 32 Inligtingstelsels: 'n voorvereiste vir effektiewe ouditeure
- 34 Personeelaangeleenthede
- 35 Personeellede van die Skool gradueer
- 36 Navorsing deur en ander betrokkenheid van personeel

## Pia Lourens ontvang Fakulteit se hoogste toekenning

Pia Lourens, 'n voormalige student van die Skool vir Rekeningkunde, is as die 2015 ontvanger van die CGW Schumann-medalje aangewys. Sy het dié gesogte toekenning as die beste nagraadse student in die Fakulteit Ekonomiese en Bestuurswetenskappe ontvang, nadat sy haar HonsBRek-graad aan die einde van 2014 met 'n gemiddeld van 85% geslaag het.

Prof. Pieter von Wielligh, mede-programkoördineerder van die HonsBRek-program, het Pia beskryf as een die mees begaafde studente wat al by die Skool vir Rekeningkunde studeer het. In Januarie 2015 het Pia die Suid-Afrikaanse Instituut vir Rekenmeesters (SAIGR) se *Initial Test of Competence (ITC)* eksamen cum laude geslaag en 'n algehele 4de plek landswyd in die eksamen behaal. Sy doen tans haar leerlingsrekenmeesterskap by PwC in Paarl.

Pia verskyn hieronder op die foto saam met Prof. Stan Du Plessis, Dekaan van die Fakulteit Ekonomiese Bestuurswetenskappe en Prof. Pierre Olivier, Direkteur van die Skool vir Rekeningkunde. Proff. du Plessis en Olivier was self ontvangers van die Schumann-medalje tydens hulle studieloopbane aan Universiteit Stellenbosch.



*Drie winners van die Schumann-medalje*

*V.l.n.r.: Prof. Stan Du Plessis (Dekaan van die Fakulteit Ekonomiese Bestuurswetenskappe en die 1994 wenner van die Schumann-medalje), Pia Lourens (die 2015 wenner van die Schumann-medalje) en Prof. Pierre Olivier (Direkteur van die Skool vir Rekeningkunde en die 1987 wenner van die Schumann-medalje)*

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## Skool vir Rekeningkunde spog met topdosente in die Fakulteit

Volgens Prof. Stan du Plessis, Dekaan van die Fakulteit Ekonomiese en Bestuurswetenskappe, is dit belangrik om dosente te vereer wat met toewyding en vaardigheid kan klasgee. Dit is juis die doelwit van Die Burger se Topdosent kompetisie, wat hierdie jaar vir die vyfde maal aangebied is. Die kompetisie skep aan studente die geleentheid om vir hul mees inspirerende dosent oor sy/haar studieloopbaan te stem.

Die tien topdosente binne die Fakulteit is op 16 Oktober 2015 by 'n spoggerige geleentheid bekroon. Benewens die feit dat sewe van die tien topdosent-finaliste aan die Skool vir Rekeningkunde verbonde is, is die wenner en naaswenner ook van die Skool. Hulle verskyn saam met die Direkteur van die Skool vir Rekeningkunde op die foto hieronder. Eloise de Jager, wat Finansiële Rekeningkunde op derdejaarsvlak doseer, is as wenner van die Topdosent kompetisie aangewys, terwyl Rudie Nel, wat Belasting op Honneursvlak doseer, as naaswenner aangewys is.



*Die dosente van die Skool vir Rekeningkunde wat as Topdosente binne die Fakulteit aangewys is*

*V.l.n.r. : Danielle van Wyk, Arthur Bishop, Gretha Steenkamp, Prof. Pierre Olivier (Direkteur van die Skool vir Rekeningkunde), Rudie Nel (naaswenner), Magdel Zietsman, Sophia Brink en Eloise de Jager (wenner)*

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## Studenteprestasies in onlangse eksterne professionele eksamens

Die Skool vir Rekeningkunde is baie trots op die uitstekende prestasies van sy oudstude te in die onlangse eksamens van die onderskeie professionele liggame wat van die Skool se oudstude te na afloop van hulle formele studie aan die Universiteit Stellenbosch afgelê het. Die Skool is ook baie dankbaar teenoor al sy dosente wat 'n direkte of indirekte bydrae tot dié merkwaardige prestasie van die Skool se oudstude te gelewer het.

### SAIGR se Aanvanklike Toets van Vaardigheid (*Initial Test of Competence (ITC)*) (voorheen bekend as die KE 1 eksamen) – 2015

Die HonsBRek-studente van 2014 het hierdie eksamen in Januarie vanjaar afgelê. 84% van die studente van die Skool wat die eksamen afgelê het, het geslaag, vergeleke met 'n landswye slaagkoers van 82%. Dit is ook verblydend dat die volgende oudstude te plekke onder die Top 10 studente landswyd in die eksamen behaal het: Pia Lourens (4e plek) en Annemie Rossouw (6e plek). Die gekombineerde slaagkoers van die 2014 HonsBRek-studente van die Skool wat in Januarie 2015 en Junie 2015 die *Initial Test of Competence (ITC)* eksamen van die Suid-Afrikaanse Instituut vir Geoktrooierde Rekenmeesters (SAIGR) afgelê het, was 96%.

### SAIGR se Toets van Professionele Vaardigheid (*Assessment of Professional Competence (APC)*) (voorheen bekend as die KE II Eksamen) – 2014

Die HonsBRek-studente wat in 2012 by die Skool vir Rekeningkunde afgestudeer het, het gedurende die tweede helfte van 2014 die *Assessment of Professional Competence (APC)* eksamen van die Suid-Afrikaanse Instituut vir Geoktrooierde Rekenmeesters (SAIGR) afgelê. Hierdie eksamen het voorheen as Deel II van die Kwalifiserende Eksamen (KE) bekendgestaan, waarin studente óf die Ouditkunde óf die Finansiële Bestuur gedeelte kon aflê. Die *Assessment of Professional Competence (APC)* Eksamen is die laaste van die twee professionele eksamens wat voornemende GRs moet skryf om te kwalifiseer. 92% van die Skool se oudstude te wat die eksamen afgelê het, het geslaag, teenoor 'n landswye eerste poging slaagsyfer van 86%.

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### SLUIT AAN BY 'N ENERGIEKE OUDITEURSFIRMA PROPVOL GELEENTHEDE

Is jy besig met jou B Rek (B Compt), B Rek Hons of B Com (met Rekeningkunde)  
en in jou 2de of 3de jaar van voorgraadse studies?  
Wil jy graag jou SAICA- of SAIPA- of CIMA-klerkskap in Stellenbosch of Centurion deurloop  
by een van die toonaangewendste ouditeursfirmas in die land?

### DAN IS ONS OP SOEK NA JOU!

Stuur gerus jou CV, eksamenpunte (tot dusver) en aansoekbrief aan **Jock de Jager**,  
per e-pos: [jock@ldp.co.za](mailto:jock@ldp.co.za) of gebruik die aanlynfasiliteit onder "Vakatures" op die webblad.



# AUDITOR REPORTING ENTERS A NEW ERA - the most significant development in auditing in recent history

## Background

After many years of international research, consulting and drafting, the Independent Regulatory Board for Auditors (IRBA) adopted, issued and prescribed new and revised Standards (hereinafter referred to collectively as "revised standards") relating to auditor reporting and related matters in June 2015. The changes brought about by these standards are so far-reaching that they have been described by many as the most significant development in auditing in recent history.

The revised Standards are ISA700 (Revised), ISA701 (new Standard), ISA705 (Revised), ISA706 (Revised), ISA570 (Revised) and ISA260 (Revised). In addition, ISA720 (Revised) that was issued in September 2015 deals with the auditor's responsibilities relating to "other information", and the exposure draft of SAAPS 3 (Illustrative Reports) (also issued in September 2015 for comment), relate closely to the new and revised auditor reporting standards.

The revised reporting standards are effective for audits of periods ending on or after 15 December 2016. This effectively implies that auditors have to implement them for audits commencing from 1 January 2016 onwards. However, early adoption is permitted, provided that the entire suite of new and revised standards are early-adopted – in other words piecemeal adoption is not allowed.

The changes were largely driven by the need for the auditor's report to become more relevant for users of financial statements. Relevance is increased by the auditor providing more insight into the audit process and the work done by the auditor. Providing this insight also drives the auditor to be more sceptical in the performance of the audit of certain areas and enhances the communication between the auditor and those charged with governance (TCWG) (typically management and the audit committee).

So what are some of the significant changes?

## Communication of Key Audit Matters (KAMs)

ISA701 Communicating Key Audit Matters in the Independent Auditor's Report is a completely new standard and arguably the most significant change. The standard requires the auditor to report KAMs in the auditor's report. It should be noted that it applies only to the audits of listed entities (unless required by law or regulation also for other entities), although the auditor could decide (in collaboration with management and users of the financial statements) to also communicate these matters in audits of non-listed entities.

KAMs are those matters that the auditor has already communicated to TCWG that the auditor considers to be of most significance in the current year's audit. It is important to note that these matters are "selected" by the auditor from all the matters already communicated to TCWG. In other words, they will not come as a surprise to boards and audit committees.

How does the auditor go about deciding which matters (already communicated to TCWG) to include in the auditor's report as KAMs? The auditor applies professional judgement to determine the matters that required significant auditor attention while performing the audit. These matters could relate to (1) areas of high risk of material misstatement; (2) areas that required significant auditor judgement to be applied to management's judgement; and (3) significant transactions or events during the period that affected the audit.

What does the auditor have to communicate about each KAM? The auditor describes why the particular matter is considered to be a KAM (for example, as the matter is significant to the financial statements and requires significant judgement by management) and also how the matter was addressed in the audit (for example, by inspecting particular documents, by enquiring from management or by engaging an independent external expert).

The impact of the inclusion of KAMs on the audit report is that it now becomes a much more lengthy report. In the past an unmodified ('clean') auditor's report would have been approximately one page in length. The inclusion of key audit matters could now lengthen the report to six, seven or even more pages. An example of this is the 2015 audit of JSE-listed company, Attacq Limited, for which the revised standards were early-adopted by its auditors, Deloitte. The 2014 audit report was one page in length, whereas the 2015 report (which includes six KAMs) is seven pages in length.



The inclusion of KAMs in the auditor's report undoubtedly increases the relevance of the report in that it now draws the attention of users to the matters that they should regard as important and therefore about which they should be seeking comfort from the auditor.

### Going concern

Previously, if no issues relating to going concern were present, an unmodified ('clean') auditor's report included no reference whatsoever to the going concern assumption that underlies financial statements. The revised unmodified auditor's report now includes specific descriptions of the responsibilities of the directors and the auditor respectively relating to the appropriateness of the going concern basis of accounting even when no issues relating to going concern exist.

This increases the relevance of the auditor's report, as users are fully informed of the auditor's responsibilities in this regard.

### "Other information" presented in the annual report

"Other information" is financial and non-financial information, other than that included in the financial statements and the auditor's report thereon, which is presented in the entity's annual report. Examples in the South African context include the Directors' Report, Audit and Risk Committee's Report, Company Secretary's Certificate and reports by various business units often included in annual reports (sometimes referred to as "management commentary").

Previously an unmodified ('clean') auditor's report included no reference whatsoever to this other information. The revised unmodified auditor's report now includes a specific section that explains that the directors are responsible for the other information and that the auditor provides no assurance thereon. The auditor then explains that he/she has to read the other information with a view to identifying and reporting any material inconsistencies with the financial statements and any material misstatements present in the other information. In conclusion, the auditor then has to expressly indicate whether or not he/she has anything to report in this regard for the current year's audit.

This increases the relevance of the auditor's report, as users are fully informed of the auditor's responsibilities in this regard.

### Structural changes

The order in which information is presented in the auditor's report has also changed radically. For example, the audit opinion, which used to be placed towards the end of the report, is now moved up to the top of the report to increase its prominence.

### Conclusion

The recent changes to auditor reporting have certainly unlocked the value of an audit for a user of audited financial statements to a tremendous extent. With South Africa being ranked first out of 140 countries for the sixth year in a row for the strength of its auditing and reporting standards according to the World Economic Forum's Global Competitiveness Index for 2015-2016, it is only fitting that South African auditors and preparers of financial statements embrace these changes to further strengthen the role of Registered Auditors in protecting the public interest. It is equally fitting that South African auditors have already started to early-adopt the revised standards, underlining their belief in the additional value added by these changes.

*This article was written by Prof. Pieter von Wielligh, an Auditing lecturer at the School of Accountancy and Co-Program Coordinator of the HonsBAcc- and BAcc-programmes at the School.*

## SciMathUS bridging programme's contribution towards transformation

Over the past 10 years the School of Accountancy has been involved in the SciMathUS bridging program. The bridging program was launched in 2001 by Stellenbosch University's Centre for Pedagogy (SUNCEP) to provide educationally disadvantaged school learners a second chance to qualify for admission to higher education.

Wandi van Renen, who has coordinated the School's involvement in the program since 2012, lectures Introduction into Accountancy, a core subject of the program. The remaining core subjects are Mathematics, Physical Science and Introduction into Economics. In addition to the core subjects, learners are also exposed to Academic Literacy, Life and Study Skills, Language and Computer Literacy.



*The 2015 SciMathUS group*

The SciMathUS program makes a valuable contribution towards transformation within the Faculty. Since the program's inception it has enabled 162 educationally disadvantaged (12 students at the beginning of 2015) students to achieve admission to the Faculty of Economic and Management Sciences. Three students received Thuthuka study bursaries during 2014. These students are in their second year of study and are performing well.

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## #audit\_sexy

Students are becoming progressively more technologically advanced and they have an inherent need to be connected. The accountancy profession has a greater need for trainees with practical skill and experience, with a focus on pervasive skills. Teaching and Learning is evolving to reflect this.

In 2015 the undergraduate Auditing lecturers within the School of Accountancy at Stellenbosch University challenged students to take their learning experience out of the classroom and to search for internal control weaknesses in their everyday lives. Students were tasked to take a photo or video clip of any weakness in internal control they could identify in their everyday lives and to then link it to the appropriate mitigating control to address the weakness. The students were required to include a 'selfie' and the hashtag #audit\_sexy in their submission. These were posted to a #audit\_sexy Facebook group to allow students to share, like and comment on the real-life examples of internal control weaknesses, thereby allowing more students to share in the learning experience and learn from one another.

During the course of the assignment, discussions were held during lectures about social media risks, copyright implications of using music, brand awareness, ethical considerations, as well as the practical implications of the internal control weaknesses. These discussions were based on real-life examples and posts, not theoretical discussions.

PricewaterhouseCoopers (PwC) was the main sponsor for the assignment and sponsored three tablets for the students with the best video clip, gift vouchers for the best photos as well as several other category prizes. The South African Institute for Chartered Accountants (SAICA) also sponsored some category prizes. The prizes were awarded based on validity of internal control weakness, real-life implications and entertainment value. The students in the class could also vote by means of Facebook 'likes'. The best video clip prize was won by Monique Morrison and Alicia Oosthuizen, who highlighted the financial implications of load shedding, while the best photo prize was won by Benjamin Venter, Ryan Meyer and Etienne Venter, who showed how important documentary controls are.



*The winners in the best video category*

*From left to right: Alicia Oosthuizen, Monique Morrison and Andrea Benkenstein (Assistant manager and business development manager, PwC)*



*The winners in the best photo category*

*From left to right: Etienne Venter, Benjamin Venter and Ryan Meyer*

Other prize winners of the #audit\_sexy assignment were:

Category	Winners
Most liked photo post	J Pama, A Rushmere and M Leith
Most liked video post	M Morrison and A Oosthuizen
Best Photo bomb	O van Schalkwyk
Left out in the cold award	E Bunge
Most likeable character	E Williams
Most artistic production	J Jonkers, G Speelman and T Motloung
Best visual production	J Bouwer, E Andersen and C Knobbs
Most educational post	C Buitendach, C Nel and E Vorster
Worst Criminalaward	R Pinnell, L Heydenrych and M le Roux
Lecturers choice award	S Gerber, N Fourie and C Gobel
#audit_sexy award	J Bouwer, E Anderssen and C Knobbs
Aspiring CA-award	A group of third-year students

Positive feedback was received from the undergraduate Auditing students. They commented that this assignment improved their understanding and made them see the real-life application of internal controls, while they also realized their professional and ethical responsibilities and learned about social media risks. The students were also appreciative of the fact that experience teaching approaches are used rather than only relying on traditional teaching and learning approaches.

Based on the awareness by accounting and non-accounting students created by the #audit\_sexy assignment, a national awareness campaign was rolled out to several other universities across South Africa, encouraging students to be proud of being aspiring CA(SAs). The campaign encouraged students to change their social media profile picture to include an image containing "#audit\_sexy" or 'aspiring CA(SA)' for a week. The students were challenged by the lecturers to use this as a discussion starter and to educate people in their community about the accountancy profession, auditing and career prospects when becoming a CA(SA). There was large scale participation by the University of Pretoria, University of Cape Town, University of the Western Cape, Rhodes University, University of the Free State, University of Johannesburg, Nelson Mandela Metropolitan University, North West University, Walter Sisulu University and Stellenbosch University students. SAICA and even some qualified CA(SA)s also took part in this initiative.

We would like to thank PwC Human Capital in the Western Cape for their sponsorship and commitment to improving the education of aspiring CA(SA)s.

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## Die kans van 'n leeftyd

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**Belasting** – 'n Loopbaan in Belasting bied uitdagende geleenthede op verskeie gebiede van spesialisasie, waaronder korporatiewe en internasionale belasting, indirekte belasting en werknemersbelasting.

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## Soon Nel visits NYU Stern School of Business

Soon Nel, a Finance lecturer at the School of Accountancy, visited the New York University (NYU) campus in July 2015 and attended the Valuation Executive Education Program at the Stern School of Business during this period. The Valuation Executive Education Program was presented by Prof. Aswath Damodaran, who is one of the leading minds on the topic of Valuations internationally.

"I enjoyed his logical and intuitive approach to valuations. Before valuing Uber, for example, he would get into an Uber cab and have the driver drive him around while asking the driver questions about his job specifications etc., in order to gain a different perspective on the Uber business model. He is incredibly passionate about what he does and knowledgeable on many topics. He even shared his thoughts on recently passed USA legislation and the impact that it had on the Shelby Cobra – a hobby of mine – and leaded fuel, which was outlawed in two states. A topic most Americans I spoke to during my visit were unfamiliar with."

Prof. Damodaran has written several books on the topic of valuations and has published widely in top tier international journals on valuation-related matters. He has also received numerous awards for his teaching excellence, among them for best business school professor in the USA in 2011. Soon enjoyed Prof. Damodaran's perspective on accountants and the fact that he doesn't shy away from tricky questions. "It was rather pleasant to talk to someone about negative beta, for example, and get a well-argued point of view instead of encountering someone who tries to avoid the question. He doesn't hoard information either, which makes for a refreshing approach to teaching. All his work is available online."



*Prof. Aswath Damodaran and Soon Nel*

Soon is hopeful that the visit will lead to future collaboration between NYU and Stellenbosch University and would like to visit NYU on a regular basis, if possible. Soon generally encourages his students who are interested in valuations or similar topics to buy Prof. Damodaran's textbooks. Soon is grateful for all the fund providers who supported his visit to NYU, particularly for the Knowledge, Interchange and Collaboration grant that he received from the National Research Foundation (NRF).

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# Jaarlikse Prysuitdelingsfunksie

Die jaarlikse prysuitdelingsfunksie van die Skool vir Rekeningkunde ten opsigte van studenteprestasies gedurende 2014 het op 14 Mei 2015 in Die Stal te Coetzenburg plaasgevind. Die funksie is deur KPMG geborg. Besonderhede van die pryse wat tydens hierdie geleentheid aan studente van die Skool vir Rekeningkunde oorhandig is, verskyn hieronder.

BORGE & PRYSE	OORHANDIG DEUR	PRYSWENNERS
EY (ERNST & YOUNG)	Mnr. Frantz Scheepers	
Beste vordering in Finansiële Rekeningkunde II deur 'n BRek-student Twee pryse toegeken aan HonsBRek-studente wat die beste vordering toon		Annamie van der Merwe Natasha Wood Johan Snyman
DELOITTE	Mnr. Michael van Wyk	
Beste tweedejaar BRek-student in Finansiële Rekeningkunde en Belasting Beste derdejaar BRek-student in Finansiële Rekeningkunde en Belasting Tweedebeste HonsBRek-student		Chelsea Cornwall Nina Frenz Pieter Brönn
BASS GORDON	Me. Sue van der Valk	
Beste derdejaar BRek-student in Finansiële Rekeningkunde		Nina Frenz
KPMG	Mnr. Edward Belstead	
Beste eerstejaar BRek-studente in Finansiële Rekeningkunde  Beste HonsBRek-student in Finansiële Rekeningkunde Phumzile Njomose Gedenkprys		Reinhard Arndt Christopher van der Meulen Pia Lourens Wei-Ren Mao
LEXISNEXIS	Me. Syntyche de Waal	
Twee boekpryse aan verdienstelike BRek-studente		Izelle Geringer Ryelan Hardnick
LITTLE BIG BOOKSTORE	Prof. Kobus van Schalkwyk	
Beste derdejaar BComm-student in Finansiële Rekeningkunde Tweedebeste derdejaar BComm-student in Finansiële Rekeningkunde		Sharné Davey Selwyn Gardiner
PASTEL SOFTWARE	Me. Cara Prins	
Beste derdejaar student in Inligtingstelsels		Kim Swarts
PWC (PRICEWATERHOUSECOOPERS)	Mnr. Danie Fölscher	
Beste tweedejaar BRek-student in Ouditkunde Beste derdejaar BRek-student in Ouditkunde Tweedebeste derdejaar BRek-student Beste derdejaar BRek-student Beste HonneursBRek-student		Chelsea Cornwall Nina Frenz Hanno Lourens Nina Frenz Pia Lourens
ROUX VAN DER POEL-merietebeurse (PWC)	Mnr. Danie Fölscher	
Merietebeurse aan HonsBRek-studente vir prestasie op derdejaarvlak		Hanno Lourens Lize Draaijer Lauré Kritzinger Conrad van Zyl Suné Brummer Michael Kok Carli Smit Armin Spammer Sandri Britz
CIMA	Me. Natalie Ansley	
Beste HonsBComm-student in Bestuursrekeningkunde		Michiel de Witt

RADEMEYER WESSON		Me. Minette Louw
Beste derdejaar BRek-student in Finansiële Rekeningkunde, Belasting en Bestuursrekeningkunde		Nina Frenz
Beste tweedejaar BRek-student in Finansiële Rekeningkunde, Belasting en Bestuursrekeningkunde		Chelsea Cornwall
Beste tweedejaar BComm-student in Finansiële Rekeningkunde		Dylon Botha
SANLAM		Me. Ann-Louise Gouws
Beste derdejaar BComm-student in Finansiële Rekeningkunde, Belasting en Bestuursrekeningkunde		Sharné Davey
Beste eerstejaar BRek-student		Reinhard Arndt
Beste tweedejaar BRek-student in Finansiële Rekeningkunde		Lize-Mari Jacobs
Beste tweedejaar BRek-student		Chelsea Cornwall
SAIPA		Mnr. Shafiek Dollie
Beste eerstejaar BComm-student in Finansiële Rekeningkunde		Dean Dharsey
Beste derdejaar BComm-student in Belasting		Nadia Louw
SAIGR (Suid-Afrikaanse Instituut vir Geoktrooieerde Rekenmeesters)		Mnr. Christiaan Vorster
Beste HonsBRek-student in Belasting		Pia Lourens
Beste HonsBRek-student in Ouditkunde		Pia Lourens
Beste HonsBRek-student in Finansiële Rekeningkunde		Pia Lourens
Beste HonsBRek-student in Bestuursrekeningkunde		Pia Lourens
Beste eerstejaar BRek-student in professionele vakke		Christopher van der Meulen
Beste tweedejaar BRek-student in professionele vakke		Chelsea Cornwall
Beste derdejaar BRek-student in professionele vakke		Nina Frenz
Beste HonsBRek-student		Pia Lourens
Beste eerstejaar Thuthuka-student		Gavral Speelman
Naasbeste eerstejaar Thuthuka-student		Chad Adams
Beste tweedejaar Thuthuka-student		Jamie Ramplin
Naasbeste tweedejaar Thuthuka-student		Reagan Snyders
Beste derdejaar Thuthuka-student		Lauren Kleintjies
Naasbeste derdejaar Thuthuka-student		Lauren Davids
Beste HonsBRek Thuthuka-student		Russel Joshua
Naasbeste HonsBRek Thuthuka-student		Arlin Humphreys

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## Ek was daar...

deur Prof. Pieter von Wielligh (Foto's verskaf deur dosente van die Skool vir Rekeningkunde)

*Die spasie wat ek in RekNuus tot my beskikking het om die verhaal te vertel, is beperk. Verskoon my dus as ek so nou en dan "fast forward".*

Dit is ongelooflik hoe 'n sonnige Sondagoggend in Februarie op die pragtige universiteitsdorp Stellenbosch binne enkele ure in krisis, nood en trauma kan verander. Ek en die res van die bestuurspan van die Skool vir Rekeningkunde (SvR) (in persoon of per telefoon) was daar.

Ons het die 'geleentheid' gehad het om eerstehands saam met baie ander mense langs Bosman- en Victoriastraat te staan om te kyk hoe die dak, die tweede vloer en die nuut-ingerigte HonsBRek-lokaal (nommer 1039) (nog nie eens sewe maande na herinrigting nie) van ons geliefde gebou in vlamme opgaan. Terwyl die brandweer hul bes gedoen het om die vlamme te keer en te blus, is ons ontbied om met die waarnemende rektor en 'n groot groep ander belanghebbers uit allerhande verantwoordelikhedsentra van die Universiteit te vergader (om 12H00 op 'n Sondag). Daar is gelukkig niemand in die brand beseer nie.



Reeds voor 12H00 vergader die bestuurspan van die SvR sommer op die trappe buite Admin-blok A, waar die groot vergadering oor 'n rukkie plaasvind. Daar word vinnig en prakties gedink en opgekom met voorstelle om na die vergadering te neem, soos om klasse vir 'n week op te skort om weer operasioneel te kan word en vir die hantering van die komende HonsBRek toets, asook een wat reeds geskryf is waarvan die antwoordskrifte waarskynlik verbrand het.

In die lang Gebeurlikheidskomiteevergadering wat volg, waarin 'n gees van spanwerk heers wat werklik 'n gevallestudie vir toekomstige studente behoort te word, word onder andere besluit dat die klasse van voor- en nagraadse studente wat deur dosente van die Skool vir Rekeningkunde (SvR) aangebied word, vir slegs een week opgeskort word. Dit sluit klasse van die BRek- en HonsBRek-programme, wat verreweg die grootste programme is wat deur die SvR aangebied word, in. Alle ander klasse wat in geaffekteerde lesingslokale sou plaasvind, gaan egter voort in ander lokale op die kampus.

Deeglike kommunikasie per epos en sosiale media aan personeel en studente van die SvR en ander partye gaan reeds laat die Sondagmiddag uit.





Om 09H00 op Maandagoggend 23 Februarie 2015 vergader die bestuurspan van die SvR in hul tydelike 'hoofkwartier' in die CGW

Schumann-gebou om verdere detail uit te werk ter voorbereiding vir 'n vergadering met personeel later die oggend. Verantwoordelikhede vir aangeleenthede soos kommunikasie en tydelike kantoorindellings word vasgepen en daar word besluit om personeel so spoedig moontlik van broodnodige toegang tot rekenaars te voorsien.



Om 10h00 vergader die verslae personeel van die SvR onder aanvanklike voorsitterskap van die Dekaan van die Fakulteit Ekonomiese en Bestuurswetenskappe, Prof. Stan du Plessis, in 'n lokaal in die CGW Schumann-gebou – reg langs ons geliefde, maar nou afgebrande, Van der Sterr-gebou. Tydens dié vergadering word die ongelooflike spanwerk wat ek nog altyd in die SvR en ook wyer binne die Universiteit ondervind het, onderstreep.

Prof. Pierre Olivier, die Direkteur van die SvR, neem daarna die voorsitterskap oor om die fynere besonderhede van die planne te bespreek. Ons word opgedeel om tydelik in beskikbare kantore wat oor die kampus verprei is, gehuisves te word. Ons is bekommerd oor wat van dit wat in ons kantore was, gaan word: veral die klasnotas wat ons in die volgende paar weke gaan nodig hê om te kan klasgee en ons navorsing wat uitgebrand het of, ten beste, ernstige waterskade opgedoen het. Ons vra vrae en word tot 'n groot mate gerusgestel deur die antwoorde, maar ons wonder tóg nog hoe dit gaan wees.



Daarna begin die harde werk om dinge weer op koers te kry. Gelukkig is rekenmeesters normaalweg doelgerigte mense wat nie bang is vir harde werk nie. Dosente fokus op vervanging van klasnotas wat in die brand vernietig is, sodat klasse so gou moontlik kan voortgaan. Intussen fokus die bestuurspan agter die skerms om die SvR weer sover en so gou moontlik operasioneel te kry (kantore, fotostaat- en drukfasiliteite, kommunikasie met studente, die res van die Universiteit en ander belanghebbers, beplanning vir die kort-, medium en langtermyn en vele ander aangeleenthede).

'n Besending nuwe skootrekenaars word binne rekordtyd bestel, afgelewer en opgestel omdat niemand deesdae meer sonder 'n rekenaar kan werk nie. Terwyl ons daarvoor wag, werk dosente in van die Universiteit se rekenaargebruikersareas.



Die dosente betrokke by elk van die vakrigtings wat deur die SvR aangebied word, is gou in verbinding met mekaar deur *WhatsApp* groepe te stig, want baie het nie meer kantoortelefone nie.



Daar word gereeld met studente gekommunikeer om hulle op hoogte te hou en gerus te stel. HonsBRek-studente ontvang selfs 'n daaglike nuusbuletin.

In 'n hartroerende en inspirerende inisiatief skryf studente boodskappe van bemoediging aan dosente van die SvR en hang dit aan die heining waarmee die Van der Sterr-gebou afgekordon is. Dosente en die bestuur van die SvR ontvang vele eposse en ander gebare van bemoediging en dankbetuiging van studente.





Al die harde werk in ontwrigte omstandighede kulmineer in die hervatting van die klasse wat op Maandag 2 Maart deur dosente van die SvR aangebied word– slegs een week (met ander woorde vyf werksdae) na die brand.

Tydens hierdie week kry die personeel van die SvR die geleentheid om die Van der Sterr-gebou binne te gaan om te red wat te redde is uit ons kantore. Wat na 'n eenvoudige proses klink, het egter dae se fyn beplanning van die bestuurspan vereis, aangesien die "toegangsrooster" dosente se klastye in ag moes neem.



Ek onthou hoe vreemd dit gevoel het om in die voorportaal buite my kantoor te staan en te besef hoe stil dit skielik in hierdie area is, waar daar altyd studente en personeel se stemme te hore was.

Die kantore op die boonste vloer van die gebou is die ergste beskadig deur vuur en die inmekaarstort van die dak en daar kan bykans niks hieruit gered word nie. Die verslaenheid wys duidelik op die gesigte van dosente wie se kantore hier was toe hulle uit die gebou kom.



Kantore op die tweede- en grondvloere was beter daaraan toe deurdat dit grootliks waterskade opgedoen het. Hieruit kan sommige boeke en lêers gered word, maar aangesien elkeen slegs 'n uur het om "die nodigste te gryp en in bokse te pak", bly daar maar baie goed agter.







Dit is vandag 27 Oktober 2015. Ek sit in my kantoor voor my lessenaar met my skootrekenaar voor my. My kantoorvenster kyk uit op die Van der Sterr-gebou se splinternuwe teëldak wat amper voltooi is.

Ek het al drie keer sedert die brand "verhuis", maar dit was nogal heel "doenbaar". Ek bekommer my nie meer oor die klomp lêers met (waarskynlik onnodige) inligting wat nie meer hier naby my is nie. Ek stoor deesdae bykans al my "papierwerk" elektronies en ek maak getrou elke Vrydag 'n rugsteunkopie van my hardeskyf. Ek verlang tog nog soms na my universiteitshandboeke (met my handgeskrewe notas daarin) wat in my kantoor was en nou beskadig of vernietig is. Almal van ons het nou, maande na die brand, maar steeds sulke "issues".



Maar ons het oorleef en ons gaan baie goed aan. Die SvR het 'n interess ante jaar gehad (om die minste te sê). Die personeel sien mekaar nie meer almal elke dag nie, want ons is steeds so 'n bietjie verprei oor die kampus, maar ons maak planne om gereeld by mekaar uit te kom. Ons is baie dank verskuldig aan te veel partye binne en buite die Universiteit om hier op te noem.

Die beplanning van ons heringerigte Van der Sterr-gebou het oor die afgelope maande baie dinkwerk en insette van die bestuursplan van die SvR en ander partye geverg. Nou sien ons egter baie uit na wat vanaf Januarie 2017 ons nuwe tuiste sal wees.

Die Direkteur van die Skool bedank alle personelede van die Skool, veral lede van die Bestuursplan naamlik proff. Von Wielligh, Van Schalkwyk en Bruwer, vir hulle besonderse bydrae om die Skool weer operasioneel te laat funksioneer na die brand.

Lank leef die Skool vir Rekeningkunde!

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## Investing in the small business community



For a fourth year in a row, the School of Accountancy successfully collaborated with various role-players to improve the financial management skills of small business owners in the Cape Winelands district. To date, 205 entrepreneurs have been empowered by the financial management training and mentoring programme, developed and co-ordinated by Corinna Kirsten, a senior lecturer at the School. The success of this initiative is largely ascribed to the collaboration and co-ordination between the lecturers at the School of Accountancy, Stellenbosch Entrepreneur and Enterprise Development (SEED) Trust (and its business mentors), Cape Winelands District Municipality and accountants in practice (which mentored some of the entrepreneurs in the programme). Ellane Van Wyk, Riaan Rudman, Mareli Dippenaar, Andrea Herron and Natasha Sexton from the School of Accountancy presented the training in 2015.



The financial management training and mentoring programme formed part of an entrepreneurial development programme managed by the Stellenbosch Entrepreneur and Enterprise Development (SEED) Trust on behalf of the Cape Winelands District Municipality. The two-day training course is designed to equip small business owners with the necessary knowledge, skills and values to practice sound financial management in their businesses. The mentoring component allows the entrepreneurs in the programme the opportunity for one-on-one mentoring sessions with an accountant.

*The School of Accountancy is available to collaborate with any organisations to assist in empowering entrepreneurs to become self-reliant in the management of the finances of their business. Anyone interested in obtaining more information regarding this project or wishing to collaborate in small business financial management development initiatives are welcome to contact Corinna at: [corinnakirsten@sun.ac.za](mailto:corinnakirsten@sun.ac.za).*

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## Farai promotes Critical Engagement Women Empowerment

Farai Mubaiwa is a third-year BAcc student and the Stellenbosch University recipient of the prestigious Abe Bailey Travel Bursary for 2015. She travelled to the United Kingdom in November with a group of 20 other students from selected tertiary institutions to represent the continent in critical engagement spaces.

Following Farai's proposal to the Student Representative Council (SRC) to divide the Critical Engagement Portfolio into Women Empowerment, Gender Identity and Sexuality, and Consciousness to allow for greater platforms of engagement on campus, Farai was recently appointed the SRC Manager for Critical Engagement Women Empowerment. It is the first time in its history that the SRC has adopted such a policy. Farai aims to use her portfolio to empower the female voice on campus, fight for intersectional feminism and eliminate constant sexism and micro-aggressions perpetuated by the dominant male residence culture at Stellenbosch University.

Farai applied for the Rhodes Scholarship to further her studies in Developmental Economics at Oxford University, and is still awaiting a response. Her referees include Dr. Greg Ricks, a former Dean at Stanford University, as well as Prof. Eugene Cloete, the Vice-Rector of Research and Innovation at Stellenbosch University.

Furthermore she is the Head of the student-led Africa Matters Movement, an African initiative to change the African narrative, create a platform for African academics and critical engagement, and to ensure fair media reporting. The initiative continues to gain momentum and consists of students, academics, and other Africans from all walks of life.



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### *Smith & Associate Ingelyf*

GEOKTROOIEERDE EN PROFESSIONELE REKENMEESTERS



Moenie vergeet dat jy anders kan wees as al die ander nie.....

Moenie vergeet dat jy eintlik reeds anders is as al die ander nie.....

Jy's dit aan jouself verskuldig om jou volle potensiaal te ontgin en ons kan jou help om dit te doen!



## Studente van die Skool presteer in verskeie sportsoorte

Sybrand Strauss is 'n eerstejaar BRek-student en ywerige bergfietsryer. Hy het tydens die 2015 Cross Country Bergfietsreises, wat op Coetzenburg plaasgevind het, vyfde in die Suid-Afrikaanse Nasionale Kampioenskappe in sy ouderdomskategorie (onder 23's) gekom. Volgens Sybrand was die wedren (soos alle wedrenne) van die begin af "full blast" gewees, en het hy na die eerste rondte in ongeveer die 10de plek gelê. Die ander ryers het vinniger begin as wat hy kon, maar na die eerste rondte het die ander ryers een-vir-een begin terugval en Sybrand het al sterker en vinniger begin ry. Sybrand het met sy tyd van 01:22:17 'n 5de plek in die wedren behaal. Volgens Sybrand "sien hy uit na sy toekoms in bergfiets ry" aangesien hy nou teen mense wat tot drie jaar ouer as hy is ry. Verder het Sybrand ook WP-kleure in Bergfiets ry verwerf vir goeie prestasies wat hy tydens verskeie bergfiets wedrenne in die Somerset-Wes, Stellenbosch en Paarl areas gelewer het.



Stephanie Sandler is currently a BAcc third-year conversion student and signed with Deloitte (Cape Town) to commence her articles in 2017. She is very involved in rhythmic gymnastics extra-curricular activities. Stephanie represented the University of Stellenbosch in the USSA gymnastics event in July, where she was placed 1st overall in the rhythmic gymnastics Senior Olympic section. She was also selected to be one of 20 African rhythmic gymnastics coaches to attend and complete the FIG level 1 coaching course, which she passed. This achievement will allow her to reach her goal of judging as a rhythmic gymnastics judge at the Olympic Games one day in the near future. Although qualification is a lengthy process and selection requires several years of internationally accredited judging, Stephanie as an ex-Olympic rhythmic gymnast (Athens 2004 Olympic Games) remarked that "it is one of my dreams to complete the circle and also judge at the Olympic Games in the future".

Willem Erasmus het al verskeie kere in die verlede SA-klere in Judo gekry. Alhoewel hy tydens sy eerste studiejaar as BRek-student nie soveel tyd aan Judo kon afstaan nie, het hy in Julie vanjaar 'n goue medalje in die onder 20 ouderdomsgroep kategorie by die Suid-Afrikaanse Judo Kampioenskappe verower. Op grond van hierdie prestasie is Willem uitgenooi om in Februarie 2016 aan proewe deel te neem om te kwalifiseer om Suid-Afrika in 2016 by die Commonwealth Games te verteenwoordig. Willem is tans hard aan die oefen vir hierdie proewe en bly optimisties en gemotiveerd om in 2016 weer sy SA-klere te verwerf.



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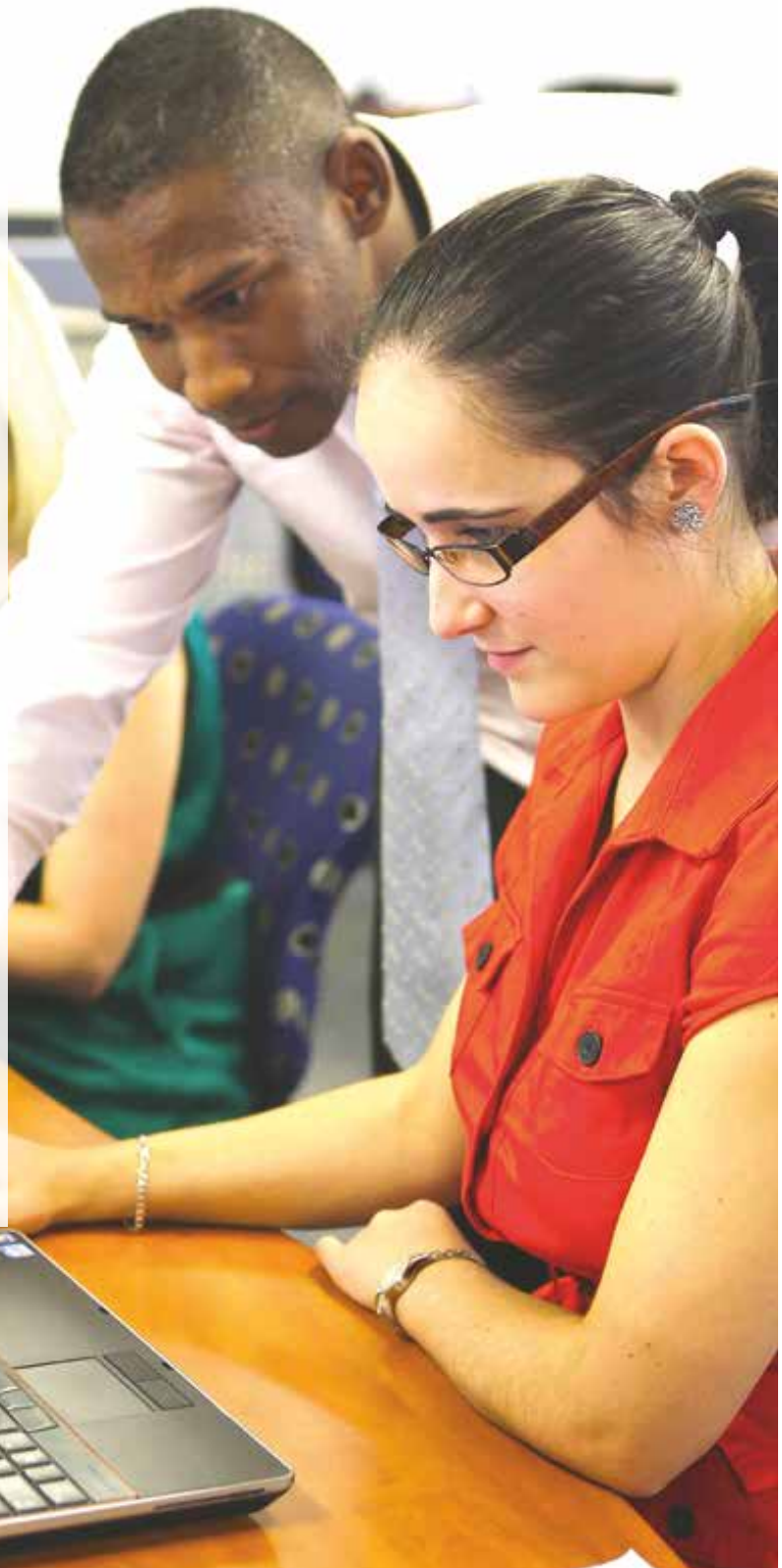


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## Trude visits the University of Hohenheim in Stuttgart

Trude Botha, a HonsBAcc student at the School, was nominated to attend a summer school at the University of Hohenheim in Stuttgart, Germany during the June winter break. According to Trude "preparing for a trip overseas can be quite overwhelming, especially if you're doing your Accounting Honours degree and trying to juggle life in between as well".

The University of Hohenheim lies to the south of Stuttgart on a fertile mountain ridge between Ramsbach and Körsch valleys. The main building of the University is inside of the Hohenheim Palace, which belonged to Duke Carl Eugen von Württemberg, who



presented the Palace as a gift to his sweetheart, Franziska. Some classes were presented inside the main building in 'The Aula' which is a room that was completed in the neoclassical style in 1797.

There were 20 students in total attending the summer school, mostly post-graduate students with a business degree background, from countries all around the world (USA, Switzerland, Vietnam, Belgium, Italy, China, France and South Africa). The main theme of the summer school was 'Innovation, Finance and Entrepreneurship'. The students had about 39 hours of classes from different lecturers with different topics



during the three week course. Trude learned many new things about business and her way of thinking about business has changed a lot. The topics she enjoyed the most were entrepreneurial finance, early-stage finance and new venture development. For Trude, the most exciting part of the summer school was the Industry Program, where the students were taken to nine different companies in the Baden-Württemberg area. The companies included Mercedes Benz, ZF Friedrichshafen AG, RegioHelden, Simpleshow, Ministry of Finance and Economics, BASF Venture Capital, the GmbH, Daimler and Robert Bosch Start-up GmbH.

Despite the fact that Trude arrived back in Stellenbosch one week after classes started and had to work really hard to catch up on work she felt that "everything (she) learned abroad (academically, socially and personally) (she) will never be able to learn in class. Therefore (she) does not regret one moment of missing class for the experience (she) had in Germany!" Looking back, apart from all the academic content, Trude feels that the people she met were definitely the highlight of her trip – the diversity of the group of people, all with different views about life and what they want in life. She remarked that she learned that Americans are exactly like you see on the movies (especially on 4th of July) and Italians are really passionate about pasta. Chinese people LOVE China and for Swiss people Germany is the cheapest place on earth.



For Trude the whole experience was "unforgettable" and she would encourage any Stellenbosch University student to make use of international opportunities such as these that are offered by the University.



## Retirement reform

Retirement reform has been on the cards for a number of years and the Taxation Laws Amendment Acts since 2013 have contained amendments in this regard, which amendments have been amended numerous times. The Explanatory Memorandum on the Taxation Laws Amendment Bill, 2013 stated the following:

*"A strong link exists between insufficient retirement income for retired members of provident funds and the lump sum payouts made by provident funds at retirement. In short, the absence of mandatory annuitisation in provident funds means that many retirees spend their retirement assets too quickly and face the risk of outliving their retirement savings. In view of these concerns, it is Government's policy to encourage a secure post-retirement income in the form of mandatory annuitisation. Therefore, provident funds and provident preservation funds must be aligned to other retirement and preservation funds."*

Numerous consultations with affected parties were held and widespread concerns were raised regarding the impact of the new requirement on provident fund members to purchase an annuity from a certain date. The Taxation Laws Amendment Bill (TLAB), 2015 ([B29 – 2015] of 22 July 2015) allowed for a phase-in of two years in this regard and annuitisation of provident funds would then only have commenced on 1 March 2018. Amendments to the section 11(k) deduction which was to come into effect on 1 March 2016 was as well as a new section 11(kA) relating to contributions to provident funds was proposed.

However, the Standing Committee on Finance released amendments agreed to regarding the aforementioned TLAB, and released a new amended TLAB, 2015 [B 29B—2015] on 25 November 2015. These amendments deleted the 2015 proposals regarding both the section 11(k) and 11(kA) deductions, and also changed the proposed implementation date of 1 March 2018 for the annuitisation of provident funds back to 1 March 2016. The effect thereof is that the 2013 proposals regarding retirement reform, as amended by the Taxation Laws Amendment Act, 2014, stand.

This means that, from 1 March 2016, the maximum deduction for contributions made to all retirement funds would, in terms of section 11(k), be the lesser of:

- R350 000; or
- 27.5% of the highest of the person's 'remuneration' (excluding any retirement lump sum benefit, retirement lump sum withdrawal benefit or severance benefit) or 'taxable income' (excluding any retirement lump sum benefit, retirement lump sum withdrawal benefit or severance benefit) before the section 11(k) deduction.

It is submitted that the wording in the first TLAB, 2015, which proposed that the aforementioned 'taxable income' on which the 27.5% must be calculated is the taxable income before the section 11(k) and the section 18A deductions are taken into account, reflects the intention of the Legislator and should be followed even though the reference to section 18A is part of the now deleted proposed amendments. Since taxable capital gains are included in 'taxable income' in terms of section 26A of the Income Tax Act, taxable capital gains will increase the amount of the 'taxable income' on which the 27.5% is calculated.

Nonetheless, this was not the last chapter in the retirement reform saga and the Minister must, after consulting with relevant stakeholders, review the impact and implementation of the amended TLAB, 2015 and must table a report on this review in the National Assembly no later than 30 June 2018.

*This article was written by Prof. Linda van Zyl, Divisional head: Taxation at the School of Accountancy and program coordinator of the MAcc (Taxation) program.*

### DIE REDAKSIE VAN DIE REKNUUS BEDANK GRAAG DIE VOLGENDE INSTANSIES EN PERSONE VIR HULLE BYDRAES:

- CIMA, Mazars, Deloitte & Touche, EY Stellenbosch, Moore Stephens, SAICA, Bass Gordon, Baker Tilly Greenwoods, BGR Ouditeure, Exceed, Crowe Horwath, Juta, KPMG, LdP, PWC, Sage Pastel, SDK Geoktrooieerde Rekenmeesters, Smith & Assosiate Ingelyf, ASL, Little Lig Bookstore en PKF Rademeyer Wesson wat die publikasie moontlik gemaak het deur middel van borgskappe;
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- Wilmarie Grobbelaar vir die proeflees;
- Alle personele van die Skool wat inligting verskaf het;
- SUN MeDIA;
- Prof. Pierre Olivier in sy hoedanigheid as Direkteur van die Skool vir Rekeningkunde.



## #theAmazing\_Audit378

The purpose of an audit is to enhance the degree of confidence of the users of the financial statements. This is achieved by the expression of an opinion by the auditor on whether the financial statements are, in all material respects, prepared in accordance with an applicable financial reporting framework.

Auditing is known as a theoretical subject aimed towards developing a skill, as taught by universities, and the challenge Auditing lecturers face is to teach students how to apply the theory that is taught in a practical manner. In an attempt to introduce a practical side to Auditing to overcome this challenge, the undergraduate Auditing lecturers at the School of Accountancy decided to involve the Auditing 378 students in this process by introducing the "#theAmazing\_Audit378" project.

MGI Bass Gordon GHF Chartered Accountants came on board as sponsors of the project and sponsored tablets, shopping vouchers and goodie hampers for the best video and best photo and also weekly prizes. The best video and best photo prizes were determined by a panel of judges. As an added bonus various spot prizes were also given to students to thank them for all the effort that went into making the videos and taking the photos.



'The Amazing Race' was chosen as the project's theme and students had to do three weekly challenges in order to finish the first phase of the #the Amazing\_Audit378 project. The first challenge of this project was an academic challenge and students received a clue in class indicating where to find instructions to complete a matching theoretical coursework challenge. For the second challenge, fun was key and students had to play a game by stacking cups onto each other in one minute using one hand. Students were requested to take photos for the Faculty of Economic and Business Science's 90th anniversary.

Students were requested to bring non-perishable food or toiletries as part of the third challenge, which was named 'Giving Back'. A local community organisation, Youth Outreach Stellenbosch was chosen as beneficiary of this project. The auditing lecturers challenged the lecturers of the School of Accountancy to bring non-perishable food or toiletries. The Financial Accounting lecturers' team collected the most items and won this challenge.



The second phase of the project involved a detour where students had to group themselves into groups of five and post videos or photos on any element covered in the audit process during the academic year from the auditor's point of view. This could include a role-play element or a real-life situation. The videos or photos had to be posted on the #TheAmazing\_Audit378's closed Facebook page. Students were then given the opportunity to 'Like' the various posts and prizes were awarded weekly for most liked videos and photos.

Students were also exposed to a practical class presented by an auditor in practise in order to demonstrate to students the real-world application of coursework and to show that Auditing is not merely a theoretical subject.

The best video prize was won by Michè Strydom, Dries Bester, Carli Strydom and Annemie van der Merwe, with runners-up for the video being Meyer van der Merwe, Adrian Sameuls, Nicol du Toit, Ruan Lambrechts and Arnaud du Toit. The best photo prize was won by Ricky Chan, Zusiphe Mjali, Zulayghah Hendricks, Deborah Mao and Jacqueline Masolisa. The runner-up photo prize was awarded to Rize le Roux, Bianca Alberts, Unica Schonken, Carla Kotzenberg and Nicolette Kotze.





The category winners were:

Category prize	Winners
Most liked Photo/ Video - Week 1	Jamie Raplin, Simone Pillay, Peter Swartz and Azeem Rahim
Most liked Photo/ Video - Week 2	Heath Falconer, Thomas Schorn, Tamara Patuel and William Paynter
Most liked Photo/ Video - Week 3	Arno Toua, Albert Basson, Amaeda Alberts and Simonn Lotter
Funniest petty cash award	Arno Toua, Albert Basson, Amaeda Alberts and Simonn Lotter
Funniest debtors confirmation	Agneshua Prins, Xadine Michaels, Insaaf Fernandez, Zaiboonisha Mackay and Lauren-Lee Snell
Funniest clock-card machine award	Zetha Botha, Tannen Crawfors, Tammy-Lee Du Bass, Jason Fairburn and Leighton Meyer
Funniest Inventory count	Meyer van der Merwe, Adrian Sameuls, Nicol du Toit, Ruan Lambrechts and Arnaud du Toit.
Best Debtors circulation	Ricky Chan, Zusiphe Mjali, Zulayghah Hendricks, Deborah Mao and Jacqueline Masolisa
Best audit procedures in a computer environment	Michè Strydom, Dries Bester, Carli Strydom and Annemie van der Merwe
Best Inventory count award	Nicola Venter, Jani-Luayne Schlebusch, Nicola Venter, Carlè Venter, Bea van der Vyfer and Francois Janse van Vuuren
Most patient auditor award	Michelle Hellemans, Michaela Crimp and Jade Ledgerwood
Most complete fixed asset inspections	Rize le Roux, Bianca Alberts, Unica Schonken, Carla Kotzenberg and Nicolette Kotze.
Best data Computer Assisted Audit Techniques (CAATs)	Etiene van Tonder, Nicolas Carreira, Siobhan Holroyd and Courtney Chamberlain

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## Valuing a smaller company that is incurring losses

Where is the value? This is a question you often come across in the private equity or venture capitalist space. Start-ups don't make money initially. They first have to spend money before they start making money. Therefore, their initial years are earmarked by losses. Three obstacles, amongst others, tend to surface in such a scenario: Firstly, the owners of the company (client) don't want to pay for/cannot afford a proper valuation. However, by saving a few thousand rands on the front-end, they risk potentially losing a few million rands on the back-end. Therefore, a bells-and-whistles discounted cash flow (DCF) approach is generally shied away from, initially anyway.

Secondly, trailing earnings are negative, so value has to be derived by scaling a market price variable (MPV) by a value driver higher up in the income statement, i.e. before making losses, which is generally where the Price-to-Sales ratio comes into play. I make no attempt to hide my dislike for this metric and I constantly tell my students not to use it. This is generally where my business school students voice their opinions, which generally start with something like "...but they are start-ups..." Sure they are, but that does not mean that the concept of internal consistent multiples has to be neglected. Buy-side analysts would obviously not be too concerned in this respect, since the Price-to-Sales multiple is biased to the downside. For my client, however, the seller in this case, that meant that her equity would be underestimated. Let's just remind ourselves about the way in which the Price-to-Sales metric is constructed. You're scaling an equity-based MPV with a company-based value driver. If your client has a heavily indebted capital structure, they will be disadvantaged, i.e. you are going to cost your client money.

Thirdly, so we can't use reputable historical multiples to derive value, then let us look forward. And then you have the great expectations factored into the cash flow forecasts, which the seller needed to back their sale with, but don't want to pay for. Sales will grow exponentially, working capital only marginally... So you are back at the first obstacle, the DCF approach, which now somehow doesn't seem so expensive anymore... Sure you will derive value from a DCF approach, but the question is: Who is going to pay for it?

It is difficult to remain objective when performing a valuation. In any negotiation the great divide between willing buyer and willing seller is easily identifiable. The lower value would be backed by the buyer and vice versa. This is not an accident. Neither is the "natural tendency" of your valuation to converge towards what your client believes is fair value.

But how do you handle these three obstacles? Firstly, don't sign off a quick-and-dirty valuation. The reputational risk is too high. The client may very well get the value that she was hoping for and you may lose out on billing a few consulting hours, but walking away from such an engagement is probably wise.

Secondly, and I have made this argument repeatedly in the past, don't use inconsistently defined multiples. On this point, a partner at an accounting firm recently remarked that my market-based approach seemed a bit too "black and white" for his liking. My point is simple: The valuation modelling has to be internally consistent and I have seen experienced analysts ignore this rule. Don't use the Price-to-Sales ratio or any other conceptually flawed multiple.

Thirdly, stick to your valuation fundamentals. A Finance professor recently cautioned my criticism in this respect, pointing out that "there are many ways to do valuations". I could not agree more. However, when you do a valuation, intrinsic or otherwise, you have to ensure that it is modelled in an internally consistent manner. This applies to DCF and market-based modelling. And your figures should present a well-rounded narrative. You cannot have sales growing exponentially while working capital plods along at less than 1% per annum. Then you are not really constructing a model, you are orchestrating the variables contained in the model, most likely "subconsciously" converging to what your client believes represents fair value.

*This article was written by Soon Nel, a lecturer in Finance at the School of Accountancy.*

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## Stellenbosch Thuthuka Society

Stellenbosch Thuthuka is unique because the Stellenbosch programme is the only one in the country that has a formally registered society to implement community outreach and team building events. The overarching principle is to 'pay it forward', meaning that the society is committed to continuously engage with their communities to promote the profession by working with schools and vulnerable groups. Stellenbosch Thuthuka endeavours to share a message of hope that it is possible to aspire to professions such as this one by being actively engaged and visible to our peers.



Aan die hoof van die Stellenbosch Thuthuka Vereniging is die groepleiers wat jaarliks deur mede-Thuthuka studente genomineer en verkies word. Die leiers van 2015 verskyn op die foto langsaan.

*V.l.n.r.: Gavral Speelman (Sekretaresse), en Danielle Swartz, Kristen Brown, Leighton Meyer (Onder-voorsitter), Timwen Hendricks (Tesorier) en Matthew Williams (Voorsitter).*

### Fun day with Rietenbosch Primary School

In April, the Thuthukans embarked upon their annual community service project. They held a fun day with about 200 learners at Rietenbosch Primary School in Stellenbosch, in collaboration with Maties Gemeenskapsdiens (MGD). The project incorporated physical and educational activities and an inspiration station. The aim of project was to have fun with underprivileged children and to demonstrate the real-world importance of mathematics and accounting.

There were 8 stations including a jumping castle, slippery slide, face-paint, sports games and a speed math station. The Thuthukans produced a short, age appropriate sketch designed to motivate children by sharing the message that they could aspire to become anything they wish to be through perseverance and consistent hard work. Many of the children are not able to take a meal to school, so it was truly a pleasure to provide them with something nourishing to eat after all the activities. A special thanks must be made to C3 Catering Service, for supporting the cause by providing the meals. The principle and educators felt that the project was a tremendous success. The joyful smiles on the children's faces made the project worthwhile.



### Donasie-week skenking aan NorSA Gemeenskapsentrum

Tydens 'Donasie-week', wat een keer per kwartaal plaasgevind, bring studente klere en nie-bederfbare kos wat dan aan 'n verskeidenheid van organisasies geskenk word. Die Thuthuka-vereniging het in September 'n bydrae aan NorSA Gemeenskapsentrum, wat in Wellington geleë is, geskenk. NorSA se hoofdoel is om die kinders van die Wellington gemeenskap aan te moedig om hulle volle potensiaal te bereik. Die vereniging hoop om met hierdie inisiatief (en ander soortgelyke inisiatiewe) vol te hou in die toekoms. Meer besonderhede rakende die werk wat NorSA doen, is op: <http://www.norsacommunitycare.org/> beskikbaar.

## Sosiale interaksieprojekte

Daar word in die Thuthuka Vereniging baie groot klem daarop gelê dat die studente 'n gesonde balans handhaaf tussen hulle akademie, betrokkenheid by die gemeenskap en sosiale interaksie. Die rede hiervoor is dat studente op hierdie wyse blywende netwerke en verhoudinge bou waarop hulle kan steun wanneer hulle die professie betree.



Die eerste sosiale aktiwiteit in April was 'n vermaaklike speletjiesdag. Die studente het 'n bordspel, met die naam "Commercium", gespeel. Dié speletjie is deur die Suid-Afrikaanse Instituut vir Geoktrooieerde Rekenmeester (SAIGR) ontwerp, en die reëls hiervan toon baie ooreenkomste met die welbekende "Monopoly" speletjie. Alhoewel die meeste van die studente met "Monopoly" bekend was, was die nuwe speletjie steeds 'n groot uitdaging, aangesien dit van die studente vereis het om rekeningkundige vaardighede te gebruik om hulle finansies doeltreffend te bestuur. Die speletjie het vereis dat die studente betrokke moes raak in verskeie ekonomiese aktiwiteite, onder andere die koop van aandele, die verkoop van eindprodukte, verkryging en afbetaling van lenings en vele

meer. Studente moes leer om op hulle voete te dink, maar ook om as 'n span saam te werk, ten einde ingeligte finansiële besluite te neem.

Na afloop hiervan het die studente pizzas en koeldrank geniet. Die dag was egter nog nie verby nie en die Thuthuka-groep moes ook, onder leiding van 'n gasspreker, deelneem aan 'n reeks spanbou-aktiwiteite, wat daarop gemik was dat studente interaksie met mekaar moes hê en leer om as 'n eenheid saam te werk.

## Master Chef Thuthuka

In July Stellenbosch Thuthuka hosted their very own Master Chef Thuthuka for students to showcase their cooking skills. It was an exercise which required leadership, initiative and creativity. Teams were randomly selected and they had to collaborate to create a culinary delight for the judges, using the same basic ingredients and just a limited number of special ingredients, which they had to request from the project team.

The dishes were judged by the Honours students who crowned the creamy pasta chicken potjie as the winner. There were also spot prizes for the worst potjie, neatest team, weakest fire, first to arrive and the team who used the least special ingredients.

The activity was a wonderful success. Every Thuthuka student displayed dedication, teamwork and a sense of humour, as they tried to keep their fire from dying or burned their onions. Enthusiasm permeated the air and the aim was achieved as laughter and chatter resounded throughout the venue while they shared a meal together.



## Motivational speech by Mr Terence Nombembe

A meeting led by the group leaders is held once a month where they plan initiatives, share administrative information and report back on activities. Motivational speakers are invited to share their personal journeys or business knowledge with the Thuthukans and this has made a profound impact as they are able to witness those who have completed the same journey which they are currently navigating.

Mr Terence Nombembe, CEO of SAICA and former Auditor General of South Africa, was our esteemed guest speaker at the Thuthuka Stellenbosch group meeting held in September. He captured the attention of the Thuthukans with his motivational, inspiring speech, which filled them with a sense of pride at the realisation of the important role they would fulfil as future CA (SA)s. He challenged them to promote the profession to the next generation so that we can continue to see new talent entering the profession. He ended the session with an opportunity for students to voice their opinions, comments and contributions for the growth and development of the profession, which made everyone feel valued.





## 2016 Thuthuka group leaders

The meeting in September also marked the end of the 2015 group leaders' term and we bid farewell to Matthew and his team. During the previous meeting in August nominees presented themselves to the Thuthukans with a short speech on their vision and proposals for the year. An election followed where the new group leaders for 2016 were chosen.

The incumbent 2016 group leaders took the hashtag challenge #aspiringCA(SA) and #Audit\_Sexy very seriously and decided to build on the initiative by planning and hosting a Business Games Day for a group of matriculants who attended Business@Maties. It is an initiative launched by the Centre for Prospective Students in partnership with the Faculty of Economic Sciences (EMS). The participants were top candidates who have been provisionally accepted in programmes in the Faculty. The aim of the Thuthuka event was to inspire learners and spark interest in the BAccounting course and Accountancy profession by sharing their personal experiences, challenging myths and playing games of strategy, logic, perseverance, team work and commitment, which are necessary when embarking on a profession as CA (SA).



The 2016 Thuthuka group leaders

*From left to right: Lungelo Tshabalala (Secretary), Orlando Van Schalkwyk (Vice-Chair), Gavral Speelman (Chair), Lucien Forbes (Social activities) and Steven-Lee Brown (Treasurer)*

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A large group of diverse young people, including men and women of various ethnicities, are huddled together in a circle, smiling and holding hands. They are wearing casual clothing like t-shirts and jeans. The background is a solid red color.

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# SOME SUPER-COOL FACTS ABOUT CHARTERED ACCOUNTANTS



- 89.6% of Finance Directors are CAs(SA)
- 32.3% of Directorships are CAs(SA)
- 30% of CEOs of the JSE top 40 are CAs(SA)
- 98% of all RAAs (auditors registered with the IRBA) are CAs(SA)
- JSE top 40 companies with CA(SA) CEOs financially outperform those not headed by CAs(SA)
- Some of the top reasons for becoming a CA(SA):
  - The qualification is recognised internationally
  - It is a business career that offers prestige, respect and excellent financial rewards
  - CAs(SA) are highly regarded across all industries
  - CAs(SA) lead the business finances and provide strategic guidance and direction



## Inligtingstelsels: 'n voorvereiste vir effektiewe ouditeure

In praktyk word die aanname gemaak dat 'n Geoktrooieerde Rekenmeester (GR) 'n basiese kennis van die inligtingstechnologie hardeware en sagteware waarop finansiële inligting verwerk word, het. Om dit te verseker is 'n basiese begrip van Informatietegnologie (IT) dus 'n noodsaaklike element van 'n rekeningkunde kursus. Internasionale Ouditstandaarde of te wel, *International Standards on Auditing (ISAs)* erken dat inligtingstelsels 'n integrale deel van die skepping van inligting uitmaak en dat die kontroles rondom dit tot die integriteit van die inligting wat op die inligtingstelsel verwerk word bydra.

IT affekteer die manier waarop organisasies bedryf word. Die doelwit van IT-opleiding op universiteitsvlak is om die student aan die besigheidskomponente van IT op beide 'n teoretiese- en praktiese vlak bloot te stel. Hierdie doelwit is in lyn met die vereistes soos uiteengesit in ISA 315. ISA 315.18 bepaal dat die ouditeur 'n begrip van die inligtingstelsel moet verkry waardeur die ouditkliënt transaksies inisieer, aanteken, verwerk, regstel en na die algemene grootboek oordra en in die finansiële state rapporteer.

ISA 315.A95 meld dat die gebruik van IT 'n direkte effek het op die manier hoe kontrole-aktiwiteite geïmplementeer word. Uit die ouditeur se perspektief is kontroles oor IT-stelsels effektief wanneer die integriteit en sekuriteit van data en inligting behoue bly. Hoewel 'n oudit van finansiële state ten doel het om redelike gerusstelling te verskaf dat die state vry is van wesenlike wanvoorstelling, vereis ISA 265.09 dat die ouditeur skriftelike kennis sal gee rakende beduidende tekortkominge in interne kontroles wat tydens die oudit aan die lig gekom het. Deur 'n student toe te rus met basiese kennis rakende die komponente van 'n gerekenariseerde inligtingstelsel, word daar bygedra tot die student se vermoë om potensiële risiko's binne die IT van die onderneming en tekortkominge in die IT-kontroles te identifiseer en aanbevelings te maak.

IT het ook 'n groot invloed op die mededingende voordeel van ouditeursfirmas. Ouditeursfirmas moet kostes bestuur en wins maksimeer om mededingend te bly. Tydsbegroting dra by tot verlaagde ouditkwaliteit en verskeie studies het al bewys dat ouditeure dit as 'n werklike probleem beskou. Hierdie begrotingsdruk kan verlig word, sonder om ouditrisiko te verhoog, deur IT aan te wend om ouditprosedures meer effektief uit te voer. Finansiële data word dikwels deur kliënte in Microsoft Excel (MS Excel) aan ouditklerke verskaf, wat in ooreenstemming met die ouditeursfirma se ouditprogram ouditprosedures op hierdie data moet uitvoer. Aangesien hierdie data dikwels etlike duisend lyne beslaan, is dit belangrik dat klerke vertrou is met MS Excel en die formules in hierdie program kan aanwend om meer effektief en doeltreffend te werk.

Gestel 'n klerk moet pryse in 'n voorraadlys teen 'n goedgekeurde pryslys kontroleer. Indien 'n "Vlookup"-funksie in MS Excel gebruik word, sal die klerk slegs die formule een keer hoef in te tik en afkopieer om outomaties die pryse van al die items op die lys te toets. Die formule kan ook met 'n "If"-funksie gekombineer word om 'n foutboodskap outomaties te vertoon indien die prys op die voorraadlys nie met die pryslys ooreenstem nie. Sodoende word die werk nie alleen vinniger gedoen nie, maar alle items kan getoets word en meer gerusstelling word verkry. Vergelyk bogenoemde scenario met die klerk wat nie die formule kan gebruik nie en elke item individueel op die pryslys opsoek om te bepaal of die prys korrek is. Dit is ook die moeite werd om te noem dat werkspapiere met goeie uitleg en formaat, makliker en vinniger sal nasien. Nie alleen sal effektiewe gebruik van die rekenaar dus die klerk se tyd spaar nie (goedkoper), maar ook die duur nasien tyd van ouditbestuurders en -vennote.

Op tersiële vlak word daar verder gebou op die basiese MS Excel-vaardighede waaraan baie studente reeds op skool blootstelling gekry het. Verder word hulle ook in Inligtingstelsels op eerstejaarsvlak aan meer gevorderde MS Excel-tegnieke blootgestel. Die onderstaande tabel toon voorbeelde van hoe MS Excel-tegnieke aangewend kan word om ouditveldwerk meer effektief uit te voer. Dit is nie bedoel om 'n volledige lys te wees nie, maar sluit slegs enkele voorbeelde ter illustrasie in.

Stap in ouditprogram	MS Excel-tegniek
Toets wiskundige akkuraatheid van totale	SUM-funksie
Identifikasie van uitskieters	Data filter (veral die "Auto filter")
Toets openingsbalanse (vergelyk huidige jaar se openingbalanse volgens kliënt se rekords met vorige jaar se sluitingsbalanse volgens getekende state)	Vlookup-funksie
Vergelyk twee lyste met mekaar	Vlookup-funksie
Berekening vir analitiese toetse (om tendense te bepaal)	Data tabelle

Al bogenoemde tegnieke is tegnieke wat studente reeds in hulle eerstejaar in Inligtingstelsels bemeester en waarop daar tydens verdere jare van studies voortgebou word.

Verslae en inligting wat uit die rekeningkunde pakkette wat maatskappye gebruik genereer word, kan nie noodwendig manipuleer word om oudittoetse daarop uit te voer nie. Die meeste rekeningkunde pakkette laat wel toe om verslae en inligting na Excel te onttrek. Gedurende die derdejaar van studies in Inligtingstelsels, word studente vaardighede aangeleer wat hulle in staat stel om die volgende te doen:

- Tegnologie gebruik om finansiële inligting wat in 'n databasis gestoor is te onttrek en te ontleed;
- Finansiële inligting op te som en te kommunikeer sodat dit deur operasionele bestuur verstaan kan word;
- Datavalidasie gebruik om die kwaliteit van inligting in 'n databasis te evalueer, bv. geldigheid-, volledigheid-, en limiettoetse;
- Data tabelle gebruik en die "growth"-funksie saam met die toepassing van bestuursrekeningkundige tegnieke om besluitneming te ondersteun, bv. vergelyking van maandelikse/jaarlikse verkope en die ontleding van die maandelikse verkope ten einde 'n tendens vir die toekoms te probeer voorspel; en
- Excel se "solver"-funksie gebruik om strategiese ontleding te doen en 'n scenario aan die hand van verskeie veranderlikes te toets.

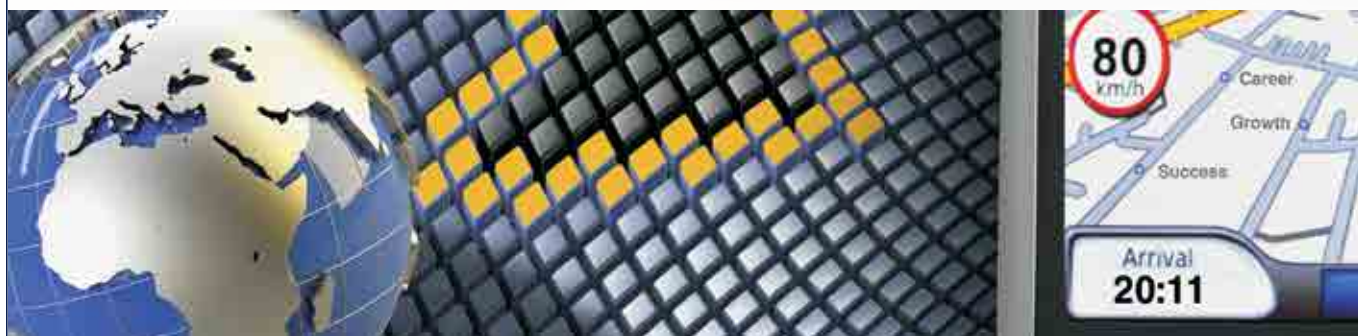
Inligtingstelsels verwys nie bloot na IT en programmering nie, maar na die stelsels wat gebruik word om inligting te verwerk, stoor en kommunikeer. Inligting word beskou as een van die belangrikste bates van enige onderneming. Dit is dus baie belangrik dat die gebalanseerde GR 'n goeie begrip van inligtingstelsels en –bestuur het. Die vakgebied moet nie in isolasie beskou word nie, aangesien inligtingstelsels in die praktyk met rapportering, besluitneming en kontrolering integreer. Aangesien die verwagting is dat leerlingrekenmeesters hierdie vaardighede reeds onder die knie het wanneer hul met hul klerkskap begin, is dit dus uiters noodsaaklik dat Inligtingstelsels op tersiële vlak met sorg en erns in studente se kursusse geïntegreer word.

*Hierdie artikel is geskryf deur die Inligtingstelsel 188 dosente van die Skool vir Rekeningkunde.*

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# PERSENEELAANGELEENTHEDE

## Nuwe Personeel

Die volgende personeellede het gedurende die jaar by die Skool vir Rekeningkunde aangesluit.



*Nadia Bauer*



*Nanette Botha*



*Nabeelah Daniels*



*Jan Dreyer*



*Anet Knoetze*



*Juan Ontong*



*Liezl Smith*



*Rikkie Thomas*



*Jana van Wyk*



*Maryke Wiesener*



*Maudrie Claasen*  
(Sekretaresse)



*Kim Daniels*  
(Administratiewe beampte)



*Liesl de Villiers*  
(Administratiewe beampte)



*Michelene Meyer*  
(Administratiewe beampte)



*Die Akademiese klerke*

*V.l.n.r.: Janico Louw, Hanno Jacobs, Dino Wessels,  
Tertius Carlile, Gideon Swanepoel en Estiaan Ferreira*

## Personeellede wat die Skool se diens verlaat het

- Elizna Kruger was 6½ jaar 'n sekretaresse by die Skool. Sy is nou by die Departement Statistiek van Stellenbosch Universiteit werksaam.
- Christa Viljoen is in Januarie 2010 aangestel en het Bestuursrekeningkunde by die Skool gedoseer. Sy en haar gesin het na Australië verhuis.
- Magdel Zietsman het in Januarie 2012 by die Skool vir Rekeningkunde aangesluit waar sy Finansiële Rekeningkunde gedoseer het. Sy en 'n vriendin het sedertdien hul eie klerebesigheid begin.
- Martinette Nieuwoudt was sedert Februarie 2012 die koördineerder van Thuthuka program by die Skool. Sy het die Skool na haar troue verlaat en is tans verantwoordelik vir die administrasie van 'n familieplaas wat vrugte uitvoer. Sy rig ook gimnastiek op hoë vlak af.
- Maricia Krige verlaat die Skool om sendingswerk te gaan doen. Sy was twee jaar lank 'n Finansiële Rekeningkunde dosent by die Skool gewees.

## Personeellede van die Skool gradueer

Daar is deurlopend personeellede van die Skool vir Rekeningkunde wat hulself deur verdere studies in hul bepaalde vakgebiede beter bekwaam. Vyf personeellede van die Skool het gedurende die afgelope jaar by Stellenbosch Universiteit gradueer.



*Die dosente van die Skool vir Rekeningkunde wat grade aan Stellenbosch Universiteit verwerf het*

*V.l.n.r. : Mareli Greyling (MComm (Rekenaarouditering)), Lize-Marie Sahn (MComm (Rekenaarouditering)), Danielle van Wyk (MRek (Belasting) Cum Laude)), Jorina Engelbrecht (MComm (Rekenaarouditering)), en Petro Gerber (MComm (Rekenaarouditering))*

## REKNUUSREDAKSIE 2015

Rika Butler      Michelle de Bruyn

Reknuus-kontakbesonderhede: e-pos: [rbutler@sun.ac.za](mailto:rbutler@sun.ac.za) telefonies: (021) 808 3703

Kontak gerus die RekNuus indien:

- Uself of iemand wat u ken graag in die toekoms 'n kopie van die RekNuus wil ontvang;
- U weet van enige persoon of instansie wat belangstel om by die borgskap van die RekNuus betrokke te raak.



## Navorsing deur en ander betrokkenheid van personeel

Prof. Linda van Zyl published an article titled "The Lategan case: The Accrual principle – then and now" in Volume 19 of the *Southern African Business Review*. Special Edition: Tax Stories. In 1926, the landmark Lategan case was the first case to determine the meaning of the words "accrued to or in favour of" in the definition of gross income as defined in section 1 of the Income Tax Act. According to the decision in that case, income generally accrues to a person when that person is entitled to an amount (the timing rule), but the amount to which the taxpayer is entitled to must be valued to determine the value of the accrual to be included in gross income. The valuation of the accrual is determined by discounting the accrual to its present value at year-end (and not the face value). The valuation part of the judgment was legislatively nullified in 1990 with retrospective effect to 1962, and the face value of the amount to which the taxpayer is entitled is the amount that has accrued. The timing rule violates both the canons of equity and of convenience. The timing rule also causes undue hardship to taxpayers by taxing amounts before they have been received. It is submitted that it may be time to test the timing rule constitutionally. It is also submitted that the valuation rule would pass constitutional muster. However, as far as the retrospective legislative amendments in respect of the valuation of the accrual are concerned, it is further submitted that there is little chance of successfully challenging such legislative amendments.



Prof. Linda van Zyl

Prof. Linda also co-authored an article titled "Section 24C: Indicators regarding the certainty of the incurral of future expenditure" with Lizelle Calitz. This article was published in the *Journal for Economic and Financial Sciences (JEF)*. Section 24C of the Income Tax Act No. 58 of 1962 provides for a deduction of future expenditure that will be incurred by the taxpayer in the performance of his obligations under a contract from which the taxpayer derived income. The objective of this article is to compile a list of indicators demonstrating when there will be certainty that future expenditure will be incurred as aforementioned. The conclusion reached is that a definite connection must exist between the incurral of the future expenditure and the obligation to perform under the contract. Further, conditions and warranties are contractual terms that indicate that there is uncertainty regarding the taxpayer's obligations to perform under the contract. A time clause in a contract and a high probability that the taxpayer will perform an unconditional obligation under a contract, however, both indicate that there is certainty regarding the incurral of future expenditure. A contingent liability to pay for future expenditure or if the future expenditure is unquantified, is not indicators as to whether there is certainty that the future expenditure will be incurred.

Henriëtte Scholtz co-authored an article titled "Factors influencing corporate governance disclosure of companies listed on the Alternative Exchange (AltX) in South Africa" with Anna-Retha Smit, from the University of Pretoria. This article examines the various factors that influence the level of conformance with corporate governance recommendations for companies listed on the AltX in South Africa. To achieve the objective a corporate governance disclosure index was developed by examining the extent to which AltX companies applied the corporate governance recommendations as set out in King II and King III. The corporate governance disclosure index was then regressed on a number of corporate governance and firm characteristics to determine the influence of various factors on the level of conformance with corporate governance recommendations. It was found that larger companies, companies where the CEO and chairman of the board are separated, companies with an independent audit committee and companies with higher debt levels are more likely to conform to corporate governance recommendations. There is no evidence that levels of corporate governance conformance are influenced by the growth and profitability of companies, or by corporate governance characteristics, such as the independence of the board.



Henriëtte Scholtz

Henriëtte Scholtz also co-authored an article titled "The effect of remuneration committees, directors' shareholding and institutional ownership on the remuneration of directors in the Top 100 companies in South Africa" which was published in the special edition of the *South African Business Review* Volume 19 with Waldette Engelbrecht. This article investigated whether executive directors' remuneration of the Top 100 companies listed on the Johannesburg Securities Exchange (JSE) is influenced by the implementation of certain corrective corporate governance measures. The remuneration of executive directors was regressed on a number of firm and corporate governance characteristics to determine whether these characteristics have an influence on executive directors'



Waldette Engelbrecht

remuneration. It was found that corporate governance reforms relating to institutional ownership, the number of non-executive directors on the remuneration committee, shareholder voting on the remuneration policy and the number of remuneration committee meetings act as an effective governance tool to protect shareholders' interests with regard to some of the elements of executive directors' remuneration.

Waldette Engelbrecht also wrote an article titled "The beneficial owner of dividend income received by a discretionary trust" published in Volume 8(1) of the *Journal of Economic and Financial Sciences*. This article focused on the new Dividends Tax, which came into effect on 1 April 2012, whereby Dividends Tax may be the liability of the beneficial owner of the dividend. This makes it important to correctly identify the beneficial owner. The term 'beneficial owner' is specifically defined in section 64D of the Income Tax Act No. 58 of 1962 as "the person entitled to the benefit of the dividend attaching to the share" yet a distinct difference remains between the legal ownership and economic ownership of the share. Within a South African context, determining the beneficial owner within a discretionary trust might be problematic. The trustees are the legal owners of the shares, whilst the beneficiaries might be the economic owners of the shares. Further, consideration has to be given to the timing of the dividend distribution. This article formulates steps to determine which person is entitled to the benefit of the dividend attached to the share.



Prof. Rika Butler

Based on a presentation made at the 2014 *Human Aspects of Information Security and Assurance (HAISA) Conference*, Prof. Rika Butler co-authored an article titled "Investigating the possibility to use differentiated authentication based on risk profiling to secure online banking" with Martin Butler. This article was published in Volume 23(4) of *Information and Computer Security*. Online security remains a challenge to ensure safe transacting on the internet. User authentication, a human-centric process, is regarded as the basis of computer security and hence secure access to online banking services. The increased use of technology to enforce additional actions has the ability to improve the quality of authentication and hence online security, but often at the expense of usability. The objective of this study was to determine factors that could be used to create different authentication requirements for diverse online banking customers based on their risk profile. A web-based survey was designed to determine online consumers' competence re secure online behaviour and this was used to quantify the online behaviour as more or less secure. The browsers used by consumers as well as their demographical data were correlated with the security profile of respondents to test for any significant variance in practice that could inform differentiated authentication. A statistical difference between behaviours based on some of the dependant variables was evident from the analysis. Based on the results a case could be made to have different authentication methods for online banking customers based on both their browser selected (before individual identification) as well as demographical data (after identification) to ensure a safer online environment. The research can be used by the financial services sector to improve online security, where required, without necessarily reducing usability for more 'security inclined' customers.

Prof. Rika and Martin Butler also published an article titled "The password practices applied by South African online consumers: perception vs reality" in Volume 17(1) of the *South African Journal of Information Management (SAJIM)*. The ability to identify and authenticate users is regarded as the foundation of computer security. Although new authentication technologies are evolving, passwords are the most common method used to control access in most computer systems. The password creation and management practices that online consumers apply have a direct effect on the level of computer security and are often targeted in attacks. Research suggests that a large portion of passwords breaches are the result of poor user security behaviour. The objective of this study was to investigate the perceptions vis-à-vis the reality of South African online consumers' password creation and management practices. A web-based survey was designed to 1) determine online consumers' perceptions of their skills and competence in respect of passwords creation and management practices, and 2) to determine the measures that South African online consumers do apply when creating and managing passwords. The measures applied were then compared to 1) the users' perceptions about their password creation and management abilities, and 2) the results of international studies to determine agreement or inconsistencies. The study showed that South African online consumers regard themselves as proficient password users. However, various instances of unsafe passwords practices were identified. The results of this South African study correspond with the results of various international studies confirming that challenges to ensure safe online transacting is in line with international challenges. The study concluded that there is a disparity between the South African online consumers' perceived ability to apply proper passwords creation and management practices and the practices that they apply.



Rudie Nel and Eduard Kilian published an article titled "Merchant Cash Advances: Investigating the taxation consequences in South Africa" which was published in the *Journal of Economic and Financial Sciences*. The merchant cash advance is an emerging lending product designed to address the need to maintain cash flows and is essentially the business equivalent of a 'payday' loan. A lump-sum advance is made by the merchant cash advance service provider to a business (the merchant) in exchange for an agreed upon percentage of future credit and/or debit card receivables. This article investigates the taxation consequences of merchant cash advance transactions in South Africa, in an attempt to provide guidance which is currently lacking. Although it is posited that a merchant cash advance is a form of debt factoring, the income tax treatment of the initial advance and the resulting discount reflect that of a loan. Through the investigation it was determined that merchants will be able to deduct the discount and processing fees from income. The merchant cash advance service provider will include such discount and processing fee in 'gross income'. The initial advance and any resulting discount are held to be a 'financial service' and therefore an exempt supply for VAT purposes, with the processing fee constituting a taxable supply.



Rudie Nel

In addition Rudie Nel co-authored an article with Herman Viviers, a former colleague at the School of Accountancy, titled "Exploring Tax Options to Curb Excessive Gambling in South Africa" which was published in the *Journal of Economics*. Since 2010, the South African government has made various proposals to impose a gambling tax with the objective of discouraging excessive gambling in South Africa. Although the South African gambling industry is already subject to various taxes on both a national and a provincial level, the final proposal was to introduce a national gambling tax based on gambling revenue to be charged at an additional one percent levy on a uniform provincial gambling tax base. Exploratory research was conducted to explore five different tax options by measuring it against the qualities of good tax policy to conclude on their ability to discourage excessive gambling. The article concludes by recommending the option, namely, to levy an excise tax upon gambling tickets, chips and tokens sold. This option reflects the qualities of good tax policy and might, in principle, support the objective of discouraging excessive gambling.

Mareli Dippenaar published an article titled "Tax Instruments Applied In Selected Developing Countries To Reduce Emissions From Electricity Generation – Recommendations For South Africa" in Volume 14(3) of the *International Business & Economics Research Journal*. The objective of the study was to compare the tax instruments (both incentives and disincentives) applied in selected developing countries (four BRICS countries, namely South Africa, China, Brazil and India) to reduce their emissions from electricity generation, in an attempt to identify areas for possible improvement or expansion in South Africa. Increased renewable energy, energy efficiency and research and development relating to these fields can contribute to the reduction of emissions resulting from electricity generation. A number of similar tax incentives were identified in the countries, the majority of which appear to be more beneficial in the comparative countries than in South Africa. It could be worth considering improving some of the existing incentives in South Africa to be more beneficial to taxpayers. In addition, a number of tax instruments that are applied in some of the comparative countries, were identified and suggested for consideration by the South African government.



Mareli Dippenaar

In addition Mareli Dippenaar co-authored an article with Rudie Nel titled "The Focus Of Tax Instruments In Reducing Emissions From Electricity Generation In Selected Developing Countries" which was also published in *International Business & Economics Research Journal*, Volume 14(1). The objective of the study was to determine the primary focus of selected developing countries (four BRICS countries; namely, Brazil, China, India and South Africa) in applying tax instruments to reduce their emissions from electricity generation. The focus of tax instruments could be on supply or demand; incentives or disincentives; direct or indirect taxes; and renewable energy, energy efficiency or research and development in these fields. It was found that the tax instruments in South Africa and India focus almost equally on the supply and demand of electricity, while the tax instruments in China focus on the demand side and those in Brazil place slightly more emphasis on the supply side. The primary focus in all the countries studied appears to be the application of incentives, rather than disincentives and the focus of their tax incentives appears to fall equally on the application of direct and indirect taxes, with the exception of South Africa where hardly any indirect tax incentives are applied. Furthermore, there seems to be an almost equal focus on renewable energy, energy efficiency and research and development in the countries studied, with the exception of China where the number of tax instruments specifically aimed at energy efficiency significantly exceeds the number of instruments specifically aimed at renewable energy and research and development. Based on the findings, Brazil does not apply tax instruments to target energy efficiency.



Danielle van Wyk

Mareli Dippenaar and Danielle van Wyk's article titled "Analysis: investment in subsidiaries, joint ventures and associates" was published in the July 2015 edition of Accountancy SA. The International Accounting Standards Board (IASB) recently amended IAS 27: Separate Financial Statements (IAS 27), which now gives entities the option to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. The IAS 27 amendments (effective for annual periods beginning on or after 1 January 2016) will assist some jurisdictions to move to International Financial Reporting Standards (IFRS) for separate financial statements, which will reduce compliance costs without reducing the information available to investors. Accounting for investments in subsidiaries, joint ventures or associates using the equity method provides more informative reporting of the investor's net assets and profit or loss. Where local regulations require the use of the equity method, it is likely that entities will also choose the equity method in their IFRS financial statements, because of the cost-effectiveness thereof. Selecting the equity method for investments in subsidiaries, joint ventures and associates is generally expected to result in the same net assets and profit or loss attributable to the owners as in the entity's consolidated financial statements.



Soon Nel

Soon Nel wrote an article entitled "An optimal peer group selection strategy for multiples-based modeling in the South African equity market", which appeared in the June 2015 issue of the *Journal of Economic and Behavioral Studies*. This evidence in the paper highlighted the lack of empirical guidance on an optimal peer group selection strategy, which is a key consideration when performing multiples-based valuations. The paper employed Principal Component Analysis-based biplots and correlation monoplots to assess the valuation performance of multiples whose peer groups are based on either industry classification or valuation fundamentals. The evidence suggests that multiples whose peer groups are based on valuation fundamentals outperform multiples whose peer groups are based on industry classifications, with a combination of valuation fundamentals Revenue growth and Return on Equity emerging as the optimal peer group variable. The evidence suggests that an optimal choice of peer group variable could secure an increase in valuation precision of as much as 41.77%.

Soon also presented a paper entitled "A multi-factor approach to equity valuations" at the *Annual American Business Research Conference* in July 2015 in New York, USA. This study tested the relative valuation performance of multi-factor valuation models in the South African equity market. The findings confirmed that multi-factor models produced valuations that were substantially more accurate than those of traditional multiples models for the period between 2001 and 2010. In addition, the superior valuation performance of multi-factor valuation models over traditional multiples models remained consistent over this time period. In light of the fact that analysts' reports typically contain numerous multiples, it seems sensible to consider the inclusion of multi-factor valuation models in these reports. Soon is in the process of finalising this presentation for publication in an NRF-accredited international journal.



Sybil Smit

Sybil Smit and Gretha Steenkamp published an article titled "The competencies developed in an undergraduate Accounting course before SAICA's Competency Framework was effective: a student's perspective" in Volume 8(2) of the *Journal of Economic and Financial Sciences (JEFS)*. SAICA developed a competency framework prescribing competencies a chartered accountant should master before qualifying. These competencies include compulsory, elective and residual skills (this study focused on compulsory skills: accounting and external reporting as well as pervasive skills). SAICA also issued guidance for academic programmes, detailing how competencies should be developed during academic training. Therefore South African universities should evaluate their academic programmes to ensure compliance with the guidance. The objectives of this study were (1) to determine the extent that an academic programme at a university (before the effective date of the guidance) had developed the compulsory skills and (2) to propose changes to the academic programme in underdeveloped areas. It was found that most skills were addressed in the academic programme, but certain pervasive skills (leadership, innovation, understanding the environment, teamwork and communication) had not been well developed. Solutions include additional subjects, case studies, group work, and practical examples.



Gretha Steenkamp

Gretha Steenkamp co-authored an article with Petra Warffemius and Lukas Kruger. Their article, titled "SAICA's Academic Traineeship Programme: Would guidelines facilitate focused skills development?" was published in Volume 8(2) of the *Journal of Economic and Financial Sciences*. The South African Institute of Chartered Accountants (SAICA) developed the Academic Traineeship Programme (ATP) to give trainee chartered accountants (CAs) the opportunity to complete one of their three training years in an academic environment. The structure and guidelines of the ATP should be reconsidered



given changes in the overall CA (SA) Training Programme (e.g. increased focus on the development of the prescribed competencies, especially pervasive skills) and in the academic environment (e.g. increased emphasis on research). This article presents the findings of a study that surveyed current academic trainees and found that they spend most of their time on the presentation of tutorials, marking of assessments and student consultation. The surveyed academic trainees believe that stricter guidelines for how they spend their time would be beneficial; also, they would prefer to do more lecturing and research. Guidelines are proposed based on an inclusive stakeholder model and on SAICA's Competency Framework, which shows increased focus on research and the setting of assessments.

Gretha co-authored an article with **Alwyn Visser**. The article titled "Explicit reading time in chartered accountancy examinations: perceptions of students and lecturers" was accepted for publication in *SA Journal of Accounting Research*. In 2011 the South African Institute of Chartered Accountants (SAICA) changed the structure of the first qualifying examination to include explicit reading time, during which candidates are given the scenario(s) of the paper without giving them the "Required" section. This paper investigated the perceptions of students and lecturers regarding explicit reading time, specifically focussing on how reading time should be spent and whether the "Required" section should be made available to students during reading time. Most students and lecturers find reading time to be beneficial and/or useful. Both groups think it should be spent reading the scenario and making short annotations. The respondents to the questionnaire also felt that the "Required" section should be made available to students during reading time.



Alwyn Visser

Sophia Brink het 'n artikel getiteld "An evaluation of the income tax treatment of client loyalty programme transactions by South African suppliers." geskryf, wat in Volume 8(1) van die *Journal of Economic & Financial Sciences (JEF) Volume 8(1)* gepubliseer is. Hierdie navorsing het op die beurt weer op die kliënteloyaliteitsprogramverskaffer (in plaas van die verbruiker) gefokus. Die hoofdoel van die artikel was om te bepaal of Suid-Afrikaanse kliënteloyaliteitsprogramverskaffers kliënteloyaliteitsprogramtransaksies korrek vir inkomstebelastingdoeleindes hanteer. Die voorgestelde korrekte inkomstebelastinghantering is met 'n opname, wat aan 'n populasie kliënteloyaliteitsprogramverskaffers gesirkuleer is, vergelyk. Die vergelyking het aangedui dat die hantering van kliënteloyaliteitsprogramtransaksies in die praktyk van die voorgestelde korrekte inkomstebelastinghantering verskil. Verder is bevind dat hierdie verkeerde inkomstebelastinghantering van kliënteloyaliteitsprogramtransaksies tot 'n finansiële verlies vir die kliënteloyaliteitsprogramverskaffer kan lei. 'n Verkorte weergawe van hierdie artikel, getiteld "Income tax treatment of client loyalty programme transactions" is ook in Volume 48(1) van die populêre tydskrif *Tax Talk Magazine* gepubliseer.



Sophia Brink

'n Artikel getiteld "Inkomstebelastinghantering van kliënteloyaliteitsprogramtransaksies in Suid-Afrika" vanuit Sophia Brink se tesis vir haar meestersgraad in belasting is by die SAAA streekskonferensie aangebied en het die beste belastingnavorsingsprys by die konferensie gewen (haar studieleier, Herman Viviers, het die aanbieding behartig). Die hoofdoel van hierdie navorsing was om ondersoek in te stel of die bestaande bepaling in die Inkomstebelastingwet Nr. 58 van 1962 en verwante plaaslike sowel as internasionale regspraak 'n basis bied, al dan nie, vir die belasbaarheid van 'n kliënteloyaliteitsprogramtransaksie in die hande van die Suid-Afrikaanse verbruiker as natuurlike persoon. Daar is bevind dat wanneer die verbruiker punte of myle verdien of 'n kontanterugbewys ontvang, daar aan al die vereistes van die 'bruto inkomste' definisie voldoen word (ongeachtig die wyse waarop die punte of myle van kontanterugbewys aangewend word) en dat die waarde van die punte of myle van kontanterugbewyse by die verbruiker se bruto inkomste ingesluit moet word.

Over the past couple of years, **Riaan Rudman** has developed a keen interest in understanding the risks internet users expose themselves to when using the internet and how the evolution of the internet has impacted on these risks and how these risks can be mitigated. To highlight the relevance of this research area, he published an article in *wattnow*, an engineering popular magazine.

Most recently he published two articles in the internationally accredited journal, *Journal of Applied Business Research*, titled "The influence of knowing Web 2.0 risks and controls on Web 2.0 usage and security practices of online users", and "Web 3.0: Governance, Risk and Safeguard". In the first article he investigated the online usage patterns and awareness levels of the risks and controls associated with Web 2.0 by educated and uneducated internet users. He found that the level of awareness of online risks and controls of both populations were relatively high with no significant differences.



Riaan Rudman

Contrary to expectation, the level of usage; types of Web 2.0 technologies; types of risks; and the manner and frequency of sharing of information by the two populations were not found to differ significantly. The research highlights that even though being educated about the risks and controls in Web 2.0, educated users do not take these risks and controls into consideration in their personal life when interacting with Web 2.0.

Realising that the internet is evolving, in the second article he investigated the risks an organisation will be exposed to when interacting with Web 3.0 technologies. From the static informative characteristics of Web 1.0, it progressed into the interactive experience Web 2.0 provides. The next phase of internet evolution, Web 3.0, is already in progress. Web 3.0 entails an integrated Web experience where the machine will be able to understand and catalogue data in a manner similar to humans. The article provides insight into the risks arising from the use of Web 3.0, and to recommend possible safeguards to mitigate these risks to an acceptable level.

The evolution of the internet and social media not only impact the business world; it has had a significant impact on research, and the research environment. Most notably in the future, social media tools such as *ResearchGate*, *Altmetric*, *Academia.edu*, *Klout* and the digital footprint an academic has will have a significant impact on how researchers behave, how they are rated, how they make their research findings available, etc. Riaan made a presentation titled "My analog self in a digital (2.0) world" at the *Library week* which highlighted the impact of social media in a modern academic environment, and made recommendation on how an academic must manage their online identity in a digital world.

Considering the changing environments, he further wrote a couple of articles in various popular publications dealing with change educationally, as well as in a professional environment, and improving leadership skills in a business context. Most notably was an article co-authored with Martinette Nieuwoudt titled "Leading change while creating value" in *Accountancy SA*. This theme of change management was extended to publication on how to improve efficiencies in the audit environment.

Riaan presented his research at various local and international conferences on topics ranging from implementing IT governance at the Value conference to multiple papers about the lessons learnt while incorporating experiential learning techniques into the class room at the *Conference on the Scholarship of Teaching and Learning*. He was awarded the prize for best paper in the field of Accounting at an international conference held in Orlando (Florida), titled "Making the change from passive to active learning using a management accounting group work simulation as an educational tool". Another paper titled "When auditing and social media meet: lessons learnt" was awarded the prize for best paper in session at the 2015 International Academic Business Conference in Las Vegas. Riaan also co-presented other papers with Natasha Sexton and Lize-Marie Sahd.

Mr. Rudman was involved in the publication of two academic textbooks, titled "Auditing fundamentals in a South African Context" and the supporting teaching tool "Auditing fundamentals in a South African context: Graded Questions". He is also involved in developing online material for Oxford University Press.

Riaan Rudman is currently supervising three students completing their Masters in Computer Auditing researching next generation technologies and co-presenting the course due to commence in 2016. Riaan Rudman serves as a reviewer for various local and international accredited journals as well as serving on the organising committee of an international conference.

Martinette Nieuwoudt published her first article titled "Leading change while creating value" in the March 2015 edition of *Accountancy SA*. Ms. Nieuwoudt argued that organisations implement change programmes for various reasons, whether the change program has the objective of introducing change in the direction of company; rejuvenate corporate image, as a results of new market development, or a need for organisational structural or process change, the main underlying principle is to create value. Yet only 30 percent of change initiatives succeed and generate the intended value mainly because organisations pay a lot of attention to the form of the organisation's design or vision of what the renewed organisation could be, but pay much less attention when it comes to the actual implementation of the change. Organisations tend to accelerate the pace of implementation without keeping in mind that good change is evolutionary and that the change process is driven by employees.



Martinette Nieuwoudt



Employee distraction, demoralisation and resistance to change have a significantly greater negative impact in the success of change initiatives than insufficient resources. She proposes that in order to manage the implementation of many different improvement initiatives and to keep the organisation's energy levels high, four critical success factors, each driven by people, must be in place. These include:

- Setting a clear theme, vision or objective at different levels and with different timelines to be achieved.
- Building ownership by giving employees responsibility and holding them accountable.
- Taking time before implementing change, thinking about the business, its current and future needs, as well as thinking about the implementation process.
- Building a measurement matrix that looks at key business outcomes; operational improvements and health indicators needed to determine whether value has been created.

She argues that if change programmes are implemented correctly, value is created. Leadership with a clear vision and a change in mind-set is required. This article was co-authored by Riaan Rudman.

After completing her MComm (Computer Auditing) Cum Laude in March 2015, Lize-Marie Sahd wrote an article from her thesis, titled "Significant risks relating to mobile technology", that has been accepted for publication in the *Journal of Economic and Financial Sciences*. According to her research, the consumerisation of mobile technology is driving the large-scale adoption of mobile solutions in business models. Each component of mobile technology, however, introduces specific risks into the enterprise and those charged with governance are often unaware of all the risks they are exposed to. The research addresses this problem by using the processes of Control Objectives for Information and Related Technology (COBIT) to identify the significant risks introduced by mobile technology and linking these risks to the components of the technology. The resulting risk matrix determines an enterprise's risk exposure given its mobile technology component landscape and identifies the most effective technology to deploy given the enterprise risk tolerance levels. The matrix also promotes improved alignment through the development of IT governance systems that correlate with business strategies and by using the understanding of IT capabilities to drive business strategies.



Lize-Marie Sahd

Lize-Marie presented at her first conference, the *Conference on the Scholarship of Teaching and Learning* held at Spier, Stellenbosch on 27/28 October 2015. She presented a paper titled: "Is supervision teaching?" The paper was co-presented with Riaan Rudman. The paper investigated the perceptions of the role of supervisors and the supervision models assumed by supervisors in 'teaching' postgraduate students during the supervision process. The presentation reported on feedback from interviews that were conducted with experienced supervisors in various fields and faculties regarding their perspectives of supervision, the role of supervisors and the model of supervision they employ. The research found that supervisors perceive their role as educators, facilitators and teachers, and in some cases mentors. The most prevalent model of supervision employed is the one-on-one model, while younger supervisors are also starting to experiment with group sessions and hybrid approaches due to time constraints and workload pressures. The conclusion is made that whilst post-graduate supervision is regarded as a form of 'teaching', the fact that the supervision process is not as rigidly monitored, being a more flexible process, heavily dependent on supervisor and student personalities, more training and support is required for postgraduate supervisors to ensure that consistent standardised process is required across disciplines and degrees.

Natasha Sexton invested a significant amount of time in renewing the second year auditing lecturing material and introduced various experiential learning techniques introduced into lectures into the Auditing 288 course. She believes that all innovations that take place in the classroom must be driven by clear objectives and supported by proper re-evaluation and feedback. To this end, she, in conjunction with Mr. Riaan Rudman, gathered feedback on various aspects on the experiential learning techniques. The feedback regarding these experiential learning techniques were presented at local and international conferences. She presented two papers at the *Conference on the Scholarship of Teaching and Learning*. The first paper investigated the benefit of incorporating real world activities into the auditing class room by sending students out into the real world to identify internal control weaknesses and report on their findings and made recommendations on mitigating controls. The primary objective of this presentation was to determine whether having students engage in the world outside the classroom, contributes to a change in mind-set about auditing and the students' understanding of auditing. By being required to do the assignment in the real world, students became



Natasha Sexton

aware of the context, as well as the limitations, restrictions, and legal frameworks, in which they will operate as future auditors. She found students' real world experience enabled them to reflect better on their theoretical knowledge in a business context.

Many research studies have argued that the current generation of students want an interactive class experience, share what they have learned, engage with other students and have fun. Many international studies have argued that social media appears to be a teaching tool which can help achieve this, however incorporating social media into the learning environment can be challenging. None of these research studies considers the implications on the lecturer, nor the university when incorporating social media into an academic program. In another paper presented at the Conference on the Scholarship of Teaching and Learning, she reported on the constraints and factors which should be considered when endeavouring to implement experiential learning techniques which places significant reliance on social media into the auditing class room. The primary objective of presentation was to report back on lessons learnt during the rollout of the assignment and highlight the constraints and practicalities of such an assignment from the educator's perspective. She concluded by warning that using social media in a class room imposes significant risks on a lecturer, their department and institution involved and should not be used without due consideration.

Another paper that investigated the lessons learnt, benefits and constraints of incorporating social media into a large classroom context compared the other studies which have been conducted on the use of social media with a smaller group context was awarded the prize for best paper in session at the 2015 *International Academic Business Conference in Las Vegas*. The paper argued that an accounting course is significantly different in terms of inter alia size, nature, content and structure to other courses with fewer students and that the benefits and constraints for incorporating social media into course with a large number of students are not the same when social media is used in a class with a small number of students. The findings highlight various benefits and constraints not previously considered by other research studies.

Natasha is currently completing the research component of her Masters in Computer Auditing. She is investigating a framework which can be used to assist auditors in modifying the audit process to take the developments in the information technology landscape into account.



Wandí van Renen

Wandí van Renen published an article "Proposed Practices to Mitigate Significant Mobility Security Risks" that was co-authored by Karlien Brand and Riaan Rudman in Volume 14(1) of the *International Business & Economics Research Journal*. Enterprise mobility is emerging as a fast-growing trend worldwide. Numerous risks originate from using mobile devices for business-related tasks and most of these risks pose a significant security threat to organisations' information. Information Technology (IT) governance frameworks can provide guidance in managing these risks at a strategic level, but these frameworks do not effectively govern on a technical operational level. Implementation of these frameworks may also be inefficient, as they are generic and do not necessarily cover all the risks relating to a specific technology. This study provided organisations with guidance on how to govern these enterprise mobility security risks in an effective manner at both a strategic and an operational level. Using three IT governance frameworks, this study identified 12 practices that companies can employ to mitigate significant mobility security risks.

Wandí again collaborated with Riaan Rudman and published another article titled "Gamify your business: Is your organisation ready to play?" in the March 2015 edition of *Accountancy SA*. In this article an overview of gamification was given and a couple of uses. A few challenges that hindered implementation was also provided. Gamification is about tailoring IT and systems to the need of a new generation of employees (Generation Y, also known as Millennials, those born between about 1980 and 2000), young professionals and customers and to find out how they work, learn and interact with others. It takes a lot more effort to intrigue and motivate Generation Y as they are not motivated by money and power. For this reason work, training and work-related activities should be fun, colourful and rewarding. A good example of gamification is loyalty programmes. One challenge of gamification is when gaming is used as part of e-commerce, the same challenges (such as legal, logistical, financial and cultural difference due to global reach that makes it difficult to determine jurisdiction, supply chain structure and payment methods) that usually impact e-commerce, also influence gaming. Security issues are also high on the list owing to the variety of open platforms used.





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