

AUDIT PERSPECTIVES

NURTURING TALENT THROUGH OUR TRAINEE AUDITOR SCHEME



Mlungisi Mabaso is the chief people officer at the Auditor-General of South Africa (AGSA). He holds a Master's Diploma in Human Resources and is responsible for the people portfolio, which includes the people and organisation effectiveness (POE) and the business support and operations (BSO) business units.

Our audit professional membership profile has grown over the years, increasing from 1 184 in 2018 to 1 241 in 2019 due to the retention of newly-qualified trainee auditors (TAs).

AGSA learnership programmes (Saica and Saiga)

Considering its growth over the years, our TA scheme is evidently not only a significant segment of the organisation, but also central to the organisation's business model and talent pipeline, and thus, crucial to the organisation's long-term sustainability and short-term success. Consequently, the realisation of our 4V strategy does, to a large extent, hinge on the effectiveness of the TA scheme. It is structured to provide invaluable business perspectives that open up countless opportunities for personal and professional growth to young professionals.

As we continue our mission to professionalise our office and the public sector at large by training chartered accountants in South Africa [CAs(-SA)], we are very proud to have reached a significant milestone of 1 000 CAs(SA) that progressed through our training programme. This achievement also bears testimony to our efforts to contribute towards transforming the accounting and auditing profession in the country – with more than 90% of them coming from previously disadvantaged backgrounds. Recognising great talent developed internally, the AGSA continues to retain a high percentage of professionals who qualify with a CA(SA) – 65% last year. We are also proud that professionals produced through our South African Institute of Chartered Accountants (Saica) learnership programme have been sought-after by outside employers, both in the private and the public sectors.

Along with the great strides in developing professionals, we have also noted with concern the decline in the Initial Test of Compliance (ITC) pass rate. Concerted efforts have already been made to identify the contributing factors and discussions have begun with identified universities. From the analysis of the Assessment of Professional Competence (APC) results, it was evident that African candidates did not perform well in the recent exams. The national pass rate for African candidates who wrote this exam was 48% while the overall pass rate for all candidates was 68%. We are engaging with relevant stakeholders (Saica, African Women Chartered Accountants, Association for the Advancement of Black Accountants of Southern Africa, Accounting Professional

Training, and others) in the profession to collectively diagnose the problem and find a sustainable solution and action plans, with specific support in the short term for the exam that will be written in November 2019.

Our accreditation by Saica as a training office can be likened to our "licence to trade" for our CA(SA) learnership programme. We continue to focus on ensuring that the training office environment complies with the regulations prescribed by Saica as the professional body.

Another learnership programme that we run is the Southern African Institute of Government Auditors (Saiga) learnership. As a professional institute, Saiga registers a unique brand of professionals, the Registered Government Auditor (RGA), who are specifically equipped to audit in the public sector. The Saiga learnership's final qualifying exam (FQE) was written in November 2018 by 15 Saiga trainee auditors: 13 (87%) were successful.

University career fairs

There is a reason for the AGSA being voted the Most Exciting Employer to Work For at the Wits Accounting Career Fair 2019 – we provide a challenging but inclusive and enjoyable workplace and a career path where TAs can develop and grow as successful individuals. Recruitment at university career fairs is a significant feeder to our TA scheme. Our graduate recruitment efforts in 2018 resulted in us appointing 235 trainees with a Certificate in the Theory of Accounting (CTA). These trainees began their TA articleship in January and February 2019. This is a significant increase of the in-take of trainees with a CTA qualification, compared to last year.

Thuthuka bursary fund

The AGSA is a funder and beneficiary of the Saica Thuthuka Bursary Fund (TBF) and contributes funds to the TBF for university students who are pursuing studies to qualify as CAs(SA). On completing their tertiary studies, they join the AGSA as audit trainees, which provides a healthy talent pipeline for our future professionals. Funding for the academic year 2019 is R15 996 500 for 230 students on the TBF programme. The benefit for the AGSA translated to an allocation of 64 trainee auditors with CTA, who commenced their articles with the AGSA in January 2019.

External bursary

The AGSA provides external bursaries to potential AGSA employees who want to pursue a career in the accounting and auditing professions. Currently, we have 130 bursary holders at different universities across the country. A total of 31 bursary students were appointed to our trainee auditor scheme in 2019.

Centenary scholarship fund

In 2011 when the AGSA turned 100 years, we launched a one-off centenary scholarship fund to

afford previously disadvantaged South Africans an opportunity to study accounting at higher learning institutions in South Africa. The scholarship was awarded to 32 deserving students who were in matric that year. These beneficiaries were drawn from each of the nine provinces with a specific focus on rural areas. Of the 32 students, 18 have completed their post-graduate qualification and entered our trainee auditor scheme while others are still completing their studies. These 18 students are currently serving their learnerships in different business units.

Alumni programme

We are conceptualising an alumni programme – a new network to give our alumni an institutional connection to the organisation. More broadly, to highlight the AGSA as an employer of choice, it is important to maintain good relationships with AGSA alumni as they represent the institution's most enduring constituency. Reconnecting with AGSA alumni will create the potential to establish them as AGSA 'ambassadors' and provide the much needed external talent pool for the organisation.

In conclusion

Our TAs realise that working for this organisation is a vocation. It is not about how quickly you are going to make money as a CA or other professional, but rather about wanting to be part of a solution for our country. You may not realise it when you start, but we are here to answer that calling with a strong mandate to strengthen our country's democracy through auditing.

Total AGSA CAs(SA) since the AGSA TA scheme's inception		
	MALE	FEMALE
African	328	378
Coloured	56	39
Indian	8	13
White	45	33
Foreign	53	56
	<u>490</u>	<u>519</u>

The AGSA continues to advance its agenda of transforming the accounting and auditing profession by increasing the number of qualified black chartered accountants in the country. The figures below are an indication of the progress made by the AGSA through its trainee auditor programme since its inception in 1999.



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence