

+ The Annual Report



Annual newsletter of the School of Accountancy
Jaarlikse nuusbrieff van die Skool vir Rekeningkunde
Isidigimi seendaba sonyaka seSikolo soCwanganiso-mail

2020

*overcoming the
(virtually) impossible*

V o l 2 4 : 2 0 2 0 | I S S N 1 6 8 3 - 1 7 1 3



Don't wait.
Act.

You don't join Mazars by coincidence, you choose Mazars: a global school of excellence where you will be challenged to develop and grow. Progression is tied to education, empowering you to match your career to your aspirations both within and outside our firm. We expect your contribution to what Mazars and our clients do next and reward your ingenuity. Come and write the rest of (y)our story with us – you'll make friends along the way too.

Mazars, the smart choice.

Our careers:

Audit & assurance
Consulting
Financial advisory
Outsourcing
Privately owned business services
Sustainability
Tax

www.mazarscareers.co.za

Inhoud / Contents

Nuus / News

Ons leierspan	2
ITC results	5
Work and life – it's a matter of balance	9
Onderrig in die tyd van Corona	17
The 2020 academic trainees	25
Yvette Diedericks: gone too soon	26
Anzél is weer terug in die Boland	29
Staff news	31
O so sosiaal	32
Wheels of change	34
Inaugural summer school for FinAcc 188	36

Aktueel / Current Affairs

IFRS 15 leaves CCR programmes in the dark	6
COVID-19 tax relief measures and the impact on tax collections	11
Jump... an emergency leap to online teaching	13
Working from home or living at work?	16
Strategic lessons from COVID-19	18
4IR: changing the value of the auditor	27
Executive share-based remuneration – an appropriate incentive or not?	33
4IR: is SA Incorporated ready?	35
Ticketing fraud: a blockchain solution	37

Studente / Students

Rektorstoekennings	5
Keep on keeping on	19
Thuthuka 2020	20
Topstudente 2019	28

Navorsing / Research

39

The Annual Report 2020 Editorial Team:

Andrea Herron (aherron@sun.ac.za)
Lize-Marie Sahd (lsahd@sun.ac.za)

Photos: Riana Goosen

Design & Print: African Sunmedia

+ Reflecting on 2020...

When President Ramaphosa announced the National State of Disaster on 15 March 2020, the future of business and higher education in South Africa changed forever. Colleagues in the School of Accountancy (SoA) were suddenly required to work from home instead of in the office. The coterminous move to Emergency Remote Teaching, Learning and Assessment involved that traditional face-to-face lectures and venue-based assessments were not possible. Staff and students were faced with varying degrees of challenges: having to learn, unlearn and relearn significantly in a short space of time. Lecturers who had not used technology-based teaching tools before, have had to learn how to make voice notes and podcasts, videos and many online learning tools.

If you had asked me whether I anticipated the extent of the changes required when all this started, my answer would be a definite "no". When I reflect on the period since it started, I am still astounded by and utterly thankful for how much has changed and how colleagues and students have adapted to what I believe is a new reality for the future. We have shown that we are actually capable of "building the surfboard while riding the wave for the first time"! We might all be in the same storm, but we are certainly not all in the same boat. Some of us are on large cruise liners with stabilisers, that can weather storms with quite some ease, whereas others are on small fishing boats that are not built for storms as severe as COVID-19. I have only the greatest respect for and pride in all my colleagues in what has become affectionately known as the "SO A-Team": the SoA has once again proven its resilience in difficult times. Nowadays I often think back to how I experienced the same resilience, agility and adaptability of the team after the devastating Van der Sterr fire in 2015. Of course, the same applies for our students: as future accountants and business leaders, this type of agility and adaptability will be a key attribute that they will have to demonstrate in the world of work.

How does this bode for the future of the SoA? I do not think we will ever go back to a world, or higher education space, that works exactly as they did prior to COVID-19. Whereas COVID-19 clearly brought with it many challenges, I do believe that it has also created opportunities for us to think anew and creatively about how and where we teach, learn, assess and also perform our administrative and support functions after COVID-19. We have created a lot of digital learning material that now offers us the opportunity to reuse it to "flip the classroom" and introduce hybrid learning to a much larger extent and at a much faster pace than what we have generally been doing until recently. This offers the opportunity to use contact time in classes for more higher-order learning activities. We have also adapted our administrative and support processes innovatively, with much of this now available for continuation post-COVID-19.

continues on page 2...



Prof. Pieter von Wielligh
Director of the School of Accountancy

continues from page 1...

We have to grab these opportunities and embrace the potential for change. If we do not, much of the positive aspects and the hard work that went into creating them, will be lost to us and our future students. Now is the time for out-of-the-box thinking and new ideas: this is how the SoA will ensure that what we do remains highly relevant in the future and that we achieve our vision of being the first choice of the prospective students of tomorrow. I wholeheartedly agree with Roy T Bennett, who believes that “you never change your life until you step out of your comfort zone; change begins at the end of your comfort zone.”

It has been an amazing challenge, opportunity, privilege and honour to lead the SO A-Team during the past year and I look forward to doing so for the rest of my term as Director

- Prof. Pieter von Wielligh.

Director of the School of Accountancy

+ Ons leierspan

Drie nuwe adjunkdirekteure is met die ingang van 1 Januarie 2020 aangestel. *The Annual Report* het by die adjunkdirekteure gaan uitvind wat hulle visies vir die onderskeie portefeuljes is, en grootste uitdagings gedurende 2020 was.

Jy is nuut aangestel as Adjunkdirekteur: Leer en onderrig. Wat was die invloed van die COVID-19 pandemie op leer en onderrig hierdie jaar en wat was die grootste uitdaging?



Prof. Kobus van Schalkwyk

Die COVID-19 pandemie het 'n baie groot invloed op leer en onderrig in die Skool vir Rekeningkunde (SvR) gehad. Die SvR se onderrigmodel moes heeltemal aangepas word. Tradisioneel is van die SvR se sterkste punte die kwaliteit van lesings deur topgehalte dosente en die beskikbaarheid van dosente vir studentekonsultasies. Die inperkings weens die COVID-19 pandemie het veroorsaak dat “Emergency Remote Teaching” toegepas moes word. Dosente moes van die huis af begin werk en binne 'n kwessie van bietjie meer as 'n maand begin om leermateriaal elektronies aan studente beskikbaar te stel. “Emergency remote teaching” was 'n groot uitdaging vir dosente, maar 'n veel groter uitdaging vir studente wat aan die begin van die 2020 akademiese jaar klasse in lesinglokaal aan 'n residensiële universiteit as vanselfsprekend aanvaar het. Die grootste uitdaging was waarskynlik aanlyn assesserings. Dosente moes die integriteit van assesserings sover moontlik beskerm. Assesserings wat studente tuis moes aflê, het groot aansprake op studente se etiese ingesteldheid gemaak. Ons staan nou baie naby aan die einde van die 2020 akademiese jaar en die doelwit om die akademiese jaar teen die einde van die jaar af te handel, is binne bereik. Dosente en studente kan met reg trots wees op wat hulle onder baie moeilike omstandighede bereik het.

Jy is nuut aangestel as Adjunkdirekteur: Navorsing. Wat is jou visie vir jou portefeulje?



Dr George Nel

Op die medium- tot langtermyn is dit my wens dat die Skool vir Rekeningkunde (SvR) haarself by wyse van 'n navorsingsentrum as 'n nasionale- en internasionale navorsingsleier sal vestig, om sodoende beide die eerste keuse tersiêre onderriginstelling te wees vir nagraadse magister en doktrale studente in die veld, maar ook om erkenning te geniet as kenner op die gebied in die praktyk. Met dit ten doel, het ons onder andere in 2020 'n 5-jaar strategiese navorsingsplan opgestel om bogenoemde te fasiliteer en te ondersteun. Ter bereiking hiervan, is dit my hoop dat ons personeel in die korttermyn alle geleenthede om hulle kwalitatiewe en kwantitatiewe navorsingsvaardighede uit te bou sal aangryp, en dat ons sal voortbou aan 'n konstruktiewe navorsingskultuur waarin personeel toenemend sal saamwerk in navorsingsgroepe; nie net as aanmoediging en ondersteuning van nuut-aangestelde dosente nie, maar ook om die nodige sinergie te ontsluit wat nodig is om navorsingsuitsette te lewer wat 'n hoë-impak, leidinggewende rol in die samelewing sal speel.

You are newly appointed as Deputy Director: Social Impact and Transformation. What is the vision for your portfolio?



Prof. Riaan Rudman

The vision for the social impact and transformation portfolio cannot be “my” vision or “my” portfolio. It is about people. For societal change, in any form, to take place, it is necessary to realise it is “our” vision... the vision of all SoA stakeholders. A shared vision starts with the Stellenbosch University Vision 2040 which is to be ‘Africa’s leading research-intensive university, globally recognised as excellent, inclusive and innovative. This vision and aspiration is to be realised via a transformed and integrated academic community celebrating critical thinking, promoting debate and is committed to democracy, human rights and social justice with an outward, international and future focus’. The vision of the School contains three relevant elements: having a transformed student body, a transformed team of colleagues as well as making a tangible social impact. It is my intent to operationalise the Vision 2040; create a shared understanding and make a societal impact through the activities of the school by leveraging off stakeholders with the necessary skillsets; influencing others, and taking a holistic approach within the context and constraints of the SoA, Stellenbosch University, the accountancy profession and national imperatives.

You're in the numbers game, but that does not mean that you have to be one.

Step into a bright future.

LDP is a renowned practice of business advisors, accountants and auditors and offers exciting opportunities for graduates looking to do their traineeship and gain experience in a wide range of disciplines!



COMPLETE RANGE OF TRAINING PROGRAMS

We offer traineeships in SAICA, SAIPA and CIMA



ESTABLISHED FIRM

More than 25 years of experience as business advisors, accountants and auditors



FOCUSED ON UNLOCKING YOUR POTENTIAL

Specialised training, individual attention and the opportunity to gain exceptional experience from a wide range of clients



STELLENBOSCH LIFESTYLE

Vibrant food, wine, art, music, and breath-taking natural scenery.

Keen to join our team?

Submit your CV via our website or send your CV to careers@ldp.co.za



Deloitte.



Be more.
Be bold enough to seize the opportunity.
Be Invincible.

What impact will you make?
www.joindeloitte.co.za

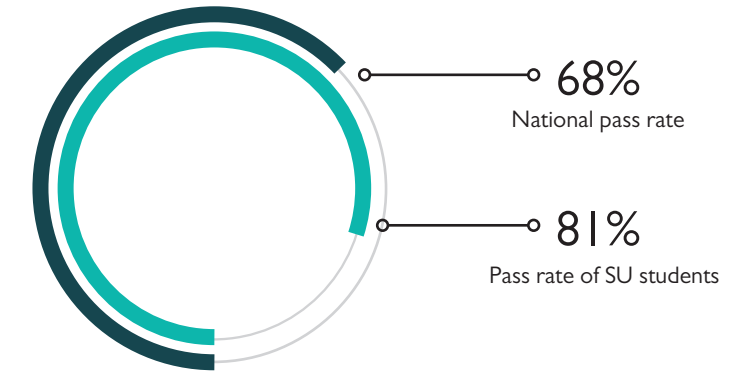


#FutureFacesOfDeloitte

© 2019. For information, contact Deloitte Touche Tohmatsu Limited

+ {ITC results}

BAccHons students of the School of Accountancy of 2019 wrote the 2020 Initial Test of Competence (first professional examination) of the South African Institute of Chartered Accountants (SAICA) in January 2020.



310

students wrote
the examination
– a record number for the
School of Accountancy

**THIRD HIGHEST
NUMBER**

of students who wrote the examination of
the residential universities of South Africa



SU is third place amongst
the 16 SAICA nationally
accredited universities

SU HAD THE THIRD LARGEST NUMBER OF CANDIDATES PASSING
THE EXAMINATION OF ALL RESIDENTIAL UNIVERSITIES



+ Rektorstoekennings



rofessor Wim de Villiers, rektor van die Universiteit van Stellenbosch (US) het Rektorstoekennings vir Uitnemende Prestasie aan topstudente van die US toegeken. 13 studente van die Fakulteit Ekonomiese en Bestuurswetenskappe is met rektorstoekennings vir uitnemendheid vir akademiese prestasie tydens 'n aanlyngeleentheid op Donderdag, 1 Oktober 2020, vereer:

[89] Hanne Mertens

[87] Jamie Stolk

[86.6] Willem Odendaal

[85.7] Benjamin Rayner

[84.4] Karo Van Zyl

[83.2] Cayley Tarr

[83] Tyron Cameron

[83] Meshaan Adelhelm

[81.7] Bianca Theron

[81.1] Kirsten Dennis

[80.8] Daniel Claassen

[80.2] Michael Steyn



**US-medalje vir top
Magisterstudent:**
Willem Wilken

Baie geluk aan al ons topstudente!



The concerns raised by CCRPs centred on the uncertainty as to whether CCRP transactions are included in the scope of the new revenue Standard (PricewaterhouseCoopers, 2012:15) and, if CCRPs did fall within the scope of IFRS 15, which revenue streams should be considered to determine the amount of revenue to be deferred (namely: the interchange fee, interest or a combination of the above).

Despite the above-mentioned concerns raised, the IASB decided against providing any additional guidance to CCRPs in IFRS 15. The IASB advised management to consider all the facts and circumstances when accounting for CCRPs, given the unique and varied nature of these complex agreements, and therefore left it to management's discretion to determine how to account for CCRP transactions (Ernst & Young, 2013).

Given that no clear guidance is provided, there are three possible accounting treatments for CCRP transactions, namely:

- i) In terms of IFRS 15: Allocate a portion of the consideration received (interchange fee) in respect of the initial sale to the award credits; recognising deferred revenue until the entity fulfils its obligations to deliver benefits to customers.
- ii) In terms of IAS 37: Recognise a provision for the future outflow as a result of the award credits granted, with the counter-entry being recognised as a marketing expense at the time of the initial sale.
- iii) In terms of IAS 37: Recognise a provision for the future outflow as a result of the award credits granted, with the counter-entry being recognised as a decrease in revenue at the time of the initial sale.

A potential problem arising from lack of guidance in IFRS 15 and the resultant three possible accounting treatments, is that similar CCRP transactions could be accounted for differently – leading to inconsistencies in the AFS of CCRPs and thereby decreasing the decision-usefulness of the financial information contained in AFS. In South Africa there are 13 CCRPs and from inspecting their AFS after the effective date of IFRS 15, it is evident that South African CCRPs apply different methods to account for CCRP transactions. The rand amount attributable to CCRP award credits are also substantial (for example, the award credits granted by FirstRand Limited amounted to R1 626 million in the 2018 financial year) and in some cases material.

+ *IFRS 15 leaves credit card rewards programmes in the dark*

Most credit card issuers offer their card holders participation in a customer loyalty programme. A credit card rewards programme (CCRP) can be defined as an incentive programme operated by credit card companies where a percentage of the amount spent on the credit card is paid back to the card holder in the form of award credits. As all South African companies operating CCRPs are listed, they need to comply with the International Financial Reporting Standards (IFRS)

to appropriately account for CCRP transactions in their annual financial statements (AFS). Before 1 January 2018, IFRS compliers applied the guidance contained in IFRIC 13 Customer Loyalty Programmes to account for the award credits granted in CCRP transactions. During May 2014, the IASB published IFRS 15 Revenue from Contracts with Customers which superseded all existing revenue Standards and Interpretations under IFRS, including IFRIC 13. In the process of compiling IFRS 15, the IASB received various concerns from CCRPs, given the lack of specific guidance contained in the new revenue Standard.

To ensure faithful representation and consistency between similar CCRP companies, a conceptual model for the accounting treatment of CCRP transactions post IFRS 15 needs to be developed and adopted by CCRPs.

*Sophia Brink – Senior Lecturer in Financial Accounting
(sophiabrink@sun.ac.za)*

References:
PricewaterhouseCoopers. 2012. Practical guide to IFRS: Revenue from contracts with customers: Responses to re-exposed proposals. [Available Online]; Ernst & Young. 2013. Revenue recognition for credit card rewards and in-substance real estate. [Available Online].



Sophia Brink

COVID-19:

A Corona-coaster of adapting, opportunities and challenges.

And baking...
we all started baking.

2020

The Corona-coaster took us completely by surprise. The year was one of great challenges: juggling a work-life-balance like never before; home-schooling our kids; standing in queues for groceries; working from home (or not being able to work at all); being isolated from human contact for weeks; developing and producing online teaching; self-driven online learning; changing business processes and strategies... the list goes on. But what we humans do exceptionally well, is adapt. We adapt under the most trying of circumstances because we focus on survival.

In this section we look at some of the ways in which the world around us has changed in the last few months, and more importantly, how we have adapted:

- *Work and life – it's a matter of balance!* This insert looks at the staff of the SoA's workstations at home and explores some new talents acquired during lockdown!
- *COVID-19 tax relief measures and the impact on tax collections.* We look at some of the specific effects that COVID-19 and resulting regulations have had on tax.
- *Jump... an emergency leap to online teaching.* This insert looks at how one of our modules adapted to and presented online teaching.
- *Working from home, or living at work?* We explore how an office culture can provide employees with valuable benefits that a work-from-home culture cannot replicate.
- *Onderrig in die tyd van Corona.* We celebrate our lecturers that have come out tops... even in the most trying of times!
- *Strategic lessons from COVID-19.* We consider the importance of flexible and digital strategies for your company.
- *Keep on keeping on.* Our students share their lockdown lives with us.
- *Thuthuka 2020.* Our Thuthuka students reflect on their year in 2020.

+ Work and life - it's a matter of balance!



Alwyn Visser (or Rafiki) holds the Lion King when he volunteered at a big cat sanctuary. And... yes... he baked.



Shaneen Conradie does some very creative interior decorating! The before and the very trendy after.



Nannette Botha spent much of lockdown on maternity leave. Back "at work" it remained a juggling act!



Eloise de Jager found some hidden talents! She had to learn the finer art of becoming a barber.

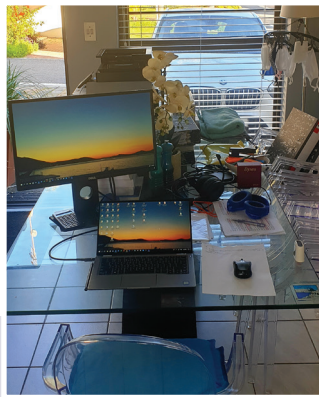


Maryke Wiesener discovered her talent for Duplo construction!

We will never surrender! A look at some of our home office spaces. And yes... families had to share spaces for many months, so most spaces were a little less than the traditional “home office”.



Remerta Basson (and son Lukas) hard at work. The joys.



Prof. Pieter von Wielligh's sleek office with a view!



Shaneen Conradie's work station is a bit of a family affair.



Arthur Bishop adhering to protocol – even at home!



Mareli Rossouw had to make a reeaalllyyyy small space work!



Maryke Wiesener had a biiiiiig screen to help make sense of it all!



Corinna Kirsten keeping her home office as organised as her office office!

To apply go to www.bgr.co.za

Customised SAICA and SAIPA training contracts focused on meeting each individual's unique needs.

Start your articles when you're ready:

- Immediately after Grade 12 and study part time (5 year contract)
- While completing your Honours Degree part time (3 year contract)
- After your studies are completed (3 year contract)



+ COVID -19 tax relief measures and the impact on tax collections

There is no doubt that 2020 will be remembered as the year when the COVID-19 pandemic hit the world. The pandemic caused a severe economic downturn globally, with a severe impact in Africa. The World Bank predicts that of all the African countries, South Africa, Nigeria and Angola will probably have been hit hardest.¹ The dramatic impact on South African tax collections has been noted in the media on several occasions.² In addition, countries announced much needed relief measures, which of course have had and will have a further negative impact on the fiscus.

This short article highlights some of the fiscal implications, recommendations by the African Tax Administration Forum (ATAF), as well as measures implemented by the South African Revenue Service (SARS).

COVID-19 implications: The impact on tax collections

In responding to the pandemic, and trying to contain the spread of the virus, limiting the impact on local health institutions and reducing the number of fatalities, countries have implemented different measures to try address the situation, including closing businesses, borders and prohibiting physical contact for residents. Due to strict lockdown regulations, many businesses across the world suffered significant financial losses, employees lost their jobs and in some countries extreme measures such as the prohibition of the sale/distribution of alcohol, tobacco etc. were imposed, as for example in South Africa.

The secondary effect of the measures implemented by governments was the loss of tax collections, whether relating to value-added tax, corporate income tax, personal income tax and/or customs duty.

South Africa's "hard lockdown", coupled with a phased approach to re-opening the economy and the extended ban on alcohol and tobacco has had an enormous impact on the country, which was already in a weak financial position prior to the outbreak. In addition, the need for broad financial support for employees whose employers were affected, increased unemployment support, funds required for health institutions etc. further threatened the financial situation of the country.

ATAF COVID-19 recommendations

Acknowledging the need for robust tax relief for taxpayers across the African continent, ATAF provided recommendations for relief measures early in April 2020³, and a more detailed report was issued in July 2020⁴. The organisation, which has members from 39 African countries, one of which is South Africa, recognised that far reaching financial support is needed for taxpayers in order to ensure a swift "reboot" of the various African economies, which were affected at different levels of severity.

Therefore, ATAF suggested in its report a broad range of measures to its members, to provide the needed relief for taxpayers. At the same time however, ATAF also cautioned that countries should put in place suitable measures to manage and control relief available to avoid the abuse thereof. For example, any tax relief measures provided by a government should be subject to a sunset clause, enabling the relevant country to return to a normal state of tax collections eventually. ATAF also cautioned that a crisis, such as the COVID-19 pandemic, can result in a rise in tax fraud. It is therefore important for tax administrations to focus on the reporting and tracking of the COVID-19 related tax measures. In addition, ATAF recommended that heavy fines be implemented, in an attempt to deter fraudulent behaviour and to also criminalise tax offences.

South Africa's position

As mentioned, many South African taxpayers were especially hard hit by the lockdown regulations implemented, and therefore the severe loss in profits for companies and the loss or reduction of salaries had an even bigger impact on tax collections from companies and natural persons. Furthermore, the prohibition of alcohol and tobacco sales for several months, while probably important from a health perspective, resulted in a devastating billion Rand loss in collections to the fiscus⁵. At the same time, SARS has modernised its system and legislation is about to be enacted that will allow the tax authority to apply much wider powers. Additionally, SARS' reported focus on compliance⁶ and collections promises further pressure on taxpayers.

National Treasury and SARS proposed eleven measures in an attempt to help business to stay afloat and to pay their employees and suppliers.⁷ These measures are expected to provide an estimated R70 billion in support.

¹ DZ Zeng "How will COVID-19 impact Africa's trade and market opportunities?" (02-06-2020) Worldbank <<https://blogs.worldbank.org/african/how-will-covid-19-impact-africa-trade-and-market-opportunities>> (accessed 26-09-2020)

² M Lindeque "Kieswetter: COVID-19 to have long-term knock-on effect on tax collections" (27-07-2020) Eyewitness News <<https://ewn.co.za/2020/07/27/kieswetter-covid-19-to-have-long-term-knock-on-effect-on-tax-collection>> (accessed 27-09-2020)

³ ATAF "Suggested COVID-19 Measures for Revenue Authorities" ATAF <<https://irp-cdn.multiscreensite.com/a521d626/files/uploaded/COVID-19%20Measures%20Final%20English.pdf>> (accessed 26-09-2020)

⁴ ATAF "Tax Administration & Policy Developments in Response to the COVID-19 Pandemic in Africa" ATAF <https://events.ataf.org/index.php?page=documents&func=view&document_id=66> (accessed 26-09-2020)

⁵ BusinessTech "Counting the cost of South Africa's alcohol and cigarette sales ban" (14-08-2020) BusinessTech <<https://businesstech.co.za/news/business/425334/counting-the-cost-of-south-africa-alcohol-and-cigarette-sales-ban/>> (accessed 27-09-2020)

⁶ L Omarjee "Kieswetter: Focusing on tax compliance has helped raise R75bn in revenue" (02-04-2020) Fin24 <<https://www.news24.com/fin24/companies/financial-services/kieswetter-focusing-on-tax-compliance-has-helped-raise-r75bn-in-revenue-20200402-2>> (accessed 27-09-2020)

⁷ National Treasury "Further Tax Measures to Combat the COVID-19 Pandemic" (23-04-2020) SARS <<https://www.sars.gov.za/Media/Pages/Tax-Relief-measures.aspx>> (accessed 26-09-2020)

The relief measures include, for example, the postponement of implementing some of the 2020 Budget Speech measures. In February 2020, the Minister of Finance proposed in the Budget Speech that the net interest expense deduction must be restricted to 30 per cent of earnings, and that the use of assessed losses carried forward must be limited to 80 per cent of taxable income. It was proposed that these two measures were to be effective for years of assessment commencing on or after 1 January 2021. These measures were, however, postponed to at least 1 January 2022. Another relief measure relates to the case-by-case request by businesses to apply to SARS for the waiving of certain penalties.

Furthermore, in order to encourage South Africans to make contributions to the Solidarity Fund in line with President Ramaphosa's call to action, the tax-deductible limit for donations is increased from 10 to 20 per cent of taxable income in respect of donations in cash or of property in kind donated and actually paid or transferred to the Solidarity Fund at the end of the year of assessment of the donor to the Solidarity Fund during the 2020/21 tax year. There will therefore be a limit of 10 per cent for any qualifying donations (including donations to the Solidarity Fund in excess of its specific limit) and an additional 10 per cent for donations to the Solidarity Fund. The 20 per cent tax-deductible limit for donations will apply only to donations made during the 2020/2021 tax year. Any donations over the limit made during the 2020/2021 tax year will be carried forward and deemed to be a donation made in the succeeding year of assessment (2021/2022) and be subject to the 10 per cent limitation in that year.

Conclusion

There is no doubt that COVID-19 has cost countries across the world including in Africa dearly, also from a tax collections perspective.

Although countries have been alleviating pressure from taxpayers through various measures, it is also clear that tax authorities around the globe will eventually push to increase collections in order to try and catch up.

However, only the future will show how severe the impact of the crisis is and when and how quickly we will find our feet again. It would be economically prudent, specifically in Africa where we are looking to attract foreign investment, to ensure a good balance between tax measures and providing an investment friendly environment.

Maryke Wiesener – Lecturer in Taxation
(marykew@sun.ac.za)



Maryke Wiesener

Jump...

an emergency leap to online teaching



26

March 2020, the day our world stopped. 15 March 20:00, we heard the greeting "My fellow South Africans" and lockdown was announced. 16 March 10:00, lecturers met to discuss an uncertain future. 16 March 12:00, student activities ceased on campus.

16 March 12:00, academic staff started planning a revised academic offering for emergency remote online teaching. 30 March 08:00, first week's lecture online material ready. 20 April 08:00, first online learning.

26 March 2020, South Africa entered a "hard lockdown" and students and academics had to take the leap to full (emergency) online remote learning. This process was a learning curve for students and lecturers alike, who had to adjust to a new way of doing things.

Everyone knew it was not about simply taking the face-to-face experience and replicating it online. It required a new way of thinking, using a new approach grounded in established principles and pedagogy.

This article illustrates the application of this new approach to the teaching and learning of *Computer controls*, a part of the third year Auditing (378) module, to allow students to pace themselves and allow for continual engagement and feedback in the online space based on the principles from the Kolb (1984) learning cycle. The objective was to make online learning accessible to all in an equitable manner (being data light); to use existing learning tools (such as textbooks) and students' time as effectively as possible; and to create learning interventions using the tools online to help students take responsibility for their own learning in this new context. There were many tools that lecturers had not used for teaching before.

This was also an opportunity to create learning interventions that allowed students to practice professional skills such as adaptability, self-management, self-awareness and time management, which had never presented itself in such a significant way before. The topic of *Computer controls*, presented over a six-week period, by nature requires that students learn what controls can be expected in a computer environment (traditionally theory lectured in class) and then students need to be able to assess clients' computer controls for risks and recommend improvements thereto.

In planning how to teach this topic, two key things were considered: how to make students feel like they are not alone and how to assist them through effective online learning activities that will engage them in their own learning process. With this in mind, several learning interventions were developed, which consisted of five elements.

Element 1 - Hallo! Video & Infographic overview: To give students a face to the voice and create a space where they did not feel like they are only engaging with a computer, the start of week 1 included a welcome video where the topic and the context of online learning was introduced. This was supported by an overview infographic (for how the learning material was to be covered) and a detailed guideline on what learning materials were available and what learning activities would take place when. This also included what the appropriate learning materials for each week would be. [Infographic overview, sources: <https://easel.ly/> & <https://www.flaticon.com/>]

Each week thereafter was consistently structured in the same way to create a sense of consistency and predictability. It was structured to allow students to navigate the learning cycle including elements that encouraged them to be a pragmatist (asking why?), theorist (detail), activist (doing) and reflector (reconsider) (Kolb, 1984). This was made up of:

Element 2 - Weekly learning opportunities: To account for different learning styles, students were given several learning opportunities each week of the program. To allow students to learn at their own pace, students were provided with the material for the week, as opposed to each lecture hour. The learning opportunities included six sections.

1. *What should I do this week?* – provided an overview of where we were in the material, as well as giving the “what?” was being covered and which learning activities they need to engage in for the week.
2. *Lecture notes & question pack* – included slides with detailed page references to the textbook and lecturer written commentary. Students were provided with various questions, each with a different purpose.
3. *Other online resources* – included videos, articles, reading activities and reflection intervals to consider the learning.
4. *Reflections* – required students to reflect on their understanding after each core concept by completing a reflection activity in the form of a reflective paragraph of learning, summarisation of learning in a different context and even to watching a video to apply and answer questions on what you had learnt. This was a completely new way of asking students to stop and think/reflect using the tools online. Lecturers gave students personal feedback on some of the reflections and used them as a tool to monitor students' engagement and progress. Students who did not remain up to date and did not complete the reflections received a personal email, with many students replying and committing to catch up on lost work.
5. *Class questions* – with detailed colour annotations to assist students in how to approach scenarios using a principle-based approach and get a complete answer.

6. *Live chatroom sessions* – hosted weekly using synchronous chat room sessions, which morphed into weekly live online question and answer sessions.

This was all underpinned by an open invitation to ask questions through online discussion boards and face-to-face video/audio lecturer consultations.

Element 3 – Weekly tutorial classes: students could practise applying the principles learnt to scenarios with real time support in the form of videos and synchronous lecturer availability for questions.

Element 4 - Exam technique Doodley: assisted students with areas that they struggled with. A Doodley video covering exam technique helped students to prepare for the main assessment.

Element 5 - Virtual revision class: In response to specific problem areas identified by students, a virtual revision class addressing concerns that students had raised based on their reflection and challenges was created. A virtual lecture venue was hosted where students could ask real-time questions.

Example screen shot from a virtual revision class, source: <https://www.flaticon.com/>

This leap into emergency remote online teaching was the first for many of us – students and lecturers. We are all learning about ourselves, the tools available and how to effectively teach and learn online.

Students have learnt skills this year that they never would have learnt under normal circumstances. Lecturers strive to continually improve teaching practice in whatever form we are to do so in future. What is certain is that ... we all have made the (emergency) leap and are better for it.

Natasha Sexton – Lecturer in Auditing
(nsexton@sun.ac.za)



Natasha Sexton

References:

Kolb, D.A. 1984. *The Experiential Learning: Experience as the Source of Learning and Development*. New Jersey: Prentice Hall.



Embracing Genius Since 1895

Be part of a Firm that embraces your Genius

With our local insights and global reach, our graduates build a fulfilling career working with world-class experts in our Audit, Tax and Advisory teams. It's time you joined a firm that helps you reimagine your future.

Explore careers in:

- › External Audit
(Including the Chartered Accountant Advisory Programme)
- › Tech Assurance
- › Deal Advisory
- › Digital Consulting
- › Internal Audit Risk & Compliance
- › Financial Risk Management
- › Tax



@MeetKPMG



@MeetKPMG



KPMG South Africa



joinkpmg.co.za

© 2020 KPMG Services Proprietary Limited, a South African company and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. All rights reserved. Printed in South Africa. KPMG and the KPMG logo are registered trademarks of KPMG International Cooperative ("KPMG International"), a Swiss entity. 18111MC.

+ Working from home or living at work?

Since March 2020, most South Africans have been forced to work from home. To the surprise of many, mainstream and social media reported that most companies did not see a noticeable drop in productivity. Employees argued that they have long asked for more flexibility in terms of office hours, that they have proven that productivity need not be affected and advocated that life post-Covid should allow for more flexible office hours.

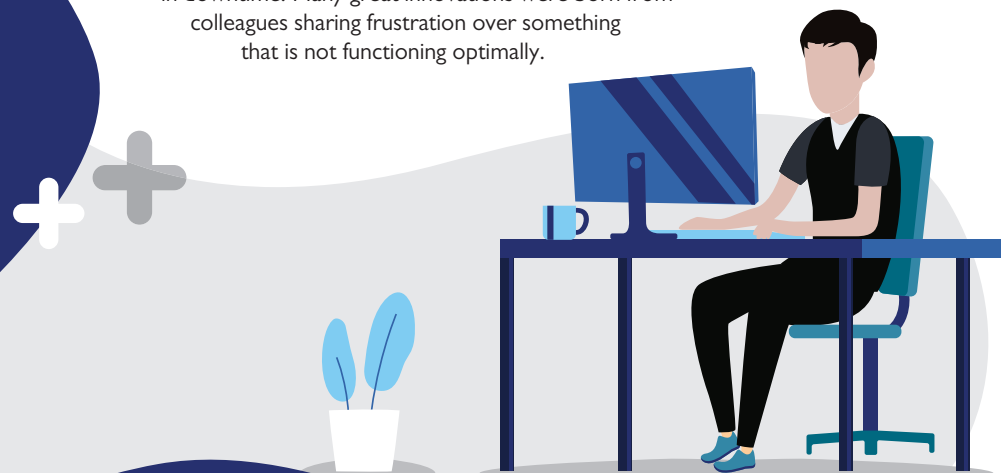
Employers and employees alike were astonished at the levels of productivity achieved while most office workers were prohibited from going to the office.

The fact that schools were closed and many employees had to juggle getting their job done and homeschooling their children, made this an even bigger achievement.

Productivity, however, is not the only measure of an employee. As the year progressed, it became clear that, while more flexibility could be possible, working from home exclusively would not always be a long-term, sustainable solution.

Working in an office environment, among colleagues provides benefits and an essential environment for learning and growth that simply cannot be replicated by working from home:

- Employees who work from a shared space tend to grow attached to each other and have empathy for each other's different perspectives. When working from home, each employee is fixated on his/her own to-do list and can become less sensitive towards co-workers. On 18 October 2020, Business Today reported that Rishad Premji, Chairman of Wipro believes that culture grows by osmoses. He believes the culture of a company develops where people engage with each other. This culture grows as people engage in office gossip, share lunch or take coffee breaks. Premji further states that innovation often happens in downtime. Many great innovations were born from colleagues sharing frustration over something that is not functioning optimally.



- Humans are social beings, and are used to constant communication.* When employees are in the office, the vast majority of communication takes place verbally and important points are usually followed up with an email to serve as a reminder. In a work-from-home era, many employees experienced electronic communication overload as all communication had to happen digitally and virtually. Much of the initial electronic communication overload was due to the unprecedented situation of lockdown, remote working and new/emergency processes and procedures, however the loss of (mostly) verbal or face-to-face communication left some employees unable to distinguish and separate important items from less important communication. While virtual meeting applications and tools have made meetings easy and accessible, most employees still need some face-to-face communication.
- An office, or shared space environment, also encourages the development of heuristics.* Humans learn by imitation. In a shared workplace less experienced employees pick up rules of thumb and best practices that are not necessarily verbalised, from more experienced employees. Less experienced colleagues often “learn” these skills from more senior colleagues without any of the parties even realising that there is a transfer of knowledge taking place. When people are not working in the same physical space, this type of knowledge transfer is less prevalent. A CEO of a large South African company once said: “The only bad thing about 50 years’ experience, is that it takes 50 years to obtain it.” By placing employees of various levels of experience in the same physical space, the cumulative knowledge and best practice of the more senior employees can be transferred faster. Employees that have been working together for many years, may well be able to sustain their developed relationships and channels for transfer of skills and knowledge. However, employees that start a new position during this time may feel isolated and unable to find meaningful connections with colleagues.
- Lastly there is some psychological benefit to having a place of work separate from one's home: a home should be a safe and relaxing space and a space where actions do not have to always be measured.* When your home is transformed into your office, it is harder to “switch off” from work with a consequential negative effect on mental health. While most office workers might very well “bring work home”, there is still some comfort in knowing that your house is your home and the work is merely a guest there. The good thing about a bad guest, is that you can always ask him to leave. It takes discipline and practice to switch into “home mode” when your office is your home.

Alwyn Visser – Lecturer in Auditing and Information Systems (vissera@sun.ac.za)



Alwyn Visser

+ Onderrig in die tyd van Corona

En toe sluit die lesinglokale. Op 16 Maart 2020 het die lesinglokale van die Universiteit gesluit. Meeste dosente het gedink dat dit moontlik net vir 'n paar weke sou wees, maar dit het vining duidelik geword dat ons na maande sou kyk. Die doserende personeel van die SvR moes vining aanpas – daar is grade wat gevang

moet word, keuring wat verkry moet word, en geen student kon agterbly nie. Hulle moes binne dae omskakel na aanlynonderrig.

Aanlynonderrig bring baie uitdagings mee: dit is soms moeilik om tot studente se spesifieke behoeftes te spreek as jy nie voor hulle in die klas staan nie. Dosente trek ook hul energie uit die studente in die lesinglokale, en vir baie dosente was die opneem van eindelose video's en stemopnames baie uitdagend.



Rekeningkunde was nog altyd my gunstelingvak en om 'n dosent te wees (onderrig) is my passie – dit is 'n voorreg om elke dag te doen waarvoor ek lief is.

Mareli Rossouw



Ek voel lewendig as ek mense kan help om hul volle potensiaal te bereik.

Gretha Steenkamp

+ Excellent teaching

The Teaching Excellence Awards are annual awards by means of which lecturers are acknowledged in “Distinguished Teacher” and “Developing Teacher” categories, based on their experience and leadership in the scholarship of teaching and learning.

Juan Ontong, lecturer in Financial Accounting, received a “Developing Teacher” award in 2020. He had to submit a portfolio that demonstrated his reflection on and evidence of four components of his teaching pedagogy: context, students, knowledge and professional growth.

The Annual Report asked Juan about his teaching philosophy:



My teaching philosophy is grounded in the belief that education is a life-changing gift. My role as a teacher is to aid students on their life journey of education, in order to allow a student to live their best life.

Juan Ontong

Congratulations Juan, this is a great achievement!



+ Strategic lessons from COVID -19

Can you think of your life, just one year ago? You were probably planning your 2020 goals or if you were a company, starting to get ready to implement your 2020 strategic plans. And yet one year later, most of us are asking,

‘Just what happened to 2020?’ Very few of the originally planned strategies would ever see the light of day, due to the COVID-19 pandemic that hit the world.

The year barely started when the world was forced into lockdown and literally being ‘stuck’. Companies were dumbfounded and battled to think of innovative ways to overcome these huge obstacles of ‘going nowhere’. None of their original strategic plans or ideas seemed viable anymore.

The scary part is that a McKinsey survey showed that 92 percent of company leaders thought that their business model (pre-pandemic) would not remain viable at the rates of digitisation and the upcoming Fourth Industrial revolution – and then COVID-19 hit.

Consumers’ daily routines and behaviours would be altered forever, especially in the way they would use technology. No more shopping for groceries in person or browsing through a bookshop for their favourite book.

Consumers’ only option to interact with their usual brands would be online shopping channels and this was one of the areas that caused companies to either sink or swim.

It became clear that if a company did not invest in strong and effective digital technologies, such as a reliable online e-commerce system, prior to COVID 19, they would truly battle to survive this black swan. If a company did not have a user-friendly online platform that offered valuable promotions and great online customer engagement, customers would easily switch to a competitor’s brand, showing very little brand loyalty. A McKinsey survey showed that in some countries, 75% of consumers tried a new shopping behaviour, such as a new digital shopping method or visiting a new brand, store or website. Which posed a great strategic opportunity – if you were ready...

Suddenly, one also started to see innovative ways in delivering services on a digital platform, either through online ‘how-to’ tutorials, webinars, entertainment shows or even online book launches.

The positive aspect of this was that customer bases started to expand, now not only reaching local customers but also customers world-wide!

Even property tycoons will need to rethink their large property portfolios and often expensive lease agreements, since many companies are moving to a much leaner business model – either giving up their leases or having reduced the amount of floorspace they need – all due to most employees now working from home on a permanent basis.

One thing is clear: COVID-19 fast-tracked the arrival of the Fourth Industrial Revolution. It is not on its way; it is already here and ready to stay. Are you ready?

Riana Goosen – Lecturer in Management Accounting
(goosen@sun.ac.za)



Riana Goosen

References:
McKinsey. 2020. How six companies are using technology and data to transform themselves. [Online]. <https://www.mckinsey.com/business-functions/mckinsey-digital/our-insights/how-six-companies-are-using-technology-and-data-to-transform-themselves>. (Accessed: 16 September 2020).
Charm,T., Coggins,B., Robinson,K. & Wilkie, J. 2020. The great consumer shift: Ten charts that show how us shopping behaviour is changing. [Online]. <https://www.mckinsey.com/business-functions/marketing-and-sales/our-insights/the-great-consumer-shift-ten-charts-that-show-how-us-shopping-behavior-is-changing>. (Accessed: 16 September 2020).

+ Keep on keeping on

The Annual Report asked students to share what they have been up to (apart from studying) during lockdown and to share some last travel stories before lockdown. Here are some of their stories:

Vele Bongwe, a Thuthuka Stellenbosch student who is currently studying BAccHons never imagined that she would be travelling overseas at the age of 20.

Vele applied to travel to a conference which started one week after her year-end exams in 2019. The supplementary exams were set to begin a day before the conference began.

The conference was in Malaysia and she describes Malaysia as “so hot”. She reached Malaysia a day and a half before the commencement of the conference, with her checked-in bag misplaced by the airline. They were two delegates from South Africa and a few other delegates from different countries that she explored Malaysia with. They visited the Petronas Twin Towers known as the tallest twin structures in the world, the central market and walked down the Malaysian streets during the night to explore the city and the culture.



I am grateful to USKOF for making this journey possible. It was indeed a great experience for a student.”

Vele Bongwe

Anneke Viljoen, a BAccounting third year student has kept herself busy with various new challenges during lockdown. The week before lockdown started, she decided that she will use her time productively while at home. She acquired a sewing machine and instantly started a few projects. She has made a dress, a bunch of masks, a skirt and a shirt. She even tried upholstering for the very first time and re-upholstered her headboard!

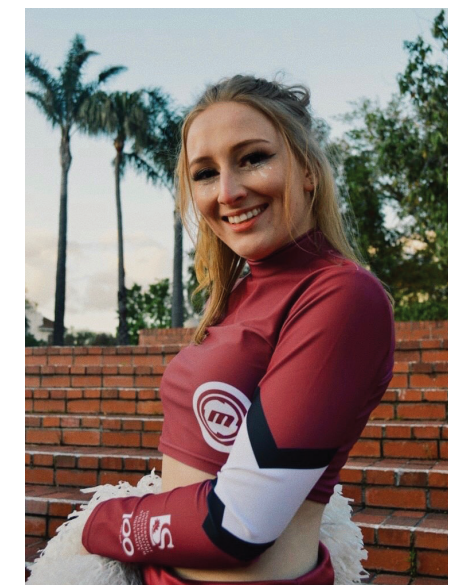
Anneke also started learning new languages on the mobile application, Duolingo. She has started with Swedish and German, and she has prior knowledge of French. She also started an online virtual internship and is currently busy with one at Citi Bank Australia.

Well done, Anneke!



Anneke Viljoen

Pauline Lloyd, a BAccounting student (who was invited to join the Golden Key Society), formed part of the Maties Cheerleading team this year. The team was meant to perform at the Varsity Cup Finals, but due to COVID-19, the finals never took place. The cheerleading team is currently working with a music production company to film a music video (with local artists) to create awareness of gender-based violence.



Pauline Lloyd



Thuthuka

2020

Thuthuka is a transformation initiative of the South African Institute of Chartered Accountants (SAICA) aimed at encouraging previously disadvantaged learners in schools to pursue a career in the Chartered Accountancy (CA) field. “Thuthuka” is a Zulu word that means “to develop” and it aims to transform South Africa’s business leadership.

The majority of Thuthuka students come from challenging backgrounds, and, while Stellenbosch University was conscientious and innovative in their support to all students during COVID-19, it was imperative to stay in communication with the Thuthuka students specifically to ensure they had a safe environment, and that they had access to appropriate electronic devices and data. Under these unusual circumstances our students had to deal with the additional pressures of not always being in an environment conducive for learning, having to worry about the availability of groceries, parents or guardians losing their jobs, the health of family members and younger siblings not being able to go to school. Despite this our students did not give up. They persevered and adjusted to the new environment.

All Thuthuka students were invited to return to campus at the start of level 3, but some chose to stay at home close to their family. It is hard to imagine being a BAcc student in these times, and we asked a few Thuthuka students for a peek into their lockdown reality:



Lockdown breakdown

The lockdown brought with it many things: online learning, stress, stress, and more stress. These heightened levels of stress are bound to lead to a deterioration in the mental health of many people. Personally, my levels of anxiety have gone through the roof. Balancing your mental health and your studies is quite challenging. Especially when your studies are the main cause of your mental health deteriorating.

I have been struggling with my anxiety for the past couple of months. I did not think too much of it in the beginning. Until, one day, I switched on my laptop and I had 109 emails. I was behind in my work for ALL my modules and assessments were starting in 2 weeks. My heart started pounding. My mind was racing. My chest tightened. I had an emotional breakdown. It was all too much. It was all so overwhelming. I couldn’t handle it. In that moment, I doubted if I could even go on with this year. I considered just deregistering and starting again next year (I am in my final year by the way).

But I survived. I survived those 109 emails and SunLearn notifications. I survived June assessments. I survived second term. I survived my first attempt at online learning. I had a few breakdowns after that one, but I got through those as well.

What did I do to get through all my breakdowns? I had to develop some coping mechanisms and I would highly recommend that you do too. I am not a mental health professional, but these methods worked for me. When everything gets too overwhelming, try grounding yourself to the present moment. Breathe – inhale deeply, exhale slowly. Go for a walk and take in the fresh air. Do something that will lift your mood, anything that makes you happy. And finally, speak to someone. If you ever feel your mental health is deteriorating, seek help from a professional as soon as possible.

This is a message of hope to all those who find themselves in my situation. It does get better. It will get better. It may not feel like it, but it will certainly happen. Believe in the strength that is within you. You will conquer. You are a resilient human being. You are a fighter. Remember, you are not alone. Everything you need to get through these tough times, you possess inside of you.

Trust and believe in yourself.

– A third year BAcc student

Some helplines:

South Africa Suicide Crisis Helpline:
0800 21 22 23 | 0800 12 13 14

Adcock Ingram Depression and Anxiety Helpline:
0800 70 80 90

SADAG: 0800 36 36 36 | SMS 43 33 6

CSCD: 021 808 4994

ER24: 010 205 3032



My lockdown experience



Siyamthanda Msibi

So, things like reading entrepreneurial books and autobiographies, educating myself about money; how to go about my credit score, viable investment opportunities etc. I’ve made it my mission to make sure that if something like this ever happens again in my lifetime, I’d be ready financially and wouldn’t have to depend on governmental reliefs or any reliefs for that matter.

The time came for me to resume to my virtual academic year, I already knew that in order to get through it smoothly, I had to be urgent with my work ethic and patient with my results. I assured myself that it’s a new way to work and that surely it wouldn’t be impossible. Having a great supportive system limited my frustrations, so even when I feel down and under, I have the right people and resources to pull me through. Not having a social life and not being able to interact with people really took a strain on me in the beginning but now I’ve learnt to be the energy I want around me, and I’ve become used to being by myself – only for as long as COVID-19 remains in the air.

To summarise things, lockdown has been full of lessons, growth, trials and revelations. The world is simultaneously facing a myriad of pandemics. For some places it’s racism, for some it’s police brutality and gender-based violence. As a country we’ve faced a lot of failure, anger, laughter, loss and disappointment during this time.

An important concept I’ve learnt throughout lockdown is to let yourself feel your emotions but not become your emotions.

Acknowledge your situation but do whatever you can to *legally* change it. And as long as Corona still lives amongst us, we will keep preparing ourselves for the worst but keep praying for the best.

My lockdown experience? Wishy-washy I must say. At first it was just the excitement of extended assignment due dates, going back home to my mom’s hearty meals and being relieved of my adulting duties because my bank balance and I knew that March was already looking a bit tense. Little did I know that my supposed 3-week stay would turn into almost a whole year! I was deprived of my ideal first-year university experience and the pressure was on: to revamp, change and adapt to absolutely everything because the whole system of life had just taken a sharp turn.

The first few weeks of quarantine were dreadful. Life seemed surreal. It felt deadly to even take a step outside and when I did, it felt like I was in a ghost town. It took me quite a while to adjust to the new norms and to think that THAT was only the beginning of the South Africa’s new chapter. At that moment in time, all I wanted to do was to go back to December 2019 because this disease, which we took for a joke at first, was really starting to reveal its true colours.

With the arrival of COVID-19 I found that everyone had their own battles to fight because issues became many and no-one had the solutions. One of the things that is helping me get through this lockdown is prioritising my mental health before anything else. Amidst all the negativity that goes around, I try to take the time to do a bit of introspection and I spent the first few weeks of lockdown cooking up and reshuffling my plans for the year because after all, “...the only thing you can control in life is how you respond to it...”, and I chose to maintain focus by, not keeping busy, but by rather being productive.

Knowing that movement should never be mistaken for achievement, I tried to do things that would benefit me, in such a way that I can measure what lockdown has actually done for me. I tried to treat it like an opportunity.



+ *My first year spent at home*

When I imagined what my first year of university would be like, I certainly did not imagine what it actually turned out to be. I was so excited to be away from home, only to end up back at home less than two months later.

Getting in a routine for online learning was definitely a challenge in the beginning. It took some time getting used to but now I am definitely more comfortable with this way of learning, although I'd prefer contact lessons and waking up at 7 am to having online learning. In the beginning I did not really feel the social impact of the lockdown as I was used to staying home for the majority of my time and not going out much. However it did start to get too much at one point and I just wanted to get out of the house. The fact that I was missing out on all the first year activities at my residence and could no longer just walk down the hallway to my friend's

room when I needed a break from working or just wanted to have a laugh was very sad. In order to keep myself busy during lockdown in the beginning I did a lot of baking and I found new series and movies to watch. My friend and I also decided to video call each other every day for a quick check-in and to do an exercise routine together. I was grateful when lockdown restrictions were lifted as I could go out to the beach, meet up with some of my university and high school friends and have family functions again.

This whole lockdown experience taught me not to take things for granted and to spend my time doing things that I enjoy. I hope next year I can get the university experience that I missed out on this year.

- *Anonymous*

Leave your mark

#ASLtalent

Apply now

for 2022/2023 **SAICA**, **SAIPA** and **CIMA** training contracts

Submit your CV to hr@asl.co.za or visit asl.co.za/career

f in i

ASL™

Quarantine Diary

Diary: Day ∞

U

pon the announcement of the level 5 lockdown and uncertainty regarding the return to campus, I approached the situation with an air of optimism. I used these past five months to tweak my study technique and overall routine in aid to somewhat distract myself from the utter havoc created by COVID-19.

Much of lockdown was spent waking up at 04:00, exercising with the equipment I had at my disposal and spending most of the day with my academics. Although this proved to be a successful routine in the interim, I soon realised that come exam time, it would prove to be quite detrimental. The road to good marks is not always paved with little sleep, countless hours and tunnel vision. If anything, this period of lockdown has reinforced the importance of consistency and balance.

Post exams I engaged in somewhat unknown territories like boxing and became somewhat of a bookworm in the process. My video call log is much longer than what I feel the average human's should be and the same could be said for my call log. Nevertheless, although the year had not materialised as expected, I am grateful to have spent and continue to spend time with my family. With lockdown drawing to a close, I trust and hope that the road to normality will be aligned with growth, excitement and hope. I would like to extend a hand of gratitude to all of those associated with Thuthuka Stellenbosch for their continued support throughout the lockdown. To my fellow Thuthukans: yes, we were robbed of our "silly season", our "house dances" and our "Klein Saterdag's". But I am confident that this period of "deprivation" will be a springboard for you all to achieve on the academic, health and social fields.



Chad-Lee Frans



22A Church Street,
Durbanville, 7550



WWW.SDKCA.CO.ZA

SDK | CA

ASSURANCE • ACCOUNTING • TAX • ADVISORY

CIMA - SAIPA - SAICA Articles

Make

2020

count and become
part of our team!

Connect With Us

+ The 2020 academic trainees: a strange first year of work!



Anja Bester is passionate about management accounting and chose academic traineeship as a way to engage with the subject. She loved sharing information with students in 2020, but missed non-digital interaction with colleagues and students. Her motto is: *Motiveer deur te inspireer.*

Anja Bester

Jana Boleslawsky explored academic traineeship to see whether academia and teaching is something she would enjoy... she may join the staff one day! In a previous life she was convinced that she would become an engineer and be a presenter on Mythbusters! Her motto is: Never say no to an adventure!

Jana Boleslawsky



For **Melanie Jacobs** the highlight of 2020 was the relationships she developed with colleagues and students, although the transition from being a student to working has been challenging. Her special talent is twisting her arm 360 degrees and her motto is: Have the courage to be who you are.

Melanie Jacobs

For **Alex McLaren** a highlight of 2020 was buying her first pet in many years: a dwarf hamster named Dobby. She has learnt that a work-life balance is key to staying sane, but working and doing her LLM in 2020 has been challenging. She chose academic traineeship as she loves "seeing the light go on" when explaining work, and she lives by the motto: Pull yourself towards yourself.

Alex McLaren



For **Judy Mellet**, the people at the School of Accountancy was her biggest highlight. It is funny how COVID-19 cannot stop community, despite all the isolation it brought! She lives by: "Whatever things are true, whatever things are honourable, whatever things are just, whatever things are pure, whatever things are lovely, whatever things are of good report; if there is any virtue, and if there is any praise, think about these things."

Judy Mellet

Curtly Olyn chose academic traineeship as he enjoys helping people and to improve communication and skills through lecturing and consultations. His highlight of 2020 was being baptised. His secret talent is that he rides horses and his motto is: I am what I say I am.

Curtly Olyn



Shivani Pdayachy loved witnessing the unity of our nation through the participation in the Jerusalem-dance phenomenon. She has always been passionate about teaching and learning. Her evening ritual includes an episode of 7de laan – she has not missed a single episode since 2004! Her motto is: Never let the fear of striking out keep you from playing the game.

Shivani Pdayachy

Ronell Robertson loves engaging with people and seeing students make progress is most rewarding for her. She loved spending time with her family and pets in lockdown – something she didn't have time for in honours. She would rather be a yoga instructor than an accountant and her motto is: Part-time commitment truly does deliver part-time results.

Ronell Robertson



Renske van Wyk has always wanted to be a teacher, and she loved academic traineeship! She loved spending lots of time with her family in lockdown and her motto is: You don't win a silver medal, you lose a gold, although she does add that she is also a firm believer in participation certificates!

Renske van Wyk

Yvette Diedericks

gone too soon

12/11/1987 – 04/06/2020

On 4 June 2020 we received the shocking news that Yvette Diedericks had passed away. Yvette joined Stellenbosch University in April 2014. Three years later she was appointed as an Administrative Officer at the Library and Information Services, and in February 2018 she was appointed as secretary at the School of Accountancy. She brought sunshine and warmth to everyone who worked with her and she was an upbeat, positive person who touched the lives of many people. She was always willing to assist, even if it was not her responsibility, and treated everybody with dignity and respect. Dancing was one of her passions. Yvette, whose beautiful smile could light up a room, lived in Paarl and is survived by her mother and son, Yale. On 11 June 2020 her family, friends and colleagues attended a virtual funeral and day of remembrance for Yvette. The sadness on the day was tangible, but it was also a day where her loved ones could celebrate the beautiful and inspirational person that she was.



Yvette Diedericks

Yvette's colleagues remember her...

I had the privilege of calling Yvette a friend outside of work, and I was humbled by her kindness and compassion to everyone around her. Her wonderful and warm personality will be missed by all and her memories will be in our hearts forever.

Yvette was a dedicated worker and always willing to go the extra mile. She always strived to do the best job, make contributions and help everyone around her. Yvette was a very elegant, professional and smart lady "everything was always matching".

She is greatly missed.

– **Shulene Hendrikse**

When I heard the news of Yvette's death, I was so shocked – to this day it feels so surreal. She was so young and had her whole life ahead of her, with so many plans for herself, her family and her baby. It also made me reflect on how short and unpredictable life can be and that tomorrow is not promised. Even though she was called to her eternal home early, I believe she lived her life to the fullest every day.

Yvette and I started working together at School of Accountancy in 2018. Because we were the "newbies", we automatically gravitated towards each other and immediately clicked. Those who have crossed paths with Yvette would know that no matter where you would go with her there would always be someone she knew from somewhere and could start a conversation with. Yvette was popular and she impacted the lives of many.

Although I only knew Yvette for a short while, I am thankful that I had the privilege of crossing paths with such an amazing individual. I will always remember her for her illuminating smile, sassy dress sense, her straightforwardness and sociability.

– **Ilse Frans**

When I learnt of the untimely passing of Yvette, I immediately remembered the first time I met Yvette and experienced her friendly face and bubbling personality. Her voice always seemed to me to somehow brighten up the space where she is talking or laughing. Although Yvette had not been with the School of Accountancy for very long, she has certainly left a lasting impression on me and other colleagues. She will be sorely missed by the SO A-team, but we will forever hold fond memories of our former colleague.

– **Prof. Pieter von Wielligh**

CHANGING THE VALUE OF THE AUDITOR?

data-driven world. As a consequence, they argue, auditors and audit reports no longer add any real value to financial and business decision making. The list of reasons why auditing practices should change is endless. The biggest shift that is expected to occur is from focusing on financial statements to providing 'assurance' on other types of information or systems: be it business reports or the data used in systems and business decisions. Given the reliance on technology to give this assurance, governance of technology has become more important.

Auditors are uniquely positioned to adapt since they are skilled at performing tests of controls (i.e. testing the controls in a system to ensure effective and efficient operations) and performing substantive procedures (i.e. valid output of a system). Auditors should leverage off these skills and think about new forms of assurance services they can provide.

If we only use one example of an emerging field which auditors can add significant value to businesses to, it is 'Internet governance'. Internet governance is broadly defined as the development and application of shared principles, norms, through a set of formal and non-formal rules, decision-making procedures, and programs that constrain or enable the use of the Internet and thereby create a pattern of acceptable user behaviour. For the first time in the history of the internet, it is being used by multiple generations of users. Each generation uses the internet for different purposes and with different expectations that influences the entire user experience. These expectations drive the disruptive nature of modern technology built on top of the internet, resulting in social change. As such, it is pertinent to better understand online user behaviour and govern internet use by identifying the risks and designing internal controls to mitigate them. Depending on users' level of maturity, the technology and exposure an organisation has to online activities each requires a different governance solution. There are many publications available that highlight the risks underlying web technologies and suggest mitigating controls, but a comprehensive framework that can be used to govern internet use from an organisational perspective does not yet exist. Auditors with their background in understanding systems, identifying risks and performing tests of controls are uniquely positioned to develop such frameworks that will allow organisations to mitigate risks in a comprehensive manner without leaving any risks unaddressed.

There are many such new developing areas which arise in the 4IR. The importance of this type of risk mitigation and need for governance and assurance cannot be overstated in the context of the 4IR, and auditors can address this gap... if they are willing to reinvent their function.

Society is experiencing a period of significant change. Some argue that the exponential rate of this change is a result of technological capacity constantly doubling; others believe it is as a result of the unprecedented growth in world population delivering more problem solvers.

What we do know for sure, is that technology is being used in revolutionary, innovative ways.

It, therefore, stands to reason that there are both technological and human drivers behind the change. This period of change we currently find ourselves in has been described as the "Fourth Industrial Revolution" ("4IR"). New technologies are triggering changes in economic and social structures. Industrial revolutions are not, however, solely about technology – the economic and social changes are equally important as they impact significantly on the way society does things and perceives the world.

Amidst the 4IR, external audit is expected to evolve to the concept of 'assurance', where auditors make a conclusion designed to enhance the degree of confidence of the intended users about the outcome of the evaluation or measurement of a subject matter against set criteria. Currently, auditors focus on the evaluation or measurement of historic financial statements. Given the volume of transactions that businesses process daily, the large disparity between market values and book values, and the complexity of business, changing nature of risks, many have argued that financial statements have no place in a real-time,

For information, contact
Prof. Riaan Rudman at RJRudman@sun.ac.za
or scan QR code for website details.

SCAN ME



+ Topstudente 2019

Weens die inperking en COVID-19-pandemie was dit nie moontlik vir die SvR om hierdie jaar 'n prysuitdelingsfunksie aan te bied nie. Die SvR wil egter steeds erkenning aan die uitmuntende akademiese prestasie van studente van die SvR gee. Daar word aan die topstudent per vak wat deur die SvR aangebied word, erkenning gegee.

Vaknaam	Naam van topstudent
Belasting 298	Lauren Tsafandakis
Belasting 399	Hanne Mertens
Belasting 388	O'Neil Thiart
Bestuursrekeningkunde 278	Petra Laubscher
Bestuursrekeningkunde 288	Jeanne van den Heever
Bestuursrekeningkunde 378	Hanne Mertens
Bestuursrekeningkunde 388	Megan Hazel Jonker
Finansiële Rekeningkunde 178	Lourens Hiemstra Loubser
Finansiële Rekeningkunde 188	Peng-Chen Liang
Finansiële Rekeningkunde 278	Petra Laubscher
Finansiële Rekeningkunde 288	Philip Lodewyk Ferreira
Finansiële Rekeningkunde 379	Willem Adriaan Odendaal
Finansiële Rekeningkunde 389	Nicola Jennette Sloane
Ouditkunde 288	Lauren Tsafandakis
Ouditkunde 378	Hanne Mertens
Ouditkunde 388	Kyle Meadon
Inligtingstelsels 112	Dominique Coetzee Megan van Schalkwyk
Inligtingstelsels 114	Deandre de Meyer
Inligtingstelsels 144	Celine Jozelle Lekas
Inligtingstelsels 152	Johannes Hendrik Grobler Pretorius
Inligtingstelsels 214	Petra Laubscher
Inligtingstelsels 242	Lauren Tsafandakis
Inligtingstelsels 312	Emeleo Dennis Duister
Sake-etiek 214	Micaela Tiffany Sampson

HonsBRek	
Belasting 778	Christine Lee Brokensha
Bestuursrekeningkunde 778	Christine Lee Brokensha
Finansiële Rekeningkunde 778	Christine Lee Brokensha
Ouditkunde 778	Christine Lee Brokensha

HonsBCom (Bestuursrekeningkunde)	
Advanced Financial Accounting 716	Ayabonga Nolwazi Sithole
Advanced Management Accounting 715	Anja Bester
Strategic Financial Management 782	Ayabonga Nolwazi Sithole
Strategic Management Accounting 783	Anja Bester
Risk and Information Management 784	Ayabonga Nolwazi Sithole
Research assignment: Management Accounting 786	Ayabonga Nolwazi Sithole

Algehele winners	
Beste eerstejaar BRek-student	Danielle-Verné Louw
Beste tweedejaar BRek-student	Lauren Tsafandakis
Beste derdejaar BRek-student	Hanne Mertens
Beste HonsBRek-student	Christine Lee Brokensha
Beste HonsBCom (Bestuursrekeningkunde)-student	Ayabonga Nolwazi Sithole

ANZÉL IS WEER TERUG IN DIE BOLAND

Anzél Stofberg Rabie is weer terug in die Boland en hierdie keer is sy ook op die kassie in Anzél in die Boland op kykNET te sien. The Annual Report het by Anzél, 'n alumnus van die Skool vir Rekeningkunde, gaan inloer om uit te vind waar sy haar sedert 2014 bevind.



Jy het in 2014 jou HonsBrek-graad by die Universiteit van Stellenbosch suksesvol voltooi en aan Mej. Suid-Afrika deelgeneem. Hoe het jy kop bo water gehou in daardie jaar?

Dit was een van die rofste maar wonderlikste jare van my lewe! Ek het aan die Ironman 70.3 deelgeneem die week voor die Honneursklasse begin het, omtrent die hele tyd in Johannesburg gewees van die eerste kwartaal van my Honneursjaar vir Mej. SA verpligtinge en het baie klas gemis wat ek later iewers moes inhaal.

Ek het geweet toe ek nie met die kroon huis toe kom nie, dat ek wél 'n sukses van hierdie jaar moet maak en dat daar geen manier is wat ek nie hierdie jaar kon deurkom nie. Ek het my sokkies opgetrek en begin swót! Ure en ure aaneen om die werk in te haal wat ek gemis het. Ek moes alle sosiale geleenthede van die hand wys en konsentreer op die taak voor my.

Die Hons dosente was ook baie gretig om my te help en iets te verduidelik wat ek nie verstaan nie. Gretha Steenkamp was egter die dosent wat my vreeslik bygestaan en moed ingepraat het – ek is vir haar verewig dankbaar!

Wat het jy gedoen sedert 2014 en waar bevind jy jouself tans?

Ek het my klerkskap by Deloitte voltooi – ek was vir die eerste twee jaar in die Johannesburg kantoor en het my laaste jaar van klerkskap in die Kaap voltooi. Ek het daarna die geleentheid gehad om in Toronto, Kanada te gaan werk vir Deloitte – dit was in die middel van hulle winter en die plek waar ek die koudste nóg gekry het!

Ek was toe vir 'n kort ruk ouditbestuurder by Deloitte in Kaapstad, maar toe het ek nog 'n geleentheid gekry om in die buiteland te gaan werk. Ek was vir ses maande in Southern California, waar ek ook geoudit het. Dit was 'n besonderse belewenis om in Amerika te kon woon en werk!

Daarna het ek die wonderlike geleentheid gekry om saam my man te begin werk – ons het vreeslik gereis en televisieprogramme en video's gemaak. En dit is só hoe ek begin het om self in die media-industrie te werk. Ons woon ook nou weer in Matieland, Stellenbosch.

Jy het tans jou eie televisieprogram op kykNET, genaamd Anzél in die Boland. Wat is vir jou die uitdagendste deel van televisiewerk?

Ek is 'n "newbie" in die TV-industrie, en het nie regtig geweet wat dit behels nie. Als lyk altyd so maklik op TV, maar dit is lang ure se werk. Die dae wat ons verfilm staan ek 04H00 op om met hare en grimering te begin, en kom die aande eers na agtuur by die huis. Ek is nie net die aanbieder nie, maar ook die produksiebestuurder. Dit is baie stresvol om alles gereël te kry en seker te maak dat die produksie glad verloop.

Wat is vir jou die lekkerste deel van die verfilming van Anzél in die Boland?

Die Boland is vir my die mooiste deel van ons 'n land, en dit is so 'n voorreg om dit te kan vasvang en met die res van die land te deel!



Ons kuier baie by wynmakers en verskillende plase, en dit is vir my so lekker om by hierdie interessante mense te kan leer. Die karakters van die Boland is vir my so snaaks – ek vang myself kort-kort op stel uit my maag uit lag!

Is daar ander televisiewerk in die pypplyn, of is dit nog 'n geheim?

Ek kan met trots aankondig dat daar nog 'n seisoen van *Anzél in die Boland* op die kassie gaan wees! Donderdag, 7 Januarie 2021 om 17:30 begin die nuwe seisoen op kykNET. Dit sal ook op Catchup en Showmax te siene wees.

Ek hoop dat ek nog sommer lank televisiewerk kan doen – daar is klomp dele van ons land wat mense nie ken nie. Ek is lus om dit te gaan uitsnuffel en vir ander daarvan te vertel!

Waar en saam met wie is jy op jou gelukkigste?

My man, Stephanus Rabie, is my beste vriend en ek is op my gelukkigste as ek saam hom is! Ons vrek daarvoor om te gaan draf in die Bolandse berge en om 'n wyntjie op 'n mooi plaas te kan geniet.



Anzél Stofberg Rabie

+ STAFF NEWS New staff - academic



Adrian Samuels was born in Malmesbury and grew up in the small town of Darling. He completed both undergraduate- and post graduate studies at Stellenbosch University. Adrian decided to do academic articles at Stellenbosch University and thereafter joined The Auditor General of South Africa to complete his articles. Adrian says: "Working at this prestigious institution has multiple benefits but the most significant is the quality of teaching offered to students. The one piece of advice that I would give to students is to enjoy the student experience whilst ensuring a pass of all modules."



Lee-Ann Kelly grew up in the small town of Grabouw where she also went to school. Her whole life she wanted to become a teacher but in high school she also found her passion for numbers and decided to rather go the route of becoming a Chartered Accountant. She went on to study BAccounting at Stellenbosch University, where she also completed her Honours degree. She completed her training contract with Moore Stellenbosch and then became an audit manager at the firm. Her love for teaching never died and she always knew that one day she would make her dream come true of combining both her passion for teaching and numbers and become a lecturer in the School of Accountancy. When a position opened up at the end of 2019, she jumped at the opportunity. She is currently teaching Auditing and Information Systems, and what she loves most about working at Stellenbosch University is working with the students and developing them into becoming qualified professionals one day. If she could give her students one piece of advice, it would be to find your passion and never give up on your dreams – qualifications will get you to the interview, but passion and drive will get you so much further!



Sthabile Mbonambi was born and bred in Durban but opted to study at Rhodes University due to the university culture and her love for small quaint towns. She worked at Deloitte Cape Town to complete her CA(SA) training contract. Sthabile loves the culture and inclusivity of Stellenbosch University, especially the culture in the School of Accountancy, as well as the thought of changing lives through the power of education. The one thing she will always tell students is to be consistent, to strive to be better than yesterday and to challenge themselves and the way in which they approach examples; to work smarter and not harder in order to fully immerse themselves in finding comfort through their studies.

+ New staff - administrative



Tamryn Marchelle Davids was born and raised in Stellenbosch. Tamryn studied part-time through UNISA and completed her studies in 2018. Tamryn started working at the Faculty of Medicine and Health Sciences, Stellenbosch University, Division of Epidemiology and Biostatistics mid-2018. When she started her new job at the School of Accountancy it was during Level 5 of COVID-19. She started at the School of Accountancy working from home. It was a mission to transition from an office full of colleagues to working alone from home in a completely new position. Tamryn has virtually learned to know her new colleagues and find them to be helpful with many obstacles. She is excited to meet all her colleagues face-to-face.

+ O so sosiaal

Die personeel van die SvR weet hoe om hard te werk... maar ons weet ook hoe om hard te speel! Die SvR het effektief 1 Januarie 2020 vir die eerste keer 'n sosiale komitee gestig.

Die personeelsyfers van die Skool het die afgelope paar jaar eksponensieel gestyg, en die behoefte aan 'n komitee wat die behoeftes van die personeel behartig het ontstaan. Die doel van die komitee is om algemene welwees onder die personeel te bevorder, veral met die fokus op die reël van sosiale geleenthede en ontspanningsaktiwiteite met die doel op bevordering van kameraadskap onder personeel.

Die lede van die komitee is Eloise de Jager (voorsitter), Carla Morris, Stephan Kruger, Waldette Engelbrecht, Juan Ontong, Anja van Niekerk, Gary de Vink, Sher Arendse en Monique Malan. Ten spyte van die feit dat 2020 'n jaar van self-isolasie was, het dit vir seker nie die sosiale komitee afgeskrik nie!

Die sosiale komitee het juis in 2020 'n belangrike rol gespeel daarin om personeellede met mekaar te verbind en welwees te bevorder. Die komitee het 'n "kenmekaar" vasvra op Teams gehou, waar almal iets nuut van ten minste een kollega geleer het. Hulle het ook 'n welwees werkwinkel gereël spesifiek met die oog op die psigologiese impak van die "werk-van-die-huis" realiteit asook strategieë en wenke om dit te hanteer.

Die komitee het ook twee groot verrassings vir die personeel gereël – spesifiek in 'n tyd waar meeste personeellede en bestuurslede se kerse tot laat in die nag brand. Daar is 'n dankie-sê koopbewys asook 'n koffie koopbewys vir die laaang merkerie vir elke personeellid, en 'n spesiale geskenk vir elke bestuurslid vir "Base-dag" gereël! Dankie sosiale komitee.

You rock!



It's not that **Prof. Pieter von Wielligh** is bossy... it's just that he is The Boss!



Dr George Nel mixing business with beer and snacks



Dr Stiaan Lamprecht looking forward to his beer and snacks!



Prof. Kobus van Schalkwyk enjoying a cold one after a long day.



Roelof Baard's boss, Mac, approves of his coffee hamper.



Prof. Soon Nel relaxing with a decent bottle of red and his new wine glass.

+ Executive share-based remuneration – an appropriate incentive or not?

Executives of listed companies are increasingly remunerated using long-term share-based remuneration schemes, both in South Africa and globally. Examples of executive share-based remuneration schemes include share options, share appreciation rights, restricted shares and performance shares.

The popular media often reports on the extravagant amounts that executives realise from such schemes and such reporting is accompanied with the question of whether it is fair that chief executive officers earn up to 725 times as much as the average worker¹.

This question is a very pertinent one in the South African environment, which is characterised by extreme income-inequality, poverty and unemployment.

Share-based remuneration schemes are often complex arrangements and it is important that their vesting conditions and outcomes are properly disclosed in company annual financial statements.

Shareholders need to understand which conditions were applied to such schemes, i.e. how long executives had to stay in service and whether performance vesting conditions, linked to key performance indicators, were applied. More and more people are advising that executives should only be rewarded for 'abnormal' share price performance (i.e. that which exceeds the general market movement), that executives should not be able to manipulate the performance vesting conditions chosen (for example, by earnings management or share repurchases), and that non-financial performance vesting conditions should also be applied.

Perhaps it is even more important to disclose the *value* that executives realise from share-based remuneration schemes. Prior to the implementation of King IV, the disclosure requirements in South Africa were unclear as to exactly what per-executive value had to be disclosed relating to share-based remuneration: the grant date fair value (the value when it was promised to the executives) or the value realised on settlement date (that the executive actually earned upon completion of the vesting period). As a result, company disclosures were inconsistent² and did not lead to an accurate understanding of what executives actually realised from share-based remuneration, especially after the global financial crisis³.

King IV, which is effective from year-ends after 31 March 2018, requires that both the grant date fair value and the value realised on settlement date (termed 'cash settlement value') should be disclosed in annual financial statements, on a per-executive basis. If the requirements of King IV are adhered to, then we will have a much clearer picture of the value that executives realise from share-based remuneration.

Gretha Steenkamp – Senior lecturer in Accounting (gyn@sun.ac.za)



Gretha Steenkamp

References:

- ¹ <https://www.remunerationconsultants.co.za/south-african-massive-wage-gap/>
- ² Steenkamp, Dippenaar, Fourie and Franken (2019). Share-based remuneration: Per-director disclosure practices of selected listed South African companies. *Journal of Economic and Financial Sciences*.
- ³ Steenkamp and Wesson (2018). Share-based incentives for South African CEOs: Trends 2002–2015. *South African Journal of Accounting Research*.

+ Wheels of change

Deloitte's mission is to help their clients excel and strives to make an impact that matters. To this end, Deloitte entered into a partnership to sponsor *Team Dimension Data for Qhubeka*. Qhubeka is a world bicycle relief program in South Africa and is changing the lives of African school children through #BicyclesChangeLives. #BicyclesChangeLives is about mobilising people with bicycles for greater access to education, healthcare, and economic opportunity. Deloitte donated one of these bicycles to the School of Accountancy (SoA). Freddie Jacobs will use the bicycle to reduce his carbon footprint around Stellenbosch when making his deliveries. The SoA thanks Deloitte for the donation.



Freddie Jacobs
with his new wheels

+ Personeel wat die diens van die Skool verlaat het

Die volgende personeellede het die diens van die SvR gedurende 2020 verlaat:

- Nadine van Vuuren
- Gary de Vink
- Lynn van Rooyen
- Maudrie Claasen

Good Luck EVERYONE

Die SvR bedank hierdie personeellede vir hulle harde werk en toewyding. Die SvR wens hulle alles van die beste vir hulle nuwe avonture en toekomsplanne toe!

+ M-graduandi

Die SvR is baie trots op die volgende personeellede wat hulle Magistergrade tydens 2020 verwerf het:

- Michelle de Bryun (Master of Accounting Sciences, UNISA)
- Shaneen Conradie (MRek (Bestuursrekeningkunde) cum laude), Stellenbosch University)
- Jan Dreyer (MCom (Business Management) cum laude), Stellenbosch University)

+ Frances Burger, magisterstudent van Prof. Linda van Heerden, het die SAIPA Tesis Kompetisie vir Meesters in Belasting gewen. Baie geluk, Prof. van Heerden en Frances!

Smith & Associate Ingelyf

GEOKTROOIEERDE EN PROFESSIONELE REKENMEESTERS



Moenie vergeet dat jy anders kan wees as enige iemand anders nie.....

Moenie vergeet dat jy eintlik reeds anders is as enige iemand anders nie.....

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

Noordwal-Wesstraat 25, Stellenbosch, 7600 Tel: 021 886 7025 E-pos: info@smith1.co.za Webblad: www.smith1.co.za

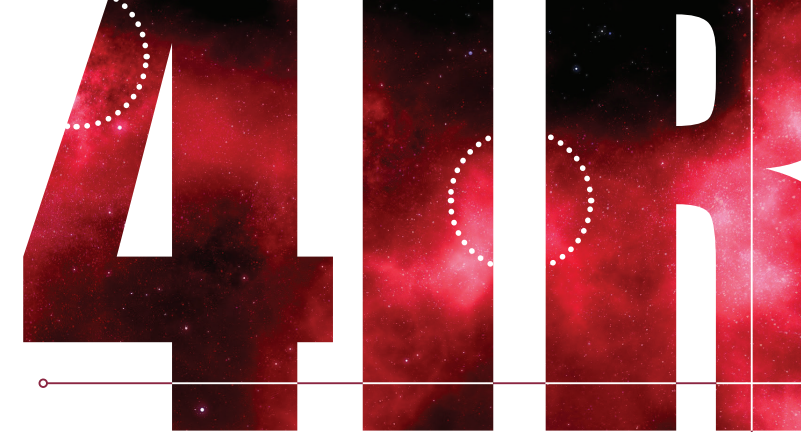
The Fourth Industrial Revolution (4IR) is a buzzword used by many to introduce a new technology or to sell something. The acronym is used in all sorts of contexts but there may be two problems: firstly, many users might not fully understand what 4IR is and may only refer to it at a high-level and secondly, South Africa (SA Inc) might not be ready for 4IR. This article hopes to encourage thinking about these two problems. Why is this relevant?

Modern snake oil salesmen

The modern version of a *snake oil salesman* is an IT expert. Most IT experts will unfortunately not sell you the technology that is the best for your needs; they will sell you the technology that generates the best income for them. When deciding to embrace 4IR, you need to understand where its value lies for you and how to unleash that value. The value realised by 4IR does not lie in technology alone: if you have the best technology with the best functionalities, but you don't use all the functions, then you have overinvested. Therefore, it is first necessary to understand what the 4IR is. 4IR is where the blurring of lines between digital, physical and biological systems occur. Focusing on the technology, 4IR is driven by two broad types of technologies: technologies that mimic or enhance the human-like experience [AI; nano-tech; bio-tech; autonomous automation] and data driven technologies [analytics; connective devices; big data; IoT] that allow value to be extracted from data. 4IR differs from previous industrial revolutions in that there is exponential acceleration in computational ability with technology, developing cognitive abilities at different levels of learning and thinking. Digital and physical combinations are being connected, and in some cases humans and computers are connected through shared data. Many industries will be impacted, but it is not one technology that will impact an industry by itself: the greatest innovation is where technologies are converged to produce new products and services and the social changes. For businesses to generate value, these technologies must work and access to these technologies needs to be opened. This gives rise to the second problem: whether SA Inc is ready.

Is SA Inc ready?

4IR is more than just providing internet access or digitising services or rolling out technology at a mass scale. It is about the context in which the technology is used and making sure the technology is implemented to fit the reality of the user or customer. Services like Uber and online food deliveries might have changed the way business is conducted in suburban areas, but they are still not reaching many rural and outlying areas. Financial services may be able to work remotely, but gold mines, for example, still need feet in the mine. Private schools may teach online, but rural schools are still waiting for books. SA Inc needs to think about how and when it implements which technologies. Depending on the context and need of the user, sometimes a technology solution would be appropriate and other times there might be a need for a manual or low technology solution. SA Inc cannot mass roll-out technologies and will probably need to work on a dual economy for some time to come, accelerate digitisation of services for those who have good internet access and resources, while providing manual services when catering for people who do not have access to fancy technologies and services. Before a one-size fits all approach for 4IR technologies can be implemented, SA Inc also need to facilitate a social change or else our economy will leave many more people behind. Social change can start with education. There are several key challenges to address: given shortcomings in the education system and a South African workforce that is mostly not highly



IS SA INCORPORATED READY?

skilled, SA Inc will need to be selective in which skills it invests in, to ensure that the right skills are developed, not over-emphasising one particular skill. For example, programming skills are important, but maths skills cannot be left behind. Communication, problem-solving and other skills that are not technology related are more important. There is no doubt that data scientists are in demand, but they are not the only skills that are in demand. If, as many economists propose, the future of SA Inc lies in small businesses, investment in a wide variety of skills are required. There are some incubators doing brilliant work in developing niche 4IR skills, and what they are doing right is focusing on a what they consider to be important, rather than taking a broad view of simply rolling out 4IR technologies without considering the end game. There is no doubt that SA Inc must enter the 4IR race, otherwise SA is going to be left behind, but we need to consider the reason for investing in technology, as well as the whole eco-system and support infrastructure which supports the use of the technology. For example, all learners can get iPads, then SA Inc needs to address improved cellphone reception, secure charging facilities, etc.

Not all industries are ready for 4IR, and not all industries will benefit from 4IR. For SA Inc to be ready, it first needs to consider correcting the economic and social disparities could leave many SA Inc shareholders (i.e. its citizens) behind. Thereafter, a detailed strategy formed in a clear understanding of 4IR, its application and benefits must be developed. That may require SA Inc walking away from opportunities.

Prof. Riaan Rudman – associate professor in Auditing
(rjrudman@sun.ac.za)



Prof. Riaan Rudman



+ Inaugural Summer School of Financial Accounting 188

The year 2020 would be remembered mostly for unpleasant reasons, but the start of 2020 did deliver a pleasant occurrence by which 2020 will be remembered in the School of Accountancy. In early January a group of hopeful Financial Accounting 188 students assembled for the very first Financial Accounting 188 summer school. The purpose of this summer school was to provide additional opportunity to those students who failed the module, but achieved a grade of at least 40%.

During the summer school, these students are then provided with two weeks of intensive education, during and after which they are provided with a further assessment opportunity to pass the module. This provides an excellent way for students who do not wish to retake a module during the year. From a total of 40 students, 39 were afforded the opportunity to focus on their other modules in 2020, as they successfully completed the summer school assessments. This means that a 97.5% pass rate was achieved in this summer school and reduced the number of students needing to redo an entire year of financial accounting. At the School of Accountancy we are very proud of the success of the inaugural summer school: it shows what can be achieved by dedicated hard work and individual attention.



Ticketing fraud is a growing challenge faced by the entertainment and sporting industry. It occurs when fans are required to pay an inflated price because tickets are not available through official channels or the purchasing of fake tickets believing that they are real.

+ Market research indicates that up to 17 percent of tickets that are originally purchased on the primary market, are resold for an average mark up of 41 odd percent. The secondary market is a globally growing phenomenon with people buying tickets with the sole intention of reselling it at a profit, rather than attending the event.

The consequence: real fans lose out by not getting tickets or by paying a higher price. In the US attempts have been made to legislate this, but it is a challenge to enforce. Even with legislative backing, the fan loses out because legislation prevents ticketholders from recouping costs on tickets that they cannot use.

+ A "Bot" is a specialised software designed to buy as many tickets as quickly as possible as soon as the ticket goes on sale.

A large US ticketing company believes that bots accounted for 21 percent of online ticket sales for two high demand shows over a three-month period and in one instance a bot purchased more than 1 000 tickets for a single event in 1 minute.

Even though bot purchases are legislated in the US, ticketing companies cannot distinguish between bot and human purchases. The fans lose out because they cannot react at the same speed as bots. In May 2018, 10 000 tickets sold for an Ed Sheeran concert, were declared invalid. One customer paid £4 000 for four tickets, which allegedly included a meet-and-greet with Sheeran, while no such ticket option existed. Mega fans lose out.

+ Speculative tickets, where brokers sell tickets they do not own, is another problem.

Tickets are often sold on the second-hand market before they are available on the primary market. Brokers sell these speculative tickets with the intention of them buying the actual ticket as soon as the primary market opens. But what happens when the broker is unable to obtain the ticket in the primary market? Fans might be unaware that they are buying a speculative ticket and not an actual ticket. The fan is left seatless and loses out.

+ Either way you look at it, the fan loses out. Could blockchain technology address these challenges and protect fans?

A transparent and decentralised database that is accessible by everyone, would immediately solve many of these oversight and verification issues.



What is blockchain? Since the early days of the Internet, many previous attempts have been made by individuals to create an electronic system of money that does not rely on banks. All attempts were unsuccessful, as they could not address the double-spending problem (spending the same money twice by duplicating money) without relying on a trusted third party that keeps track of all parties' ledgers. That is until 2009, when Satoshi Nakamoto introduced Bitcoin. Bitcoin can function as a currency without relying on banks, by utilising a decentralised distributed ledger, which was later termed as a 'Blockchain'. This ledger is not controlled by a single party, but rather distributed among thousands of peers, who validate all transactions.

The ability to eliminate the need for trusting a single third-party in validating a database, soon attracted fields beyond currencies. Crypto assets can today be classified between cryptocurrencies, utility tokens and security tokens. Cryptocurrencies refer to currencies intended to be used as a method of payment, which is stored on a blockchain. Utility tokens refer to tokens issued by a company that provides the holder the right to goods and services provided by that company. Security tokens refer to tokens issued by a company that provides the holder rights such as ownership, voting rights and dividends. They are effectively shares that are stored on a blockchain. By storing tickets as utility tokens on a blockchain, the

purchaser can be guaranteed that the token (ticket) held is valid. The Ethereum blockchain enables the creation of smart contracts. These contracts can control the flow of tokens according to predefined rules. This could prevent scalpers from reselling tickets at a profit, while still allowing purchasers to recoup costs incurred for an event that they are unable to attend. The Ethereum blockchain is also a public blockchain, meaning that anyone can inspect the ledger, thereby increasing transparency of seat availability.

All crypto assets reside on a blockchain. What makes a user the owner of a crypto asset, is possessing the private key to that asset, as this private key enables you to control the movement of that asset on the blockchain. Fans would therefore not be presented with a hard-copy ticket, but rather with a private key to the utility token, which is kept in the user's digital crypto wallet.

The fans win all the way. Even FC Barcelona fans.

*Hamman Schoonwinkel, Lecturer in Information Systems
(hammans@sun.ac.za)*

This article is based on one of the topics of the course work of the Masters in Blockchain Technologies by the IL3-Universitat de Barcelona.

+ Research

Prof. Rika Butler is currently busy with her PhD-studies in which she investigates smartphone users' threat avoidance behaviour. There is a need for behavioural research within the smartphone context to better understand users' behaviour, as it is one of the reasons for the proliferation of mobile threats. As part of her studies she published an article titled 'A systematic literature review of the factors affecting smartphone user threat avoidance behaviour' in Volume 28(4) of *Information and Computer Security*.



| Prof. Rika Butler |

This study applied a structured literature review (SLR) to identify the human factors that affect smartphone users' threat avoidance behaviour. After synthesis six factors were identified as drivers and/or challenges of smartphone users' threat avoidance behaviour, namely, knowledge and awareness, misconceptions and trust, cost and benefit considerations, carelessness, perceived measure effectiveness and the user's perceived skills and efficacy. The results can encourage and provide a starting point for further research on human behaviour to improve smartphone user behaviour. The mobile industry should focus on eradicating common misconceptions and undue trust in mobile security that is prevalent among smartphone users and make cost effective and usable interventions available. Training and awareness programs should be updated to include the factors that were identified in this study to affect smartphone users' threat avoidance behaviour. In addition to improving users' declarative knowledge concerning available smartphone measures

and tools, procedural knowledge should also be improved to ensure proper use of available protective measures. Users should realise the importance of staying updated with evolving smartphone technology and associated threats. **This study acknowledges and supports the notion that addressing human behaviour is crucial in the fight against mobile threats.** It addresses the need for behavioural research to analyse the factors that drive smartphone user behaviour. Furthermore, it uses and documents the use of a SLR, a research technique often unfamiliar among information security researchers. The next phase of her study will focus on using these factors to develop and assess a structural model for smartphone user threat avoidance behaviour.

Andrea Herron and Magdel Zietsman published an article titled 'The normal tax consequences of home swaps for residents owning property in the Republic of South Africa' in the *South African Journal of Accounting Research*, Volume 35(1)



| Andrea Herron |

The concept of home swapping has become more accessible due to a global phenomenon, labelled the sharing economy. Technological advancement has removed the barriers to international trade. Members of home swapping programmes exchange rights to provide each other with accommodation in their homes. These exchanges can be facilitated through points, rights or cash and can in essence be distilled to a short-term rental agreement. The only difference between the various options to exchange is the consideration received: an

incorporeal non-cash benefit (points/rights) or cash. Incorporeal non-cash benefits fall within the ambit of a barter transaction and consequently in the scope of gross income. The main objective of this article was to determine the normal tax implications of a South African resident who owns a property in South Africa, upon receipt or accrual of the benefit of a successful home swap transaction. In order to meet this objective, South African and international literature were analysed to determine the recommended normal tax treatment of these home swap transactions. Home swap benefits were found to be indistinct items of gross income for which no exemption exists in the Income Tax Act No. 58 of 1962.

Corinna Kirsten presented a paper at the Scholarship of Teaching and Learning Conference, Stellenbosch University held in October 2019 in Somerset West, titled 'Self-assessing summative assessments: Perceptions of Management Accounting students and lecturers'.



| Corinna Kirsten |

Corinna is passionate about finding innovative ways in which to enhance the success of her students and to develop tools to support them. She discussed the results of a study the aim of which was to determine the usefulness of a self-assessment instrument developed to facilitate reflection on students' performance in tests. **The instrument was perceived by both lecturers and students as useful for reflecting on students' performance in tests, especially for identifying problem areas.** This paper was nominated as "Delegate's Choice" for best paper presented.

Dr Stiaan Lamprecht and Prof Hentie van Wyk (UFS) published an article titled 'Context-specific indicators to guide the judgement of a going concern for a company in business rescue' in the *Journal of Economic and Financial Sciences* (Volume 13(1), a483).



| Dr Stiaan Lamprecht |

Annual financial statements are normally prepared based on the going concern assumption, namely that a company will continue to exist in the foreseeable future and that it has neither the intention nor the need to enter liquidation or to cease trading. The combined regulatory aspects of being listed, having applied for business rescue, the need to prepare financial statements and having these audited externally are problematic. Moreover, a business rescue practitioner can pursue one of two goals, namely to return the company to solvency, or if this is not possible, to render a better return (with a controlled wind-down) under business rescue than under immediate liquidation. The purpose of the article was to establish possible context-specific indicators of a going concern for a South African listed company under business rescue through a qualitative interpretive systematic review of current context-specific literature regarding the going concern assessments. The current accounting guidance sets a high bar for using any other assumption than the going concern assumption. **The systematic review found that in the context of a listed company under business rescue, financial distress and its impact on the realisation of assets and liabilities in the normal course of business are an important indicator that the company may not be a going concern.**

Moreover, as indicators of a going concern, the state of commercial and technical solvency, the foreseeable future and certain actions taken during the proceedings may be more indicative when considered in combination with the particular business rescue aim pursued and the stage of implementation of a business rescue plan. Certain triggering events may also be good indicators to guide the judgement of a going concern, for example, an anticipated material scaling down of operations during business rescue proceedings or a change in the business model. The findings may provide guidance to preparers, users of financial statements and auditors when assessing the going concern assumption when preparing the financial statements of a South African listed company under business rescue. The authors also noted that future research should explore the relationships between the different indicators of a going concern in a quantitative context.

Theo Mey and **Dr Stiaan Lamprecht** published two sequential papers that investigated EBITDA disclosure by JSE-listed companies. The first paper titled 'The many faces of earnings before interest, tax, depreciation and amortisation (EBITDA): Assessing the decision usefulness of EBITDA disclosure by Johannesburg Stock Exchange-listed companies' was published in the *Journal of Economic and Financial Sciences*, 13(1), 1-13.



| Theo Mey |

Prior research on voluntary disclosure largely excluded earnings before interest, tax, depreciation and amortisation (EBITDA) from its focus, accepting it as

a standardised measure of companies' performance. Commonly accepted as being well defined, EBITDA may be misleading if labelled, defined and calculated inconsistently. This will mean that the disclosure of EBITDA lacks decision-usefulness as it is not faithfully represented nor comparable between companies. The paper assessed the decision-usefulness of EBITDA disclosure by Johannesburg Stock Exchange (JSE)-listed companies by performing a quantitative content analysis to analyse the EBITDA disclosure in 220 Stock Exchange News Service (SENS) reports in which JSE-listed companies reported their annual results for the period 2014-2016. The paper found that companies inconsistently labelled, defined and calculated EBITDA. Twenty-four per cent of the SENS reports labelled and defined EBITDA as earnings before interest, tax, depreciation and amortisation, but calculated it by adjusting for other items as well. **Companies' definitions of EBITDA also differed widely, with 27 different definitions identified in 52 SENS reports that disclosed an unmodified EBITDA label.** Practical implications from the findings are that existing JSE reporting requirements appear lacking in ensuring that companies disclose EBITDA that is faithfully represented and comparable. Furthermore, the identified diversity of definitions has implications where EBITDA is used for valuation and contracting purposes.

Following the findings from their first paper, they investigated the potential opportunistic disclosure of EBITDA by analysing the association between the quality of EBITDA reconciliations and factors associated with opportunistic disclosure. This led to a second paper titled 'The association between EBITDA reconciliation quality and opportunistic disclosure', which was accepted for publication in the *South African Journal of Accounting Research*. The study used ordinary least squares estimation to regress an EBITDA reconciliation score on factors associated with opportunistic disclosure for a sample of stock exchange news service reports of companies listed on the Johannesburg Stock Exchange (JSE) for the financial years 2014 through 2016. The results of the study suggest that the management of JSE-listed companies signal the credibility of EBITDA as a performance measure by providing higher quality reconciliations, rather than using poor quality EBITDA reconciliations to mask potential opportunistic disclosure. The paper contributes to a limited corpus

of research on EBITDA as non-GAAP earnings measure and it provides support for the adequacy of the JSE's disclosure requirements in facilitating high-quality financial reports. The results are timely as the JSE is contemplating whether to issue expanded disclosure requirements intended to limit the potential opportunistic use of non-GAAP earnings disclosure.

Dr George Nel and **Roelof Baard** published an article titled 'Minimum corporate website disclosure levels and information asymmetry: Evidence from Johannesburg Stock Exchange small-cap companies' in the *South African Journal of Accounting Research*, 33(3), 187-204.



| Dr George Nel |

The objectives of their research were to ascertain whether JSE small-cap companies are on par with their UK counterparts listed on the London Stock Exchange (LSE) Alternative Investment Market (AIM) in terms of Rule 26, and whether such information is useful to investors. Although Rule 26, containing minimum financial and non-financial information content on the corporate website, is mandatory for companies listed on the AIM, it is not for companies listed only on the JSE. Using agency theory, it was argued that if information voluntarily disclosed by companies on their corporate websites is useful to investors, it should theoretically decrease information asymmetry. **The results showed that the majority of smaller listed JSE companies are not on par with their UK counterparts.** Although empirical evidence of a negative relationship between disclosure and the bid-ask spread (proxy

for information asymmetry) was found, the relationship changed to not significant once controlled for market capitalisation. Besides the bid-ask spread, the association between disclosure and both share price volatility and share turnover (both as alternative proxies for information asymmetry) was tested, and both were found non-significantly related to disclosure. **The results reported do suggest that the Rule 26 minimum corporate website disclosures may not be sufficient in persuading investors to change their trading behaviour.** Dr Nel's research focuses on corporate communications to the equity market and other stakeholders, its drivers and consequences.



| Roelof Baard |

Juan Ontong focuses his research on Accounting Education. Juan has co-authored and published various articles in the *South African Journal of Higher Education*.

The first article titled 'How accounting students within the Thuthuka bursary fund perceive academic support offered at one South African university', authored by Juan Ontong, Tess De Waal and Waylon Wentzel was published in the *South African Journal of Higher Education*, 34(1), 197 – 212. Recent academic performance of students in their chartered accountancy professional examinations has been under scrutiny by the business community in South Africa, especially examination performance amongst Black, Coloured and Indian (BCI) students. Noting the importance of preparing higher education students for future professional examinations, this study focused on Thuthuka Bursary Fund

(TBF) students in accounting. The study participants were all from BCI groups whilst the study aimed to gain insight into TBF students' perceptions regarding the value of two academic support structures. These structures involved additional tutorials, only offered to TBF students and individual learning program sessions, offered to all accounting students. The study aimed to understand the support format required to equip students to better prepare for examinations. Student perceptions were analysed to identify those aspects which could potentially make the offered support structures more conducive to the learning needs of students. Understanding student perceptions about the effectiveness of academic support is critical in promoting the study success of students and meeting their learning objectives. The study found that certain aspects of academic support are judged to positively contribute to students' learning, while others can be improved upon. Students seem to prefer smaller support class sizes, language-specific facilitators, support classes being scheduled during normal class hours instead of after hours, an emphasis on exam writing techniques and, to a lesser extent, course content being covered. The findings suggest more regular student feedback about the academic support offered which could result in revisions to existing support structures. Such revisions might contribute to better assistance to students, potentially increasing their performance – also in continued professional learning after graduation.

The second article titled 'The use of past assessments as a deductive learning tool? perceptions of students at a South African university', authored by Juan Ontong and **Armand Bruwer** was published in the *South African Journal of Higher Education*, 34(2), 177 – 190. **Promoting critical thinking skills in the higher education setting is noted as a key skill required by students.** Using a questionnaire approach, this study examined whether first-year students perceived the use of past assessments in preparation for upcoming assessments as a deductive learning tool and used them solely as a study aid and predictor at a South African university, with the focus on the deductive and conductive learnings styles, with specific reference to whether students perceive the past assessments to be used as tools to indicate specifically what will be assessed in terms of historical frequency.



| Juan Ontong |

The findings suggest that students utilise past assessments as a deductive tool in order to predict future areas that will be assessed, as well as certain characteristics, such as the level of difficulty of question papers. The authors argue that when past assessments are used as a deductive “predictor” of future assessment, this then potentially acts as an inhibitor of developing critical thinking skills. The findings therefore, although acknowledging the value added in terms of higher education students of the revision and practising of past assessments, highlight that assessors in higher education need to be conscious that the use of past assessments as a “predictor” through the repetitive nature of the items being assessed may result in students who are able to pass assessments but who are unable to necessarily demonstrate critical thinking skills as required by module outcomes. The findings of this study therefore present various streams of areas for future research into the better understanding of how past assessments can be used in order to promote critical thinking within higher education modules.

The third article titled ‘Early assessment as a predictor of academic performance: an analysis of the interaction between early assessment and academic performance by first-year accounting students at a South African university’ authored by Juan Ontong and Armand Bruwer was published in the *South African Journal of Higher Education*, 34(4).

Current emphasis on students’ academic

adaptation in higher education necessitates the evaluation of predictors of successful preparation of first-year students. This study evaluated the implementation of early assessment (EA) in two first-year financial accounting courses at a South African university, namely an introductory financial accounting course, aimed at students without prior exposure to accounting, and a professional body accredited accounting course, aimed at students with prior exposure to accounting. This module-specific benchmark assessment, early in the academic year is often used as a predictor of preparation, adaptation and potential future academic performance. Given the discontinuation of a university-wide EA protocol within a faculty the academic contribution of the EA has been questioned. The study’s focus comprised two research questions, namely whether the EA can be used as a predictor of future academic performance of two different academic performance groups and whether students in a lower academic performance group are able to achieve success despite a low result in the EA. The research methodology included an analysis of variances to determine the correlation between the early assessment and either mid-year or final marks, as well as significance evaluation of the measured variance analysis using the Bonferroni test. The findings suggest that whilst the EA could potentially be used as an early warning sign for at-risk academically low performing students, the EA could also result in a misleading representation to students in the high academic performance category. Principally, the EA was found not to be a reliable predictor of future academic performance. In addition, the mixed results obtained from the evaluation of the effect of the nature and format of the assessment suggested that it had a low and non-meaningful effect on the predictive value of the early assessment. The fact that students in the academically low performance group were largely able to pass the module, however, suggests the success of intervention utilising the EA as an early warning. Higher education module developers could therefore consider the implementation of an appropriate EA in various undergraduate modules, based on the findings.

The fourth article titled ‘An investigation of the interaction of class attendance, tutorials, mentor sessions, video presentations and external tutoring, and the effect thereof on student performance’ authored by Juan Ontong, **Jan Dreyer** and Armand Bruwer

was published in the *South African Journal of Higher Education*, 34(4).



| Jan Dreyer |

The need to improve the systematic failures of higher education has led to various studies that promote the implementation of certain types of teaching interventions with the aim of increasing student performance. This study investigates the effects of these interventions on student performance in a multiple-intervention environment by developing an attendance construct proxy, as well as an alternative to the class attendance intervention construct proxy. The benefits of these interventions were analysed to determine whether certain interventions have a more significant impact on student performance than others in the context of increasing student performance. Using a survey approach to determine the record of participation in the interventions by the students, the findings of participation were analysed using the academic records of the students to identify the effect. The results suggest that increased levels of attending classes, which include traditional and additional face-to-face sessions, have a significant positive effect on student performance. When analysing the additional face-to-face sessions, specifically the further class attendance of tutorial classes where students are given the opportunity to work on their own or in groups and only request assistance where needed, the greatest significant positive effect on student performance was observed. The findings further suggest that certain interventions – often seen as alternatives to class attendance, such as attending mentor sessions, external tutoring, and watching

videos of beginners’ classes – do not necessarily have a positive significant effect on student performance. Interestingly, the perceptions of students are consistent with the findings of the study, with the majority of students not recommending the use of external tutoring services. The findings of the study therefore provide insightful value to the design of modules at higher education institutions, aiding in identifying and responding to which interventions would have a significant impact on student performance.

Mari Patterson published an article titled ‘A structured approach to strategic alignment between business and information technology objectives’ in the *South African Journal of Business Management*, 51(1). Information Technology (IT) is developing at an accelerated rate, making it virtually impossible to separate business and IT strategies. Consequently, the IT strategy of an entity must be integrated with its overall business strategy in order for IT to add value to an entity. It is important that both senior management and IT specialists be involved in the design, implementation, running and revision of IT solutions in order for IT to assist in meeting the strategic objectives of the entity.



| Mari Patterson |

Miscommunication between senior management and IT specialists is however a major contributing factor to IT projects failing to deliver the desired value. This concept is known as the ‘IT gap’. The IT gap arises because there is a divergence in objectives between these two parties. The differences in objectives arises from the nature of their respective work

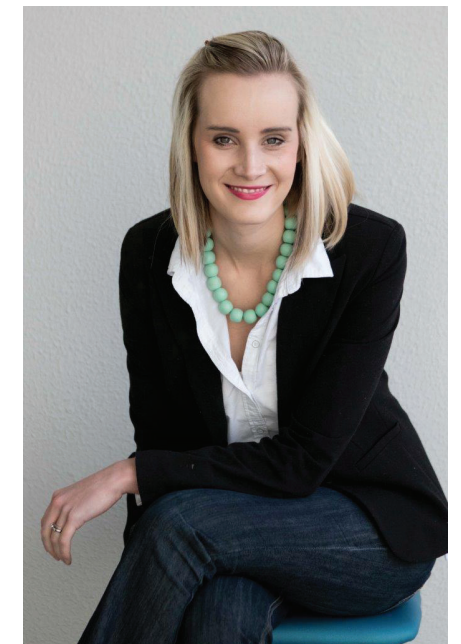
and the tools they use. Management employs business model design tools (such as the Business Model Canvas), while IT management uses governance frameworks (such as the Control Objectives for Information and Related Technologies [COBIT]). In order for value to be generated, there needs to be alignment between these models and more importantly their objectives. The purpose of this study is to develop a comprehensive list of key driving forces of an entity, known as business imperatives, that can be used by senior management and IT specialists in an entity to ensure that the technology architecture of an entity is designed with the objective of supporting these business imperatives, thereby achieving alignment between the IT and business objectives of an entity. A comprehensive list of business imperatives was compiled. These business imperatives can be used to determine the design of the IT architecture of an entity, with the ultimate purpose of supporting the business objectives of the entity.

Mareli Rossouw and **Cecileen Greeff**’s article titled ‘Improving the financial literacy of Grade 8 and/or 9 economic and management sciences teachers in the Western Cape’ was published in the May 2020 edition of the *South African Journal of Education*, 40(2). The poor performance of learners in the 2017 National Senior Certificate accounting paper has raised concern. One way to improve the results in accounting over time is to ensure that the first introduction of accounting as financial literacy in the senior phase is done properly.



| Mareli Rossouw |

The training of Grade 8 and/or 9 financial literacy teachers was therefore the main focus of this study. They investigated whether an intervention (a two-day workshop aimed to improve teachers’ understanding of financial literacy) could be an effective tool to improve the financial literacy of Grade 8 and/or 9 economic and management sciences teachers in the Western Cape. One hundred and two participants volunteered to write a pre-test (Test A or B) before the commencement of the workshop and 93 participants volunteered to write a post-test (a different but corresponding test to the pre-test) after the completion of the workshop. Only Grade 8 and/or 9 financial literacy teachers who attended the workshop and who completed the consent form were eligible to be part of the study. Mixed model analysis of variance (ANOVA) tests was performed on quantitative data. A generalised estimating equation model (GEE) was used for the interpretation of individual content questions and the Spearman test was performed on Likert-scale answers to evaluate correlations. **The results reveal that the participants performed significantly better in the post-test.** The results also show that participants were capable of defining basic accounting concepts but struggled to determine cost of sales. Future workshops based on financial literacy teachers’ abilities are encouraged. Teachers with more experience could benefit from learning new teaching methodologies, while teachers with less experience will benefit from a workshop where content is taught in detail.



| Cecileen Greeff |

Mareli Rossouw and **Sophia Brink** co-authored an article titled 'An investigation into the success rates of students with no prior Accounting knowledge in obtaining a professional Accounting degree' to be published in the *South African Journal of Higher Education*. Several South African universities do not require students to have completed Accounting at secondary school level in order to enrol for a degree in Accounting. At Stellenbosch University such students with no prior Accounting knowledge can still graduate and receive a Bachelor of Accounting degree within the minimum time frame of three years given that an Accounting conversion examination is passed at the beginning of their second academic year. The literature on student performance where students have no prior Accounting knowledge focuses predominantly on first-year Accounting students. Limited studies have been expanded beyond the first academic year to investigate these students' academic career up to their final year and whether such students obtain a professional degree in Accounting. The main objective of the research was to analyse the results of first-year conversion students (with no prior Accounting knowledge) in order to report on their success rate towards obtaining a Bachelor of Accounting degree within the minimum time of three years. In order to meet this objective, a quantitative research method was applied.

It was found that half of the population was successful in obtaining their professional degree in Accounting within three years and 81% of the conversion students eventually obtained their professional degree in Accounting (irrespective of time).



| Sophia Brink |

This finding suggests that Accounting as a subject at secondary school is not necessarily essential to obtain a professional degree in Accounting. Receiver operating curve analyses were also done to predict optimal cut-off marks for Accounting subjects to obtain the desired degree within three years. These predictions, together with the actual marks obtained by the identified population, should be welcomed by prospective conversion students who now have more data available for decision-making.

Prof. Riaan Rudman believes that most professionals, including accounting (and auditing) professionals, have no realisation of the full impact of the Fourth Industrial Revolution (4IR). Most accounting professionals do not understand what 4IR is, those that do, may only understand it at a high-level and have not gotten into the detail of truly understanding the implications of 4IR. There is also a lot of misinformation about 4IR and the relevance of accounting professionals in the future. In order to address this, he authored a series of articles in Accountancy SA addressing what 4IR is, its impact on the work of accounting professions and the skills required. The first titled: "Rise of the machines" focused on clarifying what 4IR is, rather than a list of technologies. This was followed by "the CA(SA) of tomorrow" which argues that all accountants are not created equally and depending on the nature of the work that an accountant, professional accountant or CA(SA) performs, his or her skills set needs to be augmented to position themselves for the work of the future. The final article titled: "augmented auditor 4.0: audit is dead, assurance is the new orange" speculated how auditing and the audit process will change in the future and for the auditing profession to survive, auditors need to reconsider their core products and ask whether financial statement audits will still add value in the future and whether auditors should not rather focus on assurance.

Prof. Riaan Rudman's research interest focuses on the impact of developing technology on business and the governance thereof. This resulted in the co-authorship of an international publication in *Meditari*, an A-rated journal, titled 'COBIT 5 compliance: best practices cognitive computing risk assessment and control checklist' in which a best practices framework to assess and mitigate the risks associated with the use of a cognitive computing system was developed, as well as a second paper titled

'Risks, controls and governance associated with internet of things technologies on accounting information' published in *South African Journal of Accountability and Auditing Research*.



| Prof. Riaan Rudman |

The pervasive impact on IT is not limited to business. The auditing and accounting profession has also been caught off guard, with the areas in the International Standards on Auditing (ISA) that address IT, not having been updated prior to 2019.

Prof. Rudman works with various journals, as well as serving on local and international organising committees of conferences. He also co-presents and is the course leader of the Masters in Computer Auditing course, which underwent a significant modernisation in mode of delivery in 2020.

The international business landscape is changing and the expectations of the competencies required from auditing and accounting graduates by employers and professional bodies have evolved: graduates are expected to have both professional and technical skills.

Natasha Sexton, supervised by Prof. Rudman, investigated the shortcomings in the ISAs in providing an audit firm with the appropriate guidance and level of detail necessary to mitigate audit risk to an acceptable level. This collaboration resulted in two accredited publications. The first a paper titled 'Audit firms to employ a comprehensive approach for keeping pace with the evolving information technology control environment' and the second: 'Deficiencies in the external auditing standards in addressing IT control risk: A GAP analysis with future research

opportunities and recommendations' were both accepted by the *South African Journal of Accountability and Auditing Research*. After considering the weaknesses in the auditing standards, their focus shifted to how aspirant accounting and auditing professionals are trained and the material that is used to train aspirant accounting and auditing professionals. A paper, in which they argued the need for curriculum renewal was published in *South African Journal of Higher Education*. The paper titled 'A case for curriculum renewal: Deficiencies in the training of prospective auditors in a technology era' was built on the preposition that the current learning material is technically flawed and has not kept pace with modern IT developments. They contributed to the debate highlighting the need for aspirant accounting professionals not only to develop future fit competencies, but also that the technical content when it comes to technology needs renewal.



| Natasha Sexton |

In 2020, **Lize-Marie Sahd** co-authored an article with Prof. Riaan Rudman, titled 'Trainee accountants' perceptions on the usefulness of case studies as an assessment tool in developing and assessing professional skills: a national perspective' and published in the *South African Journal of Accounting and Auditing Research*.



| Lize-Marie Sahd |

The article explores experiential learning, and more specifically case studies, as a way of developing and assessing the competencies required of new graduates in the business world. Experiential learning techniques are generally regarded as effective for developing and assessing both technical and professional skills. Tertiary institutions, however, have been slow to change and still mostly employ traditional teaching models (such as passive lecturing, short focused scenarios, etc.) for auditing and accounting modules. Experiential learning techniques, such as extensive case studies (with unstructured and longer scenarios as well as ambiguous and contradicting information), are only used to a limited extent. The delay in adopting new teaching models is perhaps partly driven by the fact that the professional examinations still rely on traditional assessment methods. Universities tend to focus their teaching and assessment on obtaining a high pass rate in these professional examinations and consider the development of the required professional skills as an afterthought. The research in their article investigates South African trainee accountants' perceptions of the usefulness of case studies in developing and assessing professional skills as well as the perceived benefits and constraints of using case studies as auditing and accounting assessment tools. This was done using a questionnaire distributed to trainees with work experience and that have been exposed to both traditional and experiential learning techniques, such as case studies.

The findings of the research showed that case studies address the shortcomings of traditional assessments and also highlight potential shortcomings in current graduates' skill sets.

Gretha Steenkamp and Prof. Nicolene Wesson co-authored an article titled 'The relationship between share repurchases and share-based remuneration of South African CEOs: An exploratory study' in *Management Dynamics*, 29(2), 2–18. The positive effect of share repurchases on share price and earnings per share (EPS) is well-documented. The literature suggests that executives abuse share repurchases to increase the value of their remuneration (when based on share price and EPS metrics). This study investigated whether executive share-based remuneration affected the share repurchase behaviour of companies listed on the Johannesburg Stock Exchange (JSE). Chief executive officer (CEO) share-based remuneration and share repurchases of a sample of JSE-listed companies, over the period 2002–2017, were extracted from financial statements and the IRESS financial database. Relationships between the two datasets were statistically evaluated. A significant positive relationship was found between CEOs' share-based remuneration and share repurchases – especially when subsidiaries executed the repurchases, general repurchases were executed, and repurchases were not announced. In South Africa, unannounced general share repurchases allow CEOs the opportunity to increase their share-based remuneration artificially, without shareholders being aware of this increase. Improved governance is recommended to ensure that all general share repurchases are announced.



| Gretha Steenkamp |

Gretha Steenkamp and Prof. Nicolene Wesson co-authored another article titled 'Post-recession share repurchase behaviour by JSE-listed companies: transparent or not?' which was published in the *Journal of Accounting in Emerging Economies*, 10(3), 465–486. The article aimed to examine South African share repurchase behaviour (activity, repurchase entity, repurchase type and transparency) in the post-recession period and compare this to the 2000–2009 period. Comprehensive share repurchase data for all JSE-listed companies (excluding those in the basic materials and financial industries) were obtained by scrutinising annual reports and JSE announcements. The purchasing of shares reached a peak during the financial recession of 2008/2009, with share repurchases stabilising at a lower level post-recession. Repurchases executed by subsidiaries have decreased post-recession, probably owing to the introduction of dividends tax. However, 45% of the share repurchase value was not announced via the JSE (compared to 22% in 2000–2009). **Real-time JSE announcements of all share repurchases are required to improve transparency.** Owing to low announcement rates, a lack of transparency relating to share repurchases was observed in South Africa post-recession. Enhanced corporate governance requirements could improve transparency.

Henriette Scholtz and **Suzanne Kieviet** published an article titled 'The relationship between the informativeness

of annual accounting earnings and board composition: Empirical evidence from South Africa' in *Journal of Global Business & Technology*, 16(1), 1–20.



| Henriette Scholtz |

In this paper, the association between board structure and the informativeness of earnings in South Africa (SA) is examined. The SA corporate context is uniquely characterised by an urgency to meet affirmative action regulations, limited qualified and experienced directors from an ethnic background, concentrated ownership and greater government ownership. The results of this study contribute to the extant literature in various ways. The study found that non-executive directors improve the informativeness of earnings due to increased monitoring of management's decisions and actions, which in turn improves the quality of financial reporting. Female board members also contribute significantly to the informativeness of earnings, implying that appointing female directors improves the knowledge base, creativity and innovation, as well as organisational value. However, female influence on share returns was found to be significantly negative, which can be attributed to a more conservative accounting practice implemented by female board members. In addition, it was found that boards with less ethnic diversity have a greater informativeness of earnings as the negative relationship can be attributed to the shortage of qualified directors from an ethnic background and these directors often have multiple appointments on various boards and thus likely too busy to have a

positive effect on the informativeness of earnings. It was furthermore found that ethnic diversity is not significantly related with share returns in SA, but it is conceded that greater ethnic diversity on boards can boost the impact on company performance. These results do not provide a business case for ethnic diversity. However, it allows for the conclusion that an ethnically diverse board can be viewed as politically and socially correct in the current social climate; as SA has been propagating the dismantling of racial boundaries and a more equitable distribution of economic well-being. The results indicated that board size of South African companies does not influence the informativeness of annual earnings. Companies in South Africa need to comply with the BEE acts, which could increase the board size and could lead to increased costs and less effective coordination and limit the effect on the informativeness. **Interestingly, this study does not find evidence to support the popular notion that more independent non-executive directors should be added to corporate boards to enhance financial reporting quality.** While independent non-executive directors seem important at times of crises, their monitoring input seems to be offset by the experience and information that is contributed by non-executive directors.

This study's results provide further support for agency and resource dependence theories, which suggest that boards with diverse gender and increased non-executive representation, increase executive monitoring and decision making. Agency theory literature suggests that non-executive directors have incentives to prevent aberrant managerial behaviour to protect their public image and secure demand for their monitoring services. Resource dependence may be particularly powerful in explaining this study's evidence of a positive effect of board diversity on informativeness of annual earnings in SA. This implies that by appointing more female board members, SA companies can win government support and gain access to critical resources, such as government contracts, finance, and tax concessions that can facilitate growth and improve long-term financial performance.



| Suzanne Kieviet |

This study has important policy implications for countries with diverse ethnic communities striving to achieve communal accord. Also, this study can provide empirical evidence to regulators, companies and policymakers formulating policies on gender representation on boards specifically in emerging countries where men are often widely regarded to be superior to women.

Gideon Swanepoel and **Armand Bruwer** published an article titled 'Educating the always-on generation in an Instant(gram) #blendedlearning' in *Perspectives in Education*, 38(1).



| Gideon Swanepoel |

The aim of the study was to evaluate the opportunities the anticipated Fourth

Industrial Revolution has afforded tertiary education institutions in applying new technology, like social media, to their pedagogy model. The authors created an Instagram account for Financial 188 in 2019, in which the various functions of Instagram were used. **The study then analysed the students' perspective on the use of Instagram as a blended learning educational and administrative tool in tertiary education.** The study found that Instagram creates an always-on learner, who thinks about the module outside of lectures. The students perceived it as an effective educational tool in aiding them to understand difficult topics better, as well as an administrative tool that complements the current administrative systems. The research has been extended to include the perspective of lecturers as well and is currently under review.



| Armand Bruwer |

Maryke Wiesener's article titled 'Understatement penalty in terms of the Tax Administration Act – a critical analysis of the interpretation of a *bona fide* inadvertent error' was published during 2020 in the *De Jure Law Journal*, 53, 176–187. The research objective of this article was to critically analyse the interpretation of a *bona fide* inadvertent error. The Tax Administration Act No. 28 of 2011 (the TAA) stipulates that in the instance of an understatement by the taxpayer, an understatement penalty must be levied by the South African Revenue Service (SARS) for each shortfall in relation to each understatement, unless the understatement is due to a *bona fide* inadvertent error. The

term "*bona fide* inadvertent error" is only used in the context of an understatement penalty. This term is, however, not defined in the Tax Administration Act, any other tax act, or the Interpretation Act. Initially, when the term was first introduced into the Tax Administration Act in 2013, certain factors that need to be considered in the context of factual errors and in the case of a legal interpretive error were listed in the Draft Memorandum on the Objects of the Tax Administration Laws Amendment Bill of 2013. However, the final version of the Memorandum on the Objects of the Tax Administration Laws Amendment Bill of 2013 did not include examples of what would constitute a *bona fide* inadvertent error when SARS must consider whether or not to impose an understatement penalty, but it stated that guidance will be developed in this regard. Subsequently, during 2016, judgment was delivered in Income Tax Case (ITC) 1890 and the court held that a *bona fide* inadvertent error is "an innocent misstatement by a taxpayer on his or her return, resulting in an understatement, while acting in good faith and without the intention to deceive". Thereafter, during 2018, SARS issued guidance in respect of the use of the term "*bona fide* inadvertent error" in the context of understatement penalties. **SARS concluded that "the only errors that may fall within the bona fide inadvertent class are typographical mistakes – but only properly involuntary ones"**, and further clarified that a lack of reasonable care will also not be excused. The article found that there is a conflicting view between the court in ITC 1890 and the guidance provided by SARS. The author is of the opinion that the judicial view, as expressed by Boqwana J in ITC 1890, should take preference above the narrow view of SARS when considering the meaning of the term "*bona fide* inadvertent error". Therefore, until further guidance is provided, a *bona fide* inadvertent error, as expressed in ITC 1890, should be regarded as "an innocent misstatement by a taxpayer on his or her return, resulting in an understatement, while acting in good faith and without the intention to deceive", and not only properly involuntary typographical mistakes, as viewed by SARS. Furthermore, the author recommends that the guidance be included as a defined term in the TAA, or, alternatively, documented in the form of an official publication, such as a binding general ruling or an interpretation note, for the guidance to be regarded as practice generally prevailing, which would provide some much desired clarity and authority

in practice. The author stressed the importance of having clear-cut guidance that must be provided regarding what would constitute a “*bona fide* inadvertent error”, as this would absolve the taxpayer from an understatement penalty.



| Maryke Wiesener |

Gretha Steenkamp and Alwyn Visser presented a paper at the *Scholarship of Teaching and Learning Conference* in 2020 titled ‘Class recordings in a postgraduate financial accounting course: student perceptions’.



| Alwyn Visser |

Increasingly, it is becoming clear that the traditional face-to-face lecture does not actively engage all students in the learning process. Several approaches could be employed to increase student engagement, including blended learning (where face-to-face classes are combined with online learning experiences). However, prior to current emergency remote learning during the COVID-19 pandemic, limited online learning techniques were applied in post-graduate Financial Accounting. Lecturers often did not feel comfortable with recording themselves and felt that making podcasts available might decrease class attendance. However, students increasingly

demand recordings of lectures to be made available as they claim such recordings will enhance their learning. Although recordings of lectures were not usually made available to postgraduate Financial Accounting students at Stellenbosch University, it was decided to do so for a single topic in the 2018 year. Afterwards, a questionnaire was circulated to the students to gather their perceptions on usefulness of the recordings (a total of 129 students completed the questionnaire). It was found that the majority of the students used the class recordings after class. The students found these class recordings extremely valuable, seeing as they could pause and rewind the recordings to focus on aspects which they found difficult in class. **Although students would prefer to have class recordings available for all topics in postgraduate Financial Accounting, they also felt that shorter podcasts (or snippets from class recordings) which focus on specific aspects would be even more useful than the entire recorded class.** The students identified the following risks relating to making class recordings available: the recordings could be made available (by students) to outside parties; class attendance could decrease; and there would be less human interaction. In conclusion, students did not feel that class recordings should replace traditional lectures but rather be used as supplement (i.e. a so-called blended learning approach). Thus, to encourage active learning, lecturers should try and incorporate appropriately designed podcasts, focussing on certain aspects, when designing courses. The paper was awarded best paper for “Innovation” at the conference.

Join us, let's create together.

Apply for a CA training contract and a PwC bursary!

At PwC, our purpose is to build trust in society and solve important problems. We're a network of firms in **155 countries** with over **284,000 people** who are committed to delivering quality in assurance, advisory and tax services.

No matter which area of our business you choose to join, all our graduate programmes offer you the opportunity to create.

Visit www.pwc.co.za/careers or scan the QR code below to apply:

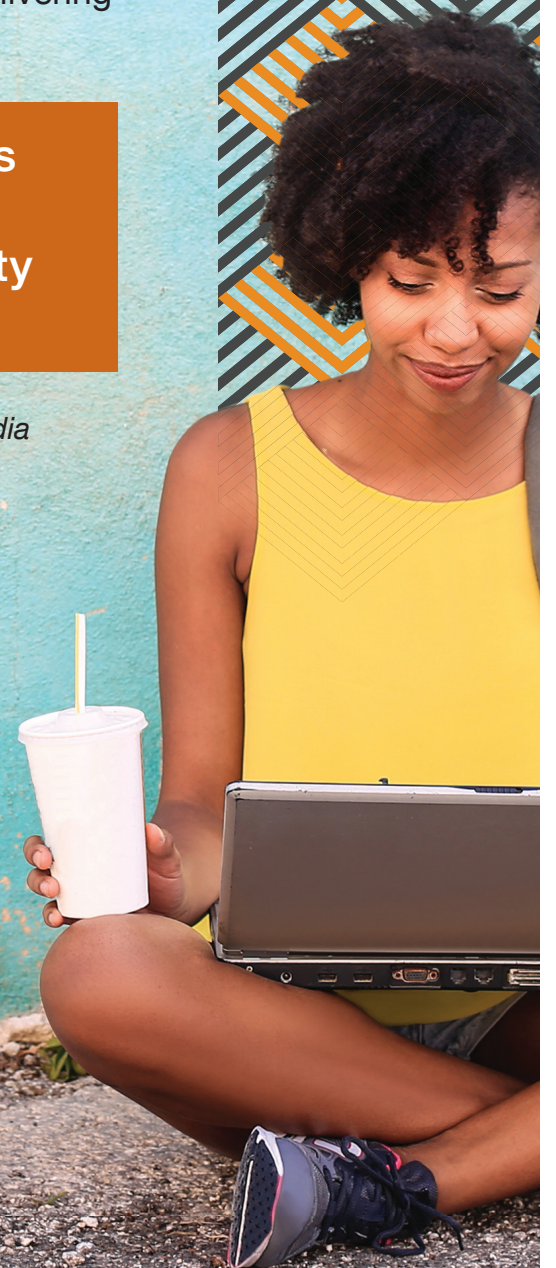
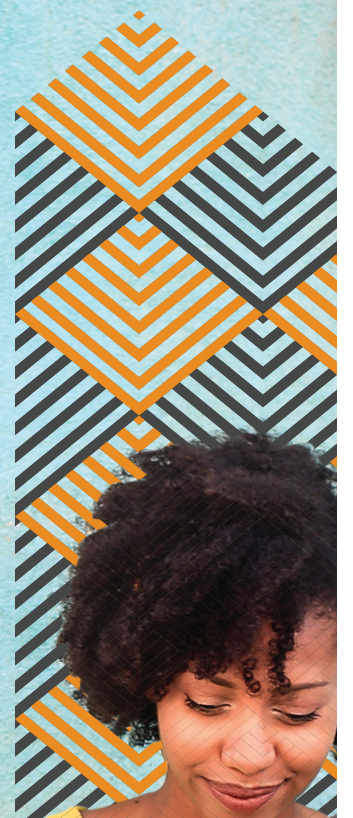


Follow us on social media

- PwC South Africa
- @pwc_za
- PwC South Africa
- @pwc_za



© 2020 PwC. All rights reserved.



PKF Careers

Experience your
future in our
world!

SAICA training
contracts for 2022 &
2023 now available.

JOIN THE PKF TEAM

PKF Cape Town,
Tyger Valley
Ingrid du Preez
recruitment.cpt@pkf.co.za

PKF Constantia Valley, Cape
Town
Martli Uys
hr.constantiavalley@pkf.co.za

www.pkfexperience.co.za