

Parliament ditches KPMG

By  Nicci Botha

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KPMG South Africa's pariah status continues, with Parliament being the latest to join the growing litany of companies and organisations that have terminated their relationship with the audit firm.



Photo: [Parliament of South Africa](#)

The decision was taken after weighing up the risks associated with doing business with KPMG, said parliamentary spokesperson, Moloto Mothapo. “All this because the admission that the auditing firm has made with regards to improper conduct.”

This follows an announcement by the Independent Regulatory Board for Auditors (Irba) and Parliament that the former performing an investigation into KPMG, in terms of the Auditing Profession Act, Act 26 of 2005.

In addition, Business Ethics Network Africa (BEN-Africa) an NGO encouraging ethical business on the continent has removed the audit firm as a strategic partner, and cancelled a conference KPMG was to sponsor on the subject.

Trying to save face

Newly appointed CEO of KPMG South Africa, Nhlamu Dlomu, has her work cut out for her. She met with former Sars executives Adrian Lackay, Ivan Pillay, Yolisa Pikie and Peter Richer earlier this week. The four were implicated in the Sars report and lost their jobs and professional reputations as a result.

“They told me loud and clear that the report KPMG South Africa prepared for Sars caused suffering to them, other employees and their families. I understand their pain and apologised for the part that KPMG played. We acknowledge their concerns and anticipate that the terms of reference for the independent investigation will be broad enough so that their concerns can be addressed,” she said.

KPMG only started responding to pressure about its role in state capture in early August, with a very vanilla [statement](#) issued by then-CEO Trevor Hoole.

Two weeks later, KPMG International stepped in and mounted a rescue operation of its South African entity, which was by then bleeding major clients. However, the overtures so far – a purge of the local top management (including Hoole), a visit by John Veihmeyer, chairman of KPMG International with former Sars commissioner and finance minister, Pravin Gordhan, and his deputy, Mcebisi Jonas in an attempt to make amends, and now Dlomu’s meeting with Lackay, Pillay, Pikie and Richer – don’t seem to have done much to plug the hole.

ABOUT NICCI BOTHA

Nicci Botha has been wordsmithing for more than 20 years, covering just about every subject under the sun and then some. She’s strung together words on sustainable development, maritime matters, mining, marketing, medical, lifestyle... and that elixir of life - chocolate. Nicci has worked for local and international media houses including Primedia, Caxton, Lloyd’s and Reuters. Her new passion is digital media.

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