

# Moyane may have to explain at KPMG probe

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The South African Institute of Chartered Accountants (Saica) has put together a panel with inquisitorial powers to investigate KPMG employees.



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The panel's hearings could include summoning South African Revenue Service (Sars) commissioner Tom Moyane over the contentious report the audit firm had produced for the revenue service.

KPMG is at the centre of state capture allegations. The fallout over its work for the controversial Gupta family and its report on the alleged rogue unit at Sars led to the departure of nine senior executives, including its former CE, Trevor Hoole.

Saica is now targeting individual KPMG employees who are also its members, as the Independent Regulatory Board for Auditors is probing the audit firm as an institution.

KPMG has admitted to flaws in its work on Gupta-linked companies and has withdrawn the recommendations contained in its Sars report, which implicated former finance minister Pravin Gordhan.

The Saica panel, which will conclude its work in five months, is chaired by advocate Dumisa Ntsebeza and includes Dr Claudelle von Eck, CEO of the Institute of Internal Auditors; former chairwoman of the JSE Bobby Johnston; former accountant-general at the Treasury Freeman Nomvalo; former auditor-general and Saica CE Terence Nombembe; and advocate Vuyani Ngalwana.

It will look into whether any of its members employed by KPMG had contravened the institute's constitution and code of conduct.

Speaking to Business Day on the sidelines of a media briefing on Thursday, Ntsebeza said: "I can't see why we cannot ask on any or all reports Sars has on KPMG". I will invite Tom Moyane or anyone who can shed light on what went on to provide submissions to the panel."

Moyane has resisted the withdrawal of the report by KPMG as it was used to purge senior leaders from the tax agency. The report was also at the heart of the bitter battle between Gordhan and Moyane when the former took over as finance minister at the end of 2015. During Gordhan's first media briefing as minister , he called out KPMG for its conduct in compiling the report.

This was after a memorandum came to light in which Moyane's attorney dictated the findings Johan van der Walt, the KPMG auditor compiling the report, should make.

The terms of reference of the probe specifically mentions the Sars report, but it is not limited to this matter or confined to the allegations surrounding the Gupta accounts.

*Source: Business Day*

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