



Case study: Recruiting and enhancing talent at the Auditor-General of South Africa

Deloitte entity:	Deloitte Southern Africa with Deloitte India	Timeframe:	November 2008 to July 2010
Client name:	Auditor-General of South Africa	Services supplied:	Audit, human capital, immigration, tax, payroll, legal, and human resources
Topics:	Talent management, immigration, staff training	Contact:	Nazeer Essop, Deloitte Southern Africa (nessop@deloitte.co.za)
Countries:	South Africa and India		

When the Auditor-General of South Africa (AGSA) found themselves struggling with a national shortage of audit managers, not only was it impacting how they did their job but costing real money in terms of outside contracting fees. It was also taking a toll on employee morale. Deloitte Southern Africa proposed a novel solution: take advantage of the similar audit systems between Southern Africa and India. With the help of the Indian member firm, Deloitte Southern Africa recruited and trained more than 40 Indian audit professionals and arranged for them to join the AGSA. As a result, the AGSA significantly improved the quality of their work, the quality of life for its employees — and, with the savings achieved, turned its first positive financial return in 2010.



The situation

Established in 1996, the Auditor-General of South Africa (AGSA) is an independent government entity charged with conducting the external audit of all national and provincial departments, municipalities, and public entities throughout the country. With a constitutional mandate to “strengthen [South Africa’s] democracy by enabling oversight, accountability and governance in the public sector,”¹ the Auditor-General has a demanding and high-profile role to play. But, as of 2007, the AGSA found itself with an employee turnover rate of over 15 percent per year and a whopping 700 vacancies — 230 of which were managers. It had no choice but to spend upwards of U.S.\$75 million of its U.S.\$190 million revenues on contracts with external auditors and audit firms just to continue meeting its mandate.

With the increasing shortage of professional resources — a major problem in South Africa — the AGSA knew it had a particular challenge on its hands. Beyond the obvious monetary impact, the large turnover rate couldn’t help but affect the quality and continuity of its services. “Our staff was being pushed to the limit,” says Eshana Manichand, AGSA’s head of Ethics and Transformation. “We were concerned about employee morale and the strain that was being put on managers. With so many direct reports, they were close to being overwhelmed.”

Already the Auditor-General was starting to explore new talent sources by increasing the visibility of the AGSA brand in the marketplace and by forging new relationships with educational institutions and professional associations. They were even trying to revamp the recruitment process and expand the criteria to include other relevant professional qualifications. But the AGSA needed more immediate action to mitigate its staffing issues if it was to continue meeting its obligations. What it needed was new thinking about its talent shortage — and needed it right away.

The solution

Deloitte Southern Africa saw an opportunity here to draw on the global experience of Deloitte member firms throughout the world. With the vast knowledge of chartered accountant (CA) requirements and qualifications these firms offered, the Deloitte team was able to develop a bold proposition for the AGSA: seconding experienced chartered accountants from India and training them to be audit managers in South Africa. India not only had an enormous talent pool to draw on, it also had an audit system that was remarkably similar to that of South Africa. And it would cost nearly half of what the AGSA would spend to obtain talent locally.

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“India was actually a perfect fit,” says Deloitte Southern Africa partner Nazeer Essop. “It has motivated and qualified candidates with an audit experience that was not all that dissimilar to that of South Africa.”

But bringing CAs from India to South Africa was no simple proposition logistically. It would require collaborative action across a number of member firms and service lines — including audit, human capital, immigration, taxation, payroll, legal, and human resources. Working with Deloitte Human Capital SA and Deloitte India’s Mumbai office, the team oversaw extensive screening and recruitment of over 300 CAs from throughout India. Each potential candidate was tested for English proficiency and underwent a psychometric evaluation. A joint team of two Deloitte Southern Africa partners and two members from the AGSA’s executive body conducted final interviews of over 100 chartered accountants from throughout the country at Deloitte India’s offices in Mumbai and Delhi.

With help from the Indian firm, selected candidates and their families were provided with work permit applications and visas. Deloitte Southern Africa arranged for transportation and assisted the candidates with finding temporary housing across all nine of the provinces where they were being deployed. The team also provided cars, laptops, and cell phones so that the new employees could hit the ground running.

Even more important, Deloitte Southern Africa’s solution had specifically aimed to recruit and train managers so that they could work to improve the overall environment and performance of the AGSA. To get the CAs up to speed, the team designed and oversaw week-long training sessions on the AGSA audit approach and methodology as well as South African legislation pertinent to government audits. Once on site, the CAs would be in a position to not only provide on-the-job instruction to trainee accountants and enhance audit quality but also ease the burden on the current management team.

“It was critical that these new CAs were well-prepared to take on their roles,” says Essop. “With so much turnover

at the Auditor-General — and as managers — they had more than just an average job to do. They needed to help stabilize and reinvigorate the work environment. They needed to instill confidence and that required being ready on day one.”

“The Deloitte program ensured that the AGSA addressed its immediate and medium-term people objectives,” says Manichand. “The Deloitte managers were skilled to assist in bridging the identified competency gaps thereby assisting the AGSA trainee auditors.”

The outcomes

Over four phases, Deloitte Southern Africa recruited, trained, and delivered more than 40 CAs from India for placement in the AGSA office and its satellites across the country. Immediately, the AGSA was able to reduce the number of auditor managers contracted in as well as the amount of work contracted out to external audit firms. The savings have been significant — and the AGSA turned its first-ever positive financial return in 2010.

“The Deloitte managerial secondment program has proven to be a great success, and the secondees have made a real difference in the quality of our work — and in the quality of life for our employees,” says Manichand. “Obviously, a work environment with less stress and more opportunity to do your job well will mean happier employees — and less turnover in the future.”

Ten Deloitte managerial secondment managers now remain in the AGSA — as part of an agreed upon withdrawal process over the past three years — and they continue to develop and train employees in technical and soft skills, especially their approach to stakeholder relations. Says Manichand, “The AGSA will continue to implement this program for the coming year with enthusiasm, innovation and excitement and we also welcome any opportunity for global collaborations.”

¹<http://www.agsa.co.za/AboutUs/Ourvision.aspx>

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