Economic integration through knowledge integration. The impact of IFRS on the globalisation of accounting firms and corporate business in South Africa.

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Abstract

The accounting profession in South Africa developed South African GAAP – General Accepted Accounting Practice – since the early 1970s. Accounting standards for the domestic context were nevertheless not developed in isolation from international accounting standards, since accountants and auditors from different parts of the British Commonwealth as well as other parts of the world, engaged in public practice in South Africa. Despite attempts to limit open access of accounting professionals into the market for accountants and auditors in South Africa during the first half of the twentieth century, reciprocity agreements with professional accounting associations since the 1950s resulted in a very international footprint of the accounting profession in South Africa. International sanctions limited, but never entirely shut off international business links of South African and international business. Access to reliable financial information on South African businesses was vital for international investors. This depended on the availability of ‘decision useful’ financial information, which was premised on high accounting standards and internationally accessible and comparable accounting information. The integration of accounting knowledge internationally was beginning to take shape through the initiatives to establish the International Accounting Standards Board in . The South African accounting profession joined those initiatives from the inception of the IASB on. How has the internationalisation of accounting knowledge impacted on the development of South African GAAP? How has the South African accounting profession interacted with the internationalisation of accounting knowledge and what impact did these developments have of the globalisation of South African accounting firms and business? This paper explains the participation of the accounting profession in South Africa in international accounting knowledge integration while political constraints mitigated against full membership on the international community. A persistent emphasis on high standards of accounting education and practical training, led to the formulation of SA GAAP of a sufficiently compliant standard, which enabled South Africa to be the first country to implement IFRS in 2005. This development had a positive impact on the globalisation of South African business.

The South African accounting profession: Introduction

The South African Accounting profession enjoys high international recognition for the strength of its financial auditing and reporting standards. (WEF,2010:383; WEF 2011/2012: 407) The recognition is described as “... comforting for South African businesses and financial institutions, including overseas investors.” (Business Day,10/09/2010) This international recognition has a long historical development, since the formative years of the accounting profession in South Africa witnessed the contestation of control over practicing rights and training of accountants. The interaction between professional closure strategies and education of the profession resulted in debates about the control of professional knowledge and education and the subsequent establishment of institutions to generate, circulate and preserve the proprietary
knowledge of the accounting profession in South Africa. The profession advocated such self-regulation as important for the development of business and well educated business leaders.

Elementary audit functions were performed by officials in British colonial service since the late eighteenth century. Reference was made to an auditor-general appointed under the governorship of Earl Macartney in the Cape Colony. (Davenport & Saunders, 2000:40; Noyce, 1954:3. Then the *Natal Joint Stock Companies Limited Liability Law* was passed in the British colony of Natal in 1864 and the *Cape Companies’ and Associations’ Trustee Act* in the Cape Colony in 1873, followed in 1892 by the *Cape Companies’ Act*. The surge in limited liability companies established after the mineral discoveries by British businessmen who perceived the Cape Colony to be a secure location for new enterprises, was the reason for these statutes. Soon British accountants flocked to the Zuid-Afrikaansche Republiek (ZAR – later to become the Transvaal Colony after the South African War of 1899-1902) and established professional associations. The majority of the British accountants were members of the Society of Accountants and Auditors (SAA), established in 1885 in Britain, although there were some members of the Institute of Chartered Accountants of England and Wales (ICAEW) amongst them. The SAA formed a South African Committee in Cape Town in 1895 and accountants who worked in Natal formed the Institute of Accountants in Natal in 1895. In 1904 the accountants in Transvaal succeed with statutory incorporation when Ordinance No 3 (Private) of 1904 granted practising rights to resident accountants, thus closing off access to that market to non-residents. A professional society was formed in the Cape Colony in 1908, the Society of Accountants in the Cape Colony, and the Society of Accountants and Auditors on the Orange River Colony in 1909. Statutory incorporation similar to the TSA ordinance was enjoyed by the Natal Society of Accountants since 1909. (Verhoef, 2011; Parker, 1989:5-8; Johnson & Caygill, 1971; Garrett, 1961:14,56) Apart from the SAAORC, each of the other accounting societies conducted professional examinations since inception as closure strategies. Attempts to extend the TSA incorporation model to the entire Union of South Africa after the constitutional consolidation of the four British colonies into the Union or South Africa in 1910, met with escalating opposition. This opposition came from accountants from a variety of British accounting associations who were excluded from public practice in South Africa. Examinations
were consolidated in 1921 when the four South African Societies formed the General Examining Board (GEB). The Rhodesian Society of Accountants and the members of the SIAA in South Africa were included in the agreement to establish the GEB. When the statutory incorporation of the accountancy profession was granted on a national scale to the Public Accountants’ and Auditors’ Act, No 51 of 1951, the responsibility for examinations and qualifications of accountants in South Africa shifted to the Public Accountants’ and Auditors’ Board (PAAB), established as the statutory regulator of the profession by the aforementioned Act.

The knowledge base of the profession displayed strong resemblance to that of the SIAA. Reciprocity agreements between the South African societies and qualified accountants belonging to the ICAEW and the SIAA, acknowledged similarities in standards, but the South African societies insisted on two distinct differences in their qualifications. On the one hand the South African examinations were seen to be superior and of a higher standard. While an agreement had existed with the SIAA to permit them the right to conduct examinations locally and granted successful candidates articles of clerkship in South Africa under a principal member of one of the local societies, this concession was withdrawn in 1932. The South African profession also insisted on qualified accountants writing a separate paper on South African law as prerequisite for public practising rights. The ICAEW was never allowed to conduct their examinations in South Africa. (TSA Minutes, 11/01/21; GEB Minutes,16/08/21) Contestation on access requirements was a matter of market closure, not disagreement on the content of accounting knowledge. International mobility of capital and labour resulted in British accountants establishing them in the market for accounting knowledge in the colonies. They transferred the knowledge base from Britain. Market contestation gradually closed off examining rights to the accounting associations in Britain in the local market. This development could potentially result in a weakening of local professional knowledge content, a lowering of standards as a result of isolation and divergence of South African accounting standards from the core knowledge base in the mother country.

This paper explores the development of South African General Accepted Accounting Practice (SA GAAP) and the interface with global accounting knowledge, which led to convergence with
international accounting standards. South Africa was one of the first countries to implement IFRS in 2004. How was this possible for a country isolated by international sanctions and marginalised by academic isolation? It is argued that the accountancy profession in South Africa remained a participant in the development of accounting knowledge and as a result of globalisation, could take a leadership position in the implementation of international accounting standards. Attention will first be given to the globalisation process and how accountancy came to play a role in the regulatory environment. Then the paper explains the unfolding of standard-setting in South Africa and the state-profession nexus in the newly unfolding network of regulation of the profession. The sustained autonomy of the profession on the control of the knowledge-base, it is argued, was responsible for the convergence of South African accounting knowledge with that of the global accounting community.

**Globalisation, accountancy and agency of regulation.**

Changes in the growth of modern economies have resulted in an integration of various organisations and institutions to improve the social well-being of citizens. Accounting is one of the ‘institutions’ that has been subjected to significant functional transformation within modern industrial societies. Accounting has developed into an integral component of modern organisational and social management. It has also developed an influential role in the dissemination of information towards integrated knowledge needs of the modern society, firm and polity. Burchell et al observed that what is accounted for in financial statements has become of increasingly wider application importance. Apart from extending information towards the economic discourse, accounting knowledge on various institutional levels served to assist the state in developing a basis for taxation, but also facilitating more general economic management of policies to assist economic growth and social well-being. (Burchell, et al 1980:5-6) The general extension of the accounting domain has resulted in the strengthening of the power of accounting knowledge in the global environment. But at the same time accounting information has become part of the global knowledge explosion. The expansion in global capital markets strengthened a growing demand for financial information, disclosure of financial information and transparency of transactions. (Benston, 1976) The intricacies of
financial transactions and the global implications of such transactions called for the detailed explanation of what had in the past been implied, but now displayed an interdisciplinary nature. In this context accounting technologies have become increasingly institutionalised, but accounting knowledge increasingly objectified and abstract. (Burchell, et al 1980:7) The institutionalisation of accounting practice occurred when bookkeepers and accountants were integrated into organisational practices, while that development stimulated professionalisation drives. In the process of professionalisation the interface with the state led to expanding regulation by the state. In South Africa this occurred when the Public Accountants’ and Auditors’ Act, No 51 of 1951 was passed and the profession in South Africa was subjected to statutory regulation. (Verhoef, 2011) Regulatory mechanisms were not confined to state regulation, but soon further professional and business demands resulted in the development of institutional mechanisms for the explication, standardisation and codification of financial accounting practice. (Verhoef & Van Vuuren, 2012) As accounting became the common language of business and economics, accounting knowledge became increasingly routine, standardised, ubiquitous and taken-for-granted. This made accounting knowledge “…powerful as a dominant epistemic mode of describing corporate and economic reality” (Suzuki, 2002:318) In the twentieth century global environment the systematic and standardised accounting information evolved into the benchmark of knowledge on company performance and also macro-economic conditions. This systematic accounting knowledge developed into a form of ‘regulation’ in itself, which in conjunction with state regulation and other institutions of ‘regulation’ in society constituted a network of regulation in the global context.

Global exchanges predate the capitalist era. The crucial ‘take-off’ period for globalisation was the 1880s, but the general understanding of the process of globalisation since the last quarter of the twentieth century is that the world was becoming more uniform and standardised through a technological, commercial and cultural synchronisation emanating from the West, and that globalisation is linked with modernity. (Pieterse, 2000:99) The broad definition of globalisation, as explained by David Henderson refers to the free movement of goods, services, labour and capital thereby creating a single market in inputs and output; and full national treatment for foreign investors (and nationals working abroad) so that economically speaking,
there are no foreigners. Anne Krueger, described globalisation as a phenomenon by which economic agents in any given part of the world are much more affected by events elsewhere than before. (Wolf, 2005:14) Arnold & Sikka are in agreement that globalisation refers to “processes through which events and decisions in one part of the world can have significant consequences for individuals and societies in distant parts of the world”. (Arnold & Sikka, 2001:475) The dissolution of the postwar ‘development project’ led to globalisation as ‘an historically specific project of global economic (financial) management.’ The new global management elite were financial and transnational corporate elites who joined efforts with multilateral institutions and corporations to effect stabilisation of the world economy. The globalisation project thus encouraged transnational economic integration. (McMichael, 2000:276-279) But globalisation also involves the daily activities of people in diverse local institutions, since those activities impact on the operations of multinational actors. (Barrett, Cooper & Jamal, 2005) In this way the entire world has been shaped by the combined actions of globalisation of economies and their transition to market mechanisms. Financial liberalisation and technological innovation reinforced these developments and contributed to growing global integration of capital markets. (Trinchet, 2003:247)

The globalisation of business then raised the question of the location of control or regulation of such multinational entities: were these global entities accountable to the national state or/and to international regulators? One of the responses of Western governments has been to rely increasingly on accounting technologies. (Arnold, 1991; Power, 1993; Sikka, Puxty, Willmott & Cooper, 1998; Willmott, Puxty, Robson, Cooper & Lowe, 1992). The impact of globalisation on the regulatory power of the state, resulted in a debate between the ‘hyperglobalists’ and the ‘skeptics’. The former view argues that traditional borders have become so blurred, that national governments were incapable of regulating multinational businesses, especially financial enterprises. The ‘skeptics’ argue that the state has restructured itself in order to deal with these developments. The state has developed alliances with the accounting profession in order to utilise accounting technologies to regulate transnational business. (See Arnold & Sikka, 2001:476-480) Richardson acknowledged Jessop’s observation of the diminishing regulatory capacity of the state and the rise of a new regulatory phenomenon, i.e. a ‘network of
interacting bodies rather than a hierarchy of state power’. (Richardson, 2009:571; Jessop, 2003)

This paper does not intend to engage in the regulatory-capacity-of-the-state debate, but will show how the accounting profession in South Africa responded to the globalisation tendencies in the business environment, government regulatory actions and the principle of professional self-regulation in developing accounting standards in compliance with international accounting trends and global business developments. These developments had a positive impact on business development and the globalisation of South African business.

These developments played themselves out in similar fashion in the South African environment. The political isolation of South Africa made the re-integration into the global markets somewhat more protracted, but along similar trends. The accountancy profession in South Africa had been closely linked to the professional organisations in the United Kingdom, from where the majority of the early nineteenth century accountants who established themselves in the former British colonies, originated from. The accountancy profession in the former British colonies, and later in the Union of South Africa, engaged in active professionalisation initiatives to secure professional closure. These developments often led to rivalry with overseas accounting associations, but accounting education was strategically reserved as the responsibility of the organised profession and not the state. In each of the British colonies that eventually made up the Union of South Africa, a professional accountancy society was formed and each conducted qualifying examinations soon after formation, with the exception of the Society of Accountants and Auditors in the Orange River Colony. The other three societies, namely the Transvaal Society of Accountants, the Natal Society of Accountants and the Society of Accountants and Auditors in the Cape Colony, organised qualifying examinations since the late 1890s. In 1921 a joint General Examination Board of the four societies was established to conduct examinations on a national scale. Control over the profession-knowledge base shifted to the statutory body in 1951, but this paper will explain the agency the profession maintained in the protection of professional education and standards, while simultaneously nurturing reciprocal relations with the profession in other parts of the British Commonwealth. This paper investigates the strategic management of professional knowledge by the accountancy profession, isolated through international political agendas, but insisted on sustained high
accounting standards as the benchmark of the profession in South Africa, and ultimately in the global environment. It is argued that this strategic management of the professional knowledge base finally provided the vehicle for successful global re-integration.

The accounting profession and standard-setting since 1951.

When the 1951 PAA Act transferred control over examinations to the statutory body, the profession no longer exercised monopoly control over examining, credentialing and licensing of accountants in South Africa. The profession’s strategy to secure the perpetuation of its influence over the power knowledge nexus included two elements. The first was to engage proactively in the PAAB education and training sub-committee. The second was to capitalise on the long standing relationship of goodwill and co-operation with the universities, which went back to 1919. (Verhoef& Van Vuuren, 2012) This collaboration constituted a far-sighted leading development unknown to other British accounting environments. (Anderson-Gough,2009:309-311; Wolman,1976:176) The Financial Times noted in 1926 that “...In comparison with Great Britain, the Universities of the newer world [Canada, Australia, New Zealand and South Africa] exhibited a much keener appreciation of the value of accountancy in the educated business life of today.” (Zeff,1997) The lack of capacity in the PAAB execute its educational responsibilities in 1951 resulted in the perpetuation of the GEB. The PAAB set up an examinations committee to investigate the nature and syllabi of the GEB examinations, the existing agreement between the GEB and the universities, the final examinations of other accounting association with the view of reciprocity arrangements. (PAAB Minutes,28/11/51) The examinations committee included two university professors (Prof P W Hoek from the University of Pretoria and Professor B J S Wimble from the University of the Witwatersrand) and three members of the Chartered Societies – all representing the TSA. Some tension was dispersed immediately when one university professor suggested that the GEB examinations in the past laid too heavy emphasis on practical experience and too little on technical and theoretical matters. (PAAB Minutes, 29/11/51) While the PAAB was unable to conduct the final examinations, a proposal was considered to request the universities to examine the final qualifying examination themselves. The Chairman of the PAAB, Mr Macintosh, (a member of the TSA) rejected the proposal,
arguing that “...control over the right to determine whether students had reached a sufficiently high standard of knowledge, both theoretical and practical, should, for the time being, remain vested in the profession itself.” (PAAB Minutes: 18/02/55) The PAAB accepted its statutory responsibility to conduct the final qualifying examinations from 1 January 1957. The results of the first qualifying examination conducted under the auspices of the PAAB were disappointing with a 24.3% pass rate. (PAAB Annual Report, 1957:12) The success rate remained low - 48.3% in 1958, (PAAB Annual Report, 1958:14), 36.5% in 1959, (PAAB Annual Report, 1959:14) and 40.7% in 1960. (PAAB Annual Report, 1960:14) This development prompted the Joint Council of the Chartered Societies to investigate the training and education of the profession. A very critical report prompted the PAAB to appoint its own investigation into the education system for accountants and auditors. (TSA Minutes, 22/07/62) The report proposed closer collaboration with universities to enhance a more academic university education which would culminate in a post-graduate Certificate in the Theory of Accountancy (CTA). The profession retained control over the final qualifying examination. (PAAB Annual report, 1962:24-25) These developments ushered in the development of a ‘graduate profession’ for accountants in South Africa, with the PAAB accrediting universities’ graduate training and CTA syllabi. This was a programme called the ‘university training scheme’ for accountants. (PAAB Annual Report, 1956:4)

The development of the relationship with the universities set the accountancy profession on a long path of repositioning its knowledge power base. The enforced transfer of the responsibility for accountancy education to a statutory body, while the universities emerged as the location of accountancy education prior to articles of clerkship and the final qualifying examination, created a dualism in accountancy education. The accountancy profession had in actual fact retained indirect control of the examination framework through the dominant presence of CA (SA)s on the PAAB education sub-committee, while collaborating with the universities on the graduate education framework. By 1960 most of the South African universities participated in the university training scheme for accountants. (PAAB Annual Report, 1956:4) When the PAAB aborted its intention to request approved universities to conduct the qualifying examinations (PAAB Annual report, 1958:14; 1959:14; 1960:14), the Chartered Societies embarked on an extensive investigation to establish the core of the knowledge base required to serve profession.
(NC Minutes, 17/03/66) The organised profession wanted to retain direct control over professional standards and the professional qualifying framework by integrating practice requirements with academic education.

The complexity and diversity of the services professional accountants were required to render, increasingly called for a broad, catholic education such as provided by a degree in humanities, arts or sciences as core to the competency framework and profile of accountants. The National Council had a standing Graduate Profession Sub-Committee, which in 1966 led to the formation of the Common Body of Knowledge Committee (COBOK) in 1967 to identify the core common body of knowledge, as well as to define the knowledge and intellectual values newly-qualified accountants would require to keep abreast of future developments, especially specialisation. Attention was also given to the future relationship between the profession and universities. (NC COBOK Report, 1969:1) The report recommended that the core knowledge of accountants should be acquired through graduate education and that non-graduate candidates for the CTA should attend one year full time at a university prior to practical training. The committee felt that more emphasis should be placed on ‘positive’ training of entrants to the profession in addition to the practical training.

The COBOK recommendations set the accountancy profession in South Africa on a sustained critical intellectual path of self-criticism into the best knowledge and best practice for the accountancy profession. While the NC had contemplated the development of the accountancy profession as a graduate profession since the mid-1960s (NC Minutes, 22/03/66; 26/07/66), they were concerned that graduate training might limit or delay the availability of clerks if a graduate career path emerged as the preferred professional path. (NC Minutes, 22/03/66) In its position paper on the accountancy graduate profession (July 1966) the NC supported the development provided that the profession “… maintain direct control over entry to its ranks and thus should continue to set the qualifying examination.” (NC Minutes, 26/07/66) In June 1967 the NC set in motion processes to establish a ‘professional standards committee’ for accountants. (NC Minutes, 26/06/67)
The NC led sustained accountancy knowledge and practice assessment innovation. The NC set up a Joint Task Committee with the PAAB Education Committee to advise the PAAB on the implementation’ of COBOK recommendations. (PAAB Annual Report, 1971:8) The NC was the unmistakable driving force behind the Joint Task Committee until 1980. With regular intervals changes to the CTA curriculum were introduced. Participating universities in the university training scheme introduced B Com Accounting degrees preceding the CTA, with some institutions awarding B Com (Hons) degrees on the basis of successful completion of the subjects required for the CTA. A dedicated collaborative relationship developed between universities on the one hand and the NC and PAAB on the other, which strengthened the knowledge base of the profession in a rapidly changing professional environment.

Changing economic and business conditions prompted the NC to extend the COBOK initiative to facilitate the formation of standards of accounting practice. By the early 1970s a new Companies’ Act of 1973 was expected, which would require financial statements in conformity with “generally accepted accounting practice (GAAP) on a basis consistent with that of the preceding year”. The accounting profession was ultimately instrumental in having the phrase included in the act, because it was ‘meant to allow for the development and improvement of financial reporting for which the investing public was beginning to be increasingly insistent.’ (SA Chartered Accountant, 1973:426). The NC decided to form the Accounting Practices Board of South Africa (APB) in 1972. To promote inclusivity, the NC included representatives of the NC, PAAB, the Johannesburg Stock Exchange and leading representative bodies of industrial, commercial and mining interests on the APB. (Loubser, 1980:41; PAAB Annual Report, 1972:8)

The Companies’ Act of 1973 required annual financial statements to represent the financial position and the results of the company ‘fairly’ and on a basis consistent with those of previous years. The accountancy profession’s strategy was not to approach these new requirements by new legislation, but to devise a consultative procedure for submissions on accounting practices, professional deliberations and the formulation of a consensus position on GAAP. The NC set up the Accounting Practices Committee (APC), which identified the need for a statement on a particular topic, or received suggestions from the profession on such matters. The members of the APC were appointed by the NC (and later SAICA) as experts on these technical accounting
matters and they served a three year term. The APC members did not represent a particular firm of accountants, but their own expert opinion. Members were selected from auditors, technical preparers of accounting statements, users of accounting statements and academics. Exposure drafts were prepared and distributed among the profession, the JSE and other stakeholders who then commented to the APC. These responses and subsequent discussions were submitted to the APB, who made a final decision about acceptance and implementation of proposed new rule(s). These pro-active technical research activities led to another initiative, namely the establishment of the Accounting Development Foundation (ADF) to assist the APC. The affairs of the ADF were administered by the NC, but the ADF was controlled by three trustees. Its object was primarily to promote, commission and fund research, to study and to develop general accepted accounting practices. The ADF also promoted the teaching of the discipline of accountancy. The research function included research on standards of financial reporting for the benefit of the education of such technical innovations, for the benefit of users (investors) and auditors of financial statements and reports in South Africa. Involvement with accounting standards soon highlighted the need also to review audit standards. In 1973 an Audit Standards Committee (ASC) was formed by the NC to review existing statements on auditing. (Loubser, 1980:46-47; NC Annual Report,1973:4-5)

Global integration of capital markets and business operations stimulated the demand for comparable financial statements of multinational enterprises operating across the globe. Accountants soon realised the need for a harmonisation of financial reporting and in 1973 international initiatives were responsible for the formation of the International Accounting Standards Committee (IASC). South Africa was not part of the founding process, but the representatives of the founders of the IASC held in high regard the leading role performed by the South African accounting profession in developing local GAAP. The IASC founding members acknowledged the standard of technical developments in accounting in South Africa, but since the country was in the throes of international sanctions representatives of the accountancy profession were not invited to take part in the negotiations leading up to the establishment of the IASC, (Kirsch,2006:18-23; Camfferman & Zeff,2007:71) The NC was invited immediately after the formation of the body to become an associate member. Provision was made for the
invitation of ‘associated membership’ of the IASC and South Africa was invited in July 1974 to become an associate member of the IASC. (NC Annual Report, 1975:4; Kirsch,2006:48-49) In 1977 the IASC constitution was amended to provide for additional full membership of the organisation and in 1978 South Africa became a full voting member of the IASC. The international accountancy community held the South African profession in high esteem. Camfferman & Zeff noted: “The South African delegation’s two voting members all came from major accountancy firms and typically were very senior and influential members of the National Council of Chartered Accountants (SA)” (Camfferman & Zeff,2007:71;175) One of the South African delegates was Mr J A Porteus, who was also the chairman of the APC and it was noted that this level of expertise made South Africa eligible to become the second associate member (after Israel) to be elected to serve on the IASC project Steering Committee in 1974. This Steering Committee drafted the proposed international accounting standards. (Camfferman & Zeff, 2007:79)

Collaboration with the IASC contributed to the systematic development of South African GAAP. (Loubser,1980:41). From the outset the NC anticipated that, “Although the development, exposure and acceptance of [the Accounting Practices Committee’s and Accounting Practices Board’s] statements will continue as before, they will, so far as practicable, be developed in parallel with those of the IASC.” (CA Magazine, 1975:66) The local accounting standards developed by the profession in South Africa towards the end of the 1970s, afforded the South African profession international recognition. In 1979 the IASC conducted a survey of countries’ compliance with IASC standards and it was reported by the NC that the South African accounting standards could be considered to constitute ‘generally accepted accounting practice’. (Camfferman & Zeff, 2007:175) It was this alignment with IAS that enabled the later conversion of SA GAAP to IFRS in 2005.

**Professional consolidation, standards and globalisation.**

The growing international exposure of South African accountants and the increasing globalisation of South African business (Verhoef,2011b) made the consolidation of the professional organisation of accountants imperative. The profession needed to speak with one
voice. In January 1980 the four Chartered Societies replaced the National Council by the South African Institute of Chartered Accountants (SAICA). This was the first unitary body representing all Chartered Accountants in South Africa. (NC Annual Report, 1799:11; SAICA Annual Report,1980:4-5) SAICA developed a powerful position as the primary representative organisation of Chartered Accountants in South Africa. The APC and the APB were the agents of accounting standard setting in South Africa. (De Villiers & Venter, 2010:7-8)

During the period since the formation of the APB, the APC, the ADF and the ASC in the early 1970s, the NC and later SAICA, developed a technical accounting and auditing standards framework which constituted South African GAAP. The APB issued the first statement of GAAP in 1974, *The disclosure of accounting policies*. The second statement was issued in February 1975 on *Taxation in the financial statements of companies*. (NC Annual Report,1975:4) The SA GAAP took shape under the technical supervision of the NC and later SAICA, with due consideration to global best practice. The IASC conducted a survey in 1979 to test compliance with its own standard setting process. The NC response on the South African standards’ compliance was that IASC standards were compatible, with only a few exceptions, with South African accounting pronouncements. While the 1973 Companies’ Act required financial statements of listed entities to be in conformity with GAAP, no comprehensive codified domestic standard existed by 1979. If what had been developed as GAAP by the IASC could be considered as such, then in the light of the high degree of compatibility of South African accounting standards with the IASC standards, it was argued that it could be concurred that financial statements of listed entities in South Africa reported in conformity with “generally accepted accounting practice”. (NC Report to IASC,30/09/79) The high level of material conformity between the evolving South African GAAP and IASC standards, illustrated the degree to which accounting harmonisation impacted on global capital market integration and profit seeking globalisation of big corporations. South African Breweries, (SAB) embarked on such international expansion while growing organically through mergers and acquisitions. (Verhoef, 2011b:90) In 1984 South African Breweries announced that its principal accounting policies conformed in all material respects to IASC standards and committed the company to do so for at least the following ten years. This was the first South African company to publish IASC
conformity. The leadership in SAB went out from its finance director, Mr Selwyn McFarlane, who was a CA(SA) and Chairman of the APB and later President of SAICA. (Camfferman & Zeff, 2003:175) While South Africa was still suffering from international sanctions, accountants impressed on the big accounting and auditing firms the desirability of preparing financial statements compliant to international accounting standards. (Camfferman & Zeff, 2003:175)

Since the late 1980s South Africa regularly reported ‘general material conformity’ in the financial statements of ‘all or most’ listed entities on the Johannesburg Stock Exchange, with IASC standards. (Survey, 1985:5) This process of compiling SA GAAP was hampered by the lack of a single conceptual framework which could serve as a point of reference when confronted with contentious matters. The AC000 statements, first issued in November 1990, was the Accounting Framework - the ‘one framework’ statement. AC000 was based on the IASC Accounting Framework issued in July 1988, to which the South African delegation on the IASC was instrumental in developing. The AC 100 – Statements of Generally Accepted Accounting Practice, were issued by the APB. The AC 200 were Accounting Guidelines, issued by the APC. The AC 300 – Accounting Opinions, issued by the Accounting Issues Task Force. (AITF). (SAICA,2003/2004) The accounting guidelines were issued on thorny matters in order to provide timeous guidance how to deal with such matters and thereby prevent undesirable practices spreading. The accounting opinions were issued to provide guidance on matters which required reviewing or were treated differently in practice. The AC 300 opinions aimed to ‘provide authoritative guidance to preparers, auditors and users of financial statements thus facilitating the standardisation of accounting treatments’. (Everingham & Watson, 2000:1:2) In 1975 the NC also established the Audit Standards Committee (ASC) to research audit standards. The first audit exposure drafts, Auditing Standards, General standards of auditing, and Standards of field work, were issued in 1975.

The globalisation of accounting knowledge facilitated the issuing of harmonised accounting and auditing standards. In 1990 the political dispensation changed in South Africa. In October 1990 SAICA was invited to attend the inaugural meeting of ECSAFA – the East, Central and Southern Africa Regional Federation of Accountants – and was granted observer status. (SAICA Exco
Minutes 12/10/90) In 1992 SAICA was appointed to the Board of IFAC – The International Federation of Accountants – of which it had been a member since 1977. (SAICA Exco Minutes,28/10/92) Early in 1993 representatives of the ICAEW and of the IASC visited SAICA. By 1994 when a black government took control, economic sanctions were lifted and global integration gained momentum gradually. The re-integration process was strengthened by the maintenance of high professional standards of technical practice and conduct by the accountancy profession in South Africa, which facilitated synchronisation with international accounting knowledge. The accountancy profession in South Africa had been part of the globalisation of accounting knowledge through the issuing of harmonised accounting and auditing statements in conformity with the IASC accounting standards since its participation in the IASC. The management of the accountancy knowledge base since the beginning of the professionalisation process in South Africa contributed directly, through the smooth alignment of South African generally accepted accounting practice with international standards, to the possibilities of globalisation of financial and business enterprises since the early 1990s. Internationally harmonised accounting through harmonised financial reporting and financial co-ordination of dispersed subsidiaries of multinational firms, facilitated similar expansion of South African conglomerates.

The South African accountancy profession moved decisively on international accounting standards. In 1993 the SAICA Council decided to approve a proposal by the APB to base South African accounting standards on the IASC’s standards. (SAICA Exco Minutes, 27/04/93; SAICA Council Minutes, 24/05/93) The APC embarked on the harmonisation and improvement project where all standards of GAAP were amended to be in full conformity with IASC standards. For the APC this meant that no further original research would be undertaken but that IASC standards were published as exposure drafts, issued for comments for a period of three months. Comments were considered by the APC, changes effected if necessary and after SAICA Council approval, issued by the APB after a unanimous position is reached in the APB. SAICA, the JSE and the APB acknowledged the importance of international financial reporting compliance for businesses desiring re-entry into the global economy. SAICA acknowledged already that ‘ultimately the IASC standards should be adopted and amended only where necessary to be
applicable to South African circumstances.” At the same token adoption of international audit standards was also envisaged. The SAICA Technical department was requested to revise and develop auditing standards in line with international auditing standards and to collaborate with the International Audit Practices Committee (IAPC) to ensure that SAICA influence the formulation of those standards. (SAICA Council Minutes, 27/10/83)

Global development impacted directly on the South African business and professional accountancy environment. Governance considerations emerged as of equal importance to globally harmonised accounting standards. In 1994 the first of reports on corporate governance were released in South Africa. The report was known as the King Report, and a subsequent report on governance followed in 2002 (King 2) and 2009 (King 3) The global trend to strengthen governance procedures resulted in initiatives to separate and enhance the audit function from accountancy functions. The adverse emerging market crisis of 1998 underlined the necessity of a financial system to demonstrate maximum reliability and confidence, which would be sought in the transparency and accessibility of reliable financial information in public financial statements. In South Africa the Masterbond scandal sent shock waves through the accountancy profession and undermined public confidence in the profession and financial reporting. The international instability caused by accounting related scandals such as the collapse of Enron, Worldcom and Parmalat, caused government intervention in the restructuring process of the accountancy profession since 1994. (SAICA Board Minutes, 17/01/02) In December 2002 the Minister of Finance appointed the Accounting Review Panel (ARP) to revisit the regulatory structure for auditors and accountants as well as the APB. The South African Government was clearly disturbed by the global accountability and ethical breeches and required the ARP to report on a wide range of matters pertaining to liabilities and accountability of auditors, the appropriateness and usefulness of accounting standards, and the connections between the statutes regulating the accounting profession, the financial reporting legislation and the Companies Act of 1973. (PAAB Annual Reports, 1997-2005; Puttick & Van Esch, 2007:8-111)
The Auditing Profession Act, No 26 of 2005 was passed to give effect to the ARP proposals. The regulation of the audit profession was justified as the primary mechanism to “… protect the public in the Republic by regulating audits performed by registered auditors” (APA, Sec 2(a). The APA repealed the PAA Act, No 80 of 1991 and replaced the PAAB by the Independent Regulatory Board of Auditors (IRBA). IRBA subsequently was given the statutory duty to education, training and professional development of registered auditors, to accredit professional bodies, to register auditors, regulate their conduct and develop and maintain internationally comparable ethical standards and auditing standards to promote investment in South Africa. (Puttick & Van Esch, 2007:12; APA, Sec 2(c), (d); Sec 4 (c), (d), (e); Sec 5,6,7) The APA separated the regulatory framework of the audit profession from that of the accounting profession. By 2006 both global corporate auditing scandals and domestic political developments coupled with professional contestation between the IRBA and SAICA, resulted in the separation of the regulatory framework of the audit profession and the accountancy profession. (SAICA Council Minutes, 3/2/05;14/09/05) The Companies Amendment Act, amended in July 2005 stipulated that only registered auditors in terms of the AP Act of 2005 may be appointed as an auditor of a company. Furthermore all public interest companies had to have an audit committee comprising of non-executive directors to ensure compliance with the AP Act. (Puttick & Van Esch, 2007:13)

The PAAB had exercised a close observation of international audit standards, eg it established the Audit Standards Board (ASB) in 1999 in anticipation of the new legislation on the regulation of the profession. While the legislative review process was pending, the PAAB ASB, consisting of representatives of the Auditor-General, Financial Services Board, the JSE, the South African Chamber of Business, the Department of Trade and Industry and the PAAB, requested the SAICA ASC to continue with its harmonisation function in terms of audit standards. The ASC functioned as a working committee of the ASB. (PAAB Annual Report, 1999:10) The transfer of the audit standard setting process to the PAAB was agreed to and assisted by SAICA. It was anticipated that a new independent audit standards board will be established within the provisions of the new APA. (SAICA Exco Minutes,24/08/2000) The transfer took place on 1 January 2001 with explicit condition that Mr S P Kana shall be retained as the South African
representative on the International Auditing Practices Committee. (SAICA Exco Minutes: Memorandum, 2/08/2000) In 2004 shortly prior to the promulgation of the APA the PAAB establish an Auditing and Assurance Board (AASB), under the chairmanship of Prof S P Kana (CA)(SA). In actual fact this development was disclosed as the ASB subsuming the ASC to form the AASB. (PAAB Annual Report, 2004:8)

This domestic restructuring of regulatory and governance jurisdiction between the statutory regulator and the professional institute illustrated the growing activity by accountants outside audit practice and increasing involvement in accountancy, financial management and consultancy. In 1999 39% of SAICA members in South Africa were working in commerce and industry and 30% in public practice. By 2010 this was 36% in commerce and industry and 25% in public practice. During the same period foreign based members rose from 20% in 1999 to 22% in 2010. (SAICA Annual Reports, 2003, 2010) As South African business showed an increasing appetite for global expansion, the JSE required listed companies since October 2000 to prepare annual financial statements in compliance with ‘the national law applicable to listed companies (the Companies Act) and either SA GAAP or IAS’. Discussions on compliance with international accounting standards was encouraged by the executive management of SAICA and the strategic plan of SAICA for the five years 2000-2005 made explicit provision for the adoption and use of international standards by 2005. (SAICA Exco Minutes, 13/10/2000; 18/01/01) The culmination of the SAICA, APC and APB harmonisation efforts on accounting standards came full circle when the Board of SAICA decided in 2004 to implement IFRS. In February 2004 the APB issued the text of IFRS as SA GAAP ‘without amendments’. An important motive for this decision was to assist dual listed companies by removing the need to prepare financial statement indifferent frameworks for different compliance environments. (Coetsee, 2007:3,5,7; See JSE Listing Requirements, Sec 8.62(b).) In response to globalisation this was “for South African companies to attract foreign investment to provide credibility to the financial statements of South African companies in the global market; and to do away with the need for dual listed entities to prepare financial statements in accordance with more than one set of accounting standards.” (Ludolph, 2006; IAB, 12/09/06:12) The JSE simultaneously revised its listing requirements in 2004 to require listed companies compliance with IFRS from 1 January 2005. SAICA assisted and
administered a monitoring panel, the GAAP Monitoring Panel (GMP) to assist the JSE in monitoring compliance with IFRS or SA GAAP. (SAICA Board Minutes, 21/06/01; 14/09/04; The Accountant, April 2002:18) The accountancy profession acted pro-actively in this respect to strengthen adherence to IFRS reporting requirements.

As the first country in the world to adopt IFRS as official reporting standards, the convergence of SA GAAP to IFRS subjected South African companies to the international standards without any global benchmark. The South African experience served as a learning experience to the European countries, which only made the transition to IFRS in 2005. (Accountancy SA, November 2006) Sustained international involvement of the South African accounting profession in the standard setting process and harmonisation of SA GAAP since 1993 with IAS, facilitated the integration of global knowledge into the South African professional domain. The outcome was that the South African accountancy profession pioneered the intricacies of IFRS implementation harmonisation with local conditions. The principles based nature of IFRS implied differences of contextual interpretations of similar issues between companies and countries. South African interpretations of certain matters had to be brought in line with international interpretations. One such an adjustment was the termination by IAS 17 of operating leases, which ended the distinction between financial and operating leases and no longer permitted off-balance sheet financing of leases. As the harmonisation process progressed, the financial reporting standards for South Africa comprised a new framework. Finally South African GAAP consisted of the AC100-series (IFRS), the AC400-series (interpretations of IFRS) and the AC 500-series (which comprised specific interpretations of IFRS, eg financial reporting statements on Black Economic Empowerment transactions, which are peculiar to South Africa) (IAB,12/09/12:13) The APC exposure drafts for the South African application of IFRS benchmarked the implementation process for countries that made the transition to IFRS much later. IFRIC reflected on the South African experience in assisting member countries in interpreting IFRS in different contexts. (Accountancy SA, April 2005)

South Africa was represented on the IASB since its formation in 2001 by Mr Robert P Garnett, CA(SA). The countries preparing for the implementation of IRFS were looking to South African
financial statements to determine how IFRS have been applied. Garnett was the Executive president: Finance for Anglo American Plc, but he contributed both to the local as international standard setting process. He was also appointed Chairman of IFRIC in 2006, whereby the intellectual capital of the accountancy profession in South Africa was acknowledged. Darrel Scott CA(SA) of First Rand Bank, was a member of the Standing Advisory Committee (SAC), which gave advice to the IASB on agenda priorities and other standard setting project. South African accountants were one of four countries contributing to the IASB’s research into the developing of an accounting standard for extractive activities. (Accountancy SA, April 2006) SAICA was also leading the investigation into the implementation of IFRS for Small and medium Enterprises (SME’s) and in April 2007 established a SME Financial reporting Task team, that developed a draft local guide for financial reporting by smaller enterprises. In early 2008 the APB issued a statement of GAAP for Small and Medium-sized Entities, which was the IASB’s exposure draft of IFRS for SME’s. (World Accounting Intelligence, 09/09; Accountancy SA, May 2007; September 2008) South Africa was leading the world once more, but argued that an early publication of that statement would provide immediate reporting and principle relief to those companies. While aspects of the requirements anticipated in a new Companies’ Bill (2008) in South Africa coincided with the IFRS exposure draft on SME’s, suggestions that different reporting standards might be developed for profit and non-profit companies, SAICA acted pro-actively by appointing its task team. SAICA was concerned that deviation from international reporting standards could potentially from a reporting and regulatory perspective, impact negatively on a developing nation. SAICA warned that different reporting systems could detract from the integrity of the financial system as a whole if different reporting systems were implemented. In July 2009 when the IASB issued the final IFRS for SME’s, South Africa had had two years of experience in implementation. (SAICA Annual Report, 2009:8) This development served as yet another example of how the globalisation of accounting knowledge reinforced South Africa’s global reintegration.

Global Knowledge and professional integration.
The globalisation of accounting knowledge cemented the collaboration with and participation of South African accountants in the global professional environment. It is not easy to quantify the impact of the transition to IFRS. Two indicators were selected to explain the globalisation of the accountancy profession and the global market interaction with listed entities reporting under IFRS. Table 1 below displays the growth of the Chartered accounting profession in South Africa. The numbers of CA(SA)s more than doubled in the
<table>
<thead>
<tr>
<th>Year</th>
<th>Total members</th>
<th>Total members in South Africa</th>
<th>% of total</th>
<th>Total foreign based members</th>
<th>% of total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1990</td>
<td>13 106</td>
<td>*</td>
<td>*</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>1992</td>
<td>14 036</td>
<td>*</td>
<td>*</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>1994</td>
<td>15 151</td>
<td>12 652</td>
<td>83,5</td>
<td>2 499</td>
<td>16,4</td>
</tr>
<tr>
<td>1996</td>
<td>16 313</td>
<td>13 487</td>
<td>82,6</td>
<td>2 826</td>
<td>17,3</td>
</tr>
<tr>
<td>1998</td>
<td>17 671</td>
<td>14 306</td>
<td>80,9</td>
<td>3 365</td>
<td>19,04</td>
</tr>
<tr>
<td>2000</td>
<td>19 099</td>
<td>14 920</td>
<td>78,1</td>
<td>3 179</td>
<td>21,9</td>
</tr>
<tr>
<td>2002</td>
<td>20 903</td>
<td>16 099</td>
<td>77</td>
<td>4 804</td>
<td>23</td>
</tr>
<tr>
<td>2004</td>
<td>23 080</td>
<td>17 797</td>
<td>77</td>
<td>5 283</td>
<td>23</td>
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<tr>
<td>2006</td>
<td>25 655</td>
<td>19 829</td>
<td>77</td>
<td>5 826</td>
<td>23</td>
</tr>
<tr>
<td>2008</td>
<td>28 125</td>
<td>21 714</td>
<td>77</td>
<td>6 411</td>
<td>23</td>
</tr>
<tr>
<td>2010</td>
<td>31 602</td>
<td>24 613</td>
<td>78</td>
<td>6 989</td>
<td>22</td>
</tr>
</tbody>
</table>

**Source:** Saica Annual Reports, 1990 – 2011.

*Statistics not complied in these categories before 1994.

over twenty years between 1990 and 2010. The more significant number is the proportion of foreign based accountants. This proportion rose from 16,4% in 1994 (the first year in which such statistics were officially published by SAICA) 23% in 2008, with a slight decline to 22% in 2010. Although the political economy of South Africa had a significant impact on the decision of professional accountants to work in foreign markets, the demand for their professional services as well as the ability of CA(SA)s to transfer into global markets, is testimony to the standing of the CA(SA) qualification in those markets. The advanced harmonization of accounting standards in South Africa made this possible.
This global transfer of CA(SA)s was also encouraged by the merger and consolidation of large accountancy firms. The 1999 international merger of the two giants PriceWaterhouse with Coopers & Lybrand, created PricewaterhouseCoopers, the largest global accounting firm. A growing number of CA(SA)s transferred into various international offices of PWC since then. (IAB,8/10/97:1; Accountancy Age, 22/01/98:12) In a similar fashion the global reach of Deloitte’s and KPMG (which absorbed Arthur Andersen after Enron) and Ernest & Young, all with large public practices in South Africa, created the demand for CA(SA)s to move to foreign markets. The International Accounting Bulletin described the leading accounting networks in South Africa as ‘international networks’, thereby acknowledging the global reach of the profession in South Africa. (IAB,12/09/06:12) The adoption of the global accounting knowledge base and the integration of SA GAAP with IFRS, positioned the accountancy profession as an integral part of the global professional development.

Table 2: JSE Trades, 2003 -2010.

<table>
<thead>
<tr>
<th>Year</th>
<th>Trades</th>
<th>Volume (mil)</th>
<th>Value (Rm)</th>
<th>Foreign purchases (Rm)</th>
<th>Foreign Sales (Rm)</th>
<th>Foreign trading (net)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>3 253 858</td>
<td>43 053</td>
<td>752 249</td>
<td>166 125</td>
<td>166 554</td>
<td>-429</td>
</tr>
<tr>
<td>2004</td>
<td>3 911 451</td>
<td>45 438</td>
<td>1 031 207</td>
<td>223 587</td>
<td>190 719</td>
<td>32 868</td>
</tr>
<tr>
<td>2005</td>
<td>5 064 042</td>
<td>54 510</td>
<td>1 278 690</td>
<td>284 048</td>
<td>244 853</td>
<td>50 195</td>
</tr>
<tr>
<td>2006</td>
<td>8 923 099</td>
<td>74 487</td>
<td>2 121 500</td>
<td>480 817</td>
<td>407 119</td>
<td>73 698</td>
</tr>
<tr>
<td>2007</td>
<td>11 553 877</td>
<td>70 870</td>
<td>2 980 110</td>
<td>649 041</td>
<td>585 769</td>
<td>63 272</td>
</tr>
<tr>
<td>2008</td>
<td>17 398 986</td>
<td>83 778</td>
<td>3 263 065</td>
<td>586 986</td>
<td>641 425</td>
<td>-54 439</td>
</tr>
<tr>
<td>2009</td>
<td>20 950 750</td>
<td>82 855</td>
<td>2 796 077</td>
<td>524 492</td>
<td>449 074</td>
<td>75 418</td>
</tr>
<tr>
<td>2010</td>
<td>23 758 618</td>
<td>71 252</td>
<td>2 990 123</td>
<td>485 495</td>
<td>449 085</td>
<td>36 410</td>
</tr>
</tbody>
</table>


The second variable illustrating the global impact of South African accountancy practice, is the trading activity on the JSE in IFRSA compliant listed entities. It is argued that IFRS compliance enhanced transparency and global comparison of South African entities, thus increasing global investor appetite for those securities. As reflected in Table 2, total trades (number of trading
transactions) increased more than six fold between 2003 and 2010. The **Graph 1: Total trades, foreign purchases and sales, 2003 -2010.**

activity on foreign trades was less impressive: foreign purchases rose by approximately 9% average per annum, while foreign sales rose by an average of approximately 8% per annum. The net gain was slight, but as a result of dual listings, some equities of South African global corporations were accessed from foreign securities exchanges. The strong increase in total trades can be interpreted as improved confidence in the market for listed entities. In this respect the compliance with IFRS provided a common understanding of the performance of South African business. SMEs do not list on the JSE and therefore private equity transactions are also not reflected in the JSE market analysis. The declining trend since 2007 is directly related to the global financial crisis. The total direct equity investment as a proportion of GDP in South Africa rose steadily since 1990 (Verhoef,2011:86), but declined from 25,52% in 2008 to 22,2% in 2010. (SARB Time Series data). Accounting compliance with IFRS reposting standards was important to limit the impact of uncertainty. Aggressive disciplinary processes jointly by SAICA and PAAB (later IRBA), contributed to a raising awareness of the necessity to comply with IFRS or Statements of GAAP in South Africa – which are in actual fact IFRS. (SAICA Board Memorandum,27/02/04)

**Conclusion.**

Globalisation allowed the free movement of goods, services, labour and capital. South Africa was excluded from the second wave of global integration since the 1980s as a result of international objections to the domestic political policies since the early 1960s. These international protests finally turned to sanctions and boycotts of a varying nature. The global transfer of knowledge could not be contained. The accountancy profession in South Africa had an international heritage and despite professional closure strategies to restrict public practising rights, never compromised on the quality of accounting knowledge. The accountancy profession took control of accounting education and training in practice from the formative years of the accounting societies. The profession actively developed a strong knowledge base and since the COBOK report, which the profession initiated, developed accounting and auditing
standards to align with the growing needs of the South African economy and the business community. As a substantial proportion of South African accountants worked out of public practice in commerce and industry, and after 1994, increasingly outside the country, this alignment with international accounting standards was vital. The accounting profession in South Africa did not simply respond to international accounting knowledge developments, but led in the interpretation of international standards for local markets. The high standing of the profession secured the early involvement in the IASC, later the IASB, in IFAC and the various standard setting committees of the international accounting organisation.

As the question of control and regulation of the profession became a burning issue following domestic and international sandalsthe accountancy profession in South Africa, in close collaboration with the international bodies, collaborated with the state in designing a new statutory framework of professional regulation and accountability. The profession in South Africa, as represented by SAICA, together with the statutory regulator, the PAAB and its successor IRBA, repositioned itself to become leader in the implementation of IFRS, as well as IFRS for SMEs. The alignment of the accountancy profession of South Africa with the international accounting standards setting process, strengthened the negotiating position of the profession in the consultative forum on accountancy. The key role of the profession in the re-integration of South African business into global markets through the compliance with international accounting standards and the dissemination of reliable, useful and transparent financial information, was a direct function of the pro-active development of accounting knowledge in South Africa. This impacted in two directions: international compliant accounting knowledge offered a degree of comfort to the state in the regulatory negotiations. On the other side it facilitated globalisation of business. Trading on the JSE in securities of IFRS compliant listed entities, illustrated the function of the globalisation of accounting knowledge and the efficiency with which the accountancy profession in South Africa managed and promoted these processes.

The peculiarity of the isolation of South Africa was that the accounting profession never allowed itself to be isolated or marginalised, but emerged as a leading agent and trend setter in
the development of international accounting and auditing standards. The accountancy profession assisted the re-entry of South Africa into the global community by actively developing SA GAAP in compliance with international standards. These were then harmonised with international standards at the exact moment when the political changes in the country allowed international readmission. Accounting knowledge facilitated global information flows through harmonisation of information, compliance with international standards, improved transparency through this compliance, which built confidence in South African business.
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