

BLSA suspends KPMG membership

Beleagured audit firm, KPMG SA, has received another body blow with the suspension of its membership of the Board of Business Leadership South Africa (BLSA), pending the outcome of an independent investigation into the organisation's involvement in conduct related to "state capture" in South Africa.



Bonang Mohale, CEO: Business Leadership South Africa

"This follows a process of engagement with KPMG, allowing them to fully present their case, and consideration of the perspective of other important actors, such as the regulators.

"We want to emphasise that our members remain unfettered by this announcement in how they respond in terms of individual engagement with KPMG," BLSA said in a statement.

"BLSA recognises the considerable steps announced by KPMG to change its leadership and commence a process of cultural change. It cannot, however, look past the gravity of their conduct which is completely inconsistent with the values of BLSA, contained in our Integrity pledge. We must live by example, and that starts with our own members."

Unethical and unprofessional

The organisation said that despite KPMG's tarnished image, it recognises that the overwhelming bulk of KPMG's staff are committed, honourable and diligent individuals who were not implicated in "state capture" activities.

"We are deeply concerned by the unethical and unprofessional conduct that KPMG engaged in in South Africa. The firm became party to the project of 'state capture' which has harmed our country, victimised certain individuals and damaged the reputation of business," said Bonang Mohale, chief executive, BLSA.

BLSA believes the situation calls for an expeditiously managed independent inquiry, and full disclosure on the part of KPMG, to uncover the extent and role of individuals involved in the state capture project. Anyone found to be in breach of the law should be prosecuted.

"Corruption is unacceptable wherever it shows its face, and business should never be party to the widespread corruption in all levels of government and in state-owned enterprises. KPMG will do society a considerable service if it assists in this process through full participation in an independent inquiry," he said.

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