

AUDIT OFFSHORING: A BRIEF CASE STUDY

Part of the post-Covid 19 world is the reality that, not only has the nature of work been turned on its head but, also that existing challenges have been exacerbated by the pandemic. According to the International Labour Organisation (ILO) Covid-19 has resulted in the most severe crisis for the world of work since the Great Depression of the 1930s.

Even though this paints a bleak picture with regards to global economic output, it has simultaneously created an opportunity for offshoring companies like Gold City Offshoring to provide industry specific solutions for problems related to Covid-19 and beyond.

One sector, in which the problem solving capacity of offshoring becomes quite evident, is the current crisis faced by the auditing profession in the United Kingdom (UK). At the emergence of the Covid-19 pandemic, the auditing profession in the UK was already amid a crisis brought about by a severe skills shortage. By 2021, auditing skills were the most in demand by employers in the UK followed by nursing and accounting. When we consider that 60% of CFOs in the UK are of the opinion that the financial skills

shortage contributes to an estimated £6 billion or more spent by employers in an attempt to address issues the of skill shortages, the realities are daunting.

In addition, the UK, the Americas and Europe are expected to suffer working -hour losses more than twice as large as other regions due to pandemic related restrictions. The question, however, remains how does offshoring and specifically Gold City Offshoring's operations in South Africa provide solutions to this multi-faceted problem.

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By operating in South Africa, Gold City Offshoring is ideally situated to take advantage of business process outsourcing solutions which, as an industry, is projected to grow in South Africa at a compound annual growth rate of 13,2% by 2027. Without a doubt, financial services will form a big part of this projected growth.

These growth opportunities are especially relevant to the context of the auditing profession when considering with its tech-savvy and educated workforce, South Africa has been ranked amongst the top 50 nations with regards to its auditing and accounting standards by the World Economic Forum's Global Competitive Report.

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Further still, the quality of South African auditors can be credited to the high standards of professionalism as enforced by codes of conduct through institutions such as the Independent Regulatory Board for Auditors (IRBA) and South African Institute of Chartered Accountants (SAICA). Even within the tumultuous context of the current pandemic, Africa has performed well with experiencing only the second lowest working-hour losses due to Covid-19 restrictions globally. With an economy increasingly integrated with the rest of the globe and the largest working-age population by 2040 Africa as a whole is well on its way to closing global skills and labour shortage gap.

Gold City Offshoring is, therefore, ideally situated to provide access not only to professional auditing services but, to an offshoring destination which has witnessed a comparatively low loss of working-hours in the context of a global pandemic. Couple this with an elevated level of English proficiency; well-developed and established IT infrastructure and a favourable time difference, it is evident that South Africa is the ideal offshoring destination for companies in the UK affected by both the pandemic and a chronic skills shortage. It must then come as no surprise that Gold City Offshoring is already in the process of putting together a team of world class auditors in South Africa to provide cost effective and



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