



TRANSNET REBUILDING INTERNAL AUDIT CAPABILITIES

[Johannesburg, 17 April 2023] Transnet SOC Ltd. (Transnet) is repositioning and strengthening its internal audit function to ensure improved governance and internal controls.

A key part of this includes implementation of a strategy to move away from a fully outsourced internal audit service - as was the case in the past - to a co-sourcing of the function, on a 40/60 basis, with 60% of the service outsourced.

Furthermore, in order to build audit capacity for Transnet and the economy broadly, the company is reviving its role as one of the leading trainers for auditors, and will be scaling up its training programme, with the aim of training a minimum of 100 trainees over the next few years through the Institute of Internal Auditors (IIA) accredited program. This will provide trainees with an excellent workplace opportunity to gain the practical experience required to support their field of study.

To support implementation of its co-sourcing strategy, Transnet has appointed a new set of professional services firms for the provision of internal audit services following a competitive, open market procurement process. The appointment is with effect from May 2023, for a period of five (5) years, following the contracts of the outgoing professional services firms coming to an end in April 2023.

Deloitte & Touche together with their transformation partners Thamani Advisory (Pty) Ltd, Africa Rise and Shine Inc., and Isibani Chartered Accountants & Auditors (Pty) Ltd; and Ernst & Young Services (Pty) Ltd with their transformation partner, Motlanalo Chartered Accountants & Auditors Inc., will work with Transnet's internal audit department to improve risk management, governance and internal controls, for greater operational effectiveness of the business.

The services are split into two: Part 1 – Assurance and related services (awarded to Deloitte and Ernst & Young and their respective empowerment partners) and Part 2 – Proactive assurance on High-Value (awarded to Deloitte and its empowerment partners).

Transnet will also work with its new internal audit partners to help rebuild its capacity in training of audit professionals.

Transnet would like to thank its outgoing professional services partners for the services rendered.

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Issued on behalf of Transnet SOC Ltd.

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