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TOGETHER, LET US

ANNUAL INTEGRATED REPORT

—
2018



The background features a gradient of blue and teal colors with large, flowing, wave-like shapes. A prominent feature is a large, light blue, rounded rectangular shape on the left side. A pattern of small, light blue dots is arranged in a grid that tapers off towards the right, creating a sense of depth and movement.

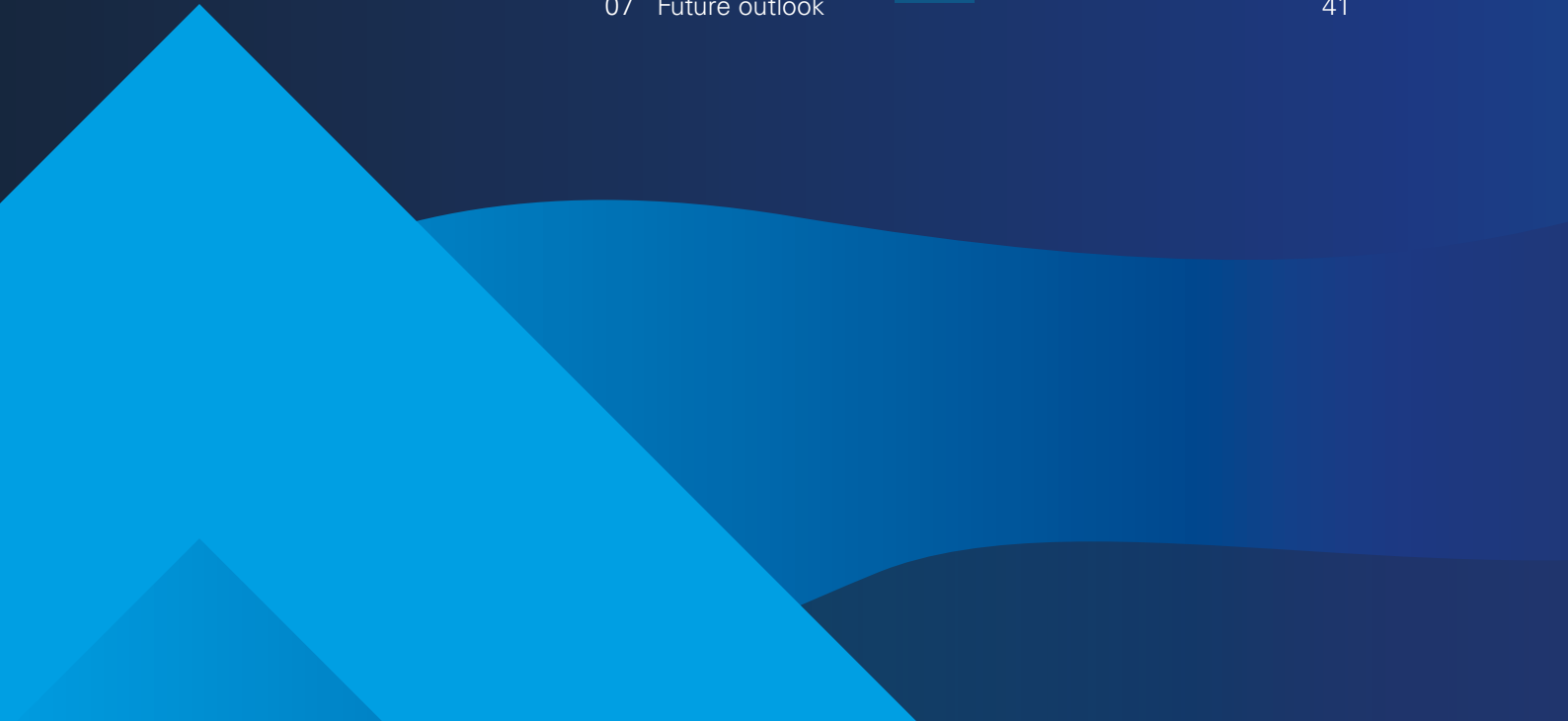
**IN THE WAVES OF CHANGE WE
FIND OUR TRUE DIRECTION**



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REPORTING HIGHLIGHTS

Below are our 2017 reporting promises and our performance and delivery on these during 2018.

KEY

- Target met
- Target not met

REPORTING PROMISE

		<p>TRANSITION TO KING IV IN 2018 AND REVIEW OF GOVERNANCE EFFECTIVENESS ACROSS SAICA</p>	➤	<p>Governance Review Task Team (GRTT) established and commenced with the aim of reviewing SAICA's governance framework</p>
<p>Besides the addition of public sector departments as training offices for CAs(SA), training has been added through the Accounting Technicians qualification. One of the key highlights in 2018 was the rollout of an AT(SA) training programme at National Treasury</p>	➤	<p>FOCUS ON INCREASING PUBLIC SECTOR TRAINING OFFICES</p>		
<p>Following the 2017 pilot, the programme was implemented in 2018 and will also have a 2019 leg</p>	➤	<p>IMPLEMENTATION OF THE TRUST LEADERSHIP RECONSTRUCTION COMMUNICATION PLAN</p>	➤	<ul style="list-style-type: none"> • Count Me In campaign rolled out • SAICA rated highest among global counterparts on market trust (81% compared to 71% global average for accounting institutes)
<ul style="list-style-type: none"> • The programme went from 697 students in 2017 to 1 182 active students in 2018 • 225 of students supported are in the CA(SA) stream 	➤	<p>NATIONAL ROLLOUT OF SAICA MENTORSHIP PROGRAMME</p>	➤	<p>All SAICA events now offer webcast, meaning that more members can participate in events, including those outside their regions</p>
<ul style="list-style-type: none"> • Rollout of the Ushintsho Programme began • Members to begin to realise some system benefits in 2019 	➤	<p>INCREASE WEBCAST SERVICE FOR SEMINARS AND EVENTS</p>	➤	<p>This was done, and has been extended to include the UN Sustainable Development Goals (SDGs)</p>
<p style="color: red; text-align: center;">Target not met <i>(Despite delivery setbacks, this project remains a priority for SAICA and in the first quarter of 2019, work began on the Framework and the first draft has been submitted to the CEO)</i></p>	➤	<p>SCALING UP OF ISFAP</p>	➤	<p>All programme milestones for 2018 achieved, including:</p> <ul style="list-style-type: none"> • Research focus groups conducted with members, and representatives from academia, business, etc • Competencies of a future CA(SA) defined
<p>Sign-off on the charter was received from both the IRBA and the Minister of Finance</p>	➤	<p>FOCUS ON IMPACT OF BUSINESS MODEL AND ACTIVITIES ON ALL CAPITALS IN 2018</p>	➤	<p>Rollout of NOCLAR with all members</p>
<p>Sign-off on the charter was received from both the IRBA and the Minister of Finance</p>	➤	<p>INVESTMENT IN DIGITAL TRANSFORMATION</p>	➤	<p>Rollout of NOCLAR with all members</p>
<p>Sign-off on the charter was received from both the IRBA and the Minister of Finance</p>	➤	<p>MAKE PROGRESS ON CA2025 AS IT WAS IDENTIFIED AS A KEY INITIATIVE</p>	➤	<p>Rollout of NOCLAR with all members</p>
<p>Sign-off on the charter was received from both the IRBA and the Minister of Finance</p>	➤	<p>DEVELOPMENT OF AN ETHICS MANAGEMENT FRAMEWORK STEMMING FROM RESULTS OF ETHICS CULTURE SURVEY</p>	➤	<p>Rollout of NOCLAR with all members</p>
<p>Sign-off on the charter was received from both the IRBA and the Minister of Finance</p>	➤	<p>MEMBER COMPLIANCE PROGRAMME FOR 2018</p>	➤	<p>Rollout of NOCLAR with all members</p>
<p>Sign-off on the charter was received from both the IRBA and the Minister of Finance</p>	➤	<p>CA CHARTER RESOLUTION SIGNING</p>	➤	<p>Rollout of NOCLAR with all members</p>

PERFORMANCE HIGHLIGHTS

CA2025

Research conducted, including stakeholder focus groups, and culminated in definition of competencies for future accountants:

- Digital acumen
- Business acumen
- Decision-making acumen, and
- Relational acumen

USHINTSHO

- Programme kick-off
- Stages 0 and 0.5 completed as per set targets
- Both stages received clear audit outcomes
- Member benefits to be realised in 2019 (from Quarter 3)

SUSTAINABLE DEVELOPMENT GOALS REPORT

- SAICA launched the first ever SDG report
- Showcased the work the profession is doing to drive the SDGs in SA
- Key research finding: the chartered accountancy profession has 100% impact in all 17 areas that are covered by the SDGs

MORE...

- SAICA received a **number 2 ranking as a career influencer** among university students
- SAICA has raised almost **R2 billion in independent funding** for nation-building activities since 2002
- SAICA's first **Courageous Conversations** dialogue of 2018 began a governance dialogue on the profession that contributed to the formation of the Governance Review Task Team
- As secretariat, SAICA ensured that the **CA Charter** was signed off by all council representatives, the Independent Regulatory Body for Auditors and the Minister of Finance – the charter is now in the process of being gazetted







PART I
WHO WE ARE

INTRODUCTION

INTENDED AUDIENCE

This integrated report has been prepared for the full SAICA membership, as well as all SAICA's other stakeholders (*refer to SAICA's stakeholder map – p 62*)

MATERIALITY DETERMINATION

Materiality is determined by considering matters that support or affect, in some way or another, SAICA's strategic intent. Material matters are also those that have the potential to affect SAICA's ability to create and sustain value for its various stakeholders in the short, medium and long term. The material matters that have the potential to destroy value are referred to as risks, while those that can help create value are termed opportunities. Of increasing importance to SAICA in recent years has been creating and protecting value through effective governance, as well as building and maintaining trusted relationships with our stakeholders.

The process to determine the information for inclusion in this report includes:

- A review of SAICA's external environment (*refer to External Operating Environment section on p 44*)
- The insights emerging out of engagements with members and other key stakeholders, which indicated what matters members and other stakeholders consider important to them and that, in their view, should therefore be focus areas for SAICA (*refer to Stakeholder Engagement for Shared Value Creation section on p 62*)
- Assessment of risks and opportunities (*refer to Risk Management section on p 56*)
- Assessment of the critical issues discussed at SAICA Board, Board sub-committee and executive management meetings throughout the year

STRUCTURE AND CONTENT ELEMENTS OF THE INTEGRATED REPORT

The report was presented to and approved by the Board. The Board and management consider the information included in this report as material to SAICA with the Board approving the final content.

GROUP STRUCTURE AND REPORT BOUNDARY

At the end of 2018 the SAICA Group comprised SAICA, the Thuthuka Education Upliftment Fund (TEUF),

SAICA Enterprise Development, The Hope Factory, and Accounting Technicians South Africa (AT(SA)). The reporting boundary includes those risks, opportunities and outcomes associated with entities or key stakeholders beyond the financial reporting structure which have a significant and direct effect on the ability of the SAICA Group to create value (*refer to Stakeholder Engagement, Risk Management and Performance 2018 sections – pp 62, 56 and 81 respectively*).

MAIN FRAMEWORKS USED AND TIME FRAMES

The integrated report is prepared in accordance with the International Integrated Reporting Framework. In this report, the short term is regarded as the next financial year, the medium term is the period to 2022, and the long term is the period beyond 2022.

ASSURANCE PROCESS

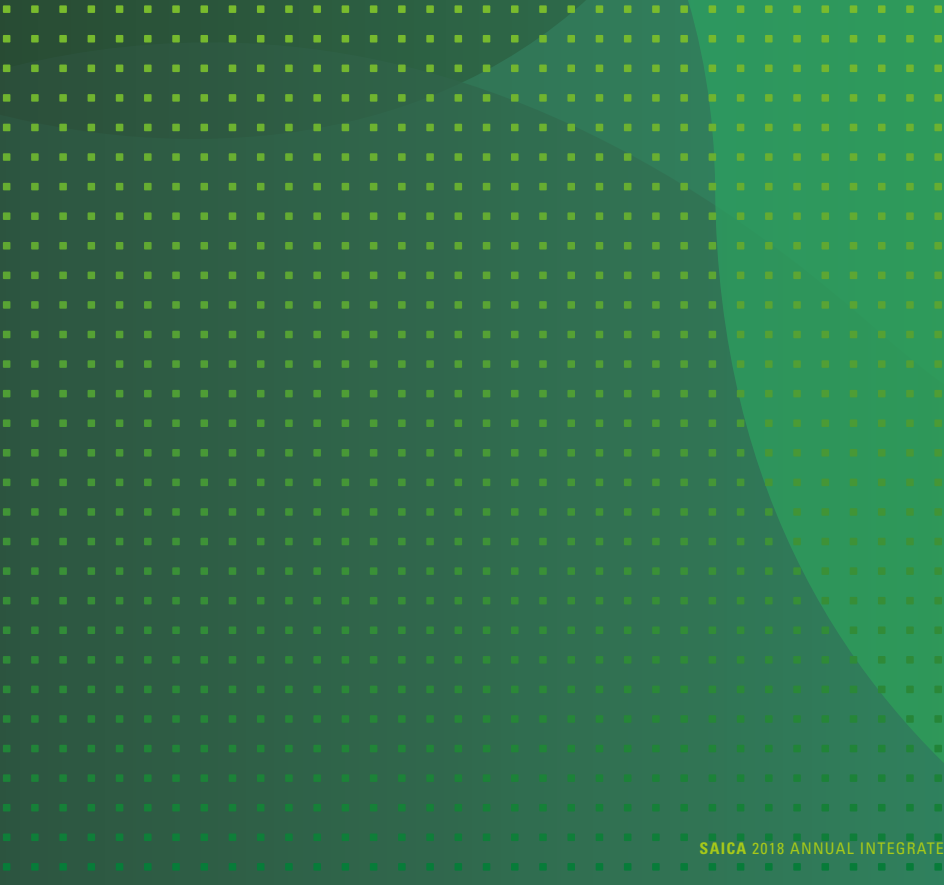
Our integrated reporting process, as well as the content of this report, is guided by the principles and requirements of the International Integrated Reporting Framework <IR> and the King Codes of Governance Principles for South Africa. In 2018, SAICA transitioned to King IV and both its governance and reporting work now follow the King IV principles. Management prepares and validates the report, ensuring it provides a balanced and reasonable view of SAICA. The Board, assisted by the Audit and Risk Committee, has reviewed and approved this report. Financial information is extracted from the audited financial statements. Limited assurance is expressed over the actual performance information used to evaluate performance over the strategic objectives. For a detailed understanding of the assurance obtained, our assurance statements are available on our website.

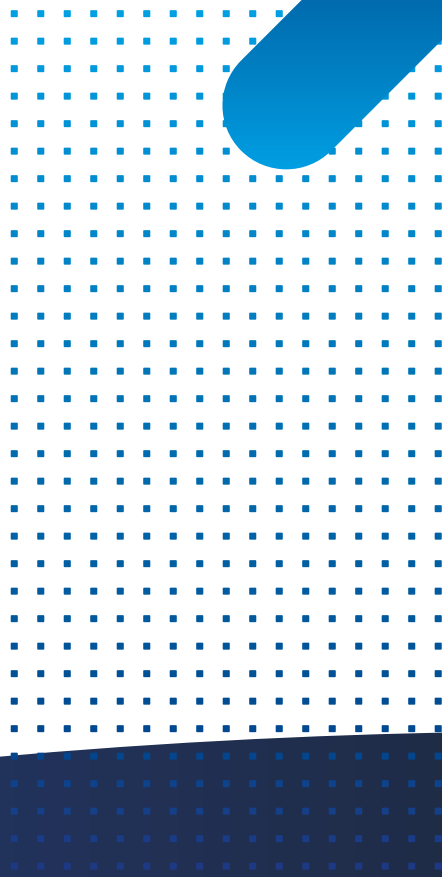
STATEMENT BY THE BOARD

The Board acknowledges its responsibility to ensure the integrity of this report. The Board has applied its collective mind to the preparation and presentation of the report and the information it contains. The Board is satisfied that the information contained in this report is presented in accordance with the International <IR> Framework. This integrated report was approved by the Board on 25 April 2019.



WHEN THE STORM HAS PASSED, PUT YOUR ENERGY INTO REBUILDING





LWAZI BAM
SAICA CHAIRMAN

CHAIRMAN'S MESSAGE

WORKING TOWARDS BETTER GOVERNANCE SERVING THE PUBLIC INTEREST BOARD ACTIONS IN ALIGNING SAICA TO GOVERNANCE BEST PRACTICE

2018 presented the profession with one of its most challenging periods. While coming to grips with the anticipated impact of the Fourth Industrial Revolution on our profession, we also had to contend with increased public scrutiny and criticism. SAICA itself was also under the microscope and had its own challenges to adapt to and resolve. One of these was the secondment of the CEO at the time, Dr Terence Nombembe, to the Zondo Commission of Inquiry. As a profession and institute that aim to act in the public interest, as set out in our constitution, we understood the importance of accepting the request by Deputy Chief Justice Raymond Zondo to second our CEO to his commission. However, we were also aware of the critical time that the profession and Institute were in and which required a strong leadership presence. So we knew that with the departure of the CEO would come the need for us as the Board of SAICA and the management team, led by the Acting CEO, Ms Fanisa Lamola, to work closely together to ensure the stability of the organisation and adequate responses to the matters facing the profession. This closer collaboration happened and as a result, SAICA continued to operate soundly and headway was made on a number of new and already-initiated strategic matters, especially in relation to the state of the profession.

NTSEBEZA INQUIRY

One of the matters already on the table in terms of responding to some of the issues facing the profession at the time was the Ntsebeza Inquiry. The inquiry began in 2017 and was aimed at carrying out an independent investigation into the alleged conduct of certain SAICA members employed by KPMG in relation to issues of state capture.

At the end of 2018, Advocate Ntsebeza SC and his team completed their work and provided SAICA with the final report. Following the submission of the report, the Board made a commitment to members that after a full and proper review of the report was completed,

further communication on the matter would be provided during 2019. Since this communication, SAICA has initiated further investigative and disciplinary processes in relation to the members implicated in the report. The Board is now giving the governance processes time to unfold. SAICA, under the Board's leadership, remains resolute in its objective to hold accountable any of its members who are found to have contravened the SAICA Code of Professional Conduct and will ensure that this is upheld when all governance processes relating to the Ntsebeza Report are complete.

GOVERNANCE REVIEW TASK TEAM

Another key 2018 milestone in terms of addressing some of the challenges the profession faced in recent times and ensuring that SAICA's governance processes are able to deal with these, was the establishment of the Governance Review Task Team (GRTT).

At the annual general meeting held on 26 June 2018, the Board and I announced that we would set up a process to look at the governance structure of SAICA and that we would also ensure that members were involved in the process. The GRTT was established in August 2018, with the main purpose of assessing the appropriateness of SAICA governance structures and making recommendations on how they could be improved to deal with issues in a more effective and timely manner. As part of its work, the GRTT engaged in international benchmarking research to review how other world-class institutes were governed so as to properly contextualise its own recommendations. The GRTT then also surveyed members to ensure that their views and recommendations were heard and taken into consideration. Since then the GRTT has made a number of recommendations, including a SAICA governance structure in line with the principles of King IV. The proposed structure could consist of an inclusive, independent, member-elected, professional, paid board. This would be supported by a council

that is representative of the diverse interests of all members. The president of the Council would serve as a member of the Board but would not be chairman of the Board. In April 2019, the GRTT presented its final recommendations to the Board, which included amendments to the SAICA constitution. These recommendations will be put to members at the June 2019 AGM for them to vote on and help determine the way forward.

STRATEGIC INITIATIVES

We are pleased to inform our members and other stakeholders that the strategic initiatives we announced in 2017 around ensuring that SAICA provides a more seamless and efficient experience for them when engaging with the Institute (Ushintsho Programme) and keeping the profession relevant for the future (CA2025) are making significant progress. The benefits of the Ushintsho Programme are expected to yield real-time results and member benefits in the later stages of 2019. While all stakeholder engagements on CA2025 have been concluded and of a future CA(SA) defined, SAICA is now ready to commence with the next stages of developing the necessary programmes and partnerships needed to deliver these competencies.

APPOINTMENT OF A NEW CEO

On 1 February 2019, SAICA appointed a new Chief Executive Officer (CEO) in the form of Mr Freeman Nomvalo. As a previous Accounting-General for South Africa and one of the people responsible for crafting the Auditing Act, Freeman has vast practical experience of the profession. We, as the Board, believe that he has the skills required to lead the SAICA team and that, together with management, he can make a strong impact and that this will be seen through improved internal operations and better serviced stakeholders, especially our members.

WAY FORWARD

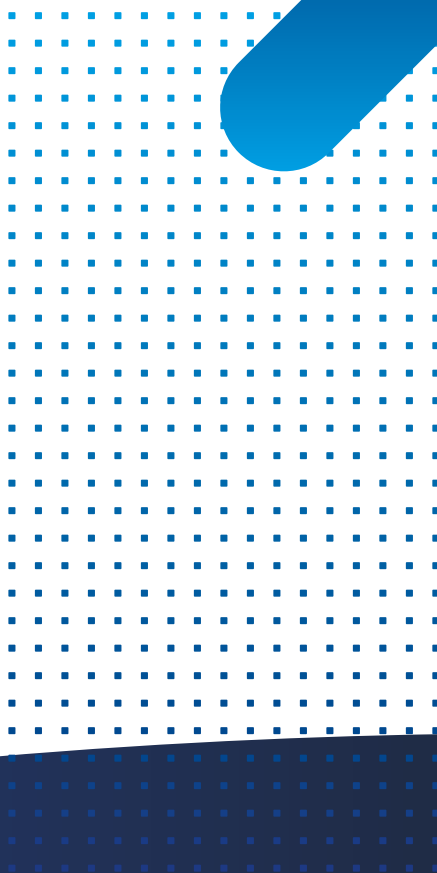
One of the clear take-outs from all the developments of the past year and a half is that it is no longer business as usual for the profession. Times are changing and the economic and social environments in which we operate are changing along with them. There is an increasing need for us to adapt and not only stay abreast of these developments but also find ways to get ahead of them and provide our members and other stakeholders with proactive and value-adding offerings. It is this understanding that, in 2018, led SAICA management and the Board to review and revise SAICA's strategy going forward. While still focusing on using our skills and networks for the betterment of the South African economy and society at large, we also realised the need to refocus on our members and their needs. This is because if our members are better serviced and equipped in their various roles in business and the wider economy, then they will be better placed to deliver on their calling as SAICA members to act in the public interest.

We, as the Board, wish to thank the SAICA management for working with us in crafting the new way forward, and also for their work in delivering on the strategy that was on the table for 2018. We look forward to continued delivery and improved performance outcomes from them and the rest of SAICA in 2019 and beyond.

We also thank our members for their continued support, patience and commitment during these changing times. While the work of reinventing ourselves to ensure our profession's sustainability is not always easy, it is necessary, and so is member participation in this process. We ask that you continue to be active participants, so we can build a better SAICA and profession together.

A handwritten signature in white ink on a dark blue background. The signature is stylized and appears to read 'Lwazi'.

MR LL BAM CA(SA)
SAICA BOARD CHAIRMAN



FANISA LAMOLA
2018 ACTING CEO

ACTING CEO'S STATEMENT

CRAFTING A FUTURE-FOCUSED STRATEGY INITIATING A BUSINESS OPTIMISATION PROCESS CREATING SHARED STAKEHOLDER VALUE

While some will remember 2018 as having been a difficult year for both SAICA and the profession, those close to the Institute will know that for us it was far more than this. For us as SAICA leadership, it was also an opportunity to self-review, for the benefit of the Institute and our profession. We faced difficulties that resulted in criticism of some of our members, SAICA itself and our governance processes. However, instead of seeing such criticisms as merely negative, we saw them as an opportunity for renewal of how we govern and operate in order to respond to stakeholder needs and improve our relevance going forward.

FIT-FOR-PURPOSE OPERATIONS

It is within this context of using our challenges for change and renewal that a number of operational changes and business optimisation exercises were implemented. In relation to governance, for example, we realised that if we were to adequately deal with some of our challenges in this area, we had to ensure that our legal and compliance functions were adequately resourced. Accordingly, the Board approved a management proposal to establish a compliance monitoring unit and to allocate R17 million towards this establishment and the operational functions of the unit. The intention was for the unit to focus on both internal and external compliance matters. It is a credit to management's budget prioritisation work that the R17 million was not received as an additional request but was rather funded through a budget reallocation exercise.

Similar business optimisation exercises occurred within the CEO's office, relating specifically to the strategy function as well as communications. While the previous head of strategy was earmarked to lead the new compliance unit and the office received a new head, the communications unit was moved to report directly to the CEO. This was in order to ensure that the reputation restoration exercise that SAICA was embarking on

received the strategic elevation and attention required. All these operational modifications have only been in effect since August 2018 and we look forward to seeing their results come to bear in the medium to long term.

USHINTSHO

2018 also saw the start of the Ushintsho Programme aimed at bringing to life SAICA's digitisation vision. We have completed Stages 0 and 0.5 of the programme, both of which received clean audits and have set us on the road to delivering much-needed internal efficiencies and member benefits. With Stage 1 of the programme commencing in early 2019, the members will be able to start experiencing system benefits within the third quarter of 2019. We all look forward to a more digitised SAICA, one that will help us to work better and, more importantly, serve members better.

CA2025

During 2018, more progress was made on the CA2025 project that SAICA embarked on in 2017. Stages 1 to 4 of the strategic project's seven stages were completed and included in stakeholder consultations, while a draft competency framework for accountants of the future was developed and approved.

One of the key milestones for the CA2025 project in 2018 was the outlining of the key competency areas that accountants of the future will require. These are also the competencies that SAICA will focus on developing in the pre-qualification phase:

- Digital acumen
- Business acumen
- Decision-making acumen, and
- Relational acumen

We now look forward to seeing the rest of the CA2025 project stages unfold in 2019 and putting us on the path to start training and developing accountants of the future.

LIFELONG LEARNING

As part of our current development of members and ensuring that we provide members with relevant continuous professional development opportunities, SAICA management proposed a revision to the continuous professional development (CPD) policy in 2018. One of the cornerstones of being a professional is the fact that such a person values and commits to ongoing learning and development so as to further improve and develop themselves. They also take personal ownership and accountability for their learning and see it as more than a tick-box exercise merely for reporting purposes. Such a process of ongoing reflection and actions to develop one's self is referred to as 'lifelong learning' and the revisions in the policy were aimed at instilling this philosophy in our members. We wanted to encourage our members to start to change the way in which they view lifelong learning so they can be more positive and proactive when engaging in it. We are pleased that the SAICA Board supported the revisions and approved the updated policy.

A SAICA OF THE FUTURE

In addition to the initiatives mentioned above, SAICA's strategy going forward (the 2019–2023 strategy approved by the Board in November 2018) is focused on clearly defining and delivering better value for all of our stakeholders, especially our members. The strategy is centred on six key priorities (*see Future Outlook section on p 41*) and our internal operations will be structured in such a way as to best align to these priorities and achieving them. While we know that the kind of challenges we have recently experienced (and the strategic and operational changes that followed) can lead to some uncertainty and apprehension, we as SAICA management strongly believe that we are on the right track to putting SAICA back to its number one global ranking. The international standing that our profession once enjoyed as the leader in auditing and governance standards is something we are looking to regain, and our strategic priorities are geared towards making this happen. In 2019, members can look forward to more detailed communication on the strategy to help them better understand our road ahead as an Institute.

COLLABORATIVE SUCCESS

The future vision we are looking to achieve (as well as the past year's work) would not be possible without the support and collaboration of our stakeholders, especially our members and employees.

We wish to thank our members for the support they have continued to show SAICA, even during

the recent difficult times, marked by negative media reports on some of our members and increased public scrutiny. As we have continuously emphasised during our engagements with the media and other public representatives on this matter: the transgressions of a few members do not reflect the professional and personal character of the rest of our membership base. The majority of those who call themselves chartered accountants remain the highly efficient, ethical and exemplary professionals that our code of conduct calls on them to be. We are proud of this identity and we call on our many upstanding members to continue to guard it jealously. In 2018, we launched the Count Me In campaign, calling on members to make public pledges of support for ethical behaviour in the profession. We are proud of how many of our members participated and used our various social media platforms to participate in the ethical conduct pledge. It is not just anyone who can have the privilege to call themselves a chartered accountant and your unique skills and value is something we, as SAICA, are committed to enhancing and showcasing more going forward.

Along with our members, we also wish to thank all our other stakeholders both locally and abroad, in business and the public sector, for their continued support of us, even while still holding us accountable for the improvements we need to make, as highlighted in 2018. Despite our challenges, you have continued to believe in SAICA, as illustrated by your continued partnerships with us and on our part, we will continue to deliver on our mandate based on our principles of technical excellence, professionalism, quality work and collaboration.

To the SAICA team: thank you! You have gone through a year of many changes, changes that often called on you to be increasingly adaptable and to put SAICA and its needs above your own. We thank you for this commitment and your resilience, and we ask that you continue to live and work by these values as we embark on our new strategic journey. As a team we are not perfect and there are areas in which we agree that we must improve, especially in order to ensure that our members always enjoy a professional and efficient experience with us. I and the rest of the management team believe that we are capable of making these improvements and that our members will, through our efforts, have a SAICA that they can truly be proud to call their own.

Here is to working together to develop responsible leaders and ensuring that our profession creates measurable and sustainable economic and social impact now and into the future.



FANISA LAMOLA
2018 ACTING CEO

UNDERSTANDING OUR BUSINESS

WHO WE ARE

SAICA is a voluntary, not-for-profit association and operates in terms of its constitution (<https://www.saica.co.za/Portals/0/about/SAICA%20Constitution.pdf>).

The main objectives of the Institute are to:

- Promote the interests of SAICA members, and
- Support the development of the South African economy and society

As an institute and a profession, our long-term value will be determined by our ability to act in the public interest and by how we help to advance the principles of responsible leadership within and outside of our profession.

SAICA'S MISSION

To develop responsible leaders

For SAICA, to be the kind of responsible leader we speak of means to be recognised as a professional who engenders trust in business and the economy both locally and across the world.

As SAICA, we also define a responsible leader as a business value-creator who has a unique competence set, subscribes to a defined code of conduct, is committed to lifelong learning, and contributes to greater society.

A RESPONSIBLE LEADER IS A BUSINESS VALUE-CREATOR WHO ...

CONTRIBUTES TO
GREATER SOCIETY

COMMITTS TO
LIFELONG LEARNING

HAS A UNIQUE
COMPETENCE SET

SUBSCRIBES TO A DEFINED
CODE OF CONDUCT

SAICA VALUE DRIVERS

In 2018, SAICA began an exercise of reviewing its governance structures and processes. The first step in this process was a leadership session led by Professor Mervyn King in which all SAICA's leadership structures participated, including the Advisory Council, Board and Management Committee. During the session, it was determined that three factors were critical for SAICA's success and license to operate. These are the factors that essentially drive SAICA's value to all its stakeholders, including our members, and are trust, technical competence (quality), and integrity (ethics and accountability).



Trust

The accounting profession is a trust-based profession. None of the work that we do (especially in financial oversight and assurance) can be undertaken or hold any credence without our users having the faith in accountants to carry out their duties in a competent, honest and professional manner. When this trust is lost or tarnished in any way, the value that we offer becomes diminished.

Quality (technical competence)

The technical excellence that our members boast is one of the ways that they are able to be value creators. This is due to the rigorous way in which we, as SAICA, educate, examine, train and accredit. Our uniqueness lies in our ability to do the work that we do and in a manner and to a standard that no other profession and

professional institute can. This is why SAICA is working hard to not only keep our current technical standards high but is also working to determine and incorporating the other competencies that our professionals require not only today, but for tomorrow's changing business and technological landscape as well.

Ethics and accountability

The ethical conduct of both SAICA and its members is one of our key value drivers – without these, we not only lose our reputational standing but also essentially lose our license to operate. Both our users and the general public need to always see accountants as professionals that are driven by an ethics code and as willing to hold themselves accountable to the highest ethical standards (and SAICA needs to be seen and known as always servicing and enforcing those ideals).

WHERE WE OPERATE

OUR GLOBAL FOOTPRINT



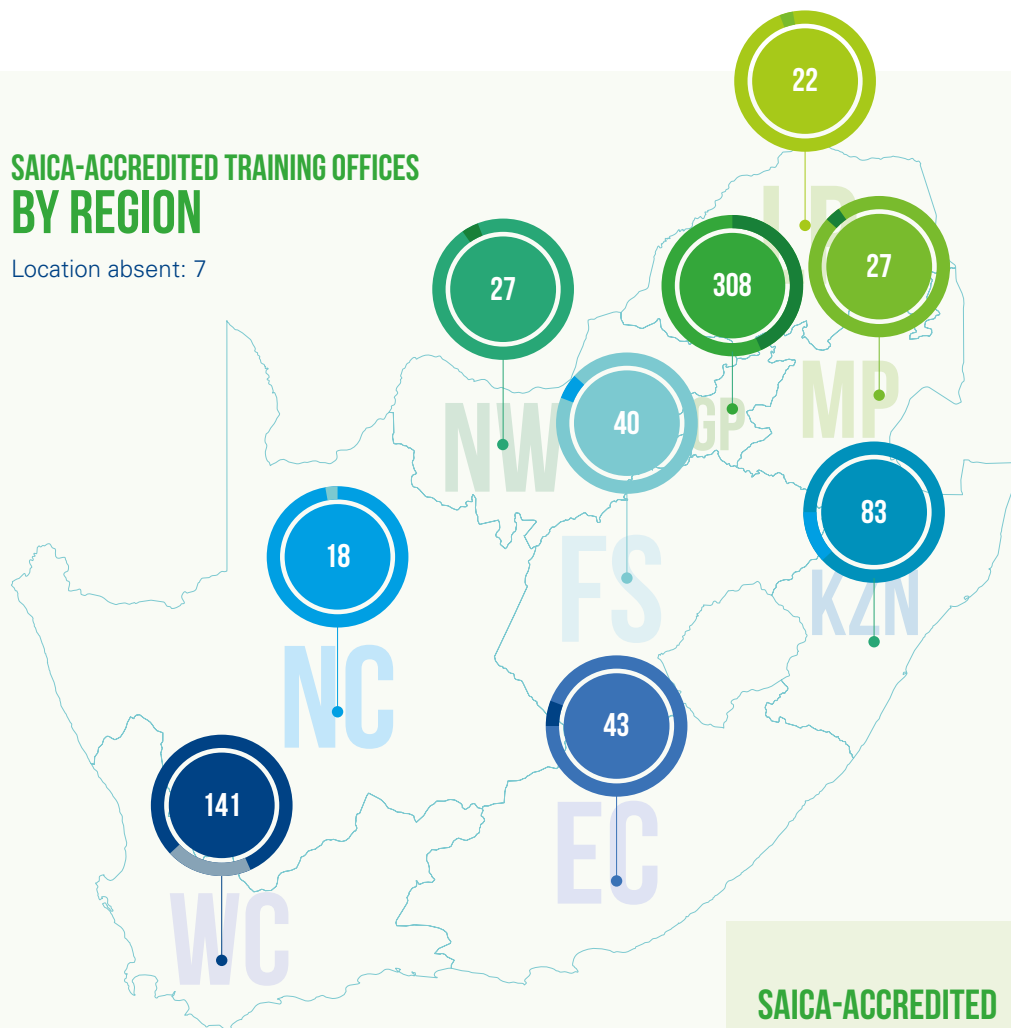
HOW WE OPERATE

SAICA's head office is located in Johannesburg. We also have offices in Bloemfontein, Cape Town, Durban and Port Elizabeth, all of which are also purposely situated close to the business areas in which our members operate.

We have 210 staff and our primary sources of revenue are membership fees, fees from seminars and events, as well as donor funding.

SAICA-ACCREDITED TRAINING OFFICES BY REGION

Location absent: 7



SAICA-ACCREDITED TRAINING OFFICES BY SECTOR

Training in private practice (TIPP)	614
Training outside private practice (TOPP)	102
Grand total	716

HOW WE ARE GOVERNED

SAICA's Board is elected and appointed in terms of the SAICA constitution and operates in terms of its by-laws and board charter. The Board is representative of our membership base and members are appointed to SAICA's Board via their elected seat on regional councils and constituency committees. Members outside South Africa are represented on the SAICA Board through international regional structures in America, the UK and Ireland, Australia, Europe and Asia.

OUR MEMBERSHIP

Our members accept the responsibility to act in the public interest. They use their knowledge, skills and influence to serve their clients and employers, and to carry out their duties in a manner that empowers businesses and promotes prosperity in a changing South Africa and world.

Chartered accountants may offer a professional service to the public on condition that they are members of SAICA (*refer Chartered Accountants Designation (Private) Act 67 of 1993*) and have to operate in accordance with a strict code of professional conduct (*refer <https://www.saica.co.za/TechnicalInformation/Discipline/CodeofProfessionalConduct/tabid/701/language/en-ZA/Default.aspx>*).

NEW MEMBERS (2018 VS 2017)

	ASIAN	BLACK	COLOURED	OTHER	WHITE	TOTAL
2017	326	670	121	26	998	2 141
2018	381	698	138	14	1 034	2 265

TRAINEES AND SAICA-ACCREDITED TRAINING OFFICES

SAICA's mission is to develop responsible leaders that can create business value and aligned with this vision are a number of strategic aims, including:

- Expanding the pipeline of students and trainees that come into the profession, and
- Improving the throughput pass rates of these students and trainees

Training offices play an important role in all of the above as they contribute to the development of the skills, professionalism and ethics of future SAICA members.

In its role as an Education and Training Quality Assurer (ETQA) and in terms of its current recognition standing with the Independent Regulatory Board for Auditors (IRBA), SAICA accredits certain training programmes specifically designed to allow access to the Initial Test of Competence (ITC) / (QE I).

An essential element of accreditation is quality control, hence SAICA assesses and monitors the

relevant programmes of higher education institutions/ universities. The quality assurance process performed by SAICA includes:

- The completion of an annual self-evaluation by each provider/university offering an accredited programme, and
- A monitoring visit at least once in every five-year cycle (the third accreditation and monitoring cycle having commenced in 2016)

Importantly, accreditation is a process and SAICA works in partnership with each of the training providers to assist them in maintaining their accreditation status.

Accreditation of a training programme by SAICA means that a training provider has put in place the appropriate resources that, if utilised effectively, should enable it to deliver the programme at the required standards and levels of quality, and that the programme meets SAICA's requirements in terms of the standards of learning and teaching.

TOTAL NUMBER OF TRAINEES

	African		Coloured		Indian		White		Unknown		Total		Total	Female %	African %	Black % (African, Coloured & Indian)
	F	M	F	M	F	M	F	M	F	M						
2018	2 134	1 464	381	310	656	604	1 973	1 892	46	41	5 190	4 311	9 501	55%	38%	58%

SAICA-ACCREDITED UNIVERSITIES

SAICA is regulated by the South African Qualifications Authority (SAQA), the Council for Higher Education (CHE) and the Council for Trade and Occupations, meaning all our programmes meet the highest accreditation standards.

The numbers in the table below indicate the number of programmes per institution.

PROVINCE	INSTITUTION	UNDERGRADUATE QUALIFICATION	BRIDGING PROGRAMME	POSTGRADUATE QUALIFICATION (CTA)
RESIDENTIAL LEARNING				
Eastern Cape	Nelson Mandela University	2	1	1
	Rhodes University	1	0	2
	University of Fort Hare	2	1	1
	Walter Sisulu University	1	0	0
RESIDENTIAL LEARNING				
Free State	University of the Free State	1	2	2
RESIDENTIAL LEARNING				
Gauteng	University of Johannesburg	1	1	2
	University of Pretoria	1	0	2
	University of the Witwatersrand	1	0	2
	Institute of Accounting Science (P)	0	0	1
	Monash South Africa (P)	1	0	1
RESIDENTIAL LEARNING				
KwaZulu-Natal	University of KwaZulu-Natal	1	0	2
	University of Zululand	1	0	0
RESIDENTIAL LEARNING				
Limpopo	University of Limpopo	1	1	1
	University of Venda *	0	0	0
RESIDENTIAL LEARNING				
North-West	North-West University	2	1	1
RESIDENTIAL LEARNING				
Western Cape	University of Cape Town	2	0	2
	Stellenbosch University	2	0	1
	University of the Western Cape	1	1	2
DISTANCE LEARNING				
	University of South Africa	2	1	2
RESIDENTIAL LEARNING – NATIONWIDE PROGRAMMES				
	Varsity College (P)	1	0	0

* The University of Venda is part of the Capacity-Building Programme and the accreditation process for this programme will end in 2019

(P) Private provider



THE INSTITUTE OF
CHARTERED ACCOUNTANTS
OF SCOTLAND



THE INSTITUTE
OF CHARTERED
ACCOUNTANTS
IN ENGLAND AND WALES



INSTITUTE OF
SINGAPORE
CHARTERED
ACCOUNTANTS



IKATAN AKUNTAN INDONESIA
Institute of Indonesia Chartered Accountants



The Institute of
Chartered Accountants
of Bangladesh

INTERNATIONAL PARTNERSHIPS

SAICA participates in various international forums as part of our advocacy role. The interactions that we have with our international partners provide SAICA with valuable input to our member engagement activities, as well as informing global standard-setting.

Our international partnerships also allow us to bring to bear the strategic intent of promoting and enhancing the value of our profession through the use of our global footprint. The international forums in which we participate act as a forum where SAICA promotes the CA(SA) brand and the work of the professionals who hold this designation. This is one of the main reasons why South African chartered accountants continue to rank highly internationally and are professionally mobile across the world.

Chartered Accountants Worldwide

Chartered Accountants Worldwide (CAW) was created by the leading chartered accountancy institutes to promote, support and develop the vital role that chartered accountants play throughout the global economy. It creates a community of over 1,7 million chartered accountants and students who share a commitment to the highest standards of professional and ethical practice. The founding members are: Chartered Accountants Australia and New Zealand (CA ANZ), Chartered Accountants Ireland (CAI), the Institute of Chartered Accountants in England and Wales (ICAEW), the Institute of Chartered Accountants of Scotland (ICAS) and the South African Institute of Chartered Accountants (SAICA). In addition to the five founder members, CAW now has an additional full member, the Institute of Singapore Chartered Accountants (ISCA), and a growing number of associate members including the Institute of Chartered Accountants of Pakistan (ICAP), the Institute of Chartered Accountants of India (ICAI), the Zambia Institute of Chartered Accountants (ZICA), the Institute of Indonesia Chartered Accountants (IAI), the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and the Institute of Chartered Accountants of Bangladesh (ICAB). CAW represents over 700 000 CA members and over 1 million students in 200 countries.

CAW's objectives are to:

- Promote, protect and develop the CA brand for the benefit of our members worldwide

- Support and connect our members wherever they are working globally, and
- Strengthen the CAW family by sharing expertise and experience and maintaining the status and relevance of chartered accountancy

CAW also promotes the alignment of CA curricula to enable associates to become full members and share full reciprocity with founding member bodies. The education directors of each of the founding member bodies participate in a sub-committee that works extensively with associates to support the process. The marketing directors of each CAW institute collaborate on the global messaging and brand of CAs. During 2017 CAW was assisted by the Joy Company to develop a global brand. The objective is to have consistent messaging globally of the value and positioning of the brand.

In 2017, CAW established a member engagement group (chaired by SAICA) to share strategic member engagement initiatives to improve engagement across all institutes. The group is also focused on sharing thought leadership, training and research across the CAW members to provide additional value to all individual members. The existing reciprocity arrangements allow for members from individual institutes to have access to certain member events at member rates.

Global Accounting Alliance

The Global Accounting Alliance (GAA) was formed in November 2005 and is an alliance of 10 leading professional accountancy bodies in significant capital markets. It was created to promote quality services, share information and collaborate on important international issues. The GAA works with national regulators, governments and stakeholders, through member-body collaboration, articulation of consensus views, and working in collaboration where possible with other international bodies, especially the International Federation of Accountants (IFAC).

The GAA facilitates cooperation between 10 of the world's leading professional accounting organisations:

- The South African Institute of Chartered Accountants (SAICA)
- The American Institute of Certified Public Accountants (AICPA)
- Chartered Accountants Ireland (CAI)

- Chartered Professional Accountants Canada (CPA Canada)
- Hong Kong Institute of Certified Public Accountants (HKICPA)
- Chartered Accountants Australia and New Zealand (CAANZ)
- Institute of Chartered Accountants in England and Wales (ICAEW)
- Institute of Chartered Accountants of Scotland (ICAS)
- Institut der Wirtschaftsprüfer in Deutschland e V (IDW), and
- The Japanese Institute of Certified Public Accountants (JICPA)

These organisations represent close to 1 million members in over 180 countries around the globe. The GAA was established to promote quality services, share information and collaborate on important international issues, whilst operating in the interests of a quality accounting profession in the public interest.

Objectives

- The GAA board is a forum for the alliance's members to openly share information about themselves (strategy), the profession and the broader community in pursuit of strengthening each member organisation and the profession taking into account the public interest,
- The strengthening of the members of the alliance by using their individual and collective influence with key stakeholders including through thought leadership projects, and to be respected by and have impact with these stakeholders, and
- The provision of benefits by institutes constituting the alliance, especially benefits not readily accessible by institutes on their own.

In addition to being represented on the GAA board, SAICA is represented on the tax directors' group, the technical directors' group, the education directors' group and the sustainability and integrated reporting groups.

Members of any of the institutes of the GAA are able to receive professional support when working in another country covered by the GAA, through the GAA passport. The institutes have each agreed to host visitors from other GAA institutes when domiciled in their jurisdiction. This means that in a world where professional accountants regularly move around the world, their membership of their home institute will not only entitle them to support at home, but in addition if they are working in a country covered by a GAA institute, they will receive much of the support that institutes provide to their own members for no extra fee. All members of GAA institutes are able to avail themselves of this additional service.

International Federation of Accountants

SAICA is represented on the International Federation of Accountants (IFAC) board by Christine Ramon as the South African representative and Fanisa Lamola as technical advisor.

The International Federation of Accountants (IFAC) is the global organisation for the accountancy profession dedicated to serving the public interest by strengthening the profession and contributing to the development of strong international economies. IFAC comprises over 175 members and associates in more than 130

countries and jurisdictions, representing almost 3 million accountants in public practice, education, government service, industry, and commerce. IFAC serves the public interest and strengthens the accountancy profession by:

- Supporting the development of high-quality international standards
- Promoting the adoption and implementation of these standards
- Building the capacity of professional accountancy organisations, and
- Speaking out on public interest issues

International Integrated Reporting Council

SAICA is a council member of the International Integrated Reporting Council (IIRC), the global coalition of regulators, investors, companies, standard setters, the accounting profession and NGOs.

The IIRC's objective is to promote communication about value creation as the next step in the evolution of corporate reporting. SAICA's involvement in the IIRC allows the Institute to influence international trends in integrated reporting. SAICA is able to advocate for its members in this crucial development and build global relationships in providing guidance and thought leadership in this space.

RECIPROCITY AGREEMENTS

Our reciprocity agreements are critical to SAICA and the work that we do, as they are about advancing the accounting profession's footprint nationally and globally by broadening access to the various bodies' professional qualifications and resources.

As part of many of our reciprocity agreements, SAICA members are provided with expedited pathways to other African and international designations. This means our members can be operational in an increasing number of international locations, making them more professionally mobile and with a wider network of business areas in which to add value.

SAICA currently has 11 reciprocity agreements with the following international professional bodies:

- 1 The Institute of Chartered Accountants in England and Wales (ICAEW)
- 2 Chartered Accountants in Australia and New Zealand (CAANZ)
- 3 The Chartered Professional Accountants of Canada (CPAC)
- 4 The Hong Kong Institute of Certified Public Accountants (HKICPA)
- 5 Chartered Accountants Ireland (CAI)
- 6 The Institute of Chartered Accountants in Scotland (ICAS)
- 7 The Institute of Chartered Accountants Zimbabwe (ICAZ)
- 8 The Institute of Chartered Accountants of Namibia (ICAN)
- 9 The Chartered Institute of Management Accountants (CIMA)
- 10 Institute of Certified Public Accountants of Kenya (ICPAK)
- 11 The Institute of Chartered Accountants of India (ICAI)



RECIPROCITY AGREEMENTS

WHERE OUR MEMBERS CAN OPERATE DUE TO SAICA RECIPROCITY AGREEMENTS







OUR VALUE CHAIN



INFANTS – PRIMARY
SCHOOL LEARNERS

HIGH SCHOOL
LEARNERS

STUDENTS

PARENTS

TBF GR12 – COMPLETED STUDIES

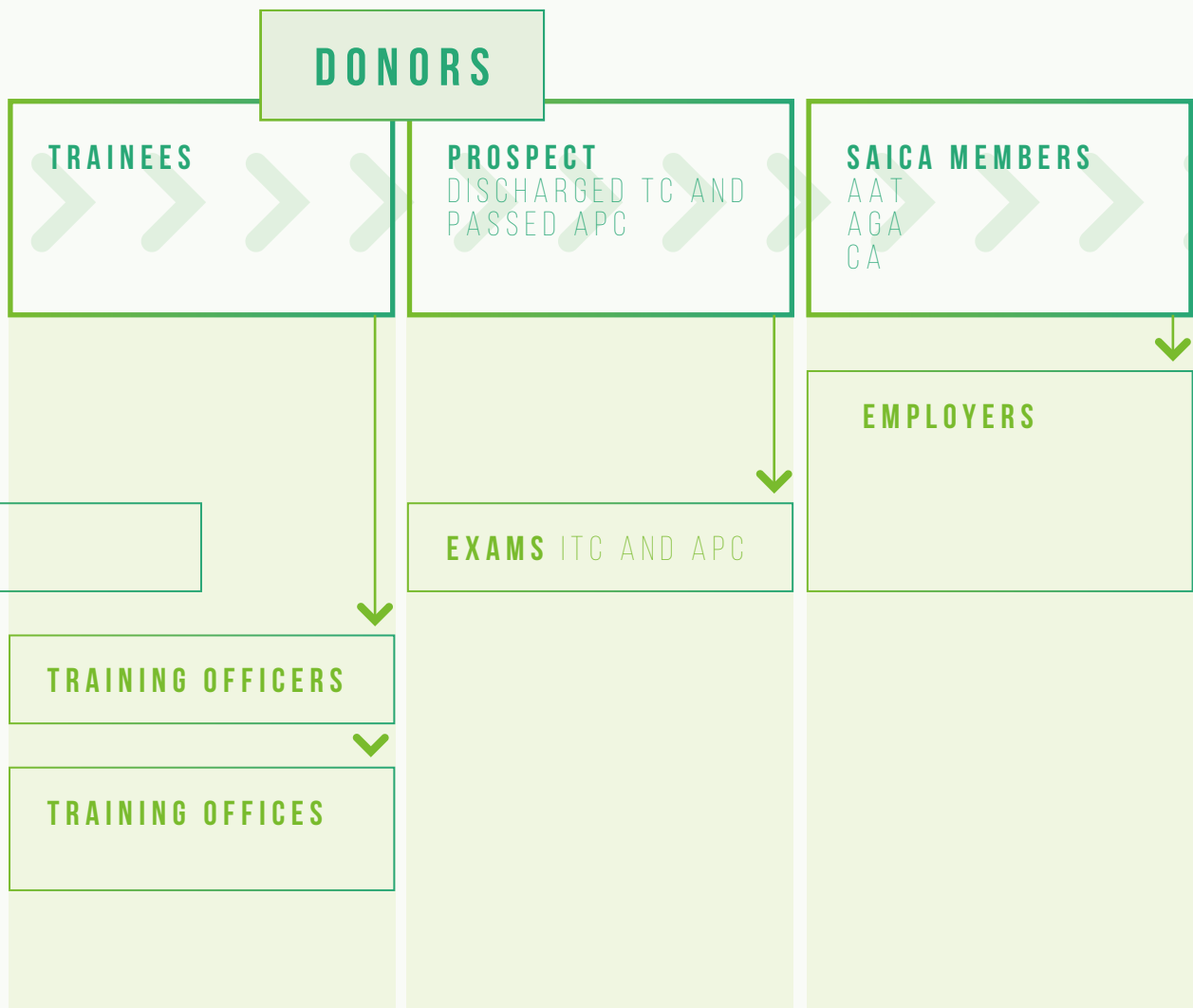
EDUCATORS

ACADEMICS

SCHOOLS

TERTIARY
INSTITUTIONS





OUR WORK IN EACH AREA OF THE VALUE CHAIN PILLARS

VALUE CHAIN PILLAR

SAICA BUSINESS ACTIVITIES



INFANTS AND PRIMARY SCHOOL LEARNERS

Looking to research the role of early childhood development (ECD) and ECD teaching methods in instilling mathematical principles at a young age in an effort to promote early adoption and affinity with science, technology, engineering and maths (STEM) studies in SA learners

HIGH SCHOOL LEARNERS

- › Grade 8+
- › Curriculum development
- › Thuthuka development camps: additional maths, English, science and accounting for learners with aim of creating pipeline for SAICA's Thuthuka Bursary Fund
- › Career awareness
- › CA(SA) promotion

STUDENTS AND TERTIARY INSTITUTIONS

- › Accreditation: CA(SA)
- › Accreditation: Thuthuka
- › Upskilling historically disadvantaged universities
- › African academics programme
- › Subvention management for academics

TRAINEES

- › Accreditation and monitoring of training offices
- › Training officers
- › Thuthuka Education Upliftment Fund (TEUF) initiatives

PROSPECTS

- › Exam setting and administration
- › Assessment of competence
- › ITC and APC
- › TEUF initiatives
- › Engagement with prospective members

MEMBERS

- › Member registration and engagement
- › Member services: seminars and events
- › Continuous professional development
- › International affiliations

DONORS

- › Funding of TEUF initiatives
- › Public-private partnerships for public sector capacity-building
- › Strategic partnerships for initiatives related to the profession

RELATED SAICA PRIORITY



LEAD DEPARTMENT



<ul style="list-style-type: none"> › Improving STEM subject performance in South Africa › Creation of a sustainable pipeline for the profession 	<ul style="list-style-type: none"> › Strategy and Research › Nation Building
<ul style="list-style-type: none"> › Promotion of accounting-related subjects in SA schools › Creation of a sustainable pipeline for the profession › Promotion of chartered accountancy as top career choice 	<ul style="list-style-type: none"> › Nation Building
<ul style="list-style-type: none"> › Quality education programmes › Increasing footprint of the CA programme across the country › Making the CA programme and quality tertiary education accessible to all › Adequately trained academics › Retaining critical skills within academia (vs loss to big business) 	<ul style="list-style-type: none"> › Professional Development › Nation Building
<ul style="list-style-type: none"> › Quality training programmes across all training spaces › Adequately skilled membership prospects › Training support 	<ul style="list-style-type: none"> › Professional Development
<ul style="list-style-type: none"> › Maintenance of exam standards and quality › Competently trained and skilled prospects for membership › Growing the profession through new member recruitment 	<ul style="list-style-type: none"> › Professional Development
<ul style="list-style-type: none"> › Enhance our members' professional skills and thus, their value to the private, public and academic sectors in which they operate › Growing the profession through member retention 	<ul style="list-style-type: none"> › Member Engagement › Standards
<ul style="list-style-type: none"> › Promote and enhance the value of the profession › Use of our footprint to support the development of the South African economy and society 	<ul style="list-style-type: none"> › Nation Building

**MEMBERSHIP:
POST-QUALIFICATION**

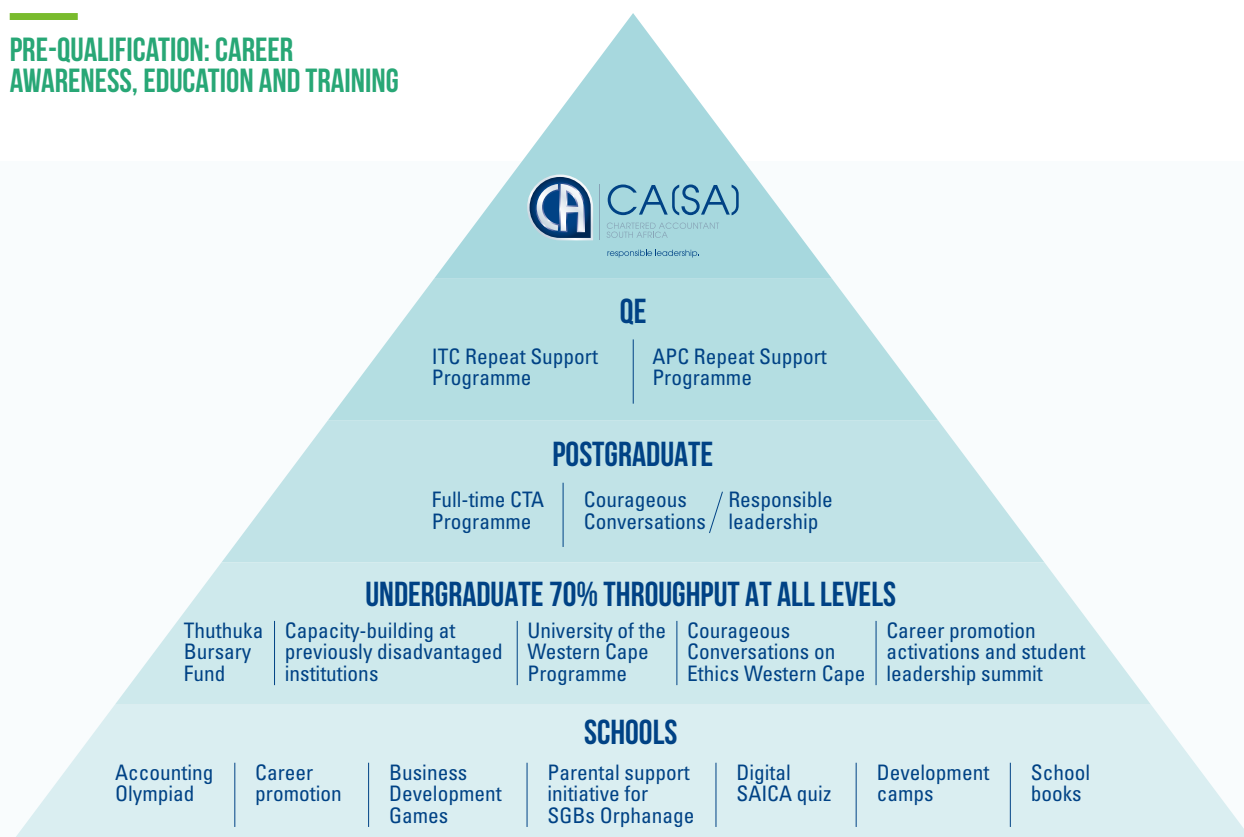
SAICA is the custodian of three accounting designations: chartered accountants (CA(SA)), associate general accountants (AGA(SA)) and accounting technicians (AT(SA)). The three designations are complementary to one another, responding to the country’s financial market needs and allowing SAICA to own the full professional accounting landscape.

Key to the three-designation strategy is understanding the role that each designation plays in the market and how they do not compete with, but rather complement, each other. The relationship between all three is unpacked below:

	CA(SA)	AGA(SA)	AT(SA)
Market position	Premium	Mid-tier	Entry level
Designations’ value	CAs(SA) perform at the highest level in organisations, creating and protecting value as well as informing and shaping strategic direction to positively impact business and the broader economy	AGA(SA) has a broader, future-focused, multi-disciplinary approach to enable accountants to enhance and measure organisational value and drive operational performance by bridging operational and strategic within the organisation’s management functions	AT(SA) seeks to empower and develop better skilled accounting technicians and to make the accounting, finance and business profession accessible to all South Africans so as to improve employability
Role in the market	<ul style="list-style-type: none"> • Strategic and advisory • Business value creator 	<ul style="list-style-type: none"> • Operational • Junior to middle management without the CA(SA) qualification 	<ul style="list-style-type: none"> • Administrative • Entry level (for example bookkeepers and clerks) • Strong public sector market
Designations’ brand essence	A leadership designation for accountants at the forefront of business and the broader economy	A professional accounting designation for accountants enhancing value and driving operational performance in organisations	A practice-based, work-ready accounting, finance and business qualification and professional membership for entry-level to mid-tier accountants



PRE-QUALIFICATION: CAREER AWARENESS, EDUCATION AND TRAINING



PIPELINE: TRANSFORMATION

Key to ensuring the sustainability of the profession is ensuring that it transforms (both in terms of its racial and gender member demographics) and begins to move towards being on par with the national reality. To drive this transformation priority, SAICA established the Thuthuka Education Upliftment Fund in 2002, which houses all its transformation-driving initiatives, including the Thuthuka Bursary Fund (TBF). This is the vehicle through which historically disadvantaged students are funded for the pursuit of studies towards a career in chartered accountancy. Since its inception, TBF has funded over 3 000 students and created over 1 000

chartered accountants (this is considering that it takes seven years to create a chartered accountant).

Below are the statistics of new members created for the profession (broken down by race and gender) since 2012, which is when the first cohort of TBF-funded students qualified. These statistics, more than anything else, depict the great impact of SAICA's transformation work on the transformation of the profession. (*Note: 2012 is when the first cohort of students funded by Thuthuka – SAICA's transformation initiative – came out of the system and became eligible for SAICA membership.*)

NEW MEMBERS SINCE 2012

YEAR	ASIAN	BLACK	COLOURED	OTHER	WHITE	TOTAL
2012	277	332	92	16	1 083	1 800
2013	354	361	88	14	1 043	1 860
2014	323	526	132	22	1 143	2 146
2015	355	556	150	57	1 007	2 125
2016	343	694	146	15	1 019	2 217
2017	326	670	121	26	998	2 141
2018	381	698	138	14	1 034	2 265
Total	2 359	3 837	867	164	7 327	14 554



TRANSFORMATION INSIGHTS FROM STATISTICS ABOVE

Of the current pool of members:

- 75% of the African CAs(SA) have qualified since 2012
- 55% of the Coloured CAs(SA) have qualified since 2012
- 48% of the Asian CAs(SA) have qualified since 2012

TRANSFORMATIONAL CAPACITY-BUILDING

As part of its transformation work, SAICA also established a capacity-building programme for historically disadvantaged institutions (HDIs). Through the HDI support programme, we have successfully accredited four out of the five such institutions, namely the University of Limpopo, the University of the Western Cape, the University of KwaZulu-Natal and Walter Sisulu University.

The HDI programmes that SAICA runs offer a number of student support initiatives, including:

- Financial support that focuses on student fees, on-campus accommodation, books, laptops, etc)
- Non-financial assistance in the form of extra academic interventions (winter schools, peer tutoring, etc), and
- Psycho-social support aimed at ensuring that Thuthuka students are able to acclimatise to the academic and social environments that they are placed in (most of which differ greatly to what they have experienced during their basic education years) and can produce the necessary high results required to stay on the programme

However, SAICA has not stopped at just the students, as we realise that the kind of lecturers that students engage with and the manner in which they are taught are considerations that are just as crucial. So SAICA has introduced an African academics programme to support these academics, especially young ones, in improving their teaching skills and supporting them in engaging in more research, especially at a PhD level. Another part of this programme is curriculum transformation and helping academics to find new and innovative ways in which to teach students, especially those from previously disadvantaged schools who may need different teaching methods in order to better grasp some of the conceptions in accounting studies. These new teaching methods have been found to lead to better student engagement and, eventually, improved results.

SAICA is proud of the results that the HDI capacity-building programme is producing and the Institute is looking forward to accrediting the one remaining HDI, the University of Venda, which is anticipated to happen in 2020.

OUR VALUE PROPOSITION PER STAKEHOLDER

SAICA MEMBERS



Excellence in competence

Continuous professional development

Technical and non-technical training

Professional support

Premium/market-leading designation

International (professional) mobility

TRAINEES



Rigorous training programme

Trainee networking and support platform

TRAINING OFFICES AND TRAINING OFFICERS



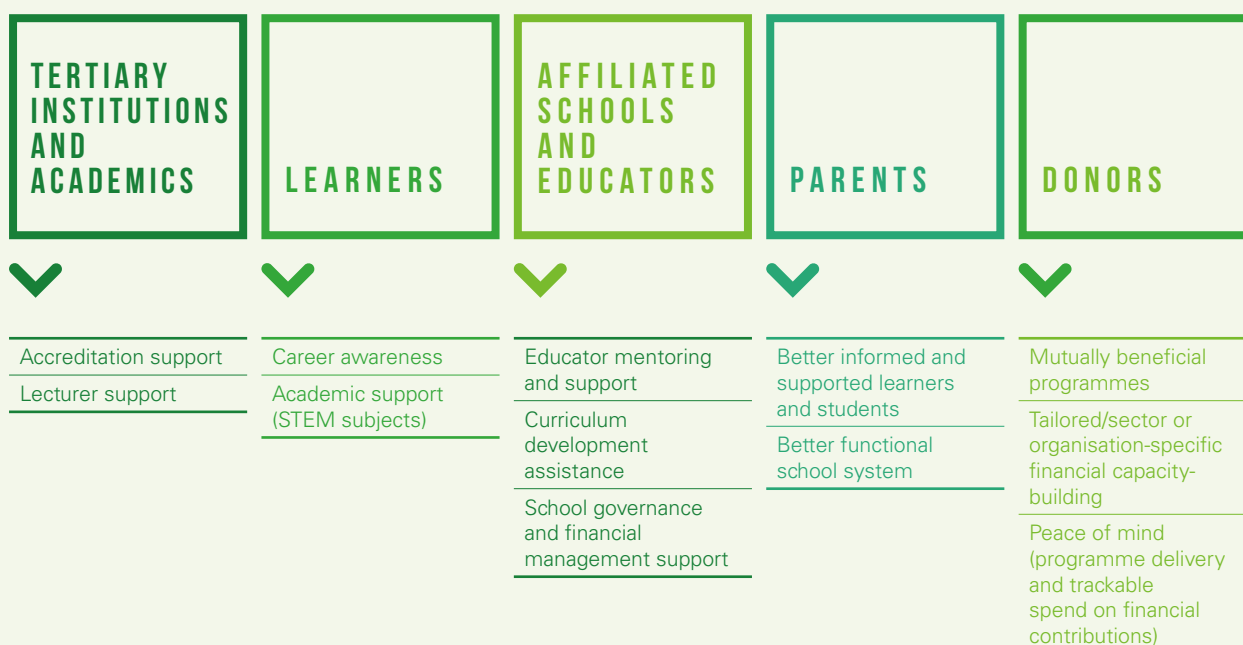
Training programme development and support

STUDENTS



Funding

Wraparound support (funding, academic and psycho-social support)





SUSTAINABILITY AND SHARED VALUE CREATION

SAICA's value creation process is not only about servicing and supporting our members in creating and leading sustainable business but also about creating non-financial value in and outside of those businesses. It is about using the skills and excellence for which we are renowned in business to also drive other sustainability measures. In a business world that no longer solely focuses on P for Profit, but also on People and the Planet, the accounting profession can once again take the lead and demonstrate how focusing on sustainable communities, the environment and creating social value as much as we do on creating financial value is good business.

The Sustainable Development Goals (SDGs) are the United Nations' developed blueprint to achieve a better

and more sustainable future for all, where no one is left behind. The SDGs interconnect and address the global challenges we face, including those related to poverty, inequality, climate, environmental degradation, prosperity, and peace and justice.

SAICA's stated purpose of developing responsible leadership acts as a continuous challenge for us as an Institute (and our profession at large) to understand that our work has an impact that extends beyond business and into society as a whole. It makes business sense because, as a purpose-driven profession, when we work towards the SDGs, we begin to transform and uplift communities and create the kind of societies in which businesses can operate and flourish.

'Despite all the negative press surrounding our profession, collectively we are living our purpose and leaving a lasting legacy for the communities in which we operate'


– Chantyl Mulder
SAICA Executive Director: Nation Building



How SAICA creates impact and generates value through the six capitals, while also contributing to the Sustainable Development Goals (SDGs):

FINANCIAL CAPITAL	HUMAN CAPITAL	INTELLECTUAL CAPITAL	MANUFACTURED CAPITAL	SOCIAL AND RELATIONSHIP CAPITAL	NATURAL CAPITAL
✓	✓	✓	✓	✓	✓
R270 million in membership subscription fees	R169 million in employment costs	Technical and non-technical member offerings	R2 million in rental income	Over 3 600 students funded and 1 053 accountants created through the Thuthuka Bursary Fund since 2012	Generosity Water partnership
R12 million in events revenue	R1 million invested in employee training	Thought leadership initiatives, such as ISFAP and Courageous Conversations	R114 000 of fixed assets sold	50 unemployed graduates trained through SGB and back-office support programmes	
Almost R2 billion independent funding raised for nation-building and financial capacity-building activities across the private and public sectors since 2002	R0,5 million in wellness costs	Launch of CA2025	R21 million in depreciation	35 SMMEs provided with financial training, 97% of which experienced a growth in turnover	
				27 new jobs created through SAICA Enterprise Development in 2018	
				Girl-learner maths development camp in Gauteng	
✓	✓	✓	✓	✓	✓
 	 			   	 





'One of the great things about the profession is that it has been conscious of its shortcomings ... and now we are reflecting on our state because we are conscious of that too'

– JJ Njeke
former SAICA Chairperson



FUTURE OUTLOOK

What 2018 has shown us all is that the slightest shift in the perception of SAICA and its members as being ethical, accountable and, therefore, trustworthy is detrimental to both our reputation and standing in the market. This is even when this perception has been created by the actions of a few and the majority of our members continue to adhere to the Code of Professional Conduct. So, our biggest focus as SAICA going forward is to ensure that the reputational and market standing of our profession is restored to the highest regard, as it has enjoyed for decades prior to our most recent challenges. If the license to operate for our members comes from them being seen as above reproach, then our purpose as an institute is to ensure that they are so, and that this is known far and wide.

As part of the drive to ensure a stronger reputation, as well as protecting and enhancing the value of its designations, especially the CA(SA), SAICA management embarked on a rigorous strategic revamp in 2018. The outcome of this was a revised strategy that was presented to the SAICA Board for approval in the latter half of 2018. This revised strategy will be effective from 2019. Based on this strategy, the strategic priorities that SAICA will now focus on over the next three to five years (2019–2023), as approved by the Board, are:

- Continued **relevance of the accounting profession**
- Delivering better **member value** and offerings
- **Growth and transformation** of the accounting profession, in terms of race and gender, and in line with the overarching national agenda
- Growing SAICA's **thought leadership** standing, both locally and internationally
- Making a **quantifiable social contribution** through nation-building initiatives, thereby contributing to the global Sustainable Development Goals (SDGs), and
- The long-term **sustainability** of the profession

What is critical to realising these priorities is the pursuit and safeguarding of an ethical culture within the profession, the enhancement of SAICA risk and governance processes, and the enhancement of internal efficiencies and effectiveness so that SAICA can better service its stakeholders. All of SAICA's operations, including its internal operating model and structure, will

also be aligned accordingly in order to help achieve all the above-mentioned strategic priorities.

Also taken into consideration during SAICA's strategy process is how the various capitals will be impacted and whether or not the Institute will need to make any off-sets. Relating to Human Capital, we have considered the current operating model and made adjustments accordingly in order to ensure that we have the right people, with the skills and in the right roles in order to achieve the strategy. In terms of Financial Capital, SAICA will be streamlining its budgeting processes to ensure that our funds are allocated to priority areas and that this trickles all the way through to spend. Regarding Intellectual Capital, the Institute is focusing on regaining its number ranking on standards in the long term and, in the short term, to ensuring that we play an increased thought leadership role. With our focus on having an integrated strategy that takes cognisance of the fact that we need to deliver social value along with business value, our Social and Relationship Capital inputs will continue to receive focused attention. Issues relating to Natural Capital do not have as much of an impact on the Institute and its work and so while we will still work in this area, more focus will be directed towards Manufactured Capital.

This revised strategy and the initiatives stemming from it will begin to be implemented by SAICA management from 2019 onwards. The strategy is expected to collectively ensure that SAICA and the accountancy profession thrive and continue to provide business value long into the foreseeable future. With SAICA focused on the Fourth Industrial Revolution and its impact on our profession, the revised strategy also focuses on ensuring that we continue to keep our members relevant and at the pinnacle of business. Some of the means to this are by training them differently at a pre-qualification stage and then providing them with new and cutting-edge continued professional development (CPD) offerings post-qualification. This will not only help cushion our members from the threat of automation and ensure that they still have a strategic function to serve in the environments in which they operate but will also improve their opportunities for global mobility in the increasingly globalised world in which we live and work.

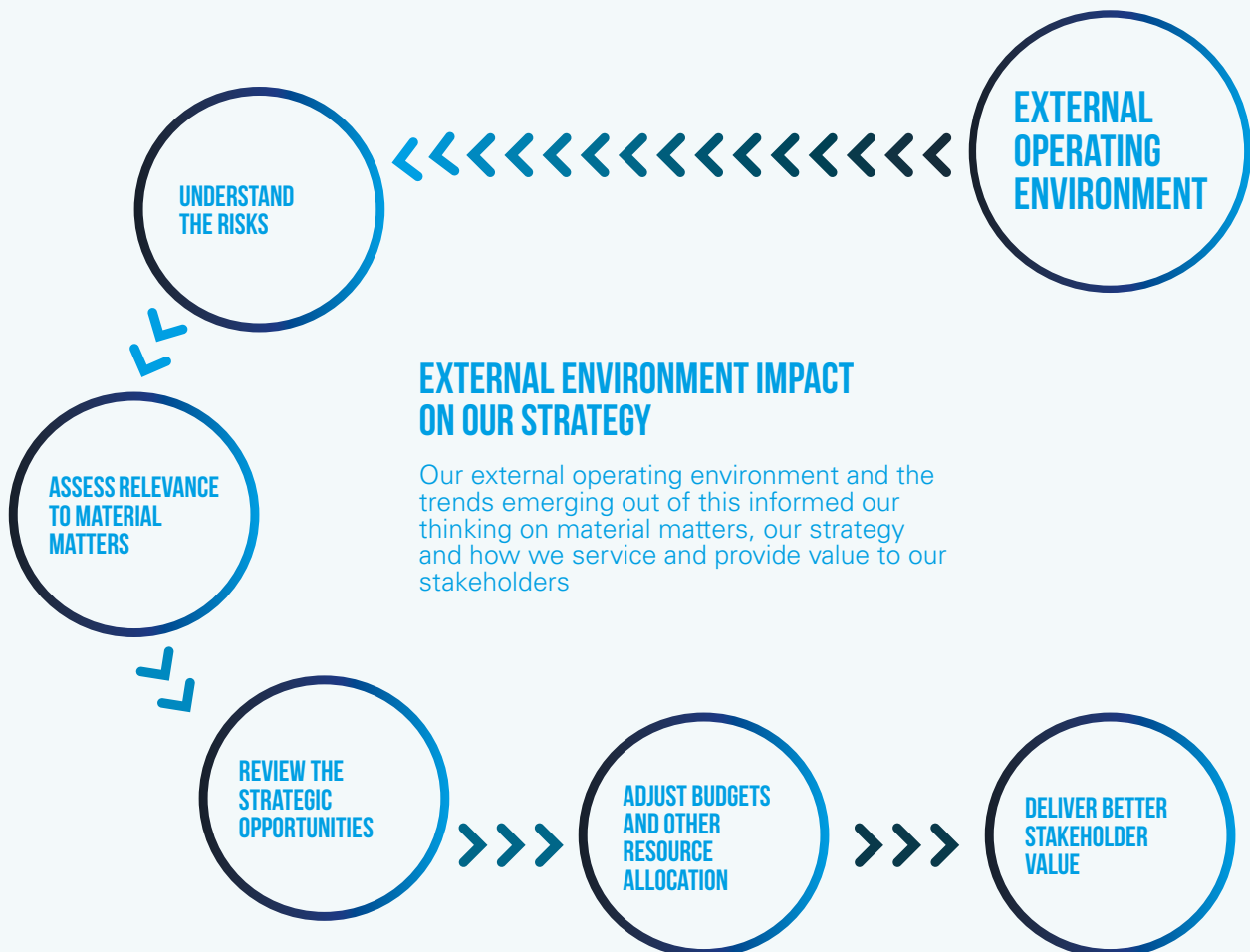




PART II
**STRATEGIC
BUSINESS
CONTEXT**

OUR EXTERNAL OPERATING ENVIRONMENT

- 1 Changing business models that require business to not only focus on the bottom line (profit) but on public interest and values-based operations (people and planet)
- 2 Increasing technological advancements
- 3 Public scrutiny on matters of ethics and professional conduct



EXTERNAL ENVIRONMENT IMPACT ON OUR STRATEGY

External development 1: Commitment to philosophy of profit-people-planet (PPP)

Calls for big business to show real commitments to the PPP philosophy of profit-people-planet and make positive social contributions and impact while still serving stakeholder interests.

Impact

The need for SAICA to go back to its original constitutional mandate of not only focusing on internal operations and members but also overlaying this with a focus on serving the greater public interest.

Our response

A proactive and concerted focus on illustrating how the profession has always operated not only for the benefit of its members but the greater economy and society as well. Embedded in the SAICA strategy and organisational structure were transformation and growth operations geared not only at the accounting profession but other key sectors and professions as well (as illustrated on p 46: SAICA 2018 Strategic Focus and p 81: Performance).

External development 2: The Fourth Industrial Revolution

Increasing pace of change and disruptive technologies

Impact

Concerns and discussions, both locally and globally, about the continued relevance of accountants and whether or not, with technological advancements enabling systems to execute some of their traditional functions, they still have a key role to play in organisations.

Our response

The CA2025 initiative

This initiative saw SAICA begin to formally research the competencies (knowledge, skills and attitudes) that accountants of the future will need in order to optimally operate and bring value to the workplace of the future. The aim of the initiative is to ensure that our members remain relevant in the roles they perform. As technology continues to improve and be more and more prevalent in the typical accounting space, this creates both challenges and opportunities for current and future members and associates of SAICA.

Projects that form part of the initiative's work include:

- Review of the education and training model
- Review of SAICA's formal assessments
- Facilitating improvements to teaching and learning approaches
- Post-qualification process, with further projects that will follow
 - Post-qualification specialisations
 - Improved SAICA offerings related to non-technical learning and development

External development 3: Ethics and professional conduct

Both locally and internationally, 2018 saw increasing public focus on the behaviour and professional conduct of chartered accountants. In South Africa, this focus was on chartered accountants in both the public and private sectors and received widespread media coverage. By virtue of the focus on the profession and its members, there was a focus on SAICA and how we deal with our members on issues of ethics and professional conduct.

Impact

SAICA's processes and work around ethics promotion, monitoring and enforcement were put under the microscope and our stakeholders, including the members, identified both positives (on which we could build) and negatives/shortcomings (which required SAICA to improve).

Our response

SAICA embarked on a number of initiatives to address the shortcomings that this development helped identify. These include:

- The establishment of a compliance monitoring unit to ensure that we could be more proactive in our ethics work, by not only focusing on dealing with members when they become errant but rather ensuring that members do not get to this point
- Amendment of certain by-laws that made SAICA's disciplinary work more challenging and not as efficient and agile as was needed. These were by-laws 21A and 30.6
- The establishment of a governance review task team to review the way in which SAICA is structured for governance purposes and to make recommendations on how to amend this so that SAICA has governance structures that are based on best practice and are fit-for-purpose



2018 STRATEGY: PROMOTE AND ENHANCE THE VALUE OF THE PROFESSION

SAICA's strategy allowed the Institute and the profession in South Africa to best respond to the external environment occurrences mentioned in this section. Along with providing an adequate response to external trends, SAICA's strategic objectives also aligned to its constitutional purpose and mission. The strategy is to be achieved through the collaborative efforts of our members and stakeholders.

The profession's first constitutional objective is to promote the interests of our members and to make a positive contribution to the South African economy and society. In line with this, SAICA's primary strategic objective is to promote and enhance the value of the profession for and through members. The next

four pillars of the strategy (sustainable funding, digital transformation, culture of collaboration, and organisational risk and governance) are all aimed at enabling this main objective.

SAICA constantly reviews the robustness of its strategy in an integrated manner, taking into consideration the external environment, risks and opportunities, stakeholder interests and the availability of all the relevant capitals (*as per section 6 – Sustainability and Shared Value Creation*). The main reason for this continuous review is to ensure that the strategy constantly drives a SAICA and a profession committed to making a greater, more holistic and impactful contribution to society and South Africa's economy.





PROMOTE AND ENHANCE THE VALUE OF THE PROFESSION

Collaboration with members and alliances for:

- Enhanced value of the profession for the benefit of all members and stakeholders
- Optimal use of our global footprint to support the development of the South African economy and society



SUSTAINABLE FUNDING

A responsive funding model as an enabler to achieve the business mission on a sustainable basis



DIGITAL TRANSFORMATION

Enhanced integrated thinking capabilities supported by credible data and systems as an enabler to achieve the business mission on a sustainable basis



CULTURE OF COLLABORATION

Enhanced collaborative leadership as an enabler to achieve the business mission on a sustainable basis



ORGANISATIONAL RISK AND GOVERNANCE

Enhanced organisational risk and governance processes as an enabler to achieve the business mission on a sustainable basis







PART III
**GOVERNANCE AND
STAKEHOLDER
MANAGEMENT**

10 MATERIAL MATTERS



Materiality is determined by considering matters that support or affect, in some way or another, SAICA's strategic intent. Material matters are also those that have the potential to affect SAICA's ability to create and sustain value for its various stakeholders in the short, medium and long term. The material matters that have

the potential to destroy value are referred to as risks, while those that can help create value are termed opportunities. Of increasing importance to SAICA in recent years has been creating and protecting value through effective governance, as well as building and maintaining trusted relationships with our stakeholders.



The 2018 material matters were determined using the matrix indicated below where we considered what issues were critical for our stakeholders, especially the members, which ones had an immediate impact on

the business and reputation of SAICA, as well as which ones did we have control over. Based on this, SAICA management identified the issues indicated below as being material:

OUR MATERIAL MATTERS

Competent and ethical chartered accountancy professionals

SAICA's governance processes

Value proposition that SAICA offers members

Reputation of SAICA and its designations, especially the CA(SA) brand

Education and training (competency standards upheld through the SAICA value chain / cradle to grave)

SAICA's advancement of ethics matters

Enhancement of members' professional competencies

Transformation of the profession

Brand clarity between three designations – CA(SA), AGA(SA) and AT(SA)

SAICA relationships with key government agencies, international affiliates and other organisations of influence

Sustainability of the accountancy profession

ETHICS

SAICA board members and staff are expected to adhere to the highest standards of professional and business ethics. While the board members are responsible for the ethical obligations of SAICA and take the necessary measures to achieve compliance with the Board's Code of Ethics and the Code of Professional Conduct, they also undertook to comprehensively review the application of ethical standards at SAICA, including with SAICA employees. In this regard, a detailed ethics culture survey (part of the SAICA Ethics Programme) was conducted, the results of which are to be used in the development of an ethics management framework and were used when making considerations for the formation of a new compliance monitoring unit within SAICA. The unit will focus not only on member compliance but employee compliance as well in order to ensure that SAICA always operates as an ethical and transparent business of the highest professional standards.

INDEPENDENCE

While an inherent conflict of interest exists in that all board members are members of SAICA, such a conflict is mitigated in that board members are not involved in

the day-to-day operational management of SAICA. All non-executive board members are considered to be independent as they have no material interest in SAICA, the SAICA group entities, or any of SAICA's significant suppliers or customers. Members of the Board, like any other CA(SA), are required and encouraged to apply the tenets of the Code of Professional Conduct in considering their independence while serving as board members. In this regard the Board has made extensive efforts to highlight the importance of ensuring that incidents which give rise to conflict of interest (regardless of materiality) are effectively managed and monitored at all levels of the organisation. This has culminated in a comprehensive review and updating of the SAICA Conflict of Interest Policy and the added focus on the application of the NOCLAR standard. To this extent, the Board has seen it as critical that the extensive review of the SAICA Conflict of Interest Policy is conducted in tandem with the rollout of the SAICA Ethics Programme.

SAICA GOVERNANCE

GOVERNANCE STRUCTURE

CHAIRMAN

Responsible for leadership of the Board and presiding over its meetings

TWO DEPUTY CHAIRMEN

Assist the chairman in executing his functions as the strategic leader of the Board

SAICA CEO

Responsible for the day-to-day management of the business in accordance with the strategy approved by the Board

20 EXECUTIVE BOARD MEMBERS

Mix of regional representatives and members co-opted for specific skills required for the strategic guidance of SAICA

BOARD SUB-COMMITTEES

AUDIT COMMITTEE

Role

Monitors the integrity and effectiveness of SAICA's internal controls and processes, and also provides oversight over its internal and external auditors

DIGITAL TRANSFORMATION AND GOVERNANCE COMMITTEE

Role

Ensures that the digital transformation journey SAICA takes is always aligned to its performance and sustainability objectives

FINANCE COMMITTEE

Role

Exercises financial oversight over SAICA, the Thuthuka Education Upliftment Fund, SAICA Enterprise Development, and any other entity under the control or management of the SAICA secretariat

GOVERNANCE COMMITTEE

Role

Monitors corporate governance best practice and recommends fit-for-purpose principles for the Board to apply to SAICA

HUMAN RESOURCES AND REMUNERATION COMMITTEE

Role

Determines the human resource and reward strategy for SAICA and ensures that these are aligned to its policies, skills requirements and financial considerations

NOMINATIONS COMMITTEE

Role

Ensures that the Board and other committees have the appropriate skills, knowledge and experience to operate effectively, and to deliver on SAICA's strategy

MANAGEMENT COMMITTEE

Role: Assist the CEO in the implementation of the board-approved strategy and in carrying out the day-to-day business management of SAICA

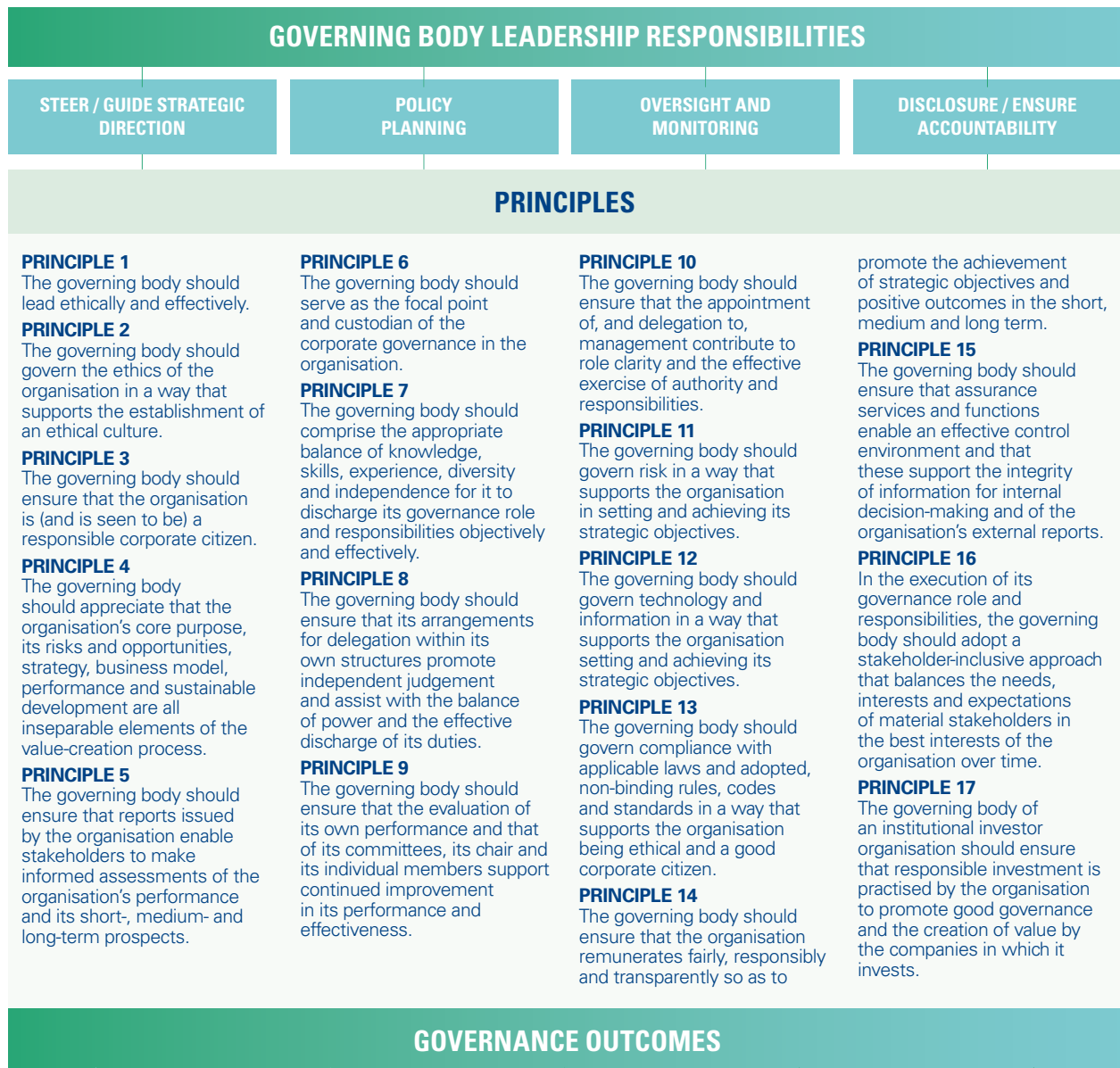
SAICA GOVERNANCE ENVIRONMENT

In 2018, SAICA underwent a process to improve its governance practices and put them on par with international best practice in response to a fast-changing world and professional environment. At the Annual General Meeting held on 26 June 2018, the SAICA chairman of the Board announced that the Board would set up a process to look at the governance structure of SAICA and that members would be involved in the process. With this aim in mind, a governance review task team (GRTT) was put together. One of its main functions was designing a suitable structure that could define and establish an effective leadership unit to direct and lead SAICA while maintaining appropriate

membership oversight.

Key to the work of the GRTT was King IV, its principles and ensuring that going forward, SAICA governs itself in a manner best suited for living up to the principles with the intention of ensuring that SAICA can benefit from its governance outcomes. These include the creation and maintenance of an ethical culture, good performance, value creation and effective control, as well as trust, good reputation and legitimacy. While the various phases of the GRTT's work (and the whole governance review process as a whole) unfold, below is a representation of the King IV governance principles and how they currently manifest within SAICA.

KING IV GOVERNANCE PRINCIPLES



12

ENTITY GOVERNANCE

Besides governance structures for its core functions, SAICA also has governance structures in place for its entities. These include Accounting Technicians South Africa, the Thuthuka Education Upliftment Fund, The Hope Factory and SAICA Enterprise Development. These entities operate independently from the SAICA Board and are governed by their own boards of directors or trustees. The governance structures of these entities are as follows:

PROJECT	LEGAL STATUS	GOVERNED BY	MANDATE
Accounting Technicians South Africa (AT(SA))	A department of SAICA	Nation Building Division	To develop, empower and deliver better skilled and qualified accounting technicians into the economy
Ikusasa Student Financial Aid Programme (ISFAP)	ISFAP operates under TEUF	TEUF Board (chaired by A Sita) and the Ministerial Task Team on Fees (chaired by S Nxasana)	To fast track South Africa's skills production for the 21st century by funding the higher education costs of students that come from poor and missing middle household income groups studying towards a career in scarce skills that have been identified as critical to South Africa's economic development
Ntivo Endowment Fund		Ntivo Endowment Fund Trustees (chaired by S Nxasana)	B-BBEE share deals
The Professional Development Unit	A department of SAICA	SAICA Board (chaired by L Bam) and Professional Development SAICA sub-committees	To develop, empower and deliver better skilled and qualified CAs(SA) into the economy
SAICA Enterprise Development	SAICA Enterprise Development is 100% owned by The Hope Factory	SAICA Enterprise Development Board (chaired by EJ Carelse)	Enhancing the value of the CA(SA) profession by mobilising its contribution to SMME development through instilling financial excellence in SMMEs
Thuthuka Education Upliftment Fund (TEUF)	Registered as a public benefit organisation in terms of section 18(A) of the Income Tax Act. The Thuthuka Bursary Fund (TBF) operates under TEUF	TEUF Board (chaired by A Sita)	To ensure that there is a consistent flow into the economy of adequately and suitably qualified professionals representative of the country's demographics
The Hope Factory	A registered non-profit company and public benefit organisation in terms of section 18(A) of the Income Tax Act	The Hope Factory Board (chaired by EJ Carelse)	To create socio-economic impact on targeted township communities and individuals by ensuring solid financial foundations when establishing new businesses
The Wiseman Nkuhlu Trust		The Wiseman Nkuhlu Trust Board (chaired by W Nkuhlu)	To increase the number of black professional academics and promote courageous conversations on matters of national importance that the profession can influence

The boards have a management agreement with SAICA for the use of the SAICA staff and infrastructure. The agreement governs how governance and reporting take place. Every member of these boards participates on a voluntary basis as part of their commitment to transformation, employment and growth.

In the year under review, these independent boards ensured that they provided effective leadership through the adoption and application of good corporate governance practices based on the principle that strong corporate governance is central to ensure the sustainability of the projects run by each entity.

THE RESPONSIBILITIES OF THESE BOARDS INCLUDE THE FOLLOWING:

To give secretarial mandate for major funding initiatives related to the entity's work

To establish and maintain organisational structures that will ensure the carrying out of the boards' duties

To review internal control structures, including financial controls, accounting systems and reporting

To monitor entity compliance with legal requirements

To monitor the outputs of projects in terms of stated objectives, as well as the strategic plan

To liaise with external stakeholders and donors, should the need present itself

To review the quarterly budgets compared to actual figures and obtain reasons for variances as it relates to donor-funded projects

RISK MANAGEMENT

SAICA's strategy defines the future direction of the organisation. Risk is inherent in the business activities and in achieving the strategic objectives and maximising the opportunities that arise. In order to ensure that SAICA is best placed to achieve its strategic priorities, one of the critical considerations in our strategic planning process is the identification of any matters or developments that may potentially hamper the strategy and delivery thereof. The need to identify such risks is such that SAICA can craft and implement the necessary mitigating actions for managing these risks, including identifying and allocating the necessary human and financial resources needed for risk management.

The Board is responsible for determining SAICA's risk tolerance level. Management is responsible for the implementation of the risk management process, which involves the identification, evaluation, prioritisation, mitigation and monitoring of risks throughout the organisation. Risk matters are discussed at management meetings. For the risk management process to be effective and practical, risks are linked to performance management processes, resulting in risks being integrated and accounted for both at strategic and operational levels. Board sub-committees are responsible for the governance of risk and provide assurance to the Board as prescribed in their terms of reference (roles and responsibilities). Significant risks are reported to and approved by the Audit and Risk Committee and the Board on a quarterly basis.

ENTERPRISE RISK MANAGEMENT GOVERNANCE

Enterprise risk management (ERM) is governed by the ERM policy and framework adopted by the Board, the objective of which is to embed the risk culture throughout SAICA and its structures. The ERM policy and framework further defines, inter alia, the roles and responsibilities of the Board, board sub-committees, and various lines of assurance.

The objectives of SAICA's Group ERM policy are achieved through a structure that supports a risk culture with clearly defined roles and responsibilities and

ensures accountability for risk management. The ERM policy and framework integrates risk with performance management. This principle demonstrates the alignment of strategic objectives, performance goals and measures to related processes, risks and controls. It further fosters the culture of managing risk on a day-to-day basis and reduces the likelihood of any surprises. Performance outcomes, where applicable, are supported and evidenced by credible risk information including key risk indicators (KRIs). In addition, individual performance contracts align key performance indicators (KPIs) to related processes, risks and controls.

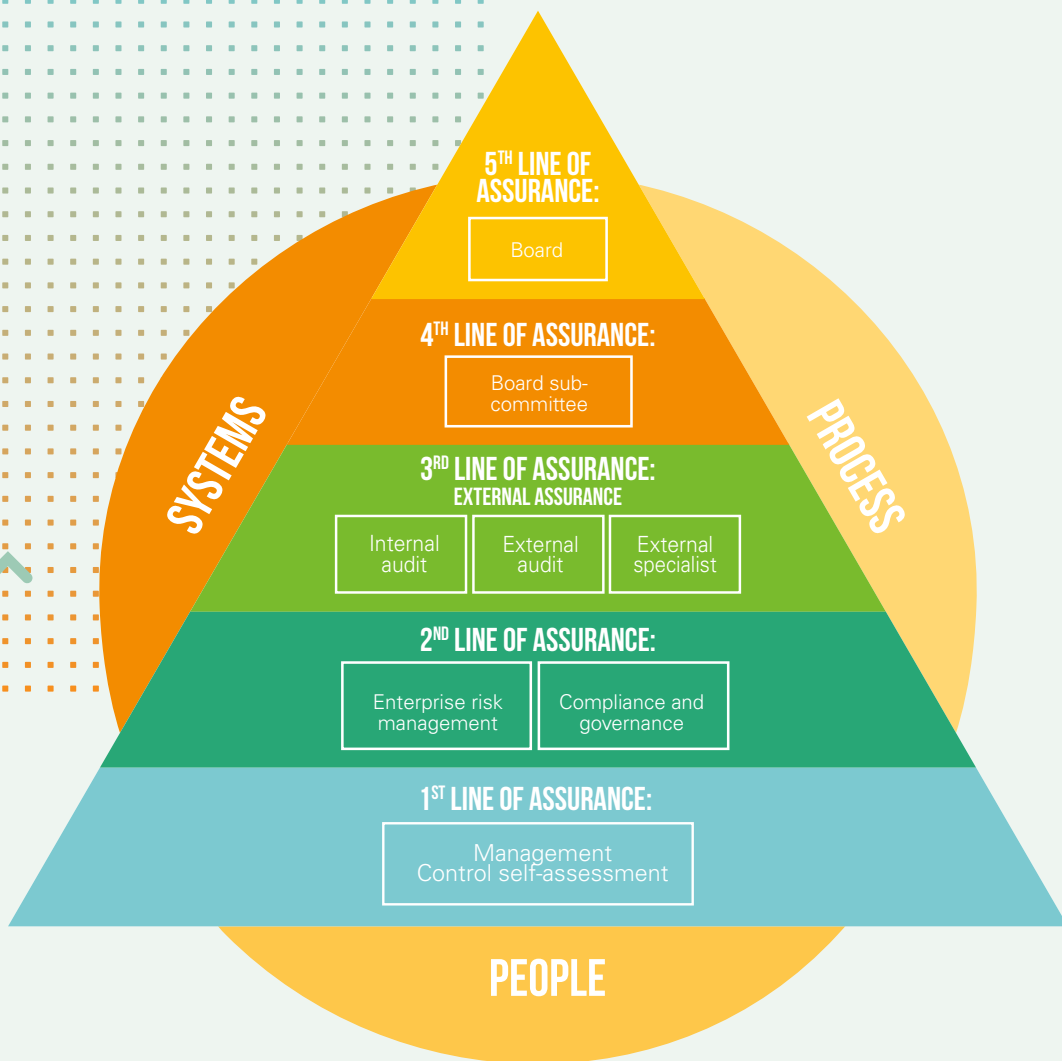
SAICA's risk practices assign the responsibility of risk management to an individual employee level. Risk and opportunity forms part of every discussion throughout the business, from one-on-one performance management/feedback sessions, divisional meetings, management and executive committee meetings to board sub-committee meetings. Significant risks are reported to and approved at every Audit and Risk Committee meeting and reported at every board meeting. To assist management and the Board in ensuring that the control environment improves and both strategic and operational objectives are achieved, internal audit and other appointed assurance providers are contracted to provide independent assurance.

COMBINED ASSURANCE

The ERM policy and framework identifies five lines of assurance as a model to provide assurance of the effectiveness of internal controls through a combined assurance model which informs the Audit and Risk Committee of the assessment of internal controls.

The combined assurance model ensures a holistic view and integrated approach to the assurance of key risks and actual performance of SAICA and its entities.

The following diagram describes SAICA's combined assurance model that informs the Board and Audit and Risk Committee's assessment of internal controls:



KEY STRATEGIC RISKS

STRATEGIC OBJECTIVE	RISK	ASSESSED INHERENT RISK	MITIGATING ACTIONS	ASSESSED RESIDUAL RISK	ADDITIONAL INFORMATION
Creating an ETHICAL culture within our profession in the service of the public interest	Unethical leadership by members caused by poor or unethical conduct by members resulting in loss of public trust and stakeholder confidence	Extreme	<ul style="list-style-type: none"> Member education and training programmes Member compliance and monitoring through the formation of the Compliance Monitoring Unit Effective and efficient SAICA disciplinary process Continuous, effective, and differentiating marketing, communication and public relations activities 	High	<ul style="list-style-type: none"> The Education Division will also provide support on the education of members with regard to their ethical obligations Member compliance with ethical requirements is to be monitored through the formation of the Compliance Monitoring Unit. This unit will also oversee compliance throughout SAICA starting 1 January 2019 Transparency in dealing with disciplinary matters has been enhanced by the amendment of the SAICA by-laws Continuous implementation and monitoring of the crisis communication plan
Engagement of stakeholders on matters of RELEVANCE to them and the profession	Reputational risk: Diminishing value of all SAICA designations caused by unethical behaviour by a limited number of members resulting in loss of public trust and member resignations	Extreme	<ul style="list-style-type: none"> Continuous in-depth monitoring of the strength of SAICA designations through independent feedback and timely intervention on negative trends Continuous, effective, and differentiating marketing, communication and public relations activities 	High	<ul style="list-style-type: none"> Brand survey conducted annually in April: CA trust still at 84% among business decision-makers The Edelman Trust Research Survey: Business trust at 81% in September among business decision-makers Continuous implementation and monitoring of the trust reconstruction programme. Fourteen positive exposures resulting from SAICA's trust reconstruction public relations strategy and 28 members positively profiled in the media
Enhancement of internal efficiencies and effectiveness to ensure SAICA is FINANCIALLY SUSTAINABLE	Inability to deliver on SAICA's mandate caused by: <ul style="list-style-type: none"> An imminent increase in compliance and disciplinary costs A decline in member fee revenue and private-public partnerships 	High	<ul style="list-style-type: none"> Constant monitoring and tracking of ad hoc expenses and quarterly reporting to FinCo Continuous monitoring and tracking of membership trends and timely intervention on lead indicators Proactive engagement with disgruntled members and stakeholders on the credibility and benefits of the SAICA designations 	Moderate	<ul style="list-style-type: none"> Charging of once-off disciplinary levy to all members for 2019 Strike-offs consistent with prior years Continuous engagement of members by the Member Engagement Division Concessions are provided where deemed appropriate Develop and deliver new and innovative membership offerings and responsive funding models

OPERATIONAL RISKS WITH STRATEGIC IMPACT

Business risks which have a direct impact on the SAICA strategy are elevated to highlight their significance. Management continues to monitor measures

implemented to mitigate the threat of IT systems not being able to support business and also being vulnerable to cyber-attacks. Refer table below:

STRATEGIC OBJECTIVE	RISK	INHERENT RISK	MITIGATING ACTIONS	RESIDUAL RISK	STATUS SUMMARY
Enhancement of internal efficiencies and effectiveness to ensure SAICA is DIGITALLY TRANSFORMED	Information security risk including cyber-crime caused by the evolving cyber threats and weak defence measures	Extreme	<ul style="list-style-type: none"> Continuous monitoring and tracking of frequency, nature, source and motive of attempted security breaches Threat and vulnerability assessments Regular upgrade and maintenance of SAICA's defence, recovery and business continuity systems 	High	<ul style="list-style-type: none"> Software updates are done monthly A request for proposal to be concluded at the end of October to source a service provider to monitor the network for cyber threats Ongoing threat and vulnerability assessment tests
	Poor implementation of the IT strategic digital project plan caused by non-delivery by vendor(s)	Extreme	<ul style="list-style-type: none"> Proactive engagement with the vendor(s) Continuous monitoring and tracking of key project milestones and timely interventions on exceptions Establishment of Project Management Office (PMO) and appointment of programme manager 	Moderate	<ul style="list-style-type: none"> Tracking and monitoring of the Ushintsho Programme by Programme Steercom supported by Business Design Authority (BDA), Technical Design Authority (TDA) and Programme Management Office (PMO) Tracking and monitoring of the Ushintsho Programme and reporting of progress to the Digital Transformation Governance Committee (DTGC) quarterly Ushintsho Stages 0 and 0.5 have been completed Ushintsho contract for Stage 1 is being finalised
Enhancement of internal efficiencies and effectiveness to ensure SAICA is DIGITALLY TRANSFORMED	The core back-end system that houses member data is currently not supported by relevant vendors	Extreme	Implement Ushintsho Programme	Extreme	<ul style="list-style-type: none"> The core back-end system remains unsupported and Stage 2 of the Ushintsho Programme is envisaged to mitigate this risk



COMBINED ASSURANCE ON STRATEGIC RISKS

The table below is a representation of the assurance levels received on SAICA's key risks, that is, combined assurance on strategic risk. The Audit and Risk Committee is requested to assess the appropriateness of SAICA's Combined Assurance Model and ensure that significant risks facing SAICA are adequately addressed by the model.

N = No assurance currently being provided.

RISK	INHERENT RISK	RESIDUAL RISK	1 ST LINE OF ASSURANCE MANAGEMENT
Unethical leadership by members caused by poor or unethical conduct by members resulting in loss of public trust and stakeholder confidence	Extreme	High	Management responsible for risk mitigation at operational level
Reputational risk: Diminishing value of all SAICA designations caused by unethical behaviour by a limited number of members resulting in loss of public trust and member resignations	Extreme	High	Management responsible for risk mitigation at operational level
Inability to deliver on SAICA's mandate caused by: <ul style="list-style-type: none"> • The imminent increase in compliance and disciplinary costs • A decline in member fee revenue and private-public partnerships 	High	Moderate	Management responsible for risk mitigation at operational level





2 ND LINE OF ASSURANCE		3 RD LINE OF ASSURANCE	4 TH LINE OF ASSURANCE		5 TH LINE OF ASSURANCE	
ERM FUNCTION	COMPLIANCE FUNCTION	INTERNAL AUDIT	EXTERNAL AUDIT	EXTERNAL SPECIALIST	BOARD SUB-COMMITTEES	BOARD
N	N	N	N	N	Assurance provided by the Audit and Risk Committee (AudCo). Provide oversight and advice on the overall risk management programme as implemented by line 1, taking into consideration outcomes of line 2 and line 3 where applicable	Provided independent assurance on the control environment implemented within the entity / SAICA Group
N	N	N	N	Independent brand survey	Assurance provided by the Audit and Risk Committee (AudCo). Provide oversight and advice on the overall risk management programme as implemented by line 1, taking into consideration outcomes of line 2 and line 3 where applicable	
N	N	<ul style="list-style-type: none"> • Revenue management review • Expenditure management review • Procurement management review • Stakeholder management review 	Year-end audit	N	Assurance provided by the Finance Committee (FinCo) and AudCo. Assurance provided by TEUF, THF, ED boards and AudCo. Provide oversight and advice on the overall risk management programme	



STAKEHOLDER ENGAGEMENT FOR SHARED VALUE CREATION



KEY STAKEHOLDERS

A stakeholder-inclusive approach is key to delivering on our purpose and achieving our strategy. In 2018, SAICA's focus in this area was on how SAICA could better drive proactive engagement with key stakeholders. Also critical was asking the question of how, by better engaging with its stakeholders, SAICA could deliver shared value for both them and the Institute itself.

MEMBERS	TRAINEES	STUDENTS	LEARNERS
EDUCATORS	FIRMS	EMPLOYEES	TRAINING OFFICES
ACADEMIA	DONORS	REGULATORS	GOVERNMENT
USERS/BUSINESS	ALLIANCE PARTNERS	GENERAL PUBLIC	MEDIA



MEMBERS AND ASSOCIATES	TRAINEES	TRAINING OFFICES	EMPLOYEES	STUDENTS	LEARNERS AND EDUCATORS
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MATERIAL INTEREST

▼	▼	▼	▼	▼	▼
Value of the SAICA membership	Professional training and exposure through the SAICA training programme	A suitable supply of and retention of trainees	Clear understanding of SAICA strategy to maximise their contribution to the implementation thereof	Rising tertiary institution costs and funding challenges (fee-free education and ongoing #FeesMustFall discourse)	Access to careers that will make them employable while making a social contribution
Reputation of SAICA designations, especially the CA(SA) brand	Development of skills set that will increase their market attractiveness / employability and help them contribute to the economy and greater society	Reputation of SAICA designations, especially the CA(SA) brand	Career progression through competency and skills development and the implementation of development and training programmes	Students look to SAICA as the custodian of the profession and they require a high-quality programme from SAICA that ensures their employability after successful completion of their education and training	Assistance in developing educational skills
SAICA's disciplinary process with regards to members under investigation for transgression of the Code of Professional Conduct and overall ethical standing of the profession		Training administration systems that are fit-for-business and easy to implement and administer			Quality and relevant maths, science, accounting and English curricula
Enhancement of their professional competencies		Effective application of SAICA accreditation criteria in order to ensure the continued quality of the programme and their retention as accredited training offices			
CA(SA), AGA(SA), AT(SA) brand clarity and enhancement					
SAICA and member relationships with key government agencies					
Sustainability of the accountancy profession					

ROLE IN VALUE CREATION

▼	▼	▼	▼	▼	▼
Active engagement with SAICA (no apathy)	Sustainability: Trainees represent the future of the profession	Deliver the training element of the CA(SA) competency	Can be the strongest brand ambassadors for SAICA	Pipeline: Students in the accounting stream represent possible future members and it is therefore critical to understand their needs and interests	STEM subject promotion
Adherence to Code of Professional Conduct (ethical conduct)	Potential ambassadors for the profession if engaged with accordingly	Key to ensuring that quality of our members is maintained	Highly motivated, skilled and competent staff are critical to the successful implementation of SAICA's strategy		Curriculum development
Understanding of lifelong learning principles (so as to not participate in CPD as tick-box exercise)					Promotion of accounting as a tertiary subject choice
					Advancement of accountancy careers

HOW WE ENGAGE

▲	▲	▲	▲	▲	▲
National boards and regional councils	Trainee workshops	Training office site visits	Daily interface between management and employees	Provision of financial support to eligible students through the Thuthuka Bursary Fund (TBF)	School visits (career awareness)
National and regional constituency-based committees	Roadshows and networking events	Accreditation meetings	Regular departmental meetings	SAICA provides additional academic and psycho-social support to students who are eligible and demonstrate potential	Career exhibitions
Roadshows	Online surveys	Training office workshops	Organisational town halls		Thuthuka development camps
Interest groups		Online surveys	Employee engagement surveys		Educator and curriculum support programmes
Networking / seminars and events			Ongoing performance discussions	Student forums for networking and mentorship from young professionals/ members	
Online member communications					
Face-to-face member visits					



MATERIAL INTEREST

▼	▼	▼	▼	▼	▼
Highly competent and trained trainees and members	SAICA and SAICA member compliance with regulations	Transformation of the profession	Competent and ethical professionals	SAICA accreditation for accounting programmes	South African compliance with international professional and related standards
Relevant programmes that assist in providing skills pipeline	Inputs and commentary on regulations to assist in their development	B-BBEE codes	SAICA members to be value creators for their businesses and departments	Relevant higher education offerings	Reciprocal membership agreements
Members that are trained for business of the future/impact of the Fourth Industrial Revolution on auditing and other accounting functions		Quality-assured and trusted/reputable programmes in which to place funds	Quality-assured and trusted/reputable programmes in which to place funds	Training and subvention for African academics	A unified African profession
					Development of an international brand
					South African inputs on key professional and technical issues

ROLE IN VALUE CREATION

▼	▼	▼	▼	▼	▼
Skills absorption: Trainee placement and employers for SAICA members	SAICA regulators	Programme development (financial capacity-building)	Help SAICA keep abreast of market needs and role our members need to play in this regard (thus help ensure relevance of our training, CPD offerings and members)	Competent training-ready students	Assist SAICA in maintaining global standards
SAICA programme support: Thuthuka donors	Understanding of their regulatory requirements to ensure that SAICA programmes and members continue to be compliant	Sustainability of SAICA student-funding programmes	Ensure that our programmes are designed to enable SAICA members and associates to deliver the best value to their employers	Transformation of tertiary curriculum and teaching methods	Contribute to the establishment and sustainability of strong and stable accountancy institutes worldwide
		Skills absorption (Thuthuka trainee allocations)	Potential funders for SAICA nation-building / financial capacity-building initiatives		

HOW WE ENGAGE

▲	▲	▲	▲	▲	▲
Training officers	SAICA committee structures	Funding proposal briefing sessions and proposals	Skills of the future focus groups	Institutional accreditation	Regular engagement with other professional bodies through membership of GAA, CAVW, IFAC and related meetings
Firm visits	Accreditation engagements	Donor update meetings	Employer and recruiter engagements	Competency reviews and updates	Representation on various regional and international accountancy bodies
Trainee allocation engagements	Face-to-face meetings	One-on-one donor sessions	Face-to-face interactions	Accounting heads of department meetings	Participation in international body meetings
		Student allocation engagements	SAICA market surveys	African academics conference	Submissions to international accountancy bodies



MATERIAL INTEREST

GOVERNMENT	MEDIA	GENERAL PUBLIC
<p>Transformation of the profession in line with the national context</p> <p>Identification and implementation of projects that can assist in the implementation of the National Development Plan with particular reference to:</p> <ul style="list-style-type: none"> • Elimination of corruption, particularly in the area of financial management • Provision of accounting support for African entrepreneurs and emerging small businesses • Provision of accounting support for African entrepreneurs and emerging small businesses 	<p>Professional conduct of our members</p> <p>Impact of our members on the public and private sector and, eventually, the economy</p> <p>SAICA's role in the enhancement of the independence and ethical conduct of the profession</p> <p>Role and track record of the profession in transformation</p> <p>SAICA's role and commentary on issues of public interest</p>	<p>That the accounting profession helps to build and safeguard the conduct of business and government</p> <p>That the profession helps to build stronger financial systems and a sustainable national economy</p> <p>That we play a transformation role and help open up the profession to those previously disadvantaged (not just in terms of race, but gender as well)</p>

ROLE IN VALUE CREATION

GOVERNMENT	MEDIA	GENERAL PUBLIC
<p>Engage with SAICA on how the Institute and its members can best contribute positively to the development of the South African economy and society</p> <p>Strategic partnerships for nation-building initiatives</p> <p>Users of financial capacity-building initiatives</p>	<p>Influence the reputation of SAICA and the profession as a whole</p> <p>Key in shaping public opinion</p> <p>Assist in reaching greater audience around the work, economic role and greater social and economic importance of the profession</p>	<p>Understanding how SAICA operates</p> <p>Holding SAICA accountable through active communication with the Institute</p>

HOW WE ENGAGE

GOVERNMENT	MEDIA	GENERAL PUBLIC
<p>Parliamentary presentations</p> <p>Meetings with various representatives from various government departments and related entities</p> <p>Engagement with departments related to the profession, especially National Treasury, the Department of Higher Education, the Department of Trade and Industry and the South African Reserve Bank</p>	<p>PR where we proactively provide the media with information about the profession and commentary about key business and financial matters, as well as matters of greater public interest</p> <p>Media query responses</p> <p>One-on-one interactions with various media houses, especially business media</p>	<p>Media and public relations</p> <p>CEO roadshows</p>



A graphic featuring a yellow house-like shape on the left and a large, stylized number '15' on the right. The number '15' is composed of a light blue '1' and a green '5', both with a dotted pattern. The background is white with a light blue dotted pattern.

BOARD MEMBERS

The SAICA Board comprises 20 representative members, including co-opted members. The co-opted board positions represent academia and any other areas which the Board deems relevant from time to time. At 31 December 2018, there were three vacancies on the Board.

The Board operates in accordance with the provisions of the SAICA constitution, by-laws and board charter, as well as other SAICA policies. The Board is representative of key elements of SAICA's membership. Board members are appointed by regional councils and committees representing key constituencies with the majority of the board members being representatives of the SAICA constituencies. The SAICA Board and its sub-committees are responsible for oversight over key enabling entities.

In addition to setting the strategic direction of SAICA, at the core of the Board's key responsibilities are the maintenance and advancement of standards of corporate governance, ethical norms and risk management guidelines, as well as monitoring SAICA and its management's performance against set goals and objectives. Through its oversight role,

the Board ensures the adherence by members to member compliance requirements such as continuing professional development (CPD). The board charter and other board-related documents were reviewed in 2016 in considering various projects which the Board intended to institute, and no amendments were effected to the board charter during 2017. The board charter directs the Board with regard to its powers and responsibilities, structure and succession planning, among others. The Board is therefore accountable to SAICA members and stakeholders for the overall management of SAICA's business.

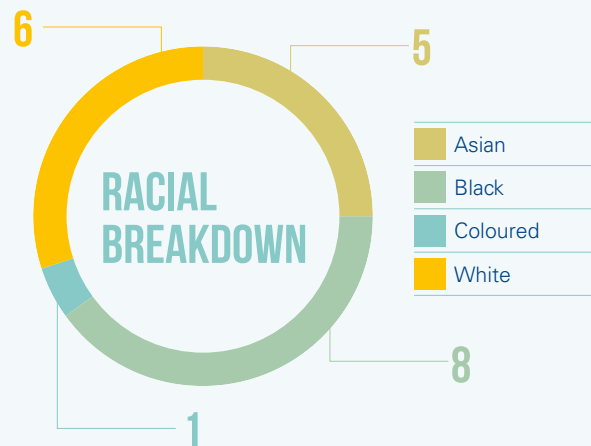
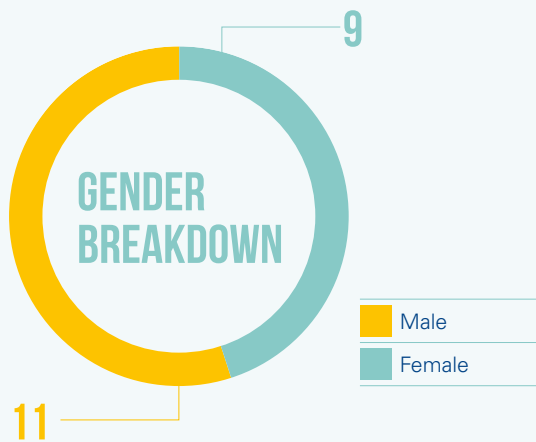
In 2018, an independent process was begun aimed at reviewing SAICA's governance model and ensuring that it is optimal and best suited to help SAICA achieve its strategic goals in the short and long term. A governance review task team was formed to lead this exercise, which will also include a review of the SAICA Board, including its composition, in order to ensure that the SAICA board structure continues to live up to the corporate governance principles of King IV and is best suited to guide SAICA in achieving its strategic intent.

'Our profession is about excellence and ethics, and those two things are non-negotiable'

– Ignatius Sehoole, former SAICA CEO

BOARD MEMBERS WHO SERVED DURING 2018: A RECORD OF RACE AND GENDER

Total number of board members: 20

**BOARD MEMBER PROFILES****LWAZI BAM CA(SA)**
Chairman from 1 July 2017

Lwazi Bam was elected chairman of the SAICA Board effective 1 July 2017. He was initially appointed to the Board in July 2014 by the Senior Partners Forum. He was elected joint vice-chairman of the Board in July 2015 and chairman of the Board in July 2017.

He is a director on the Thuthuka Education Upliftment Fund Board and previously served on the CA Charter Council. He also serves on the Senior Partners Forum. He has more than 21 years' experience in the profession and enjoys constructive engagement with various SAICA structures.

Value-add

Private sector perspective; vast experience in enhancing the profession both regarding upholding quality and standards and its contribution to the economy and overall development of the country.

**AFZAL KHAN CA(SA)**
Joint vice-chairman

Afzal Khan has served on SAICA committees for more than 11 years and has a strong understanding of members' needs and concerns.

He was originally appointed to the Board in July 2014 by the National Small and Medium Practices Committee. He was elected joint vice-chairman of the Board in July 2016. Afzal previously served as a director on The Hope Factory Board.

He is a SAICA Integritax Editorial Panel member, serves on the SAICA Southern Region Tax Committee, and is a SAICA Southern Region Practices Committee member.

Value-add

Technically strong in taxation and as such brings those abilities to operational committees and board meetings in terms of SAICA compliance. As a managing partner and business owner, he remains practical and simple in his outlook.



BRADLEY VAN DYK CA(SA)

Joint vice-chairman

Bradley van Dyk was initially appointed to the Board in July 2014 by the Eastern Region Council to occupy one of two seats on the Board representing this region. He was elected joint vice-chairman of the Board effective July 2017.

Bradley van Dyk has more than 26 years' experience in the profession, in public practice concentrating on auditing, accounting, and tax. He has served for more than 12 years on various committees of SAICA.

He is past president of the Eastern Region Council.

Value-add

Broad spectrum of service on SAICA structures over many years, and is excellently placed to encourage integrated thinking in terms of the achievement of well-devised strategic intent and key SAICA deliverables.



ALAN KNOTT-CRAIG CA(SA)

Co-opted member: IT

Alan was appointed to the SAICA Board in January 2018 as a co-opted member representing Information Technology.

Alan is an entrepreneur in telecoms, media and technology and is passionately chasing free WiFi for Africa.

Value-add

Strong experience in ICT, specifically the digitisation of the companies in preparation of the Fourth Industrial Revolution. Alan was named a Young Global Leader by the World Economic Forum in 2009. He was also included in 100 Choiseul Africa, a list of top 100 young African business leaders, in 2014, 2015 and 2016, and nominated as the 2015 ICT Personality of the Year.



CONRAD DE WEE CA(SA)

Central Region

Conrad de Wee was appointed to the Board in July 2017. He was appointed by the Central Region to occupy one of two seats on the Board representing this region.

Conrad has more than 11 years' experience in the profession and has an in-depth knowledge of the accounting standards, especially the South African Standards of Generally Accepted Accounting Practice (GRAP) applicable to the public sector.

He is the president of the SAICA Free State Council and vice-president of the Central Region Council. Conrad de Wee is technical manager at the Office of the Auditor-General of South Africa (AGSA).

Value-add

Operational and technical knowledge from his experience in both the private and public sectors.



**CHRISTINE DU TOIT CA(SA) RA MACC(TAX)
NSMP**

Christine du Toit was appointed to the Board in July 2017 to represent the National Small and Medium Practices on the Board.

Christine has more than 21 years' experience in the profession and has served on the regional and national SMP committee and the Southern Region Council. She serves as chairperson of the National Small and Medium Practices Committee.

Value-add

Brings forward-thinking, practical experience in the SMP environment, as well as extensive training experience.



**NAZEER ESSOP CA(SA)
Co-opted**

Nazeer Essop was appointed as an observer on the Board in July 2015 and co-opted as a member of the Board in July 2016 representing the public sector.

Nazeer has more than 21 years' experience in the profession and has served for more than 11 years on various committees of SAICA.

He is the chairman of the SAICA Public Sector Committee and past chairman of the SAICA Pretoria Region Council Committee.

Value-add

Operational and technical knowledge from his experience in both the private and public sectors.



**FANISA LAMOLA CA(SA)
SAICA Executive Director and 2018 Acting CEO**

Fanisa Lamola is the SAICA Executive Director: Corporate Services and was appointed to the Board in March 2014 as an executive member.

She has more than 21 years' experience in various financial management and leadership roles, both in the private and public sectors.

She attends board meetings of SAICA entities in an invitee capacity.

Value-add

Valuable link between the SAICA Board's strategic role and operational activities. Insights to the non-executive board-members, which enables the Board to make informed decisions.



VANUJA MAHARAJ CA(SA)
Eastern Region

Vanuja Maharaj was appointed to the Board in September 2017 as one of two Eastern Region representatives serving on the Board.

She is the Corporate Executive: Audit at the Auditor-General of South Africa.

Value-add

Vanuja is passionate about the public sector and the development and professionalisation of people. She strongly believes that success can only be achieved through commitment, hard work and dedication.



HESTER MCCLINTOCK CA(SA), BCOM (HONS)
Northern Region

Hester McClintock serves as president of the Northern Region Council.

Hester was appointed to the Board in July 2017 as one of two Northern Region representatives serving on the Board.

She has more than 16 years' experience in the auditing profession.

Value-add

Practical in her approach, strategic in her approach and has quick decision-making skills.



SHAUN OSNER CA(SA), BCOMPT (HONS)
Members-in-Business

Shaun Osner is chairman of the Members-in-Business Committee and serves as chairman of the SAICA Medical Schemes Project Group.

Shaun has extensive experience in corporate financial reporting and IFRS, specialising in the applicability to medical schemes, investment strategy and corporate finance. He has been responsible for the financial reporting of South Africa's largest medical scheme for over 16 years and has been involved in SAICA structures for more than 10 years.

He was initially appointed to the Board in July 2015 and was re-appointed by the Members-in-Business National Committee to represent this constituency in July 2018.

Value-add

In-depth knowledge of investment and business strategy and financial reporting.



SANDILE PHILLIP CA(SA)
Southern Region

Sandile Phillip is president of the Southern Region Council. He is a member of the CA Charter Council.

Sandile was appointed to the Board in July 2016 by the Southern Region Council to occupy one of two seats on the Board representing this region.

He has more than six years' experience within the SAICA structures with great focus on youth development, coupled with commercial experience in financial services, pension and medical schemes, and FMCG.

Value-add

In-depth experience and passion for sustainable development, especially youth-focused.



DION SHANGO BCOMPT CA(SA), CTA
Large Practices

Dion Shango was appointed to the Board in July 2017. He was appointed to represent Large Practices on the Board.

Dion services a number of large listed clients, mostly within the mining industry. As a senior partner with over 18 years' experience, he has led engagements of complex and multi-country businesses.

Value-add

Strategic insights on stakeholder management, governance, knowledge of operational and financial issues, and relationship-building capabilities.



KUMESHNEE SINGH CA(SA)
Eastern Region

Kumeshnee Singh is currently the president of the SAICA Eastern Region Council. She previously served on the Eastern Region Council, Eastern Region APTEC Committee and National Medical Scheme Project Group.

Kumeshnee was appointed to the Board in July 2016 by the Eastern Region Council to occupy one of two seats on the Board representing this region.

She has more than 16 years' experience in the profession and has served for more than nine years on various SAICA committees.

Value-add

Provides valuable insights and perspectives in the private and public sectors.



JACOBUS SWANEPOEL CA(SA)
Central Region

Jacobus Swanepoel is the president of the Central Region Council. He served as a director of the Thuthuka Education Upliftment Fund Board and is a member of the Initial Professional Development Committee. He is actively involved in professional development at different levels.

Jacobus was appointed to the Board in July 2016. He was appointed by the Central Region Council to occupy one of two seats on the Board representing this region.

He has more than 26 years' experience in the profession and has served for more than 11 years on various committees of SAICA on a regional front.

Value-add

Strategic and operational insights. As an academic, he also plays a major role in professional development.



THANDEKA ZONDI CA(SA)
ABASA

Thandeka Zondi was appointed to the Board in July 2014 by the Association for the Advancement of Black Accountants of Southern Africa (ABASA) to occupy one of two seats on the board representing this association.

Thandeka has over 14 years' experience in the profession in the public and private sectors as well as in entrepreneurship focused on strategy, governance and transformation.

She has significant exposure to a variety of entities from listed to unlisted organisations as a board member and chair of audit committees.

Value-add

Provides public sector and private sector strategy leadership and governance, transformation best-practice, and multi-industry board experience.



ANINE PHEIFFER CA(SA)
Southern Region

Anine Pheiffer was appointed to the Board in May 2018 by the Southern Region Council to occupy one of two seats on the Board representing this region.

Anine has more than 12 years' experience in the petroleum industry across the fuels value chain. She has a keen passion for people development as well as enterprise and supplier development.

Value-add

Brings experience as a member in business.



ZAMA KHANYILE CA(SA)

Co-opted

Zama Khanyile was co-opted to the Board in April 2018 as nominated by the African Women Chartered Accountants (AWCA). She is the president of African Women Chartered Accountants.

Zama has more than 14 years' experience in the profession. She is a seasoned dealmaker and has a keen sense of stakeholder engagement and stakeholder management.

Value-add

Brings knowledge of the functioning of member-based organisation and her work as a fund manager within the DFI space means that she brings solutions-oriented thinking and a gender-conscious lens.



THEMBELIHLE MBATHA CA(SA), MBL

Northern Region

Thembelihle serves on the Northern Region Council. She was appointed to the Board in February 2018 as one of two Northern Region representatives serving on the Board.

Thembelihle has more than 10 years' experience in the profession and enjoys constructive engagement with various SAICA structures. She has good exposure to various oversight structures in the public sector.

Value-add

Brings a public sector perspective and vast experience to enhancing the profession. She has also been part of the SAICA committee and council structures for over five years, both on the Northern Region Council and taking care of member interests.



SITHEMBISO FREEMAN NOMVALO

Chief Executive Officer (appointed 1 February 2019)

Freeman is a director of various companies, and he recently closed a deal to acquire an HVAC group of companies with his business partners. He is engaged in efforts to commercialise a new and potentially disruptive transport and logistics technology, a South African invention, which will place South African innovation on the world map.

With over 25 years' work experience, 17 of which were at senior level both in the public and private sector, Mr Nomvalo was the first African and longest serving Accountant-General of a democratic South Africa.

Value-add

Brings extensive knowledge and track record in the public finance and government processes.



MANAGEMENT COMMITTEE

MANAGEMENT COMMITTEE PROFILES



SITHEMBISO FREEMAN NOMVALO
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FANISA LAMOLA CA(SA)

Executive Director: Corporate Services (2018 Acting CEO)

Fanisa's professional career started in 1995 at Anglo American, after which she joined JP Morgan Securities as a management accountant. She progressed to join KPMG, Polokwane Office, in the position of manager municipal finance. She later joined the Limpopo Provincial Treasury, where she worked as the provincial accountant-general. Prior to joining SAICA in May 2012, Lamola was the city manager for the City of Polokwane, a move that bolstered the city's good governance standing and socio-political profile as she was the first female municipal manager to be appointed by the city. She served on various committees and councils, including being the chairperson of the Limpopo University Advisory Council for the School of Accounting.



CHANTYL MULDER CA(SA)

Executive Director: Nation Building

Chantyl Mulder joined SAICA in 1999 as head of the Education and Training Division. A year later, she was tasked with crafting programmes that would assist in transforming and growing the profession in a manner reflective of the country's race and gender realities. Through this, the Thuthuka Education Upliftment Fund was established in 2002 and its first flagship programme launched in the Eastern Cape. Also under the guidance of Chantyl, the Thuthuka Bursary Fund was established in 2005, followed by The Hope Factory in 2006 and the AT(SA) in 2010. Since inception, these initiatives have raised nearly R2 billion in independent funding. Chantyl is a former Central University of Technology council member and is currently a Walter Sisulu University council member and chair of the Finance Committee. She also sits on the HRDC's Technical Working Group chaired by the Deputy President. The President of South Africa has also elected Chantyl to serve for another term on the Presidential Broad-Based Black Economic Empowerment Council. Through SAICA, Chantyl is currently running a R200 million project with the Department of Higher Education and Training to assist TVET colleges in the area of financial capacity-building. Chantyl was instrumental in drafting the CA Charter and leading the administrative duties associated with the Charter Council. She also served on the International Accounting Education Standards Board (IAESB) as a technical advisor when the first education and training standards were determined.



JACO SNYMAN

Executive Director: Legal and Governance (appointed March 2019)

Jaco is a recognised and experienced specialist in various areas relating to corporate governance. These include risk management, compliance, company secretariat and administration and corporate legal advisory. He obtained BA (Law) and LLB degrees from North-West University (as it is now known) by 1992. He then qualified as an attorney of the High Court of South Africa in 1995. He subsequently obtained two master's degrees (an MBA and LLM) as part of his formal qualifications.

Prior to joining SAICA, Jaco was with Pretoria Portland Cement Company as Executive: Secretariat, Legal, Risk and Compliance. He has also worked with Absa Bank in its Corporate Finance Division and as Head of Legal.



WELSH GWAZA
Senior Executive: Legal

Welsh Gwaza joined SAICA in 2014. Welsh is an admitted attorney and notary public and he holds Master of Law (LLM), LLB and BA degrees. Previously, Welsh was a legal advisor at Standard Bank South Africa Limited and at Bowman Gilfillan Inc.



NWABISA TSENGIWE MODIBA
Senior Executive: Strategy

Nwabisa Tsengiwe Modiba joined SAICA in 2016 as a senior executive and was appointed as SAICA's new head of strategy at the end of 2018. She holds an MBA from the Gordon Institute of Business Science (GIBS) as well as post- and undergraduate qualifications from the University of the Witwatersrand and University of Pretoria. As part of the top 15% of students at Wits University, she has been a member of the Golden Key International Honours Society since 2005. Nwabisa has over a decade's worth of working experience in both the private and public sectors, including organisations such as the Council for Scientific and Industrial Research (CSIR), Shanduka Group's enterprise development arm, Shanduka Black Umbrellas, and international consumer research company Kantar MillwardBrown, whose clients included the likes of Nestlé, Coca-Cola and Unilever.



NASIEGH HAMDULAY CA(SA)
Senior Executive: Compliance, Audit and Risk

Nasiegh Hamdulay, a South African chartered accountant, studied at the University of Cape Town and trained with Ernst and Young. Prior to heading up SAICA's newly formed compliance monitoring unit, he was head of SAICA strategy and research. Before joining SAICA, he was a credit analyst at Old Mutual Asset Managers, a position he took up after being a senior audit manager at Ernst and Young. Nasiegh has represented SAICA on various external committees including the Nelson Mandela Metropolitan University (NMMU) Academic Advisory Committee, the KPMG Audit Committee Forum, and the University of the Western Cape (UWC) Advisory Committee.



MANDI OLIVIER CA(SA)

Senior Executive: Professional Development

Mandi Olivier CA(SA) started at SAICA in 2005 and has overall responsibility for all aspects relating to pre-qualification as a CA(SA), including education, exams and training. Her responsibilities include developing and implementing a strategy for the Professional Development Unit, overseeing the setting and administration of the Qualifying Exams (Part I and Part II), defining the competency framework for CAs(SA) at entry level into the profession, overseeing training and the training requirements, and the strategy and implementation of the Professional Development Unit. Before joining SAICA, Olivier was Associate Director: Assurance Learning at Deloitte, where she was responsible for education and training. She also worked as an audit manager at Deloitte. Mandi has previously served previously on the Fasset Management Board, the Fasset Audit and Risk Committee and as a technical advisor on IFAC's International Accounting Education Standards Board (IAESB).



AZHAR PANCHBAI CA(SA)

Senior Executive: Member Engagement

Azhar is a CA(SA), a registered auditor and a member of the Institute of Directors of Southern Africa. Azhar joined SAICA in 2016 and is responsible for gaining insights into the membership and ensuring relevant services and offerings to members. Azhar's responsibilities included the Contact Centre, Seminars and Events, Commercial Development and CPD. Azhar initiated the formal Non-technical Training Department and enabled the widespread adoption of webcasting seminars to members. Azhar has 20 years of experience in and out of public practice. He worked for several multinational companies in diverse industries where his responsibilities included implementing international anti-corruption and privacy laws locally.



WILLIE COATES

Senior Executive: Marketing and Communications

Willi Coates has over 35 years' experience in marketing, sales and communications in the financial services industry, including more than 25 years in the chartered accountancy profession. He holds a BCom, BCom Honours and MCom (Economics) from the University of the Free State. Before joining SAICA, Coates was the sales and marketing director at Ernst and Young and before that, a senior marketing manager at First National Bank. Coates' current role at SAICA includes publishing SAICA's *Accountancy SA* and *XL (Excel)* magazines, maintaining the CA(SA) brand, and promoting the image of SAICA among its various stakeholders. He has served for five years as a trustee of the SAICA Pension Fund and is the chairman of the SAICA Tender Committee.



SIBUSISIWE KHUMALO
Senior Executive: Human Resources

Sibusisiwe Khumalo joined SAICA in April 2018 as the senior executive responsible for human capital. She holds a postgraduate Diploma in Labour Law from the University of Johannesburg, as well as a National Diploma in Human Resource Management from NMMU. Sibusisiwe has more than 16 years' experience in both the public and private sectors, including at organisations such as the South African Revenue Service (SARS) and Alexander Forbes.



THENJI SITHOLE
Senior Executive: IT

Thenjiswe (Thenji) Sithole has a BSc Computer Science and Mathematics (University of the Witwatersrand), an MBA (Bond University) and an MComm (University of the Witwatersrand). Her current role within SAICA is to ensure alignment between business and IT strategy, oversee the IT business analysis, IT programme and project management, IT architecture, IT development, IT operations, and IT governance functions of SAICA. Thenji has both local and international experience within IT and has worked for Liberty Life, Accenture, First National Bank, Standard Bank and Real People.



GUGU MAKHANYA
Senior Executive: Nation Building

Gugu is responsible for the strategic management of SAICA's Thuthuka Education Upliftment Fund and its allocated projects (at school, undergraduate and QE levels), from proposal and fundraising stage through to contracting, implementation, monitoring, reporting and closure. She holds an undergraduate degree from the University of Zululand and an honours degree in Industrial Psychology from the University of KwaZulu-Natal, as well as a Higher Diploma in Corporate Law and Project Management and Public Relations certification. Makhanya also has extensive experience in project management. Before joining SAICA, she worked as a recruitment consultant at Quest Personnel, after which she joined NBS Bank (now BoE).



ROBERT ZWANE CA(SA)

Senior Executive: Transformation and Growth

Robert is the Senior Executive: Transformation and Growth and his responsibilities are mainly driving SAICA's Transformation and Growth strategy. Robert was previously the director for the Education and Transformation Department at the Independent Regulatory Board for Auditors (IRBA), where he was instrumental in a number of initiatives, including leading the implementation of the Audit Development Programme (ADP).

He spent some time at the University of Johannesburg (UJ) in various positions, including being an academic trainee, a senior lecturer and a house warden at one of the UJ residences. He completed his training programme with one of the Big Four firms.

On a global scale, Robert sat on the International Federation of Accountants' (IFAC) International Accounting Education Standards Board (IAESB) as a technical advisor to the South Africa representative. He was also a member of the Education Committee of the Public Accountants and Auditors Board (PAAB) of Zimbabwe.



JULIUS MOJAPELE CA(SA)

Senior Executive: Public Sector

Julius is a CA(SA), a registered auditor (RA), and holds memberships of the Institute of Directors of Southern Africa (IoDSA) and the Institute of Internal Auditors of South Africa (IIASA). Prior to joining SAICA, Julius was the Senior Manager: Technical and Training at Nkonki Inc, where his role included providing technical training and support audit of predetermined objectives, Procurement and Contract Management, PFMA, MFMA and GRAP. He is responsible for leading and managing the SAICA Public Sector Division to enhance SAICA's value propositions to members and stakeholder in the public sector and the implementation of SAICA's capacity-building projects in the public sector to improve financial management in departments, municipalities and other public institutions such as schools and tertiary institutions.



PIETER FABER

Senior Executive: Tax

Pieter Faber has more than 13 years' experience in tax law and policy, having extensively consulted in employees' tax, income tax, tax administration and tax disputes. Before Pieter joined SAICA in March 2015, he was for 10 years with the PwC Tax Division, most of that time in Tax Technical. After that, he was the technical executive for the South African Institute of Tax Professionals. In addition to a Postgraduate Certificate in Advanced Taxation, Pieter holds a Master of Law degree (Import and Export Law) as well as a Master of Commerce degree (International Tax). Pieter assumes responsibility for member support in tax in both the legislative and tax operations fields as well as ensuring the proper regulation of SAICA's registered tax practitioners. His division also engages with various stakeholders including the Tax Ombud, SARS, National Treasury and Parliament in the interest of both the chartered accountancy profession and the broader public.



PART IV PERFORMANCE

IV

OUR IMPACT – ORGANISATIONAL PERFORMANCE

17

‘Economies wouldn’t work and investments wouldn’t flow if accountants did not do the work they do’

– Sithembiso Freeman Nomvalo, new SAICA CEO

Previously, when assessing its performance, SAICA used a stakeholder surveying mechanism (known as the Professional Health Index (PHI), which was made up of various surveys) and the results from this to measure its performance outcomes and the impact thereof. However, following internal management discussions and discussions with the Board and related

sub-committees (Human Resources and Remuneration committees), it was decided that this alone was not sufficient as a performance indicator. The organisational performance indicators were, therefore, bolstered and the PHI scores are now used as a supplementary tool to measure whether the actual work/project outcomes are reflected in the experience with SAICA.

2018 STRATEGIC FOCUS AREAS

OBJECTIVE	PERFORMANCE INDICATOR	2018 SCORE	WEIGHTED SCORE
A Promote and enhance the value of the profession 50%	<ul style="list-style-type: none"> Enhanced value of the profession for the benefit of all members and stakeholders Optimal use of our global footprint to support the development of the South African economy and society 	3,43	1,71
B Sustainable funding 10%	<ul style="list-style-type: none"> A responsive funding model as an enabler to achieve the business mission on a sustainable basis 	3,00	0,30
C Digital transformation 20%	<ul style="list-style-type: none"> Enhanced integrated thinking capabilities supported by credible data and systems as an enabler to achieve the business mission on a sustainable basis 	4,48	0,90
D Culture of collaboration 15%	<ul style="list-style-type: none"> Enhanced collaborative leadership as an enabler to achieve the business mission on a sustainable basis 	4,00	0,60
E Organisation risk and governance 5%	<ul style="list-style-type: none"> Enhanced organisational risk and governance processes as an enabler to achieve the business mission on a sustainable basis 	3,13	0,16

3,67

PROMOTE AND ENHANCE THE VALUE OF THE PROFESSION	SUSTAINABLE FUNDING	DIGITAL TRANSFORMATION	CULTURE OF COLLABORATION	ORGANISATIONAL RISK AND GOVERNANCE
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2018 PERFORMANCE OUTCOME

<p>276 member events (technical and non-technical training) were held, with an overall member satisfaction rating of 4,36</p> <p>A new Lifelong Learning Framework for the profession was crafted and received Board approval for implementation work to begin in 2019</p> <p>All 2018 targets set out in the CA2025 project plan were met</p> <p>SAICA and South African chartered accountants received a rating of 71% on the Edelman Trust Barometer* (10% above the international average of 61% for chartered accountants globally)</p>	<p>Presence in 76% of South African schools**</p> <p>Accredited two more historically disadvantaged institutions</p> <p>1 089 (42%) of first-time ITC enrolments were African (compared to 785 in 2017 and the 2018 target of 36%), with 741 passes (against a target of 700 and compared to 579 in 2017)</p> <p>All earmarked financial capacity-building programmes in the public sector (Operation Clean Audit) were implemented</p>	<p>Exceeded financial reserves target set for 2018 (actual of R120 739 million vs target of R106 531)</p>	<p>USHINTSHO</p> <p>Stages 0 and 0.5 of the Ushintsho Programme completed on time and on budget</p> <p>100% of the Business Design Authority and Programme Management Office completed</p> <p>90% of the Technical Design Authority's work completed by end of Stage 0</p> <p>100% vendor compliance on both Stage 0 and Stage 0.5</p> <p>NON-USHINTSHO DIGITAL PROJECTS</p> <p>All the 2018 projects were successfully deployed</p> <p>Between 6% and 10% of the projects were delivered/ deployed ahead of schedule</p>	<p>A leadership framework and methodology, which was not previously in place within SAICA, was approved by the HR and RemCo in July 2018</p> <p>SAICA entered into partnership discussions with the Ethics Institute for internal ethics training</p> <p>Amendments were introduced to SAICA's performance management system, in order to be on par with industry best-practice</p> <p>SAICA's remuneration and reward policy was also reviewed and revised, including a long-term incentive plan, and was approved by the HR and RemCo</p>	<p>SAICA scored 3 out of 5 for organisational risk maturity on the independently evaluated enterprise risk management process</p> <p>All staff received ERM training</p> <p>A risk control self-assessment system was put in place internally and all staff received training on this as well</p>
▼	▼	▼	▼	▼	▼

LONG-TERM OUTCOME

<p>Collaboration with members and alliances for:</p> <p>ENHANCED VALUE OF THE PROFESSION FOR THE BENEFIT OF ALL MEMBERS AND OTHER STAKEHOLDERS</p> <p>OPTIMAL USE OF OUR GLOBAL FOOTPRINT TO SUPPORT THE DEVELOPMENT OF THE SOUTH AFRICAN ECONOMY AND SOCIETY</p>	<p>A RESPONSIVE FUNDING MODEL</p>	<p>ENHANCED INTEGRATED THINKING CAPABILITIES SUPPORTED BY CREDIBLE DATA AND SYSTEMS</p>	<p>ENHANCED COLLABORATIVE LEADERSHIP</p>	<p>ENHANCED ORGANISATIONAL RISK AND GOVERNANCE PROCESSES</p>
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* The Edelman Trust Barometer measures chartered accountants' performance in building trust in accountancy, finance and business

**Public Maths schools that achieve 60% and above



MEMBERS AND GLOBAL ALLIANCES

Divisional overview

SAICA's Members and Global Alliances (MandGA) Division is made up of the following units: Member Engagement, Brand, Corporate Reporting, Tax, Assurance and Practice, and Public Sector. The aim of

all these units is to work together to drive member representation, value provision and support.

Advancing SAICA strategy

Below are the SAICA priorities that are delivered through this division and the key work undertaken in 2018:

SAICA PRIORITY	DIVISIONAL INITIATIVE	STRATEGIC OUTCOME
Promoting and enhancing the value of the profession (for our members)	124 media articles and member profiles on SAICA-owned and independent/ external media platforms	<ul style="list-style-type: none"> Members seen by employers and the public as business drivers and value creators (as seen in the PHI survey results from commerce)
	Provision of technical resources and support to members Over 1 913 members attended SAICA seminars and events	<ul style="list-style-type: none"> Supporting members in carrying out their functions through the provision of relevant continuous professional learning and development offerings
	On-going member communication through various communication platforms	<ul style="list-style-type: none"> Better engaged and satisfied members
Financial sustainability	Ensuring that members see value in being members of SAICA and in what the Institute's designations offer	<ul style="list-style-type: none"> R268 658 million in membership subscription fees
	Hosting seminars and events that members find relevant to their business and personal aspirations	<ul style="list-style-type: none"> CPD offerings relevant to the current business environment R12195 million in events revenue
Thought leadership	Formation of a member engagement committee to keep in touch with member needs, both locally and internationally	<ul style="list-style-type: none"> A better engaged membership SAICA decisions that are aligned to member needs
Advocacy and lobbying	Proactive legislative and regulation-related submissions	<ul style="list-style-type: none"> Representation and consideration of the profession's view and inputs on key policy decisions, especially those related to finance Improved stakeholder engagement
	Comment letters	
	Participation on external structures	

LOOKING AHEAD / FUTURE STRATEGIC FOCUS

Member value

MandGA's future focus will be about ensuring the continued relevance and improved market attractiveness of our members. This will be done through various means, including helping our members to meet the skills requirements of the 21st century. There will be a strong focus on partnering with top universities to provide online technical programmes and accreditation in areas that have been identified as critical skills for current and future scarce skills professionals, including accountants. These include CPD academic programmes on big data, big data analytics, integrated thinking, and blockchain and its impact on the accountancy profession. The division will also oversee the provision of added value to our members through a more robust rollout of non-technical skills and offerings, as guided by a new lifelong learning policy framework.

Member Engagement Committee

One of the initiatives that will be driven in 2019 is completion of the establishment of the Member Engagement Committee and the commencement of this committee's work. The establishment of the committee was put before the Board at the November board meeting. A key part of making sure that SAICA is successful in providing greater value to its members is keeping in tune with members' needs and ensuring that we adequately deliver on these. The Member Engagement Committee will be the central structure tasked with this work which is why the Board approved both its formation and its terms of reference.

CORPORATE SERVICES

Divisional overview

The Corporate Services functions at SAICA include Finance, IT, Human Resources and Facilities.

Advancing SAICA strategy

The support functions housed under the Corporate

Services umbrella are critical enablers to ensuring that SAICA is able to meet/deliver on its strategic mandate. Some of the ways in which the support functions helped to achieve SAICA strategy in 2018 are outlined below:

SAICA PRIORITY	DIVISIONAL INITIATIVE	STRATEGIC OUTCOME
Promoting and enhancing the value of the profession (for our members)	Digitisation project (Ushintsho)	<ul style="list-style-type: none"> Better serviced members (through faster and more efficient systems)
	Better operationally engineered and functioning SAICA (strategic human resourcing and management)	<ul style="list-style-type: none"> Members engaging with and being serviced by adequately skilled employees who also display the proper service attitude
	Appropriately utilised income, especially the income derived from member fees	<ul style="list-style-type: none"> Better financial standing and long-term sustainability for SAICA
Financial sustainability	Collaboration of all other corporate support service units with Finance in order to ensure adherence to the financial management activities, as specified by Finance policy	<ul style="list-style-type: none"> Financial management within the Corporate Services Division in line with the sustainable funding objectives of SAICA Finance meeting SAICA's reserves policy targets
Digital transformation	<p>Developed and delivered systems and application that met the expectations of users, especially the members and employees</p> <p>Operationalised IT strategy:</p> <ul style="list-style-type: none"> Revision of network infrastructure for the regions Undertook COBIT review Migration from COBIT version 4.1 to version 5 Implementation of the IT Security Strategy through measures such as: <ul style="list-style-type: none"> The annual IT security threat and vulnerability assessment Review of access to critical system and assigned access rights Conduction of an environmental PCI scan and resolve issues picked up before the set due date(s) 	<ul style="list-style-type: none"> More efficient and agile member experience when dealing with SAICA Faster operational processes internally Internal alignment and a better serviced business (so as to better service our members)
Culture of collaboration (human resources)	Overhaul of SAICA's performance management policies (including principles), execution and evaluation	<ul style="list-style-type: none"> A high-performance culture within SAICA
	Reviewed and enhanced SAICA job architecture	<ul style="list-style-type: none"> Organisational configuration that is fit for purpose and helps produce the best performance results
	Revamp skills development model and governance	<ul style="list-style-type: none"> Better employee satisfaction and retention

LOOKING AHEAD / FUTURE STRATEGIC FOCUS

Digitisation

2019 will see SAICA continue with the rollout of a digitisation programme will improve both internal operational efficiencies and also provide our stakeholders with a better, more seamless experience with SAICA. This is through the Ushintsho Programme, which successfully completed its Stages 0 and 0.5 phases in 2018 and commences with Stage 1 in 2019. Members are expected to be able to experience the benefits of the new member portal during the third quarter of 2019.

Human resource development

With the groundwork for improved employee engagement and development having been laid in 2018, including through the revision of a number of human resource policies, the future focus of SAICA's human resource work will be on:

- Internal leadership development, including succession planning
- Enhanced performance management and reward and recognition practices, including the establishment of a long-term incentive scheme for SAICA
- Improved performance management to ensure better performance outcomes and eventually, better servicing of our members, associates and other stakeholders

Finance

One of the top priorities for SAICA Finance going forward is research into alternative sources of income for the Institute in order to help diversify our revenue streams. This is part of ensuring that SAICA does not rely solely on membership fees and is more sustainable going into the future.

NATION BUILDING

Divisional overview

The Nation Building Division is guided by the profession's public interest focus, as informed by the SAICA constitution. Through its work, the division aims to facilitate meaningful economic participation for those in and outside the profession, through the use of the accounting profession's skills and networks. Also guiding the work of this division is King IV Principle 3, which calls on organisations to be responsible corporate citizens.

Advancing SAICA strategy

The Nation Building Division is mainly responsible for driving SAICA Strategic Objective 1 (promote and enhance the value of the profession – optimal use of our global footprint to support the development of the SA economy and society).

The other SAICA priorities that are delivered through this division and the 2018 performance against these are indicated below:

SAICA PRIORITY	DIVISIONAL INITIATIVE	STRATEGIC OUTCOME
Promoting and enhancing the value of the profession (through our members)	<ul style="list-style-type: none"> Thuthuka Education Upliftment Fund (transformation of the profession) Career promotion initiatives that make use of the profession's national footprint to promote the accounting profession among learners at a basic and higher education level Helping the profession to work toward the UN's Sustainable Development Goals 	<ul style="list-style-type: none"> 775 students funded in 2018 Over 3 680 students funded since inception Development camps and career promotion activities across the country Published SAICA's inaugural SDG report, which highlighted what the profession is doing to promote stronger and more sustainable businesses, communities and economies in which all people can participate and thrive
Financial sustainability	<ul style="list-style-type: none"> Secured R17 million worth of government funding for the Unemployed Graduate Programme, which sees unemployed accounting graduates placed within small businesses to assist them through the provision of back-office support Over R2 billion worth of independent funding raised since 2002 	<p>Alternative sources of funding for all divisional activities in order to:</p> <ul style="list-style-type: none"> Ensure long-term sustainability of these initiatives, and Prevent over-reliance on member fees
Thought leadership	<ul style="list-style-type: none"> Strategic partnership with government and big business to find and implement solution for South Africa's missing middle crisis in higher education, using SAICA's Thuthuka Bursary Fund wraparound support model Courageous conversations Financial Literacy books for Grades 6–9 Operation Clean Audit with the National Department of Higher Education as well as Provincial Departments of Health in Gauteng, KwaZulu-Natal and North West Entrepreneurial support programmes in partnership with JP Morgan, Old Mutual and SEFA 	<ul style="list-style-type: none"> Establishment of the Ikusasa Student Financial Aid Programme (ISFAP), on whose governance structures SAICA and the profession in general are represented as founding members Platform for members and other stakeholders to engage on current and future issues for the profession Curriculum development support to government on STEM subjects in which SA rates poorly, resulting in the risk of a shrinking pipeline for professions such as chartered accountancy A financially efficient and well capacitated public sector in which our members can operate and provide value in the long term Improving the skills and employability of young accounting graduates (the programmes use unemployed accounting graduates to provide back-office support to small businesses) Creating an entrepreneurial eco-system within the profession (besides unemployed accounting graduates, the programmes also make use of SMPs to provide mentorship services and other support to the small businesses on the programmes)
Lobbying and influence	Amended B-BBEE codes for the profession, as articulated in the updated CA Charter	Revised B-BBEE codes with regard to the profession, especially on ownership and skills development targets, in order to ensure that the profession is able to illustrate, and be recognised for, its current transformation work and also encourage it to do more into the future

Impact highlights

- Five historically disadvantaged institutions accredited
- 76% of high schools* reached
- Over 1 000 CAs(SA) through Thuthuka
- 19 Thuthuka students achieved a spot in their respective universities' Top 10 CTA results
- 85% of Mpumalanga camp learners achieving more than 60% in maths
- 219 distinctions in maths and science from the 296 learners who took part in the Gauteng Thuthuka Development Camp

*Public maths schools that achieve 60% and above

LOOKING AHEAD / FUTURE STRATEGIC FOCUS

Thuthuka Education Upliftment Fund

- To ensure that by 2025, 70% of Initial Test of Competence (ITC) entrants match the national demographics.
- Following the success of Thuthuka from a schools and university student funding perspective, SAICA, through the Nation Building Division, will now also be focusing on African academics. The office of the Auditor-General has already expressed interest in partnering with SAICA in this work, as it also realises the importance of ensuring that all accounting students have the opportunity to be taught and mentored by academics who understand their background and realities and, by extension the best ways in which they consume knowledge and can best meet their potential. This is especially

important because SAICA invests millions towards funding students and, therefore, has a vested (and public service) interest in ensuring that students are given the best possible chance to succeed in their accounting studies and who teaches them is an important part of this success.

- Strengthening and fleshing out ethics work from cradle (schools) to the pipeline (universities).

SAICA Enterprise Development

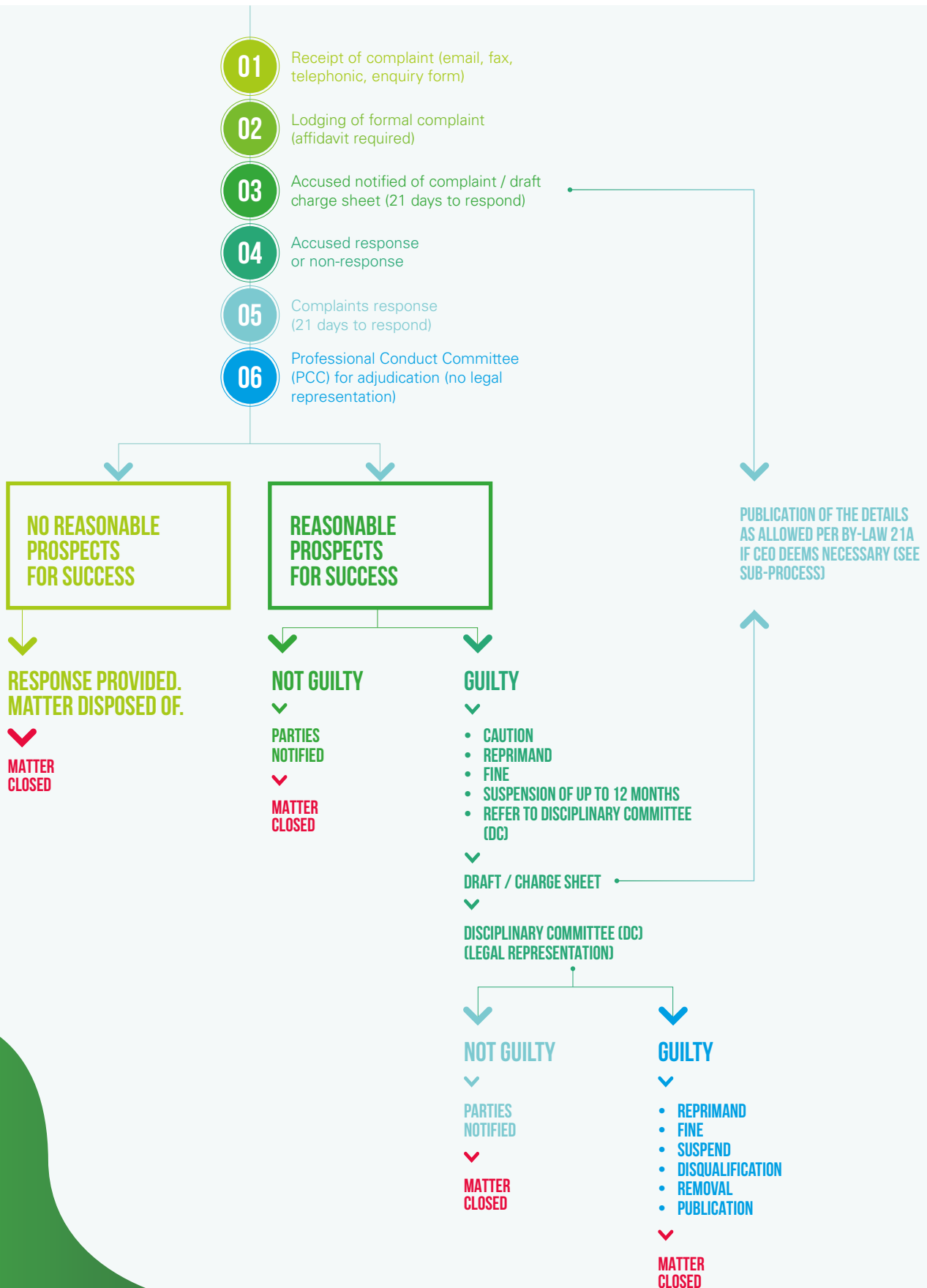
To use the Unemployed Graduate Programme to institutionalise the provision of back-office support for small businesses. The programme creates impact in two ways:

- It provides small businesses with the much-needed financial management skills to improve their businesses' chance of success and sustainability, and
- It provides training and work experience to unemployed accounting graduates

Accounting Technicians (AT(SA))

Through the AT(SA) designation, which is targeted mainly at administrative level financial professionals such as bookkeepers and supply chain clerks, SAICA aims to assist in professionalising the public sector. While a number of our premium designation (CA(SA)) members operate in the private sector, we cannot afford to neglect the public sector, as South Africa's economy will never grow without a functional public sector and without the skilled professionals to ensure sound financial management.

LEGAL AND GOVERNANCE



SAICA'S MEMBER DISCIPLINARY PROCESS

SECTION 21A PROCESS

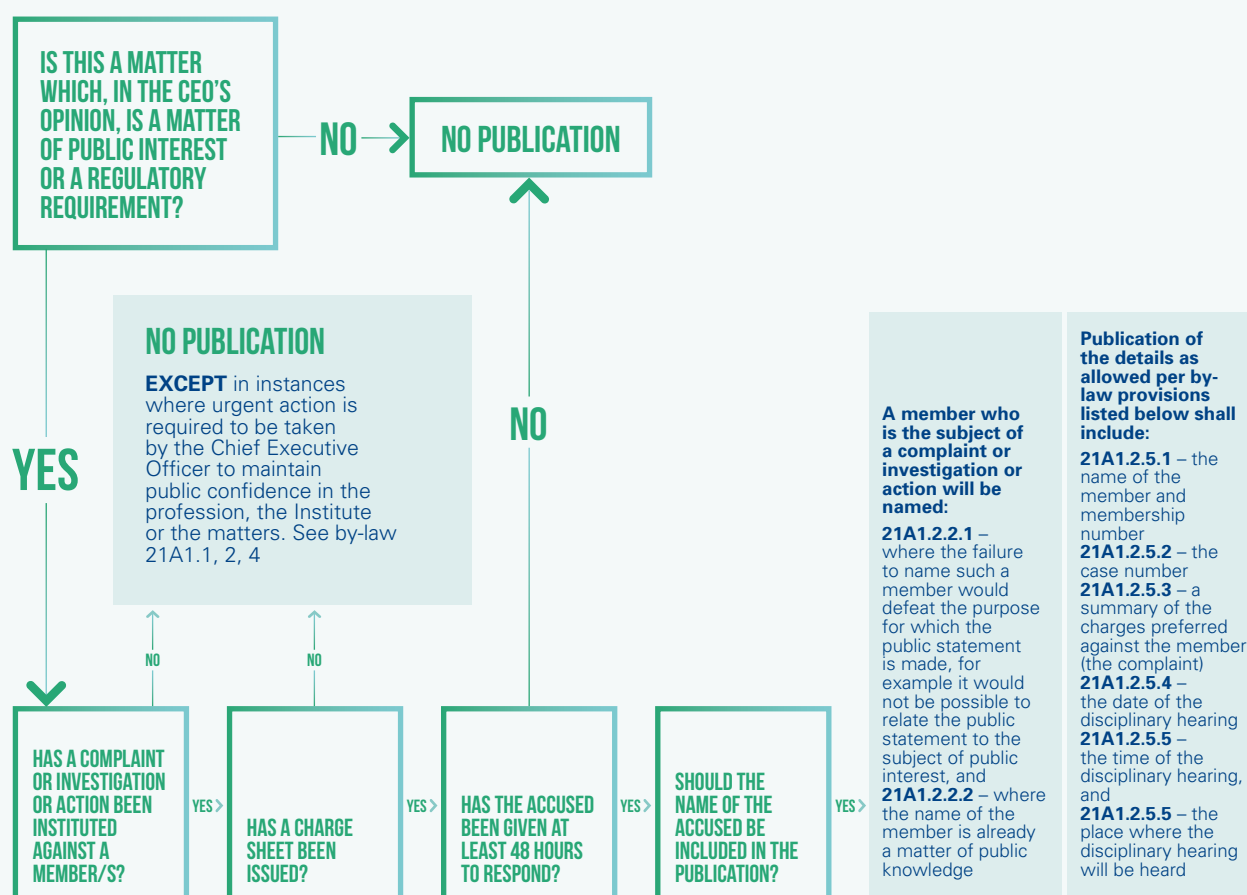
PUBLICATION OF THE DISCIPLINARY COMPLAINTS, INVESTIGATIONS, ACTIONS AND PROCEEDINGS

By-law 21A1.1 states:

The Chief Executive Officer may, at any time, make such public statements as s/he thinks fit concerning:

- Any matter relating to or connected with the Institute's performance of its regulatory obligations, and
- Any complaint or investigation or action instituted against a member, once a charge sheet or draft charge sheet has been issued to an accused member

By-law 21A1.2 states that this power is subject to certain requirements.



DISCIPLINARY STATISTICS 2018

COMPLAINT TRENDS

Trends in number of complaints received 2016–2018:



* 330 cases against trainees for APC examination breaches accounts for increased number of complaints in 2016

DISCIPLINARY SUMMARY 2018

Number of cases reported in 2018	248 *
Cases referred to IRBA	35 **
Cases finalised	128
<ul style="list-style-type: none"> • Through the Professional Conduct Committee (PCC) 	119
<ul style="list-style-type: none"> • Through the Disciplinary Committee (DC) 	9
Cases on-going before the PCC and DC	28

*Of the 248 complaints received, 190 were against members and associates (AGAs) and 15 against trainee accountants. 43 complaints related to non-members and SAICA is pursuing holding out cases where applicable

** 35 complaints were against registered auditors and were referred to the IRBA to investigate in terms of by-law 19.2



THE PROFESSIONAL CONDUCT COMMITTEE

All complaints disclosing a prima facie case of improper conduct against members, associates (AGAs) or trainees are referred to the Professional Conduct Committee (PCC) for an informal meeting to consider the complaint and any response from the member/trainee. The PCC may decide to finalise the complaint by either dismissing the complaint or upon a guilty finding, imposing a caution, a reprimand, a fine up to an amount of R250 000 per charge and/or a suspension not exceeding 12 months. In cases of serious misconduct the PCC will refer the matter to the Disciplinary Committee (DC) for a formal hearing.

In 2018 the PCC held 27 meetings (as compared to the 13 meetings held in 2017) and finalised 119 complaints. 11 additional complaints were referred by the PCC to the DC for formal hearings and 24 complaints are still on-going before the PCC.

The DC convenes formal hearings to consider complaints of a serious nature where the sanction is likely to be above the sanction mandate of the PCC. Evidence is heard by witnesses and the accused person is allowed legal representation. Due to the evidence led and complex nature of complaints before the DC, this committee usually convenes on two or more sittings in order to finalise a complaint. The DC upon a guilty finding may impose a sanction of a caution, a reprimand, a fine of up to R500 000 per charge, a suspension, exclusion or disqualification from membership, associateship or traineeship.

The DC held 13 meetings in 2018 (as compared to the five meetings held in 2017) and finalised nine cases with four complaints still on-going before the DC.



COMMITTEE REPORT-BACKS

AUDIT AND RISK COMMITTEE

About the committee

The Audit and Risk Committee provides assistance to the Board in discharging its oversight responsibilities and functions over SAICA and any other legal entity under SAICA's management and/or control.

Strategic value

Through its oversight functions, the committee helps

SAICA drive the strategic objective of enhanced organisational risk and governance processes in order to enable SAICA to achieve its business mission and to do so on a sustainable basis.

Through its audit functions, the committee is also central to SAICA sustainable funding objective, ensuring that SAICA operates in a manner that is transparent, process-driven, and sustainable.

AUDIT COMMITTEE (AUDCO) ATTENDANCE AT MEETINGS HELD DURING 2018

KEY		√ = Attendance	P√ = Partial attendance	A = Apology	Ab = Absent						
Members	Portfolio	Term started	Term ended	27/02/18	20/03/18	04/04/18	06/07/18	17/07/18	25/10/18	Total	
BD van Dyk	Chairman			√	√	√	√	√	√	6/6	
C du Toit	Member			√	√	A	A	√	√	4/6	
V Motholo	Member	03/07/18		-	-	-	-	A	√	1/2	
MSA Paruk	Independent non-board member			√	A	√	√	√	√	5/6	
V Ndzimande	Member	03/07/18		-	-	-	-	A	√	1/2	
A Pheiffer	Member	03/07/18		-	-	-	-	A	A	0/2	
DT Shango	Member			A	√	A	√	√	A	3/6	
GR Sibiyi	Independent non-board member		11/07/18	√	√	√	-	-	-	3/3	
K Singh	Member			√	√	A	√	A	A	3/6	

Key value-creating activities for 2018

External auditor appointment – The committee oversaw the tender process for the appointment of external auditors. Following the tender process, Mazars were the successful candidates and were appointed as the new external auditors for SAICA and the entities under its control.

Audit oversight – The committee oversaw the performance evaluation of both the external and internal audit functions. The committee also considered and approved the 2018 internal and external audit plan and addressed the adequacy of the combined assurance model.

Enterprise risk management – The committee provides oversight and guidance on SAICA's risk maturity assessment process. The committee will continue to monitor and provide direction on SAICA's combined risk assurance model and enterprise risk maturity status.

Forensic Investigation

The Board appointed an independent party to conduct a forensic investigation where it was confirmed that certain allegations of the misuse of the Institute's funds by the Chief Financial Officer (CFO) were substantiated. The CFO resigned prior to the finalisation of the forensic report and is thus no longer in the employ of the Institute. The Institute has initiated disciplinary proceedings against the previous CFO in terms of the SAICA Code of Professional Conduct as the individual is a member of SAICA. The outcome of the disciplinary proceedings will inform any further legal action to be taken.

The external auditors have identified this matter as a reportable irregularity in terms of the Auditing Profession Act and have accordingly reported the matter to the Independent Regulatory Board for Auditors.

Management of the Institute have and continue to implement controls to avoid any future reoccurrence.

DIGITAL TRANSFORMATION AND GOVERNANCE COMMITTEE

About the committee

The purpose of the Digital Transformation and Governance Committee (DTGC) is to assist the Board in discharging its governance responsibilities relating to SAICA's digital transformation mandate by ensuring that the digital transformation journey the Institute takes is always aligned to its performance and sustainability objectives. The committee is also central to the monitoring and evaluation of significant IT investments and expenditure whilst ensuring that IT matters

(especially as they relate to business optimisation) are given due consideration within SAICA's risk management process.

Strategic value

Since its formation, the DTGC has been pivotal in driving SAICA's digital transformation objective, which focuses on ensuring that SAICA has enhanced integrated thinking capabilities, supported by credible data and systems, as an enabler to achieve its business mission. This is especially as relating to the experience of members when interacting with SAICA.

DIGITAL TECHNOLOGY GOVERNANCE COMMITTEE (DTGC) ATTENDANCE AT MEETINGS HELD DURING 2018

KEY		√ = Attendance	P√ = Partial attendance	A = Apology	Ab = Absent						
Members	Portfolio	Term started	Term ended	14/02/18	27/03/18	24/05/18	31/07/18	18/09/18	30/10/18	Total	
SK Osner	Chairman			√	√	√	√	√	√	6/6	
N Boukovski	Independent IT specialist		19/09/18	√	√	√	√	√	-	5/5	
A Burger	Independent IT specialist		12/09/18	√	√	√	√	-	-	4/4	
CR De Wee	Member			√	√	A	A	√	√	4/6	
NA Essop	Member			√	-	-	-	-	-	1/1	
A Knott-Craig	Member			-	-	-	A	A	√	1/3	
F L Lamola	Member	04/18		-	-	√	√	√	A	3/4	
TM Nombembe	Member		03/18	√	√	-	-	-	-	2/2	
S Phillip	Member			√	√	√	√	P√	√	6/6	
J Swanepoel	Member			A	√	√	A	√	√	4/6	
P Tsibolane	Independent IT specialist			√	√	√	P√	P√	√	6/6	
B van Dyk	Member			√	√	A	A	√	√	4/6	

Key value-creating activities for 2018

One of the most important strategic matters that the DTGC dealt with in 2018 on behalf of SAICA and the profession is the Ushintsho Programme. The Ushintsho Programme is SAICA's digital transformation initiative that aims to improve member experience, provide a comprehensive view of the SAICA value chain, and drive business process efficiency through the:

- Implementation of a state-of-the-art customer relationship management (CRM) system
- Replacement of legacy applications with the new CRM system
- Integration of current applications (that will not be replaced) with the new CRM system, and
- Migration of data from legacy systems to the new CRM system

Besides improving internal efficiencies, one of Ushintsho's main aims is to ensure that members benefit by providing them with a seamless and faster service experience with SAICA, as relates to:

- Queries
- Membership applications and updates
- Access to member accounts
- Online payments
- Member profile updates, and
- Allowing members to have a bird's eye view of the status on all personal queries and notes to SAICA

The project will also see SAICA leverage functional solution synergies from the Institute of Chartered Accountants in England and Wales (ICAEW), meaning that SAICA will be using leading technology aligned to international benchmarks and best practices.



FINANCE COMMITTEE

About the committee

The purpose of the Finance Committee (FinCo) is to provide assistance to the Board in discharging its financial oversight responsibilities over SAICA, the Thuthuka Education Upliftment Fund, SAICA Enterprise Development and any other entity under the control or management of the SAICA secretariat.

Strategic value

The Finance Committee is critical to advancing SAICA's financial sustainability objective, as it performs an oversight and strategic advisory role over SAICA and its various entities on how to best manage and leverage the various financial situations.

FINANCE COMMITTEE (FINCO) ATTENDANCE AT MEETINGS HELD DURING 2018

KEY	√ = Attendance	P√ = Partial attendance	A = Apology	Ab = Absent							
Members	Portfolio	Term started	Term ended	14/03/18	09/05/18	25/06/18	07/08/18	26/09/18	06/11/18	Total	
MA Khan	Chairman			√	√	√	√	√	√	6/6	
CR de Wee	Member			A	√	√	√	√	√	5/6	
FL Lamola	Member			√	√	A	√	√	A	4/6	
V Maharaj	Member			A	A	√	A	A	√	2/6	
LY Majova-Songca	Member		30/06/18	AB	AB	-	-	-	-	0/2	
LM Mbatha	Member	13/02/18		-	-	√	√	P√	A	3/4	
MC Ngcobo	Member		14/10/18	AB	A	√	√	√	-	3/5	
TM Nombembe	Member		03/18	A	-	-	-	-	-	0/1	
SK Osner	Member			√	√	√	A	√	A	4/6	
DT Shango	Member			√	P√	√	A	P√	A	4/6	

Key value-creating activities for 2018

Budgetary oversight – One of FinCo's key activities during 2018 was the review and approval of 2019–2021 budgets. Critical to this process was ensuring that the budgets approved were in line with the SAICA strategy and could therefore put SAICA in the best position possible to achieve its priorities while remaining financially sound.

Fees – One of the major fee issues that the Finance Committee provided guidance, oversight and approval on was the issue of the member levy, aimed at assisting SAICA to deal adequately and expeditiously with the increasing volume of disciplinary matters. The committee also dealt with the issue of increased training office inspection fees for the coming year of 2019.

Financial delegations of authority – In 2018, FinCo requested that SAICA management identify gaps in the internal control processes which currently exist and propose a process that would cascade from the Senior Executive: Finance to FinCo and, ultimately, to the SAICA Board to close such gaps. Once management has completed this process (most likely in 2019), the proposal will be tabled to FinCo and should the need arise to amend the delegation of authority, FinCo will do that. FinCo has advised management to work alongside SAICA's internal audit and the head of Legal and Governance when completing this exercise.



GOVERNANCE COMMITTEE

About the committee

The Governance Committee (GovCo) provides assistance to the Board in fulfilling their responsibility to the members of SAICA and the stakeholders by monitoring and recommending to the Board corporate governance principles to apply to the Institute and reviewing ongoing developments and best practices affecting SAICA.

Strategic value

The work of the Governance Committee helps to ensure that, as per one of its strategic objectives, SAICA has sound governance processes in place in order to ensure that SAICA operates and is managed in a transparent and sustainable manner.

GOVERNANCE COMMITTEE (GOVCO) ATTENDANCE AT MEETINGS HELD DURING 2018						
KEY	√ = Attendance	P√ = Partial attendance	A = Apology	Ab = Absent		
Members	Portfolio	Term started	Term ended	19/03/18	13/11/18	Total
LJ Sennelo	Outgoing chairman		12/04/18	√	-	1/1
NA Essop	Incoming chairman			√	√	2/2
GC Gorgulho	Invitee		30/06/17	√	A	1/2
LY Majova-Songca	Member		30/06/18	√	-	1/1
M Ngcobo	Member		14/10/18	√	-	1/1
Z Khanyile	Member	13/04/18		√ (attended as invitee)	√ (attended as member)	2/2
TP Zondi	Member			√	√	2/2

Key value-creating activities for 2018

Governance

In 2018, one of the critical matters that GovCo dealt with was the governance framework, into which the committee made inputs. The framework deals with the various functions within SAICA districts and regions as well as the roles and responsibilities of all the SAICA committees from board sub-committees to technical committees.

GovCo also dealt with the board charter and advising management on the changes needed. This process, however, eventually fed into the wider SAICA governance review work and fell within the ambit of the GRTT.

Revision of governance projects

With the GRTT work in progress and the significance of this for SAICA, the GovCo wanted to ensure that there were no governance projects under way that would conflict with the work of the task team. So the only governance projects that remained were those dealing with matters not within the scope of the GRTT, such as the establishment of a member engagement committee and improvement of disciplinary processes within SAICA.

Member Engagement Committee terms of reference (ToR)

Another important matter overseen by the Governance Committee in 2018 was the establishment of the Member Engagement Committee, including approving its terms of reference. The new committee is critical

as it will ensure that SAICA has a close and proactive engagement with its members in order to be better in tune with members' needs and ensuring that the Institute delivers on these. Due to this strategic importance, approval of the committee went as high as the GovCo and eventually, the Board as well.

Other critical issues also dealt with by GovCo in 2018 These were:

- The revised Conflict of Interest Policy for SAICA board members, which the committee recommended for approval to the SAICA Board.
- A board competency and skills matrix survey, aimed at ensuring that the SAICA Board has members who have the requisite skills and knowledge needed to help the Institute achieve its strategic objectives.
- The Ethics Culture Survey – results from the survey were presented and on the areas that were flagged as challenges, including lack of ethics training and monitoring internally, management presented the committee with some of the interventions put in place to address and correct the issues.



HUMAN RESOURCES AND REMUNERATION COMMITTEES

About the committees

The Human Resources and Remuneration committees (HR and RemCo) oversee the overall governance of human capital management at SAICA and provide the Board with assurances in this regard. Also key among the committees' functions are recommending to the Board a developed human resource and remuneration strategy and supportive policies for the acquisition, management and retention of human capital in accordance with statutory regulations, governance requirements and best practice. The committees are

also responsible for recommending a remuneration policy based on best practice for ensuring that SAICA remunerates all employees fairly and responsibly to the Board.

Strategic value

With enhanced collaborative leadership, human capital development and the attraction and retention of highly qualified and high-performing employees becoming of increasing importance to SAICA, the Human Resources and Remuneration committees are critical in assisting both the Board and management to meet these objectives.

HUMAN RESOURCES COMMITTEE (HRC) ATTENDANCE AT MEETINGS HELD DURING 2018								
KEY	√ = Attendance	P√ = Partial attendance	A = Apology	Ab = Absent				
Members	Portfolio	Term started	Term ended	13/03/18	08/05/18	25/07/18	26/09/18	Total
NA Essop RemCo member	Chairman			√	√	√	√	4/4
TP Zondi RemCo Chair	Member		30/06/18	A	√	-	-	1/2
MA Khan	RemCo member			√	√	P√	√	3/4
TM Mbatha RemCo and HRC	Member			P√	A	A	√	2/4
P Kruger RemCo independent member	Independent HR specialist			√	A	√	A	0/2
HI McClintock	Member	13/07/17		P√	√	√	√	4/4
AAB Pheiffer	Member	01/05/18		-	-	A	A	0/2
K Singh	RemCo member			P√	√	A	√	3/4
P Seokane	Independent HR specialist			P√	√	√	√	4/4



REMUNERATION COMMITTEE (REMCO) ATTENDANCE AT MEETINGS HELD DURING 2018

KEY								
	√ = Attendance	P√ = Partial attendance	A = Apology	Ab = Absent				
Members	Portfolio	Term started	Term ended	Joint RemCo and HRC 13/03/18	Joint HRC and RemCo 08/05/18	25/07/18	26/09/18	Total
NA Essop	Chairman and RemCo member			√	√	√	√	4/4
TP Zondi	RemCo chairman		30/06/18	A	√	-	-	1/2
MA Khan	RemCo member			√	√	P√	√	4/4
P Kruger	(External remuneration specialist) RemCo and HRC			√	A	√	A	2/4
TM Mbatha	RemCo and HRC member			P√	A	A	√	2/4
MI McClintock	HRC member			P√	√	√	√	4/4
P Seokane	Independent member HRC			P√	√	√	√	4/4
AAB Pheiffer	HRC member	01/05/18		-	-	A	A	0/2
K Singh	RemCo member			P√	√	A	√	3/4

Key value-creating activities for 2018

In 2018, SAICA's Human Resources and Remuneration committees provided strategic guidance and oversight over the following key activities.

Framing of the SAICA human resource strategy

Following the findings of the 2017 HR alignment report, it became apparent that there was misalignment between SAICA's strategy and the HR strategy. Thus the HR strategy was a key departure point in re-defining HR success.

Succession planning

The Human Resources Committee oversaw the establishment and articulation of a finite SAICA position on talent and succession framework and model supported by a review and extension of SAICA's intent on the retention of critical talent. During 2019 the approved long-term incentive scheme will be implemented in order to retain critical talent within SAICA.

Performance management

The committees called for the enhancement of performance management practices and communication within SAICA and provided oversight when the HR unit, under the guidance of management, implemented this work. As a result of this, the SAICA performance management policy principles and performance

guidelines were reviewed and applied within the 2018 performance management cycle. Another positive knock-on effect of this was that the response rate across the final year-end review and appraisal process showed a shift in the right direction.

Policies

The committees also provided input and oversight into the overhauling of HR policies across the organisation, in order to ensure alignment to best practice and address critical areas that impact on the professional conduct, organisational culture and, eventually, the performance results of SAICA.

2019 focus areas

Looking forward, the Remuneration Committee's main focus areas will be to ensure:

- The continued relevance of the remuneration and reward policy
- That remuneration practices are implemented in accordance with the remuneration and reward policy and or approve deviation if required and necessary
- That remuneration is aligned with SAICA's strategic objectives including the retention of critical talent and succession planning for leadership continuity
- That the requirements of the Remuneration Committee continue to be fulfilled by relevant stakeholders



2018 REMUNERATION REPORT

SAICA remuneration strategy

SAICA's remuneration philosophy is to attract and retain the requisite talent by offering market-related remuneration in order to execute SAICA's strategy effectively. A large portion of our remuneration structure is made up of a competitive, fixed total-guaranteed package. This is due to the nature of the industry we operate in, the image and reputation we have to uphold as a professional body, and the core professional skills we have to employ to execute our strategy. This is complemented by variable short-term incentives (STIs) that drive performance and ensure alignment between business strategy and employee contributions. Our endeavours to attract and retain the appropriate skills go beyond offering competitive remuneration and include other non-financial benefits such as a staff

wellness programme to support our philosophy of having a holistic approach to the attraction, retention and engagement of our staff.

Policy principles

Various key principles shape SAICA's remuneration policy, including the following.

Rewarding for performance outputs

This forms the basis for guaranteed pay differentiation, salary adjustments and short-term incentive pay-outs. The weighted average score, which takes into account organisational, divisional and individual performance, is used to apply the performance-based remuneration principle. The table below indicates the weightings applied for the various employee groups for company, division and individual performance in order to calculate the overall weighted score:

	GRADE LEVEL					
	CEO	Executive director	Senior executive	Project director	Project manager	Coordinator, administrator and clerical staff
SAICA score	100%	100%	70%	20%	10%	5%
Divisional score			30%	60%	50%	40%
Individual score				20%	40%	55%

The above table demonstrates the principle that the organisational weighting score increases at higher levels in the organisation, commensurate with the level of responsibility.

Performance rewarding for competence is not the only factor taken into account to adjust salaries annually. Competency-based remuneration ensures that salaries are also adjusted based on the level of behavioural competence of the individual in relation to the required behavioural competency level, with the performance output score used as a gatekeeper. This means that an employee with a weighted average performance score of less than 3.00 out of 5.00 is not considered for a competency-based salary adjustment. This policy principle was approved by the Board in 2015. The roll out of this pay for competence will be in 2019 once the principle has been well cascaded.

Minimum performance score requirement

A minimum of 3.50 (out of 5.00) organisational performance is a requisite for any pay-outs under the short-term incentive programme. A minimum overall weighted average score of 3.00 is required for an employee to qualify for any incentive pay-out.

The Remuneration Committee (RemCo) annually reviews the policy to ensure that its outcomes and practices motivate the requisite employee performance towards the achievement of organisational objectives.

Role of benchmarking

Benchmarking and position in the market

In order to ensure that we remunerate employees fairly and responsibly, SAICA reviews its salary scales annually to enable sound remuneration decisions during its salary review process. This takes place in April each year taking into account salary movements in the national market. We make use of the services of an independent credible remuneration consultancy firm to provide benchmark data of the national market (where our skills are recruited from and where we potentially lose our skills to) against which SAICA benchmarks itself. This data is used to adjust the developed pay scales annually.

For positions between project manager level (junior management) and unskilled, the salary scales are anchored at market median.

The salary scales for executive director level (top management) to project director level (middle management) are anchored at median plus 20% in order to attract and retain employees of a high calibre to lead the organisation and implement the long-term strategy of SAICA. Retention at this level is critical for the organisation for sustainable performance and these roles have a direct line of sight and responsibility in terms of performance against organisational goals. The remuneration mix discussed in the next section is also an important consideration in setting fixed and variable remuneration.

The quanta of the performance bonuses paid are also benchmarked against the identified market to inform our short-term incentive scheme programme.

Elements of remuneration

The on-target bonus percentages that individuals could qualify for, modified by the overall weighted score, are reflected in the table below. Different percentages are set for different level of employees in line with the

principle of 'line of sight'. Those with a more direct influence and responsibility for company performance will have a higher on-target percentage than those with a limited line of sight.

CEO	EXECUTIVE DIRECTOR	SENIOR EXECUTIVE	PROJECT DIRECTOR	PROJECT MANAGER	COORDINATORS AND ADMINISTRATORS	CLERICAL STAFF
Determined as per the employment contract terms	Max 28%	Max 23%	Max 18%	Max 11%	Max 10%	Max 8%
	Min 25%	Min 20%	Min 15%	Min 8%	Min 7%	Min 5%

Link between STI scheme and company performance

As explained above, STIs are only paid when the annual organisational score is above 3.5 (out of 5). This organisational score is a measure of company performance against board-approved annual strategic objectives and outcomes. The outcomes are balanced between financial and strategic metrics (such as leading-edge technology, showcasing the value of the profession, and encouraging people competencies). By rewarding employees using a weighted average score from the balanced scorecard, SAICA strongly links delivery on its strategic objectives not only to STIs, but also to annual salary increases.

SAICA LTI introduction

In 2018, the remuneration and reward policy was amended to include a cash-based long-term incentive (LTI) scheme, which will be funded directly from the restructuring of the available STI pool. The LTI will apply to eligible employees where appropriate, as per RemCo- and board-approved criteria. Consideration for the LTI is only for critical employees in roles identified as key within SAICA and the Institute will allocate long-term incentives to its critical staff based on weighted qualifying criteria that factor key focus areas of retention for SAICA as well as availability of funds.

The LTI scheme is designed to:

- Align performance with the achievement of long-term SAICA objectives
- Act as a retention mechanism for critical employees
- Drive a continuous and sustained growth and improvement culture within SAICA

To align interests, long-term incentive awards will be conditional on achieving performance conditions. Such performance measures and the reasons for selecting them will be fully disclosed. They will be linked to factors enhancing stakeholder value, and require strong levels of overall group performance, measured against an appropriately defined peer group or other relevant benchmark/s.

Long-term incentives will also be awarded on a sliding scale to avoid an 'all or nothing' profile and should start at a level that is not significant in comparison with TGP. Awards with high potential value should only be linked

to commensurately high levels of performance that are linked to strategic programmes that will generate long term benefits to SAICA and its stakeholders. Full awards will require significant value creation.

IMPLEMENTATION OF REMUNERATION POLICY

Guaranteed pay increases paid in 2018 (excluding CEO)

In deciding on the salary increases in 2018, RemCo looked at:

- Overall organisational performance in 2018 (the organisational score for 2018, as evaluated by SAICA's external auditors and approved by the Board, was 3.67)
- A SAICA-defined inflationary adjustment
- Pay differentiation based on the individual weighted average score, and
- Approved budget

RemCo considered the above factors and approved an overall increase percentage in the salary bill of 5%. This provided the affordability limit, but individual increases were determined by considering the weighted average performance scores and the position of the individual's current salary in the pay scale.

Short-term incentives paid in 2018 (excluding the CEO)

In deciding on the appropriate short-term incentive for all staff (excluding the CEO), the committee also considered:

- The employee performance evaluation process and the resultant outcome of the weighted average score
- The overall organisation performance for the current year, and
- The weighted average score of individual employees, as the appropriate differentiation between employee performance

Executive remuneration disclosure

In line with King IV, below is a disclosure of SAICA executives' salaries. The table below show the executives' salaries (in R'000) using the single figure view.

CATEGORY	NAMES	BASE SALARY	BENEFITS (PENSION)	STI	LTI	OTHER	TOTAL
CEO	Terrence Nombembe	5 015		3 738	N/A in FY 2018		8 753
Executive directors	Fanisa Lamola	2 373	193	625	N/A in FY 2018	326	3 517
	Chantyl Mulder	2 437	271	659	N/A in FY 2018		3 367
	Lindie Engelbrecht – six months	1 023	76	485	N/A in FY 2018		1 584
	Willie Botha – four months	677	28		N/A in FY 2018	62	767
	Welsh Gwaza – five months	516	37		N/A in FY 2018	88	642

NOMINATIONS COMMITTEE

About the committee

The Nominations Committee (NomCo) is responsible for a number of matters including monitoring the appointment and performance of persons serving on SAICA committee structures, determining the skills required for the various structures, evaluating the balance of those skills as well as experience, race and gender on the various governance structures, and also giving consideration to succession planning for the structures and their members.

Strategic value

The work of ensuring that the right people, with the right skills and commitment, are appointed to the right structures and positions is a critical enabler to a number of SAICA's objectives, including the objectives of ensuring that the Institutes enhances the profession, that it operates and is funded sustainably and that it has the calibre of leadership that can not only optimise its present performance, but can take it forward into the future as well.

NOMINATIONS COMMITTEE (NOMCO) ATTENDANCE AT MEETINGS HELD DURING 2018

KEY	√ = Attendance	P√ = Partial attendance	A = Apology	Ab = Absent				
Members	Portfolio	Term started	Term ended	13/02/18	03/07/18	23/10/18	Total	
LL Bam	Current chairman	01/07/17		√	A	√	2/3	
MA Khan	Member			√	√	√	3/3	
HI McClintock	Member	13/07/17		√	√	√	3/3	
F L Lamola	Member	03/07/18		-	√	√	2/2	
Z P Khanyile	Member	12/04/18		-	A	√	1/2	
TM Nombembe	Member		01/03/18	A	-	-	0	
LJ Sennelo	Member		12/04/18	√	-	-	1/1	
Jacobus Swanepoel (Kobus)	Member			√	√	√	3/3	

Key value-creating activities for 2018

In 2018, the Nominations Committee dealt with the nominations of candidates to critical SAICA structures, including the various SAICA committees. While the

appointment of the SAICA CEO was an independent process, the committee did receive updates to ensure that they were kept abreast of progress and that the appointment would be as per specifications.



19

**2018
SUMMARY
FINANCIALS**



SUMMARISED STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2018

	Notes	GROUP	GROUP	MOVEMENT
		2018 R'000	2017 R'000	2018/17 %
Assets				
Non-current assets	1	128 660	39 987	222%
Current assets		465 339	425 006	9%
Total assets		593 999	464 993	28%
Reserves and liabilities				
Reserves	2	170 436	162 382	5%
Non-current liabilities		79 647	-	100%
Current liabilities		343 916	302 611	14%
Total reserves and liabilities		593 999	464 993	28%

SUMMARISED STATEMENT OF SURPLUS OR DEFICIT AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	GROUP	GROUP	MOVEMENT
		2018 R'000	2017 R'000	2018/17 %
Revenue	3	380 373	355 060	7%
Other income		534 439	443 343	21%
Expenses		(929 715)	(797 384)	17%
Operating (losses) / surplus		(14 903)	1 019	-1 563%
Net finance income		9 496	17 441	-46%
Other gains / (losses)		(608)	178	-442%
Share of (loss) / profit of investments using equity method		-	(556)	-100%
(Losses) / surplus for the year		(6 015)	18 082	-133%
Other comprehensive income for the year		-	-	0%
Total comprehensive (losses) / income for the year		(6 015)	18 082	-133%

SUMMARISED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2018

	GROUP	GROUP	MOVEMENT
	2018 R'000	2017 R'000	2018/17 %
Cash flows from operating activities before working capital changes	(6 015)	18 082	-133%
Working capital changes	22 061	62 346	-65%
Cash generated by operating activities	16 046	80 428	-80%
Net finance income	21 275	17 441	22%
Net cash from operating activities	37 321	97 869	-62%
Net cash from investing activities	(19 983)	13 886	-244%
Net cash from financing activities	(15 776)	-	-100%
Net increase in cash and cash equivalents	1 562	111 755	-99%
Cash and cash equivalents at beginning of the year	335 195	223 440	50%
Cash and cash equivalents at end of the year	336 757	335 195	0%

KEY

2018

2017

222% increase in comparison to prior year as a result of, increase equipment and Ushintho Programme of **R12m**. The IFRS 16 early adoption created a **R80m** right of use asset in non-current assets.

Increase in cash and cash equivalents of **R2m** and of trade and other receivables **R35m** resulted in an increase of **9%** of current assets compared to last year.

Surpluses from AAT(SA) **R0,3m** and SAICA **R8m** (current year **R6m**) and IFRS 16 adjustment **R14m**. The deficit **R4m** from THF and **R0,4m** of TEUF resulted in an aggregate **5%** increase overall.

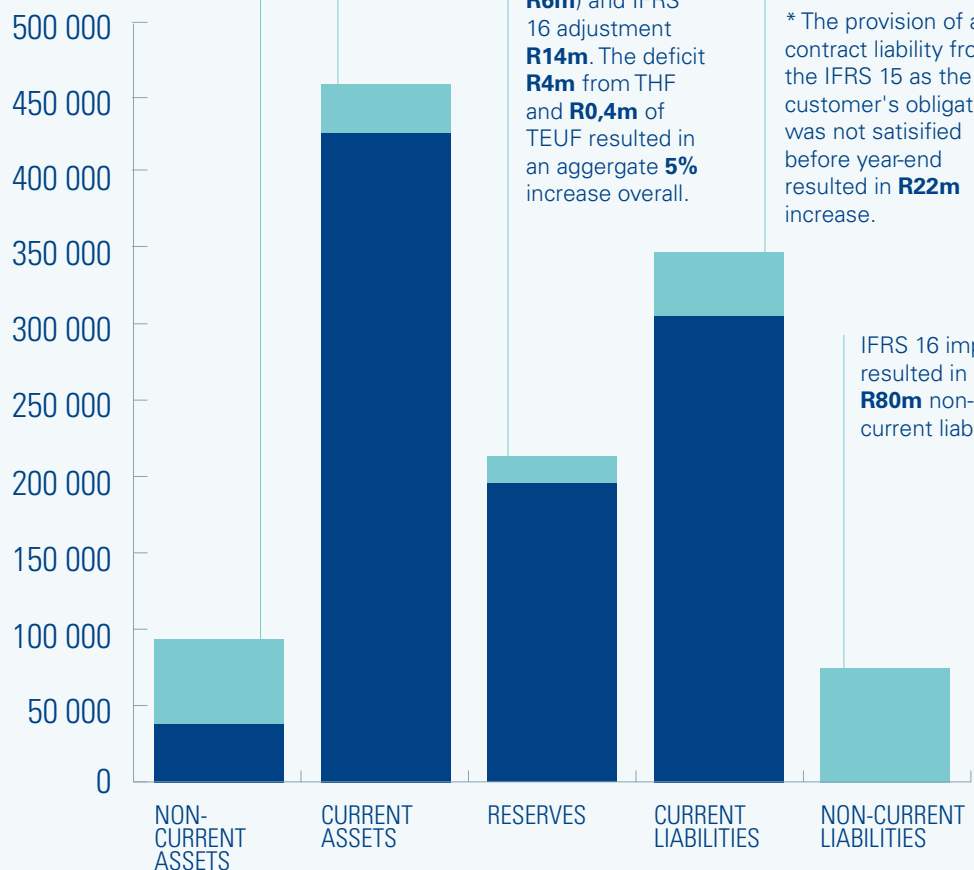
14% increase in current liabilities are due to the following:

* Trade creditors increased by **R13m** largely due to TEUF receiving outstanding invoices for payment after year end.

* IFRS 16 impact of the current portion of the long-term loan of **R9m**.

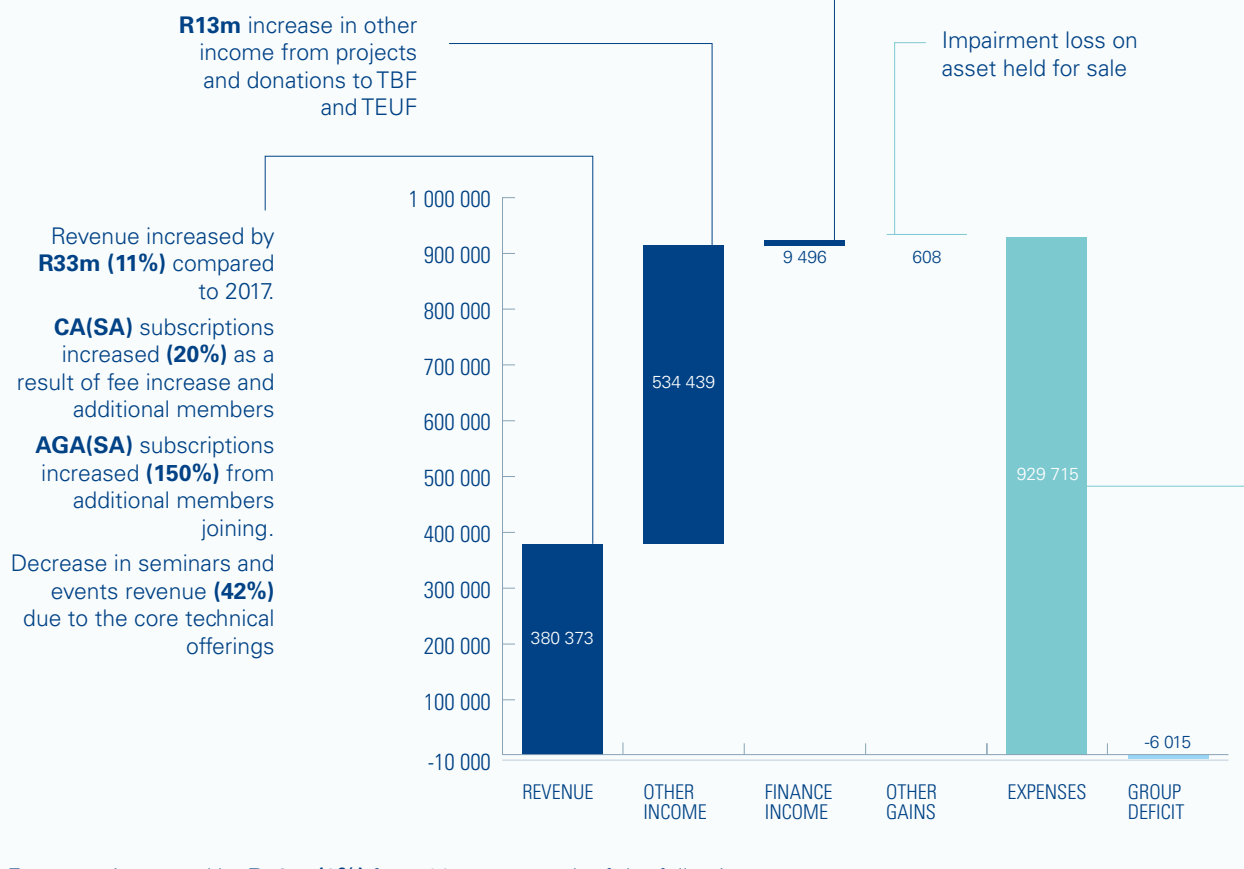
* The provision of a contract liability from the IFRS 15 as the customer's obligation was not satisfied before year-end resulted in **R22m** increase.

IFRS 16 impact resulted in a **R80m** non-current liability.



INCOME STATEMENT

Increased focus on treasury and investment management resulted in a **35%** increase year-on-year, which contributes to the sustainability of SAICA



Expenses increased by **R48m (9%)** from 2017 as a result of the following:

Project costs increased by **R13m** with income for project increase by same amount for THF, AAT (SA), TEUF and SAICA.

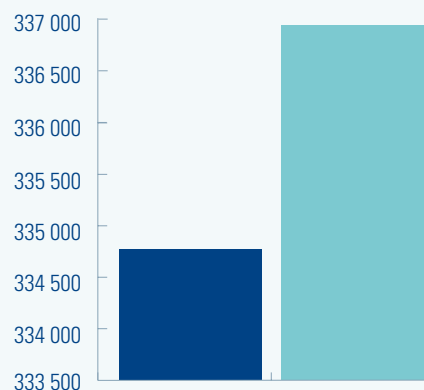
Legal costs were **R21m** more due the Ntsebeza Inquiry
 Staff costs reduced by **R5m** due to a restructuring at THF.
 General increase in expenses due to inflation.
 Savings make the balance of the movement.

CASH FLOW 31 DECEMBER 2018

Cash increased by R4m (1%)

This was due to:

- **22%** increase in operational surplus in comparison to prior year
- **124%** decrease in working capital, trade and other payables and trade and other receivables
- This overall impact on financial income was due to an increase in finance income by **22%**
- Decrease in investing activities was a result of the increase investment in the Ushintsho Programme and other equipment
- The finance activities decrease arose because of the IFRS 16 early adoption



NOTES TO THE SUMMARISED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

	GROUP	GROUP
	2018	2017
	R'000	R'000
1 ANALYSIS OF NON-CURRENT ASSETS		
Property and equipment	108 098	33 574
Intangibles asset	20 562	6 413
	128 660	39 987
2 RESERVES		
SAICA Education Fund	5 341	8 061
Association of Accounting Technicians	146	(186)
SAJAR	510	415
Accumulated funds – SAICA	120 739	113 018
Thuthuka Education Upliftment Fund	32 078	32 465
The Hope Factory	4 304	8 609
TAX practitioners levy	7 318	0
	170 436	162 382
3 REVENUE		
Subscriptions		
Chartered Accountants (SA)	255 493	223 949
Associate General Accountants (SA)	11 867	9 476
Accounting Technicians (SA)	1 298	391
Entrance fees		
Members' entrance fees	17 313	13 447
Pre-qualification fees		
Professional development pre-qualification	43 559	46 008
Education levies		
SAICA Education Fund levies	22 598	27 396
Sponsorship		
	8 126	3 476
Advertising and publications		
<i>Accountancy SA</i> magazine	1 804	4 036
Service delivery		
Product sales	6 120	6 846
Seminars and events	12 195	20 035
	380 373	355 060

