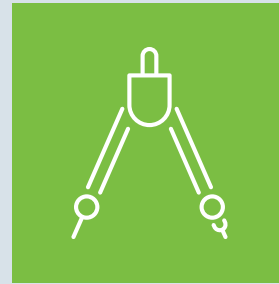


# DIFFERENCE MAKERS



## SAICA INTEGRATED REPORT 2021

**Making a difference is about making a mental shift, from where we are today to where we hope to be. From doing things the way they have always been done, to a way that is intentional, inspirational and geared towards the greater good of everyone.**



You will see the differences in little things, in the smile of a young student with a graduation cap in hand, in the stride of an entrepreneur determined to bring an idea to life, and in the eyes of a CA(SA) who knows the potential of a great idea.

Making a difference means moving away from decisions that will lead to immediate gain for a few to prosperity for many.

It is about building influential leaders, who go out to develop and lead the communities they live in.

It is about building trust in CAs(SA) and the chartered accountancy profession. It is about holding ourselves and others accountable and to the highest levels of integrity.

Being a difference maker is about bringing meaningful transformation to an individual, a company or society, while at the same time helping to make the world a better place for all who live in it.


**Will you make a difference today?**

# STENZION

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# ONE DAY CAN MAKE A DIFFERENCE



Despite the difficulties and challenges she endured in her life, Hundzukani Mabunda refused to be a victim of her circumstances. She is the co-founder of a non-profit company that helps learners from disadvantaged backgrounds with uniforms, career guidance, study guides, sanitary towels, etc. and assists children with reading. She is extremely grateful to Futuresense, whose donation has made a difference. Hundzu didn't know what to study until a chance encounter with a Chartered Accountant at a career exhibition and she was inspired. Against all odds, she is the first Chartered Accountant at her village and currently a Group Reporting Manager at Old Mutual Limited. She believes that the only person who fails is the one that quits.





**DIFFERENCE MAKER:** Hundzukani Mabunda CA(SA)

# PURPOSE AND OVERVIEW



# SAICA AT A GLANCE

SAICA is at the forefront of developing, influencing and leading the highest standards of ethics, education and professional excellence in the delivery of quality accountancy skills. This is achieved by:

- Safeguarding the professional standards of the designations on offer;
- Advancing and maintaining the relevance of the profession; and
- Regulating the members' and associates' professional conduct against the SAICA Code.





# MEMBER VALUE PROPOSITION

*"I am part of a prestigious and valued profession that enables me to participate and make a difference in South Africa and globally, while positively impacting the economy and society".*

## AS A SAICA MEMBER, I BELONG TO A COMMUNITY THAT IS:



### RESPECTED, RECOGNISED & RELEVANT FOR THE FUTURE

My institute upholds a high, international standard of pre- and post-qualification education ”

I am kept up to date on matters relating to the profession and technical developments via SAICA's many communication channels ”

SAICA's continuous learning interventions and offerings (CPD) ensure that I have focused development opportunities that will equip me for a changing world of work ”

Brand promotion and brand equity ensures the professional premiership of the SAICA designations, including ongoing employability ”



### CONNECTED, ENABLED AND SUPPORTED

Through advocacy and stakeholder engagement SAICA enables me to participate in thought leadership discussions to ultimately have an impact on the economy, the profession and in society ”

I have the opportunity to be a part of various forums, committees and attend events which offer invaluable networking opportunities ”

Thanks to strategic and global partnerships, as well as reciprocity agreements, I enjoy international mobility ”

I can log queries via the Member Portal as well as the Member Services Department ”



### HELD TO A HIGH ETHICAL STANDARD

My institute holds me accountable to the Code of Professional Conduct which ensures members behave ethically and with integrity at all times ”

The SAICA disciplinary processes, underpinned by the SAICA By-laws, maintain the value of SAICA designations in the marketplace on a fair and equitable basis ”



### MAKING A DIFFERENCE IN THE ECONOMY & SOCIETY

My institute plays an active role in the profession's transformation and growth by being an example of value creation for me and the country through projects that grow the pipeline of future business leaders and provide decent and meaningful opportunities for disenfranchised South Africans ”

I can help to make a positive and quantifiable economical contribution, which is one of the top five leading drivers of trust and admiration in the SAICA designations ”

# ABOUT THIS REPORT

This integrated report covers SAICA and its' subsidiaries' (hereafter referred to as SAICA or the Institute) structure, activities, performance and outlook for the year ended 31 December 2021. It has been prepared to meet the information needs of SAICA members and broader stakeholders.

The report aims to provide a balanced and accurate reflection of value creation, preservation and erosion in terms of our strategy, performance, risks, opportunities, trade-offs and future outlook in relation to material financial, economic, social and governance issues. The report primarily addresses how we create value over the short, medium and long term, with a demonstration of the effects on the six capitals (i.e. outcomes), providing our stakeholders with a transparent and holistic view of our business operations.

## REPORTING BOUNDARY

At 31 December 2021, the SAICA Group comprised SAICA, the Thuthuka Education Upliftment Fund (TEUF) and The Hope Factory Group (THF) (comprising The Hope Factory and its 100%-owned subsidiary, SAICA Enterprise Development). The reporting boundary includes these entities as well as those risks, opportunities and outcomes associated with entities or key stakeholders outside of the financial reporting structure that have a significant and direct effect on the ability of the SAICA Group to create value.

There were no significant changes to SAICA and its activities during the year that affect comparability

with the 2020 report and no material restatements of information provided in previous reports.

SAICA has embedded integrated thinking into its strategy, activities, decision-making processes and internal reporting to ensure that its short-, medium- and long-term impacts are considered. Management's reports to the Board include the effects on and trade-offs between the six capitals the Institute uses or affects. Our business model (pages 40 to 41) shows how SAICA creates value for stakeholders, as well as the capital inputs and outcomes arising from this process and the most material trade-offs during the year (page 42).

## REPORT THEME: DIFFERENCE MAKERS

This year's report continues the theme of 'Difference Makers' to align with the campaign launched during the year positioning Chartered Accountants as reliable, trusted voices and catalysts for change to help get businesses and economies moving again. The campaign showcases how the Institute's staff and members are making a difference to organisations, communities and economies around the world within which they operate.

## OUR APPROACH TO VALUE CREATION, PRESERVATION AND EROSION

SAICA's financial, human, manufactured, intellectual, social and relationship, and natural capitals facilitate every aspect of our business and our ability to create long-term value. We have accordingly defined our structure, activities and performance against our strategy in this



## KEY

VALUE  
CREATION

## VALUE CREATION

SAICA creates value for members, society and other stakeholders by creating a community of prestigious and valued professionals that is:

- Respected, recognised and relevant for the future
- Connected, enabled and supported
- Held to a high ethical standard
- Making a difference in society

SAICA's activities use the available capital inputs, balancing the trade-offs required to maximise value creation and mitigate value erosion.

VALUE  
PRESERVATION

## VALUE PRESERVATION

The Board sets the strategic direction of the Institute and provides continuous oversight of material matters, risks, opportunities and the strategic allocation of resources to ensure value preservation.

It is the custodian of good corporate governance, promoting an ethical and cohesive organisational culture, effective control, compliance, accountability, responsive and transparent stakeholder engagement.

VALUE  
EROSION

## VALUE EROSION

The Board oversees the risk management process to ensure that the risks taken to create value remain within the defined risk appetite and tolerance. The Enterprise Risk Management (ERM) policy and framework integrates risk with performance management and aligns strategic objectives and performance goals with related processes, risks and controls. SAICA's strategic planning process includes the identification of material matters that have the potential to affect our ability to create value.

report in terms of these six capitals. Value creation, preservation and erosion are the consequences of how we apply and leverage our capitals as part of our strategy execution and are evident in how these capitals change over time.

## BASIS OF PREPARATION

The integrated report is prepared in accordance with the International Integrated Reporting <IR> Framework of January 2021 (<IR> Framework) and considers the principles of the King Report™ on Governance for South Africa 2016 (King IV™), the International Financial Reporting Standards (IFRS) and

the Companies Act (2008) as amended. In this report, 'short term' refers to the coming financial year, 'medium term' is the period to 2023, and 'long term' is the period of 2024 and beyond.

The contents of the report reflect SAICA's most material matters to provide stakeholders with insight into the matters that have the most potential to affect SAICA's ability to create value (see pages 46 to 53).

These matters were informed by:

- A review of SAICA's external environment (see 'Operating context' on page 24)

- An assessment of the critical issues discussed and considered at SAICA Board, Board Sub-committee and executive management meetings throughout the year (see 'Board Committee reports' on pages 75-83 and the 'CEO report' on page 34)
- An assessment of risks and opportunities (see risks and opportunities on page 54)
- A review and consideration of the Institute's prior year material matters against the current year

## IN SUMMARY, OUR MATERIALITY DETERMINATION PROCESS IS AS FOLLOWS:

Identify matters by scanning the internal and external environment



Prioritise matters and formulate the strategic risks and opportunity register



Define strategic response to leverage opportunities and address associated risks



## STRENGTHENING ALIGNMENT TO THE INTERNATIONAL <IR> FRAMEWORK

During the year, a gap analysis was undertaken with the Executive Committee (Exco) and senior staff on the guiding principles and content elements of the International <IR> Framework.

This allowed our leadership teams to reflect on:

- Enhancements to the FY 2020 integrated report
- Demonstrating where value is being created, preserved, or eroded in leveraging the six capitals for long-term value creation

## COMBINED ASSURANCE

Our integrated reporting process, as well as the content of this report, follows the principles and requirements of the <IR> Framework and King IV™.

Management prepares and validates the report, ensuring that it provides a balanced and reasonable view of SAICA, its performance for the year and outlook. Responsibility for producing the report is assigned to the Exco and senior management, with oversight of the CEO. The report has been reviewed and approved by the Board, assisted by the Audit and Risk Committee. Financial information is extracted from the audited financial statements, which are available on our website ([www.saica.org.za](http://www.saica.org.za)).

The alignment of the integrated report was independently reviewed by Mazars (SAICA's external auditors) against the requirements of the International <IR> Framework. SAICA's combined assurance model is discussed on page 54.

Limited assurance is expressed by Mazars over the actual performance information used to evaluate












performance over the strategic objectives, their limited assurance report can be viewed by clicking here. The assurance statements are available on our website and provide a detailed overview of the assurance provided.

## FORWARD-LOOKING STATEMENTS

This report contains certain forward-looking statements with respect to SAICA's financial position, results, operations and businesses. As these refer to events and depend on circumstances that occur in the future, they involve risk and uncertainty. Various developments and factors could cause actual results and outcomes to differ materially from those expressed or implied in these forward-looking statements. No forward-looking statements have been reviewed or reported on by the Institute's auditors.

## REPORT NAVIGATION

The following icons are used throughout the report to show the interconnectivity between core concepts and the various sections of this report. Working together and also separately, these elements have the potential to substantially impact (positive and negative) our ability to create value over the short, medium and long term.

STRATEGIC PILLARS	MATERIAL MATTERS	
 <b>Member Value</b>	 COVID-19 and its impact on the business; our response and recovery process	 Remaining relevant, ethical and responsive under difficult economic and regulatory conditions
 <b>Relevance + Reputation</b>	 Restoring trust in the profession through advancement of ethics, accountability and discipline	 Delivering excellence to advance professional competencies
 <b>Growth + Transformation</b>	 Enhancing stakeholder impact through collaboration and transformation in the areas of public interest	 Leveraging sound governance to achieve operational efficiency, sustainability and resilience
 <b>Organisational Sustainability</b>	 Acceleration of the digitisation strategy to create efficiencies and maximise automation of processes and member service	



## OUTLOOK

Outlook information comprises challenges, opportunities and disruptive factors we have identified that have the potential to affect the achievement of our strategic objectives and our mitigating response as well as opportunities identified. Outlook information can be found throughout this report; however, the majority of this information can be found in our 'Outlook' section on page 142.

## APPROVAL BY THE BOARD

The Board acknowledges its responsibility to ensure the integrity of this report.

We have taken reasonable steps to put processes in place that ensure the integrity and credibility of the integrated report. In particular:

- The systems, procedures and controls include structures and processes that ensure diversity of input and checks

and balances, including the system of internal controls, and the use of credible sources for information, are considered adequate and effective to ensure the completeness and accuracy of information.

- There is an appropriate allocation of responsibility to ensure that the information reported on is based on the inputs, collation and review of subject matter experts, internal and external assurance providers and the responsible executives, with various work groups and committees having oversight over the process under the guidance and leadership of a project leader appointed from senior leadership.
- There has been adequate oversight and involvement of the Board, and in particular, in respect of the approval of the preparation process, materiality determination process, setting the parameters for the boundary of the report, and final review and approval of the content by the Board Committee.

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 29 April 2022.

## CAPITALS

### Intellectual Capital



SAICA's strong reputation, designations, thought leadership, technical development and digital transformation initiatives

### Financial Capital



Revenue from member subscriptions, fees from products and services, donor funding raised for development programmes

### Social + Relationship Capital



Strong relationships with members, professional bodies, government, society and other stakeholders

### Human Capital



Diverse capabilities, skills and experience of our staff members

### Manufactured Capital



Rented office premises, infrastructure used for education and training programmes, IT infrastructure and office equipment

### Natural Capital



The effect of our operations on the environment and sustainable development goals

### Top Risks



### KING IV™



# CHANGE ONE LIFE AND YOU IMPACT MORE LIVES **THAT'S THE DIFFERENCE**



Meet Hiten and Sanjay, entrepreneurs who know how to build a business from the ground up. In March 2021 they founded Qalisa Hub, a virtual accelerator that helps township entrepreneurs accelerate business concepts into a commercially viable business that is investor ready. Neither of the partners nor their advisors benefit financially in any way from this organisation.

‘We really want to help these people with our knowledge and know-how, but also connect them to other people who have access to information and knowledge that the two of us don’t have,’ says Sanjay.





**DIFFERENCE MAKERS:** Hiten Keshave and Sanjay Soni CAs(SA)

# WHO WE ARE

# OUR PURPOSE, STRATEGIC INTENT, VALUES AND MANDATE

SAICA is a voluntary, not-for-profit member organisation that operates in terms of its Constitution. Our main sources of revenue are membership fees, fees from seminars and events, and donor funding. SAICA is an active member of a number of international forums as part of our advocacy role and to participate in knowledge-sharing and global standard-setting. The Institute operates from its head office in Johannesburg and has offices in Bloemfontein, Cape Town and Durban located close to the business areas in which our members operate.

## PURPOSE

Our principal purpose<sup>1</sup> is to: *Promote public interest, the common interests of members and associates by enhancing the relevance, values, competence and influence of members and associates in South Africa and abroad, and to contribute to economic and social development in South Africa.*

To achieve this purpose, SAICA commits to:

Acting in the public interest and safeguarding the values of the profession

Promoting the common interests of members and associates nationally and internationally

Supporting and encouraging the advancement of skills and knowledge and ensuring members and associates have the appropriate competencies

Growing and transforming the profession

<sup>1</sup> Defined in the SAICA constitution approved by members at the AGM held on 27 May 2021.

Our purpose is underpinned by six core values:

- Member centricity
- Integrity
- Professional behaviour
- Accountability
- Respect
- Transparency

## OUR STRATEGIC INTENT

To contribute to sustainable economies through developing responsible and ethical leaders

## STRATEGIC PILLARS 2021–2023

 <b>Member Value</b>	Delivering better member value and offerings that will see our members in high demand in the marketplace
 <b>Relevance + Reputation</b>	Continued relevance of the accountancy profession and the creation of an ethical culture in the service of public interest
 <b>Growth + Transformation</b>	Growth and transformation of the accountancy profession in terms of race and gender and in line with the overarching national agenda
 <b>Organisational Sustainability</b>	The enhancement of internal efficiencies and effectiveness so that the Institute can better service its stakeholders

## HOW WE DELIVER VALUE

SAICA is the leading accountancy body in South Africa and one of the prominent institutes globally. We are the custodian of three complementary accounting designations, CA(SA), AGA(SA) and AT(SA), that respond to the country's financial market needs and align with our intent to be represented in the full professional accounting education and training landscape.


**CHARTERED  
ACCOUNTANTS**

A leadership designation for accountants at the forefront of business and the broader economy.

**48 791**  
MEMBERS  
(2020: 47 348)


**ASSOCIATE GENERAL  
ACCOUNTANTS**

A professional accounting designation for accountants enhancing value and driving operational performance in organisations

**4 075**  
MEMBERS  
(2020: 3 639)


**ACCOUNTING  
TECHNICIANS**

A practice-based, work-ready accounting, finance and business qualification and professional membership for entry-level to mid-tier accountants

**404**  
MEMBERS  
(2020: 330)



# OUR MEMBER FOOTPRINT

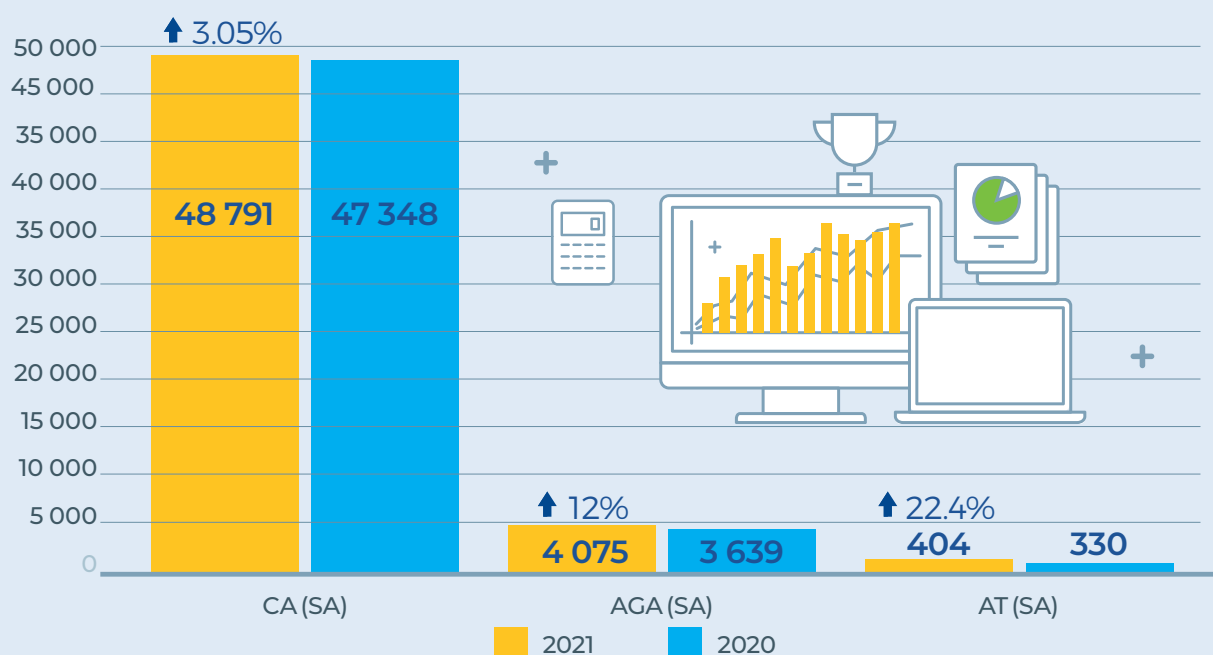
These three designations are underpinned by the SAICA Code of Professional Conduct (the SAICA Code) and continuous professional development (CPD) to ensure the highest level of professionalism, discipline and performance.

We have 53 270 active members and associates around the world. Recognition agreements with 15 peer accounting institutes worldwide improve members' professional mobility and international business networks.

## Member Footprint (Excluding AGA(SA) and AT(SA))



## Members & Associates



### OPERATIONAL STRUCTURE TO SUPPORT MEMBERS

#### STANDARDS DIVISION

Drives member representation, value provision and support

Tax and tax legislation  
Assurance and practice  
Public sector  
Corporate reporting

#### LEARNING, DEVELOPMENT AND NATIONAL IMPERATIVES DIVISION

Manages the qualification and training of new members, the transformation of the industry and post-qualification continued development. Houses the donor-funded initiatives that drive social contribution

Professional Development (CA, AGA, AT) (pre- and post-qualification)  
National Imperatives (Thuthuka and ISFAP)  
Transformation and Growth (SMME Support, Special Projects, Advocacy and Policy Reform Projects)

### FACILITATED AND SUPPORTED BY

- Brand
- Seminars and Events
- Finance
- Human Resources
- Strategy
- Legal and Governance
- IT
- Facilities

# 2021 SAICA AT A GLANCE



## MEMBER VALUE

### A MEMBER SEGMENTATION EXERCISE TO CLARIFY

PREFERENCE AND NEEDS OF NARROWER SEGMENTS OF MEMBERSHIP TO ENABLE TAILORING OF OFFERINGS TO IMPROVE MEMBER VALUE

### GOOD PROGRESS MADE

IN IMPLEMENTING SAICA'S STRATEGY 2021-2023

### NEW SAICA WEBSITE

LAUNCHED IN JUNE TO IMPROVE EASE OF USE FOR MEMBERS



### THE SAICA CA2025

ENTRY LEVEL COMPETENCY ALIGNED TO THE CA2025 FRAMEWORK APPROVED BY THE IPD COMMITTEE WITH IMPLEMENTATION OVER 2022 - 2025 (PRE-QUALIFICATION)

**130 SEMINARS  
AND EVENTS  
HELD REACHING  
34 325  
DELEGATES**



### REVIVED THE BUSINESS

EMERGENCY BUSINESS RESCUE IN KZN AND GP AND HELD AN ECONOMIC RECOVERY CONFERENCE

### THE 4TH ANNUAL CA(SA)

OF THE FUTURE CONFERENCE ATTENDED BY 1 958 DELEGATES - EXCELLENT RATING

### SAICA

STAKEHOLDER  
SATISFACTION  
SCORE OF  
**85.59%**  
(2020: 82%)

### SECURED R7.1 MILLION

IN SPONSORSHIP IN 2021 (2020: R5,6 MILLION) - REPRESENTING AN INCREASE OF 26% IN FUNDING FOR SAICA EVENTS, BRINGING ADDITIONAL VALUE TO MEMBERS



### SAICA FASSET

PARTNERSHIP TO SUPPORT UNISA POST-GRAD PROGRAMMES

**69%**



OF EVENTS  
PROVIDED FREE  
FOR MEMBERS,  
PROVIDING  
EXCELLENT  
MEMBER VALUE





## RELEVANCE AND REPUTATION

ENTERED INTO A MEMORANDUM OF UNDERSTANDING (MOU) TO ASSIST IN THE CAPACITATING OF SARS

## SAICA RECEIVED R71,6 MILLION

WORTH OF MEDIA EXPOSURE



THE OVERALL PHI MARKET TRUST INDEX IMPROVED TO

# 84%

(2020:81%)



THE OVERALL PHI FOR BRAND ADMIRATION (COMPOSITE AMONG ALL STAKEHOLDERS) IMPROVED TO

# 79%

(2020: 77%)

### SAICA'S

DIFFERENCE MAKERS

### CAMPAIGN

OFFICIALLY LAUNCHED IN MAY TO SHOW HOW SAICA AND ITS MEMBERS ARE MAKING A DIFFERENCE AT WORK, IN COMMUNITIES, SOCIETY AND THE WIDER ECONOMY. INCLUDED PROFILES OF MEMBERS MAKING A DIFFERENCE IN THE PUBLIC SECTOR

# 1 395

POSITIVE MEDIA EXPOSURES

## THE FIRST UNITE4MZANSI™:



STAND FOR TRUTH CASE STUDY WAS LAUNCHED IN JUNE AND ADVOCATES CAME ON BOARD IN 2020. NEW DEVELOPMENTS IN TERMS OF ADVOCATES IS PROF BONANG MOHALE BEING APPOINTED CHAIR OF THE INITIATIVE AND THE IODSA COMING ON BOARD AS A MEMBER ORGANISATION PARTNER

## SAICA'S CA2025 COMPETENCY FRAMEWORK

LAUNCHED IN MARCH TO ENSURE THAT CAS(SA) REMAIN RELEVANT; SUPPORTED BY THE CA PATHWAYS TO RELEVANCE POST-QUALIFICATION FRAMEWORK.

NET PROMOTER SCORE DECLINED SIGNIFICANTLY

**FROM 37% IN 2020 TO 29% IN 2021**

ACCOUNTANCY SA'S CIRCULATION INCREASED TO

# 57 916

IN 2021, FROM 56 869 IN 2020.

## THE SAICA BUSINESS EMERGENCY ROOM

WAS REACTIVATED AS PART OF THE BUSINESS EMERGENCY RESCUE PROJECT TO SUPPORT MEMBERS AND EXPEDITE ECONOMIC RECOVERY FOR BUSINESSES AFFECTED BY THE RIOTS AND LOOTING IN JULY '21

# +180 EXPERTS

PROVIDED TEMPORARY PRO-BONO SUPPORT

TRUST IN CAS(SA) IMPROVED FROM

**81% IN 2019 TO 85% IN 2021**

AND TRUST IN SAICA IMPROVED STRONGLY, REMAINING WELL ABOVE THE GLOBAL AVERAGE

**(78%) FOR CA BODIES, ACHIEVING 86%**

# 281 DISCIPLINARY

COMPLAINTS WERE CONCLUDED: 96% INCREASE VS. 2020

## BUSINESS EMERGENCY RESCUE CONFERENCE

IN SEPTEMBER '21 FEATURED BUSINESS AND POLITICAL LEADERS; SHOWCASED IMPORTANT ROLE THE PROFESSION IS MAKING IN ECONOMIC RECOVERY

## ACCOUNTANCY SA MAGAZINE

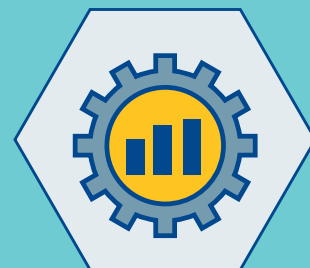
MEMBERS' SATISFACTION GREW FROM, 73% IN 2020 TO 83,29 IN 2021

## THE CA(SA) DESIGNATION

RATED TOP FOR BRAND ADMIRATION (73%) AND TRUST LEADERSHIP (84%) IN AN INDEPENDENT SURVEY (2021 ASKAFRICA SURVEY OF BUSINESS DECISION-MAKERS)

# 2021 SAICA AT A GLANCE

GOOD PROGRESS MADE IN IMPLEMENTING SAICA'S  
**STRATEGY 2021-2023**



**GROWTH +  
TRANSFORMATION**

## SAICA'S SENIOR EXECUTIVE

CORPORATE REPORTING WAS APPOINTED TO THE INTERNATIONAL FEDERATIONS  
OF ACCOUNTANTS' (IFAC'S) PMIB ADVISORY GROUP **FOR 2022-2024 TO REPRESENT SA**

## THREE COURAGEOUS CONVERSATIONS

FACILITATED TO  
PROMOTE  
LEADERSHIP  
DISCUSSIONS  
ON SA'S  
CHALLENGES

MORE THAN **R1,2  
BILLION**

IN INDEPENDENT FUNDING WAS RAISED FOR  
NATION-BUILDING ACTIVITIES SINCE 2002

## APC EXAM 2021 CRISIS

THE SAICA NET PROMOTER SCORE DECLINED  
BY 8%. HOWEVER 2021 APC REWRITE WAS  
SUCCESSFULLY IMPLEMENTED

**13 171**

**SCHOOLS REACHED**  
BY SAICA'S 2021  
YOUTH MARKETING  
CAMPAIGNS

## THE 8TH ANNUAL TOP 35-UNDER-35

COMPETITION WAS HOSTED SUCCESSFULLY  
WITH HUNDREDS OF YOUNG CAs(SA) BEING  
NOMINATED AND ENTERING

**MARKET  
TRUST  
INDEX  
84%**

**1068**

AFRICAN AND COLOURED UNDERGRADUATE AND  
POSTGRADUATE STUDENTS WERE FUNDED BY  
THUTHUKA TOWARDS BECOMING CAs(SA)



## NUMBER OF MEMBERS

WE HAVE  
**53 270**  
ACTIVE MEMBERS &  
ASSOCIATES AROUND  
THE WORLD

## SAICA'S FOURTH UNITED NATIONS SDGs REPORT

WAS PUBLISHED, SHOWCASING THE WORK THE  
CHARTERED ACCOUNTANCY PROFESSION IS DOING  
TO PROMOTE STRONGER AND MORE SUSTAINABLE  
BUSINESSES, COMMUNITIES AND ECONOMIES



## MEMBER CONVERSION RATE

OUR MEMBER  
CONVERSION  
RATE FOR 2021 IS  
**81.9%**





## ORGANISATIONAL SUSTAINABILITY

## CULTURE PROJECT IMPLEMENTED

IMPROVED SUCCESSION PLANNING TO ENSURE ORGANISATIONAL RESILIENCE AND SUSTAINABILITY



## EFFECTIVE COVID-19 PROTOCOLS

REMAINED IN PLACE TO ENSURE THE CONTINUED SAFETY AND WELLBEING OF SAICA STAFF, MEMBERS AND ASSOCIATES



## FINANCIAL SUSTAINABILITY

IMPROVED WITH RESERVES INCREASING FROM R321M IN 2020 TO R388M IN 2021



## THE EMPLOYEE ENGAGEMENT SCORE REMAINED AT 75% IN 2021



## ENTERPRISE RISK MANAGEMENT

MATURITY LEVEL HAS REMAINED CONSISTENT – PROACTIVE LEVEL 4



## SAICA+ EMPLOYEE WELLNES

PROGRAMME SESSIONS WERE HELD AND A WELLNESS CHECK-IN SERIES WAS LAUNCHED TO SUPPORT MENTAL HEALTH FOR STAFF AND MEMBERS

## USHINTSHO PROJECT STAGE 2

COMPLETION DELAYED



SAICA'S B-BBEE LEVEL HAS MOVED FROM 6 TO 8



## SAICA'S ORGANISATIONAL STRUCTURE

REALIGNED TO POSITION IT FOR SEAMLESS COLLABORATION AND FOCUSED ON SUSTAINABLE IMPLEMENTATION OF THE SAICA STRATEGY TO IMPROVE MEMBER SATISFACTION AND SERVICE DELIVERY

Despite a challenging year, and a marginal decline in three of the core performance metrics, the overall SAICA performance score remained relatively stable.

Where targets were not achieved, corrective measures have been identified to improve performance in the coming year.

## OVERALL PERFORMANCE

Score against strategic objectives

2021  
3.47

2020  
3.68

### SAICA'S OVERALL PERFORMANCE SCORE AGAINST STRATEGIC OBJECTIVES

The three-year SAICA strategy (2021 – 2023) was finalised in 2020 with 24 strategic initiatives identified to realise the four strategic pillars and eight strategic objectives. By the end of 2021 the overall SAICA performance score is 3.47 (2020:3.68). Three key metrics declined in 2021 compared to 2020 i.e Ushintsho, SAICA's B-BBEE and ERM Maturity level scores. Member Value strategic pillar PHI score, Relevance and Reputation strategic pillar PHI score also declined. However, the Trust index of CAs(SA) in South Africa has increased from 81% in 2018 to 85% in 2021 as a result of the implementation of SAICA's integrated communication and reputation management plan. SAICA's B-BBEE level has declined from level 6 to Level 8 however, there is a robust plan in place to improve the score in 2022. The employee engagement score of 75% remained the same (2020: 75%) which demonstrates that SAICA employees are well engaged.

## KEY METRICS

Professional Health Index<sup>1</sup>

	2021	2020
Member value PHI score <sup>1</sup>	72.55%	75.77%
Relevance and Reputation PHI score	64.16%	69.86%
B-BBEE level	8	6
Employee engagement score <sup>2</sup>	75%	75%

1 The Professional Health Index (PHI) is the measure by which SAICA assesses the extent to which it has achieved its strategic intent 'to contribute to sustainable economies through developing responsible and ethical leaders'.

2 The employee engagement score is calculated by adding the 'agree' and 'strongly agree' ratings.



## KEY CHALLENGES EXPERIENCED IN 2021

### APC ASSESSMENT

Significant technical difficulties were experienced during the 2021 APC assessment in December 2021. SAICA launched a full investigation and implemented comprehensive risk mitigating measures to ensure that these challenges are not repeated. Candidates were given the opportunity to rewrite the assessment at the end of March 2022.

### STRATEGIC PILLARS



### MATERIAL MATTERS



### COVID-19 SUPPORT

COVID-19 continued to impact employee and member mental wellness. A mental health programme was rolled out for employees and support provided to members.



### B-BBEE RATING

The B-BBEE score reduced from Level 6 to Level 8. A robust plan is being implemented to improve the score through skills development and enterprise and supplier development initiatives which are under performing.



### STAFF TURNOVER

The staff turnover remained a challenge for SAICA. To curb the staff turnover, a recognition programme was enhanced to entrench a culture of recognising and rewarding engaged and high-performing employees in addition to other staff retention initiatives.

### ORGANISATIONAL CULTURE

A targeted Human Capital strategy was formalised, part of which includes integration of the organisational culture and diversity, equity, and inclusion (DEI). The objective of this integrated approach is to improve staff satisfaction levels, create an enabling environment for staff and improve talent retention efforts.



### DIGITISATION PROGRESS

The Ushintsho project has been experiencing challenges due to the shortage of key skill sets to ensure that SAICA's technology investments are well resourced and future-proofed. A high staff turnover in the IT division also exacerbated this challenge, including the CIO resigning in August 2021. This has delayed SAICA's strategy which is to increase member value through digital member journeys that enhance engagement, convenience and delight. An expert with extensive digitisation knowledge and experience in delivering big-ticket digitisation projects was appointed on a contract basis to assist with the project and to help strengthen the IT Team.



# OPERATING CONTEXT

SAICA operates in a dynamic operating context that presents evolving risks as well as important opportunities. As a result of the extreme stress created by the COVID-19 pandemic crisis on South Africa's already weak economy, many member organisations have experienced severe pressure on revenue, resulting in retrenchments and cutbacks. The six broad external environmental trends shown below had a material impact on SAICA's business model in 2021.

## COVID-19 PANDEMIC

With the pandemic moving into its third year and the fourth wave of infections behind us, as well as the state of disaster being lifted, hopes are rising that we are approaching a world in which COVID-19 becomes endemic. The human cost of the pandemic has been high, with total lives lost reaching more than five million early in 2022, employees having to adapt to new ways of working, and mental health challenges on the rise.

The economic impact on developing countries such as South Africa has been particularly severe, which is evident in reduced economic activity, per capita income below pre-pandemic levels and rising unemployment, with unskilled and informal workers as well as women particularly affected.

After contracting sharply in 2020, global output recovered strongly in 2021, supported by government stimulus packages. South Africa benefited from the resulting strong rebound in commodity prices; however, this support is unlikely to continue as global growth moderates. The World Bank<sup>1</sup> expects global growth to decelerate from an estimated 5,5% in 2021 to 4,1% in 2022 and 3,2% in 2023, affected by higher global inflation linked to pandemic resurgences, higher food and energy prices, and continued supply-chain disruptions.

While developed economies are forecast to return to pre-pandemic growth trends, the recovery is likely to diverge with growth in emerging and developing economies markedly weaker due to lower vaccination rates, tighter fiscal and monetary policies, and ongoing impacts from the pandemic.

### OUR RESPONSE

Protocols remain in place to safeguard the safety and wellbeing of SAICA staff, members, associates and other stakeholders. The Wellness Programme includes a focus on supporting mental health. The SAICA Head Office moved to hot-desking for most staff to support the hybrid working model. We believe that the accounting profession has a key role to play in the economic recovery of the country and we continue to explore ways to support members, government and other stakeholders throughout the pandemic.

### MATERIAL MATTERS AFFECTED



### STAKEHOLDERS IMPACTED

All stakeholders

### RELATED TOP RISKS



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<sup>1</sup> World Bank Global Economic Prospects Report January 2022, <https://openknowledge.worldbank.org/bitstream/handle/10986/36519/9781464817601.pdf>.

## SOCIO-ECONOMIC CHALLENGES

The South African economy faces a number of significant challenges, including ongoing policy uncertainty, social unrest, load-shedding and delays in implementing critical economic reforms. After growing around 1% in the first half of the year, the economy contracted by 1,5% in the third quarter of the year following civil disorder in July and lockdown restrictions in response to the COVID-19 third wave. GDP growth ended the year at 5,7% for the year, unemployment hit record highs in the third quarter, and inflation approached the upper band of the South African Reserve Bank's target range at the end of the year.

In line with the global trend, the most vulnerable members of society continue to be disproportionately affected during the pandemic, highlighting some of South Africa's most significant social challenges, including economic inequality, racism and gender-based violence.

Social stability is under pressure, not only from the challenging macroeconomic conditions, but also from poor educational outcomes and inadequate service delivery. Rioting and looting in KwaZulu Natal and parts of Gauteng in July caused significant disruptions to business and society in those areas.

The work of the Zondo Commission has highlighted governance failures in private and public institutions and emphasised the need to review the role of the audit profession in preventing and detecting fraud and corruption. The implication of some members of the accounting and auditing professions in state capture has resulted in a loss of confidence in these professions and reputational damage for the Institute.

### OUR RESPONSE

SAICA depends on member fees for revenue and donations to fund projects addressing national imperatives. Pressure on business and members represent a risk in accessing sufficient financial capital to execute on our strategy. Where necessary, we engage with members to address non-payment of fees.

We emphasise the importance for the sustainability of the profession on society and our strategic focus in contributing to national imperatives. The Business Emergency Rescue initiative provided support for members and businesses affected by the unrest in July. We engage with government as a key stakeholder and have a number of projects to support the effectiveness of the public sector.

SAICA amended the By-laws required to streamline the disciplinary process, 281 disciplinary complaints were concluded during the year (a 96% increase compared to 2020), and we continue to follow up allegations of member involvement in corruption arising from the Zondo Commission report.

### MATERIAL MATTERS AFFECTED



### STAKEHOLDERS IMPACTED

All stakeholders

### RELATED TOP RISKS



## EVOLVING REGULATION

New regulations and proposed changes to current regulations increase the complexity of doing business and can negatively affect business confidence and reduce capital investment. These include the Mining Charter, national health insurance, minimum wage regulations, and health and safety legislation.

### OUR RESPONSE

SAICA engages with regulators and government departments to understand the impact of proposed regulations and changes, provide input and advocate for members' interests where necessary. We provide thought leadership and guidance for members on the implications of upcoming regulations and the requirements to ensure compliance.

During the year we implemented policies and processes to ensure compliance with the Protection of Personal Information (POPI) Act, as well as providing member guidance on the Act.

### MATERIAL MATTERS AFFECTED



### STAKEHOLDERS IMPACTED

- Members and associates
- Firms
- Regulators

### RELATED TOP RISKS





## TECHNOLOGICAL CHANGE

Many of the trends already in place before COVID-19 were accelerated by the pandemic, including increased use of digital platforms to reach customers, automating operations, and the start of a shift towards remote working and learning. Other technologies changing the nature of business include the evolution of the Fourth Industrial Revolution (4IR), changing business models that require innovation, and increased mobility of labour and capital due to globalisation. Robotics, AI and Big Data have the potential to introduce new sources of growth, change how work is done, and reinforce the role of people to drive business growth.

Cybercriminals have been quick to exploit these developments and the shift to remote working, with cyberattacks increasing in sophistication and frequency.

### OUR RESPONSE

SAICA's CA2025 Competency Framework defines the competencies entry-level CAs(SA) require to ensure their ongoing relevance in the face of accelerating technological change and the changing face of business. Pathways to Relevance defines the post-qualification competencies qualified CAs(SA) will need to develop to acquire the critical skills of the future, supported by lifelong learning through the SAICA CPD policy.

The technology enhancements realised through the digitisation strategy including the Ushintsho project (page 126) aim to further improve member value, increase efficiencies within the Institute, and ensure that SAICA stays abreast with technological developments. SAICA is committed to delivering the efficient and effective implementation of the digital environment.

Cybercrime is recognised as a top risk and controls are in place to maintain SAICA's defence, recovery and business continuity systems.

### MATERIAL MATTERS AFFECTED



### STAKEHOLDERS IMPACTED

- Members and associates
- Trainees
- Students
- Training offices
- Employees

### RELATED TOP RISKS



## THE FUTURE ROLE OF THE ACCOUNTANCY PROFESSION

The challenging operating context has affected member organisations and chartered accountancy institutes around the world, requiring new approaches to business and operating models affected by remote working, cancellation of in-person events and pressure on long-term recruitment and member fees. The impact on members has been both significant and varied. Many are extremely busy and require advice and assistance to address the changed realities of business in the new normal, while others have struggled to sustain their practices.

### OUR RESPONSE

SAICA's CA2025 Competency Framework and Pathways to Relevance aim to ensure that CAs(SA) have the required technological, technical and soft skills to equip them with the competencies they will need for the future.

Through better targeted offerings, the CA(SA) of the future series helps accountancy professionals use their strengths and knowledge to leverage technology, be agile in the face of disruption and to create new digitally enabled business models and processes, whilst providing responsible leadership that is purpose driven, sustainable, inclusive, and resilient to the challenges presented by the current economic climate. SAICA is aware of the movement of members overseas, especially younger recently qualified members who seek work opportunities and work experience overseas. Currently CA(SA) members resident outside of South Africa represent 20.57% (December 2021) of the total membership which is the same proportion of members as the previous year namely 20.5% (December 2020). The growth in annual membership from 2021 to 2022 was 3% while the growth in absentee members was 3.3% which means that the absentee member growth was slightly higher than the total member growth and therefore not of concern in the period under review.

The challenge for SAICA going forward is to retain the SAICA membership of members resident overseas who take up membership of the CA Institute of the country in which they reside. This risk is mitigated by SAICA being an active founder member body of Chartered Accountants Worldwide who provide designation promotion in the international arena as well as providing member engagement and ongoing digital learning opportunities in conjunction with the fellow institutes in the countries where these are active. A further mitigation will be the Learner Management System that will be launched in 2022 which will enable SAICA to project digital ongoing learning opportunities to all members irrespective of where they are resident.

### MATERIAL MATTERS AFFECTED



### STAKEHOLDERS IMPACTED

- Members and associates
- Trainees
- Students
- Training offices

### RELATED TOP RISKS

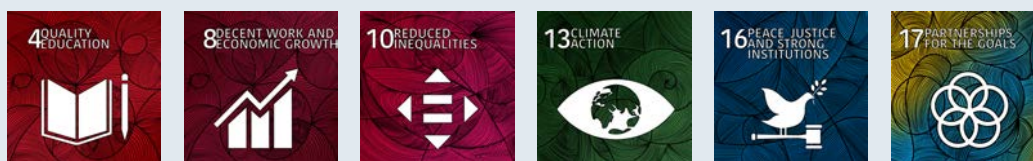


## ESG/SUSTAINABILITY

The world faces a range of pressing environmental, social and economic development challenges such as poverty, hunger, poor health, inadequate education, global warming, gender inequality, lack of access to water, poor sanitation, loss of biodiversity and social injustice. As Difference Makers, chartered accountants have a lead role to play in addressing these critical problems.

The principal purpose and objective of the Institute is to promote the common interests of Members and Associates and the public interest by enhancing the relevance, values, competence and influence of Members and Associates in South Africa and abroad, and to contribute to economic and social development in South Africa.

Read more about SAICA's contribution to SDGs on page 98.



### OUR RESPONSE

SAICA established a consolidated sustainability programme to combine all sustainability-related initiatives across departments and divisions. This assists us to quantify the Institute's environmental impact, ensure effective engagement with members on sustainability, and provide appropriate learning and development opportunities to members, associates, learners, students and trainees. Representatives are engaging with stakeholders to influence standard-setting development and advocate for effective sustainability practices and reporting, as well as develop success measurement criteria for current initiatives and measuring progress.

We measure our own consumption of water and electricity and have, in our 2021 integrated report, disclosed this consumption as well as our carbon emissions in the Business Model on page 40) under Natural Capital. In 2021 we started the process of tracking our carbon footprint. In 2022 we will extend the tracking of additional elements of our carbon footprint. See SDG13 on page 99.

Developments include the establishment of a Sustainability Technical Committee to respond to the current and emerging sustainability aspects as these relate to members and the Institute, which will include advocating on behalf of members for the new direction of corporate reporting globally and in South Africa. Members were invited to submit their views on climate change and biodiversity to help shape SAICA's response strategy to these issues.

The Committee will assist in directing SAICA and its members' activities around sustainability-related aspects and enable the Institute to be part of standard-setting processes, while providing thought leadership and guidance in this area which has renewed an urgent focus by the global standard setters.

SAICA participates in and supports FinBiz2030 and Sustainability SA collaborates with a number of organisations to promote the UN SDGs. These include Sustainable SA and FinBiz2030, a collaboration between One Young World, Chartered Accountants Worldwide and SAICA. In June 2021 the Finbiz2030 SDG 13 Task Force held an Environmental Restoration Caucus on World Environment Day; attended by 35 people.

### MATERIAL MATTERS AFFECTED



### STAKEHOLDERS IMPACTED

All stakeholders

### RELATED TOP RISKS



# CHAIRMAN'S REVIEW

**It gives me great pleasure to present my first review as Chairman of SAICA.**

I have had a long association with SAICA across many roles and am extremely honoured by the Board's confidence and support for my new role as Chairman. My primary goal as Chair is to make a difference in SAICA and in society, just as SAICA members are Difference Makers in their roles and communities.

As I reflect on the period under review, the first seven months of my tenure has been met with challenges, some anticipated and others unforeseen. This has also presented opportunities to strengthen the SAICA brand, increase member value and reinforce the relevance and reputation of the profession in supporting the development of the South African economy and society. The effect of the weak economy on SAICA and its members affects the Institute's income streams and funding for our national imperative projects. This requires of us to find ways to use our limited resources in an efficient and effective manner, while keeping member value top of mind. The sustainability of the organisation depends not only on financial sustainability, but also adaptability, strategic planning and leadership succession if we are to realise the objectives espoused in our Constitution.

## **ETHICAL AND RESPONSIBLE LEADERSHIP**

Reliable and trusted accountancy professionals are the foundation of the well-functioning capital





# OUR CHANGING WORLD

We are mindful of the fast pace of the changing world and how we need to change with it to ensure our existing and new members adapt with the skills and expertise required to remain relevant for the future.

markets and trusted finance ecosystem that South Africa depends upon to recover from its current challenges and reach its full potential. This role is embodied in SAICA's strategic intent of contributing to sustainable economies through developing responsible and ethical leaders.

Internally, we are rolling out an organisational culture change project and an ethics programme to institutionalise ethics. The Integrated Ethics Plan aims to entrench ethical behaviour at pre-qualification, trainee and post-qualification levels for our members and associates, and ethics is an ongoing emphasis in continuous professional development.

Ensuring that inappropriate behaviour does not go unpunished is essential to drive ethical behaviour and restore trust in the profession. The ongoing revelations of accounting/auditing misdeeds and corruption during the year, some of which implicated SAICA members, reemphasises the importance of timeous and transparent disciplinary action where members are found to have transgressed. We made good headway in this regard during 2021, increasing the number of disciplinary complaints concluded by 96% and publishing quarterly progress reports on the SAICA website.

## SAICA'S STRATEGIC PRIORITIES

SAICA's strategy is built on four pillars - Member value, Relevance and reputation, Growth and transformation and Organisational sustainability. Together, these ensure that SAICA progresses in its founding objectives, continues to create value for all stakeholders and strengthens the Institute's sustainability.

We made good progress across most strategic areas, albeit with some disappointments. We acknowledge and take full accountability for the unforeseen and unfortunate disruption which occurred during the sitting of the APC on 1 December 2021 and on behalf of the Board, express our sincere apologies to the candidates, their families and all stakeholders who were negatively impacted. I can assure you that, through the oversight of the Audit and Risk Committee, the matter has been fully investigated, ensuring that we take into account lessons learned and apply appropriate consequence management to prevent a recurrence of a similar event in the future.

On a positive note, what I am most proud of is the spirit of Ubuntu shown in the collaborations of SAICA members in the public interest during the year. The Business Emergency Rescue initiative exemplifies this attitude, bringing together more than 200 members to support businesses affected by the riots in July. This project is discussed in more detail on page 117.

## BOARD FOCUS

The Board provided ongoing oversight of delivery on SAICA's strategy, with three primary areas of interest. Rebuilding the reputation of CAs(SA) is key to member value and an absolute priority. We are pleased that the results of independent surveys reflect that SAICA's efforts in this regard is beginning to bear fruit and we are committed to continuing this progress. What is particularly encouraging to note is the outcome of the 2021 Edelman survey which reflected an increase in trust for the accountancy profession.

Our second priority is to remove the impediments to the transformation of the profession so that we can accelerate the inclusion of young and representative new members. This past year, I was honoured to be nominated as one of the judges for SAICA's Top-35-under-35 competition which provides an opportunity for engagement with our young members. I was impressed and encouraged by the level of investment by young CAs(SA) under the age of 35 who are not just achieving extraordinary results in their professional capacity but are also making a significant positive impact on society.

We appointed an Education and Assessment ad-hoc Committee to identify the root cause of the declining pass rates in the ITC and APC examinations, as well as the disappointing differential between the pass rates of African candidates and other races. We commissioned an external review of the current SAICA exams and pre-qualification programmes that will be completed in the first half of 2022.

Our third focus is to increase the impact of SAICA's social responsibility initiatives from a Board level. This is encouraged through the Chairman's Difference Makers competition which endorses valuable contributions made by accountancy professionals in shaping communities, economies and society. It is intended to showcase our #differencemakers' dedication to creating a better society. I am excited to celebrate the winners of this competition at the first ever, exclusive Chairman's

Difference Makers Awards to be held after our AGM on 26 May 2022 where pioneers and innovators in the industry will be acknowledged for the remarkable difference they have made in creating a better society for all.

### GOVERNANCE TO SUPPORT VALUE CREATION

The SAICA Board comprises a diverse range of skills and perspectives that add considerable value to our discussions. During the year, the Board approved a formal Governance Framework that applies across entities, relationships and sub-mandates to improve oversight, control and strategic execution.

SAICA's previous Chairman, Ms Tsakani Maluleke, and Ms Refilwe Matenche, one of our non-executive directors, stepped down from the Board at the Annual General Meeting in May, voluntarily and by rotation. We thank Ms Maluleke for her leadership as the Board Chairman and Ms Matenche for her significant contribution. At the same meeting, the Board welcomed Ms Brenda Tsvetu's appointment as a non-executive director and Ms Babalwa Bekwa, who retired by rotation, was re-elected by the members. I was elected Chairman at the Board meeting following the AGM.

### OUTLOOK AND APPRECIATION

COVID-19 continues to affect all aspects of society as we enter 2022. The Board is conscious of the ongoing physical and psychological impact of the pandemic on employees, members and associates and we are committed to providing the ongoing necessary support. We do not envisage the operating environment to improve markedly in the short or medium term. Realising SAICA's strategic intent will only be possible if we continue to provide support and services to our members that are relevant and reliable. Providing education, training and upskilling capability that is relevant to meet the future needs of the market, with an emphasis on automation, the use of data analytics and 21st century skills, remain a key focus in progressing the CA2025 competency framework to create value for our new and existing members. The Board's

priorities in the year ahead remain on overseeing progress on SAICA's strategy, while ensuring progress in the initiatives underlying the Board's three focus areas.

I would like to thank the Board for their commitment to making a difference to SAICA, for their diligent preparation and robust discussions, and for challenging the status quo and management in the interests of members, associates and broader society. My appreciation is also extended to SAICA members who continue to selflessly invest their time on a voluntary basis to serve on various committees, further promoting the integrity and resilience of the profession.

Being a knowledge organisation, SAICA's resilience and capacity to navigate the challenges we face and meet our stakeholders' expectations depend largely on the quality of our people. On behalf of the Board, I thank management and staff for their hard work during the year in helping us rebuild the brand, demonstrating their love for the profession and their commitment to SAICA's success.

I thank SAICA's partner organisations in our many collaborations to address national imperatives. They provide critical capacity to deliver on programmes that make a transformative difference for society and extend our ability to make a difference. The SAICA strategy is stakeholder inclusive as engagement is key to strategy execution. SAICA's members and associates are our brand ambassadors – the excellent work they do to contribute to economic recovery and socioeconomic upliftment supports the country and ensures the sustainability of the profession. In the year ahead may we together continue to demonstrate the profession's unmatched ability to develop, influence and lead.

*Mr. Vincent Mohau Motholo*

**SAICA Board Chairman**



# CHARTING CHANGE FOR WOMEN IN LEADERSHIP **THAT'S THE DIFFERENCE**



South Africa's new Auditor-General, Tsakani Maluleke has her work cut out for her. This dynamic young woman is motivated to make a success of her role and to continue the fight her predecessor, Kimi Makwetu, started for good governance in public finance and against rampant mismanagement and fraud. As a young girl, Tsakani wanted to be a lawyer like her father, George Maluleke, who served as a judge at the Johannesburg High Court for fourteen years.

Throughout her career Tsakani Maluleke volunteered at organisations like the Association for the Advancement of Black Accountants South Africa (ABASA) and African Women Chartered Accountants (AWCA) - organisations that support young aspiring accountants. It was a seed planted by her dad, one of the founding members of the Black Lawyers Association. 'I suspect I have the same aspiration to serve and help others and to drive justice,' she explains. Tsakani is proud to be part of an institution that gives joy and confidence to people, especially in a time they need it the most.

**DIFFERENCE MAKER:** Tsakani Maluleke CA(SA)



# GREAT LEADERS START OUT BY **MAKING A DIFFERENCE**

DIFFERENCE MAKER: Thomas Kgokolo CA(SA)





A chartered accountant who never forgets where he comes from and where he is headed. Thomas Kgokolo is a Chartered Accountant (SA), businessman, and corporate executive. He was appointed as the interim CEO of South African Airways on 13 April 2021. He also holds an MBA from the Gordon Institute of Business Science (GIBS).

Thomas serves as the Board Chairperson at the Mineworkers Provident Fund (MPWF), a non-executive director at both the Air Traffic Navigation Services and Sizwe Medical Fund, and he is also a member of the audit committee at the Financial Intelligence Centre and National Consumer Tribunal. In the past he was the Chief Financial Officer at the Competition Commission of South Africa and more recently Chief Executive Officer at the Air Traffic Navigation Services.

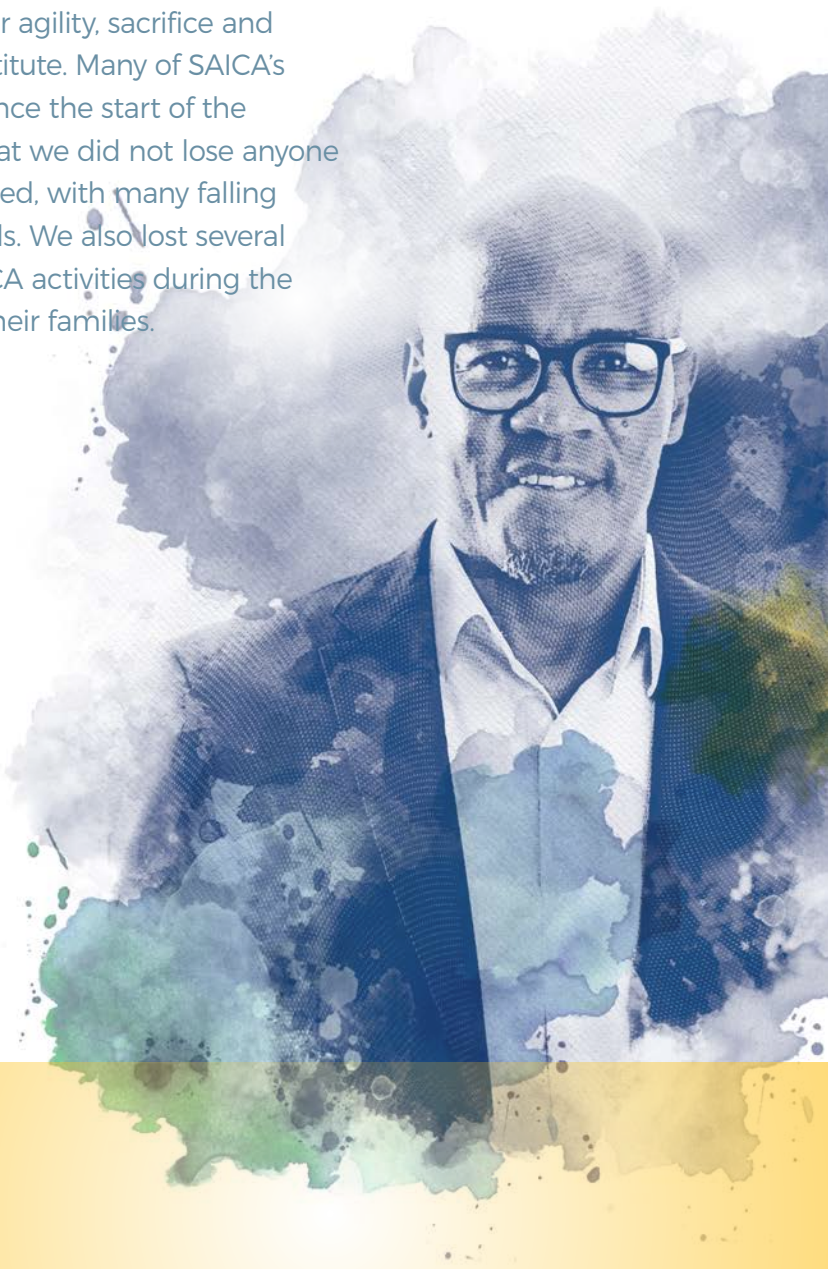


# CHIEF EXECUTIVE OFFICER'S REVIEW

Our employees continued to demonstrate their agility, sacrifice and commitment to serving members and the institute. Many of SAICA's employees have been affected by COVID-19 since the start of the pandemic. Although I am relieved to report that we did not lose anyone to COVID-19 this year, we have all been impacted, with many falling ill and many losing family members and friends. We also lost several members who were deeply involved with SAICA activities during the year and our deepest condolences go out to their families.

Our focus remained on supporting and delivering value for members and society by advancing our strategic initiatives while ensuring SAICA's financial sustainability. We implemented a number of cost-saving initiatives that resulted in the increase in expenses being limited to 5,87% year on year. Our members continued to support us and member fee collections, our core source of revenue, remained strong. As a result, in the year to 31 December 2021, SAICA Group generated a surplus of R67 million to bolster reserves. I am also pleased to report that SAICA's donors repeated their excellent support for our national imperative projects.

SAICA's delivery on our strategy is driven by 24 strategic initiatives. In this review, I talk to a few of the main achievements and challenges of the year, and refer readers to the detailed progress report on page 134 as well as SAICA's scorecard on page 138, which provides externally





assured ratings of how we performed against our goals for the year.

## REBUILDING TRUST IN THE INSTITUTE AND THE PROFESSION

Restoring the reputation of SAICA and the profession remains a priority. Professional integrity, adhering to the highest standards of ethical conduct and avoiding conflicts of interest are the bedrock of the accountancy profession. We take allegations against members extremely seriously and note the members mentioned in the Zondo Commission Report. All members who are found to have contravened SAICA's Code of Professional Conduct will be held accountable.

The changes made to the disciplinary process in 2020 have streamlined our internal processes and increased transparency. However the limitations on SAICA's powers to subpoena, reliance on cooperation of other entities and the overriding necessity of procedural fairness still make turnaround in many of these cases slower than we would like.

We made good headway with implementing the integrated ethics plan, with Ethics Month in October a big emphasis, the conclusion of the GIBS Ethics Barometer trainee survey and three Courageous Conversations. The launch of the first Unite4Mzansi™ case study provided an opportunity to share lessons learned from the state capture and ways to protect against corruption in future (page 139).

## OUR MEMBERS ARE DIFFERENCE MAKERS

It should be noted that the negative actions of some accountants that came to light over the last few years represent a miniscule proportion of the total member body. These high profile cases tend to overshadow the excellent work the vast majority of members do to make a difference in their roles, the economy and broader society. Our Difference Makers campaign in alignment with Chartered Accountants Worldwide, is one way that we are trying to make

sure that members' achievements and commitment to driving positive change in the world receive the attention they deserve.

An excellent example of this is the many members who volunteered as 'first responders' to save livelihoods by providing support for small businesses affected by the riots and looting in July. The concept grew out of the Business Emergency Room piloted last year to support small businesses impacted by COVID-19.

We also furthered SAICA's commitment to supporting capacitation of the public sector through a memorandum of understanding with SARS and I am gratified at the excellent response from members to help restore this critical institution.

The outcome of our trust restoration efforts and the strong contribution from our members in the past few years were evident in the results of the global Edelman DXI survey (page 116). This showed a marked improvement in decision makers' trust in CAs(SA) and SAICA, with both metrics well above the global average scores. While this represents good progress, there remains extensive work still to be done.

## GROWING AND TRANSFORMING THE PROFESSION

In 2021, SAICA welcomed 1 443 new CA(SA) members, 436 AGAs(SA) and 74 ATs(SA). In addition, 3 977 new trainees entered the pipeline to become future members. SAICA deeply regrets the challenges that marred the December APC exam sitting including the 17 submissions which were either substantially or completely lost and sincerely apologises to all candidates, their families and other affected stakeholders. SAICA has done investigations in regard to this matter, some of which have been under SAICA Board governance oversight. We took the necessary steps to ensure that the APC rewrite and all future SAICA assessments are successful.

Subsequently, the APC rewrite was successfully written on 30 March 2022 without significant challenges.

Transforming the industry is an absolute priority and we are pleased at the excellent pass rates Thuthuka students achieved in the ITC exams, (73% in April and 68% in September), which were above the overall averages. Thuthuka's ITC Repeat Programme also produced very positive results. The current review of the differential in pass rates between races is an important area of focus to ensure that nothing stands in the way of increasing representation of historically disadvantaged candidates in the industry. During the year we secured additional funding to provide specific support for candidates studying through distance institutions, which is a critical path for many disadvantaged candidates.

## DRIVING MEMBER VALUE

We completed a comprehensive segmentation exercise that provided valuable insights into member needs, interests and preferences down to narrow segments to ensure that our offerings are appropriately targeted and relevant. The value propositions for members and associates were redeveloped and aligned with our learnings to clearly communicate SAICA's value across the segments.

We continue to roll out SAICA's digitisation project, Ushintsho, and released additional functionality, although delivery on the project was challenged by resource issues and it suffered further delays. While benefits are derived from the functionalities already delivered, the delays experienced are impacting on optimal member experience that could have been realised to date. A decision to refocus the Ushintsho delivery model to prioritise projects that will deliver member value and key stakeholders. Additional capacity has been added to ensure efficient implementation for the rest of the digitisation project. Due to the delays we are exploring alternative mechanisms that will improve delivery time while reducing investment cost.

SAICA's employees are the primary source of value for our members and

our human interface with stakeholders and the world. Our human capital priority remained, ensuring their ongoing physical and mental health during the pandemic. We restructured the operating model to improve efficiency and cut costs, and transitioned to a hot desk office model to support remote work and free up space. We also implemented initiatives to improve the management of productivity in the hybrid model and focused on improving retention and succession planning.

The staff engagement score remained stable at 75%, but turnover remains high and morale was inevitably affected by the non-payment of short-term incentives in 2020 and the decision not to award salary increases for employees above a certain level. The proposed long-term incentive plan was ultimately withdrawn as it was deemed inappropriate for a non-profit organisation in light of the current difficult economic environment. We are investigating more effective and appropriate ways to recognise and reward excellent performance in specific areas. To improve and build a strong culture, a culture diagnostics exercise was conducted that informed leadership interventions and the rollout of the SAICA culture project.

### ENGAGING OUR STAKEHOLDERS

Stakeholder engagement is one of SAICA's core functions and a priority at all levels of the organisation (page 100). We ran two rounds of virtual CEO Roadshows for members in South Africa, Europe and the Middle East, Asia Pacific and the Americas. We introduced regular townhall meetings with employees that are run on an 'open-mic' basis to improve communication and

engagement, and introduced an anonymous employee suggestion box. Engagements with our regulators at an executive level are ongoing to maintain and improve our relationships. As part of our trust restoration project, I am engaging more frequently and proactively with media houses to disseminate SAICA's priorities and achievements more broadly.

### LOOKING AHEAD

Sustaining momentum on our key strategic initiatives will remain our primary focus. Further improvement to the disciplinary processes and By-laws to enforce accountability is a priority and we aim to take the audit reform project forward, including establishing the Centre for Audit Quality in association with the South African Auditing Profession Trust Initiative and affiliated firms.

The tough economic conditions require that we train our attention on the things that matter. Chief among these is continuing to deliver value to our members and associates, and to support them in their key roles as Difference Makers.

We expand more fully on this in the Outlook section of our report (page 142).

*Mr. Sithembiso Freeman Nomvalo*

**SAICA Chief Executive Officer**

# OUR EXECUTIVE COMMITTEE

## SITHEMBISO FREEMAN NOMVALO

Chief Executive Officer

Freeman is a non-executive director of various companies. He was the CEO of the State Information Technology Agency. With over 25 years' work experience, 17 of which at senior level in the public and private sectors, he was the first African and longest-serving Accountant-General of a democratic South Africa. During this time, he served on multiple public sector Boards. He led the team that drafted and presented the Audit Profession Act 2005 and worked with 18 Caribbean countries at the request of the Commonwealth Secretariat to develop their country governance framework.

Freeman assisted Judge Christopher R Nicholson in the committee on the ministerial probe into the financial affairs of Cricket South Africa. He recently served on the Ntsebeza Inquiry into certain SAICA members employed by KPMG South Africa during various engagements with public and/or private entities. Freeman was appointed CEO in February 2019.



## CHANTYL MULDER CA(SA)

Executive Director: Learning,  
Development and National Imperatives

Chantyl 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 R3 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 was 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. Chantyl retired in February 2022.





## FANISA LAMOLA CA(SA), CD(SA)

Chief Operating Officer

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, Fanisa was the city manager for the City of Polokwane, a move that bolstered the city's good governance standing and socio-political profile. Fanisa has acquired a vast amount of governance and leadership experience through serving on numerous Strategic governance structures, including being a Board member and technical advisor on the International Federation of Accountants (IFAC), Chairperson for the Wiseman Nkhuhlu Trust and Chairperson for the Advisory Council For the School of Accounting University of Limpopo.



## JACO SNYMAN

Executive Director: Legal And Governance

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.

Jaco 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.



# PIETER FABER

Acting Executive Director: Standards

Pieter is a recognised specialist in tax with a specific focus on tax policy and tax administrative law. He joined SAICA in 2015 and assumes responsibility for member support in tax in the fields of legislative and tax operations. This includes tax advocacy on behalf of the profession in collaboration with the National Tax Committee, in the media, and engagement with various stakeholders including the Tax Ombud, SARS, National Treasury and Parliament.

Pieter has more than 15 years' experience in tax law and policy, having extensively consulted in employees' tax, income tax, tax administration matters and tax disputes. Before Pieter joined SAICA, he consulted on tax for 10 years at a Big 4 firm after which he was the Technical Executive for the SA Institute of Tax Professionals. In addition to his Postgraduate Certificate in Advanced Taxation, Pieter holds master's degrees in law (LLM Import & Export Law) and commerce (MCom International Tax).



# BUSINESS MODEL

Value creation aligned to the six capitals

## CAPITAL INPUTS

### INTELLECTUAL CAPITAL

SAICA's strong reputation and its designations – CA(SA), AGA(SA), AT(SA)

Digital transformation initiatives to improve member experience, provide a comprehensive view of the SAICA value chain and drive business process efficiency

SAICA's entry-level Competency Framework (CA2025) and post-qualification Competency Framework (CA Pathways to Relevance) will enable a membership body who has developed a shared set of professional competencies

Thought leadership initiatives, technical development and the skills and experience of staff and members on our technical committees

Initiatives to maintain the highest ethical standards of the CA profession

Integrated relevance, reputation, marketing and communication plan

### FINANCIAL CAPITAL

R435,1m (2020: R408,7m) in membership subscriptions, examination and training-related fees, and revenue from services and products offered to members

R8,2m (2020: R4,8m) in sponsorship revenue

R423,6m in donor funding raised (2020: R382m) for developmental programmes from companies, firms, government, members and individuals

### SOCIAL AND RELATIONSHIP CAPITAL

Member participation through the various SAICA structures

Developmental programmes driving educational and skills development initiatives as well as transformation in the profession

Recognition agreements with 15 professional bodies

The good relationships SAICA and its staff have with stakeholders

SAICA members assist government with key projects and apply their intellectual capital to a wide range of areas in the profession as, for example, captains of industry

### HUMAN CAPITAL

The diverse capabilities of SAICA's 216 Permanent (2020: 215) staff members

SAICA's values, ethics and culture

R206,1m in employment costs (2020: R191,4m)

R2,1m investment in skills development

### MANUFACTURED CAPITAL

SAICA's education and training programmes are delivered through the infrastructure of universities, private providers and training offices

SAICA rents premises in Johannesburg (Head Office), Durban, Cape Town and Bloemfontein, from which operations are conducted when staff are not working from home

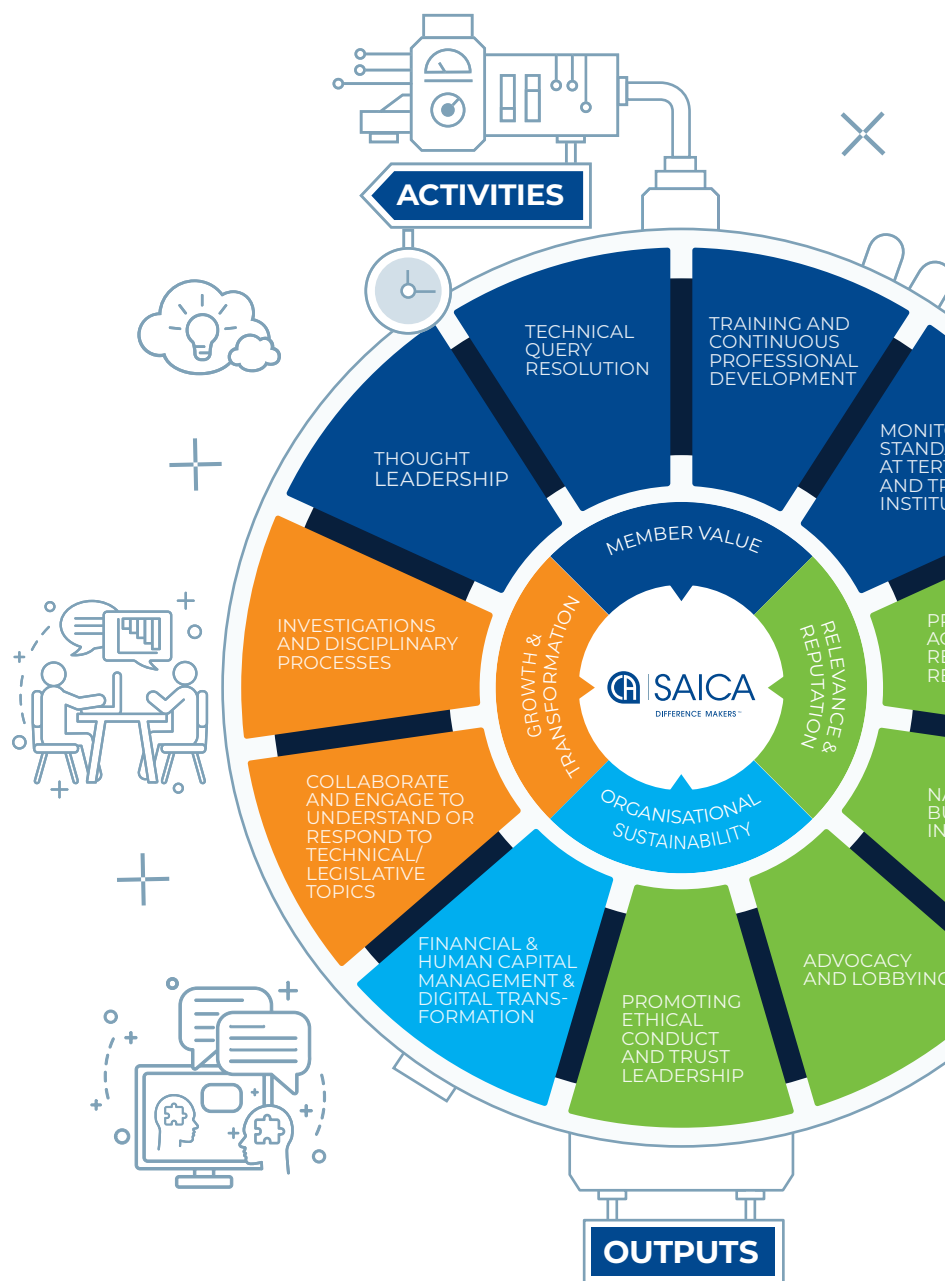
SAICA's IT infrastructure and office equipment

### NATURAL CAPITAL

Access to basic natural resources to support operations such as electricity supply and water

Water conservation and waste management

Energy efficiency and management



Safeguarding the professional standards of the designations on offer

Advancing and maintaining the relevance of the profession

Regulating the members' and associates' professional conduct through the SAICA Code of Professional Conduct

Thuthuka bursaries for undergraduates, PGDA and for beneficiaries

Seminars and events

Member support

Support f

ITC and APC assessments conducted

SAICA accreditation for accounting programmes

CPD offer

Post-qualification specialisation offerings

CA2025 Competency Framework and CA Pathways to Relevance

Integrated

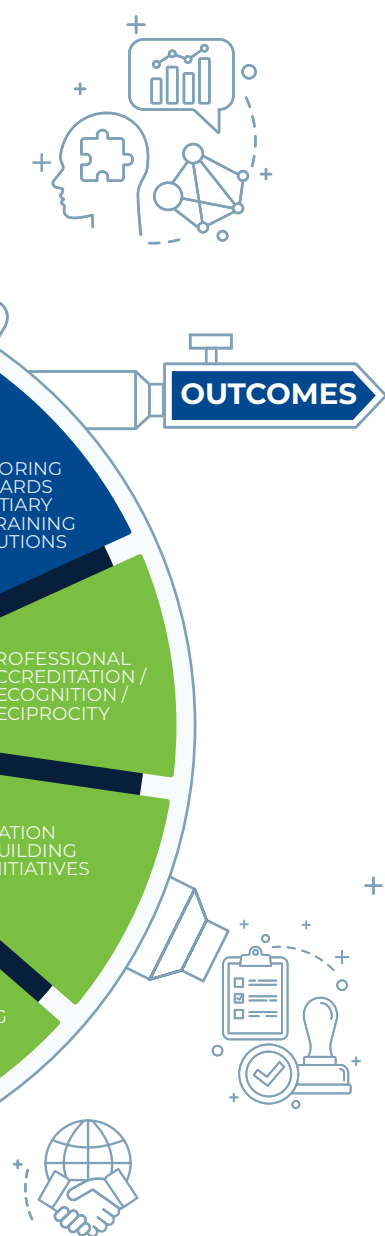
SDG Report, #FinBiz2030 and #SustainableSA

Formal advocacy submissions

Top 35-ur

Member development through thought leadership exposures, Accountancy SA magazine and SAICA News





for learners, students and trainees  
ings  
Ethics Framework  
nder-35 competition

CAPITAL OUTCOMES		
Value creation	Value preservation	Value erosion
<b>INTELLECTUAL CAPITAL</b>		
Attractiveness of the profession to new entrants 90% (2020:87%)	Member satisfaction score improved to 68.42% (2020: 64.48%)	
Brand strength and admiration among business decision-makers – relevance and reputation score improved to 73% from 69,86% in 2020		
1 395 positive media exposures were achieved in 2021 (2020:1 633) – lead indicators of the positive exposure being achieved		
Enterprise risk management maturity Level 4	International recognition enabling member global mobility	
Improved disciplinary process to enable better ethical culture – 281 disciplinary complaints concluded (2020: 143)		
<b>FINANCIAL CAPITAL</b>		
Group reserves increased to R388m (2020: R321m). Institute reserves increased to R216m (2020: R191m) against target of R190m		
R67m (2020: R61m) Group surplus allocated to reserves		
<b>SOCIAL AND RELATIONSHIP CAPITAL</b>		
Trust in CAs(SA) improved to 85% (2020: 81%)	The overall PHI market trust index improved to 84% (2020:81%)	
Overall PHI for Brand Admiration (composite among all stakeholders) improved to 79% (2020: 77%)		
85,59% stakeholder engagement score (2020: 82%)	3.05% net growth of CAs 2021: 48 791 (2020: 47 348)	
436 new AGAs(SA) (2020: 210)	74 new ATs(SA) (2020: 27)	
3 682 ITC qualifying examination candidates passed (2020: 2 590)		
Continued relevance of members through CPD activities	230 allocated PGDA students (2020: 204)	
Significant technical challenges affected candidates sitting the APC*		
B-BBEE Level declined from Level 6 to Level 8	130 events with 34 325 delegates	
69% of events free for members; providing excellent member value (2020: 65%)		
<b>HUMAN CAPITAL</b>		
R2,1m invested in skills development (2020: R0,9m)	Culture diagnostic survey conducted to strengthen leadership	
78% employees deemed historically disadvantaged South Africans (HDSA) (2020: 79%)		
70% staff are female inclusive of white females (2020: 71%)	Employee engagement score remained at 75% (2020: 75%)	
Employee turnover increased to 10.18% (2020: 8%)		
10 days' additional sick leave for staff affected by COVID-19	Hot desk office model adopted to support remote working	
11 workshops for staff on mental health and well-being during the pandemic		
<b>MANUFACTURED CAPITAL</b>		
System uptime 99% (2020: 99%)	Launch of new SAICA website	
All digital transformation projects spend R16,4m (2020: R17,8m)	Enterprise risk and compliance management system in progress	
Centralised infrastructure support model to accommodate new ways of work		
Real time monitoring of systems to detect and prevent intrusions through Managed Security Operations Centre (MSOC)		
Commenced implementation of a Learner Management System to deliver learning interventions to SAICA members and other stakeholders		
Commenced implementation of Electronic Assessment tool to enable efficient exam assessments		
Ushintsho project Stage 2 delays		
<b>NATURAL CAPITAL</b>		
Carbon emissions 738,8 tons CO2e (2020: 1137,1 tons CO2e)	Purchased Electricity kWh: 653737,9 kWh (2020: 974627,0 kWh)	
Water use 9537,1 kl (2020: 13364,4 kl)		
Finbiz2030 SDG 13 Task Force held an Environmental Restoration Caucus on World Environment Day on 26 June: attended by 35 people		
Internal SAICA environmental impact project		

\*The APC results will be released after the marking of the re-write is concluded

# CAPITAL TRADE-OFFS

In the conduct of our activities, SAICA's management and the Board must weigh up and accept the inevitable trade-offs between the six capitals, ensuring that over the long term, these decisions contribute to value creation and preservation, ensuring the continued relevance and sustainability of the Institute.

Apart from creating and preserving value, there are instances where value is diminished through our activities. When making decisions on how to manage our business, we consider the trade-offs between capitals: we aim to maximise positive outputs and outcomes and limit negative impacts.

Utilising our capital inputs in the most efficient manner informs our business model to optimise our capital outputs and outcomes for our stakeholders. At times tough decisions need to be made which are in conflict with some of the stakeholder needs in the short run. Making strategic trade-offs is necessary to ensure sustainability for the future.

Significant capital trade-offs during 2021 are illustrated below:



## FINANCIAL CAPITAL

KEY CONSIDERATIONS AND FOCUS IN 2021	TRADE-OFFS	POSITIVE IMPACT	NEGATIVE IMPACT
The 0% adjustment in fees to members in response to the challenges of COVID-19 in society	The Institute is an NPO and financial sustainability is a priority which is achieved through a balance between subscription revenues and operating expenditure adjustments	Improved relationship with the members, one of SAICA's key stakeholders by being empathetic to prevailing economic pressures	Reduced growth in revenues from subscription fees despite the sustained inflationary pressures on expenses may impact the sustainability of strategy execution
EFFECT ON BUSINESS MODEL/STRATEGY	<ul style="list-style-type: none"> <li>Achieve organisational sustainability by developing strategic responses in line with the needs of the stakeholders</li> <li>Achieve cost efficiencies from SAICA operations through strict expense management, monitoring and budget controlling initiatives</li> <li>Sourcing alternate revenue streams by leasing of SAICA premises to leverage the hybrid workplace model</li> </ul>  		
IMPACT ON STAKEHOLDERS	Members, Associates and Employees		
RISKS	Potential for a growing funding gap that will threaten the ability for the Institute to remain a going concern		

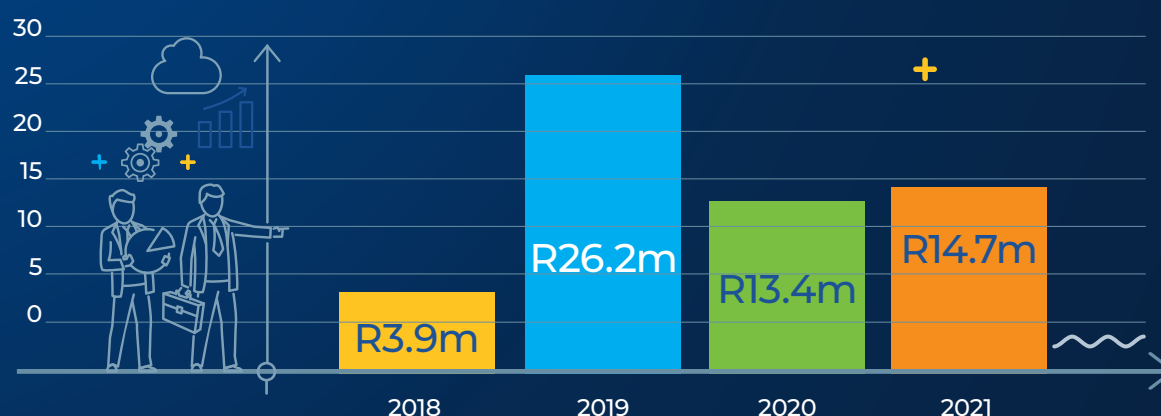


## INTELLECTUAL CAPITAL

KEY CONSIDERATIONS AND FOCUS IN 2021	TRADE-OFFS	POSITIVE IMPACT	NEGATIVE IMPACT
<p>Significant spend on SAICA's digitisation strategy to implement a new technology platform</p> <p>Additional costs for specialised resources to strengthen the capabilities of the IT environment</p> <p>The Ushintsho project is SAICA's primary current technology enhancement focus (see page 126)</p>	<p>Digitisation requires a significant investment of financial capital to positively impact intellectual capital</p>	<p>Improved efficiencies and query resolution increase member satisfaction and enhance SAICA's reputation (social and relationship capital)</p>	<p>While the increased productivity and efficiency unlocked through the project will positively impact members, additional work currently involved in data migration, with capacity constraints, has had a negative impact on our human capital</p>

## CAPITAL INVESTMENT FOR THE YEAR ENDING 31 DECEMBER 2021

### Digitisation (Rm)



EFFECT ON BUSINESS MODEL/STRATEGY	Accelerated digitisation strategy, leveraging technology to enhance member value and improve internal efficiencies	
IMPACT ON STAKEHOLDERS	Members and Associates, Employees	
RISKS	Insufficient capabilities/capacity to execute the digitisation strategy timeously could incur additional costs and result in reduced member satisfaction	





## SOCIAL AND RELATIONSHIP CAPITAL

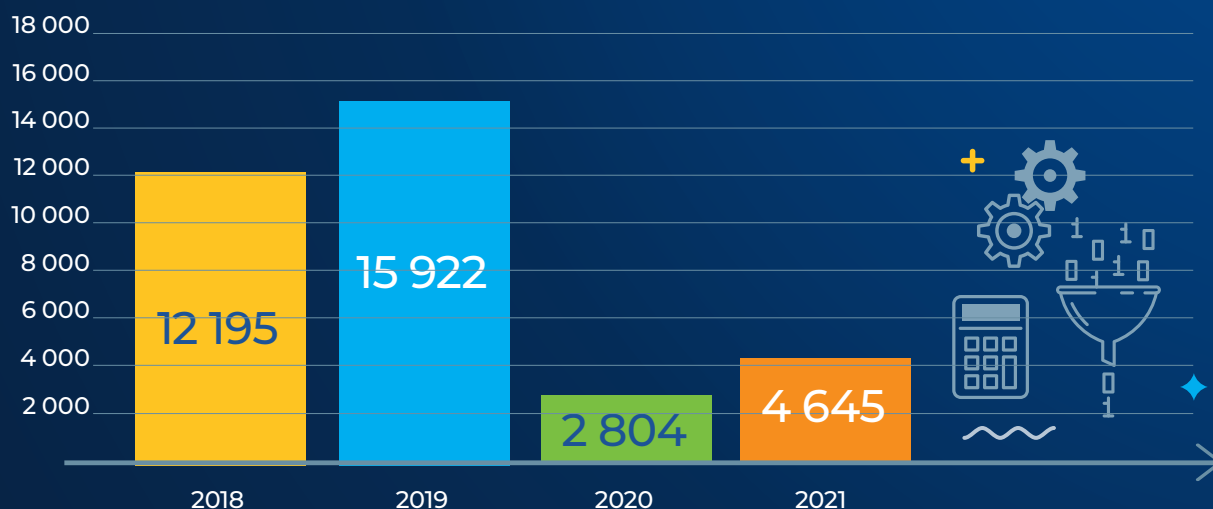




## FINANCIAL CAPITAL

KEY CONSIDERATIONS AND FOCUS IN 2021	TRADE-OFFS	POSITIVE IMPACT	NEGATIVE IMPACT
In 2021, 69% of seminars and events were provided free for members (2020: 65%)	Providing increased member value (social and relationship capital) at the expense of increasing costs (to arrange events) and reducing revenue	Seminars, events, workshops, conferences and webcasts support member education and provides opportunities for continuing professional development	Revenue from events comprised 1% in 2021 (0,7% in 2020, 3,6% of total revenue in 2019) as a result of the cancellation of face to face events due to COVID-19

## REVENUE

Seminars and events (Rm)



EFFECT ON BUSINESS MODEL/STRATEGY	Creates value for members by delivering excellence to advance professional competencies	  
IMPACT ON STAKEHOLDERS	Members and Associates	
RISKS	Sustainability of future offerings	



# MATERIALITY DETERMINATION PROCESS AND MATERIAL MATTERS

SAICA's material matters are those that have the most significant impact on strategic delivery and the Institute's ability to create value over the short, medium and long term.

The material matters are identified, prioritised, evaluated and reported as follows:

STEP 1: IDENTIFY	STEP 2: PRIORITISE	STEP 3: RESPOND	STEP 4: REPORT
We review SAICA's external and internal operating environment, key risks and opportunities, issues identified as critical to stakeholders (especially members) and matters discussed by the Board and Board Sub-committees.	We rank the matters identified according to their impact on SAICA's reputation and strategic delivery, the extent of control we have over the issue and its effect on risk metrics in relation to the strategy.	SAICA assesses the impact on our risk tolerance/appetite, actions required to manage the material matters and impact on strategy.	The outcomes of these reviews and evaluations are presented to the Board and Audit and Risk Committee, and reported to members and other stakeholders.





The six material matter themes reported in 2020 remained relevant in 2021, however risks, opportunities and SAICA's strategic response has evolved in response to the context of the operating environment. In addition, a new material matter was identified in relation to execution of the SAICA digitisation strategy.

The legend below illustrates how each matter has evolved during the reporting period. Material matters are ranked according to priority.

### LEGEND FOR MATERIAL MATERS

Worsening	↓	Improving	↑	Stable	↔	New matter	NEW
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	RISKS, OPPORTUNITIES AND STRATEGIC RESPONSE	IMPACT
 <p><b>1 COVID-19</b> and its impact on the business, the response and the recovery process</p> <p>The COVID-19 pandemic continues to have a significant impact on the South African economy and society, as well as the day-to-day operations of SAICA, our employees, members and other stakeholders</p> <p>↔</p>	<p><b>RISKS</b></p> <ul style="list-style-type: none"> <li>Negative impact on staff health, wellbeing and productivity</li> <li>Disruption of SAICA activities and member businesses</li> <li>Negative impact on revenue</li> <li>Cybercrime and information security breaches</li> </ul> <p><b>RELATED OPPORTUNITIES</b></p> <ul style="list-style-type: none"> <li>New ways of working and engaging members, staff and stakeholders through virtual platforms</li> <li>The accounting profession has a key role to play in the economic recovery as trust leaders and Difference Makers of the future</li> <li>Accelerating digital transformation</li> <li>Building trust with key stakeholders</li> </ul> <p><b>STRATEGIC RESPONSE</b></p> <ul style="list-style-type: none"> <li>Enforcing official COVID-19 protocols</li> <li>Implemented employee wellness programme and provided support to members</li> <li>SAICA shifted to a hybrid working model with reduced office space and mainly shared workstations</li> <li>SAICA is considering alternate revenue streams through leveraging the hybrid workplace model (e.g. Leasing of SAICA premises)</li> <li>Strengthening capabilities within the IT environment to successfully execute on the digitisation strategy</li> <li>Achieve cost efficiencies from SAICA operations through strict expense management, monitoring and budget controlling initiatives</li> </ul>	<p><b>CAPITALS</b></p>    <p><b>STRATEGIC PILLARS</b></p>    <p><b>TOP RISKS</b></p>  <p>7,8,11</p>

## OUTLOOK

With the pandemic entering its third year and further variants emerging, the outlook remains uncertain, however, there is evidence that the coronavirus is becoming endemic, which will allow social interaction to return to some sense of normality although unclear to what extent at this stage. SAICA remains committed to managing the associated risks and identifying opportunities to support staff, members, associates and other stakeholders.



**2** Remaining relevant, ethical and responsive under difficult economic and regulatory conditions

The challenging socio-economic context in South Africa has been exacerbated by COVID-19, placing increased pressure on SAICA and its members. The Institute's sustainability and ability to create value for its members and other stakeholders depends on our ability to remain relevant and responsive no matter the prevailing context



## RISKS, OPPORTUNITIES AND STRATEGIC RESPONSE

### RISKS

- Increased pressure on SAICA and its members
- Challenges in capacity to meet increasing member requests while dealing with internal impacts
- Impact on revenue from negatively affected members, cancellation of sponsorships and face-to-face events as a result of COVID-19 restrictions
- Interest in SAICA's designations from prospective trainees and members could be impacted, affecting the continued growth and transformation of the profession

### RELATED OPPORTUNITIES

- Innovative solutions to create thought leadership and provide comprehensive accounting and business support for members and business
- New training and development opportunities aligned to future skills needs identified
- Targeted offerings in response to member needs

### STRATEGIC RESPONSE

- Member segmentation project to better understand member needs
- Strengthening relationship with government through support on key government priorities
- Enhance member value through digitisation
- Enhance the value of the designations
- Equip members and associates with emerging skills through the implementation of CA2025, CA Pathways to Relevance
- For detailed topic specific insights, SAICA Standards implemented an "In Practice" series for 2022 for Tax. Focus is practical challenges and solutions
- The CA(SA) of the Future series helps accountancy professionals use their strengths/knowledge to leverage technology, be agile in the face of disruption and to create new digitally enabled business models and processes, whilst providing responsible leadership that is purpose driven, sustainable, inclusive, and resilient to challenges presented by the current economic climate

## IMPACT

### CAPITALS



### STRATEGIC PILLARS








### TOP RISKS



1,3,4,11

## OUTLOOK

To respond to the need for more detailed topic specific insights, SAICA Standards has implemented the "In Practice" series for 2022 for Tax. This series will focus on practical challenges and solutions that occur during the year. The CA(SA) of the Future series helps accountancy professionals use their strengths and knowledge to leverage technology, be agile in the face of disruption and to create new digitally enabled business models and processes, whilst providing responsible leadership that is purpose driven, sustainable, inclusive, and resilient to the challenges presented by the current economic climate.

	RISKS, OPPORTUNITIES AND STRATEGIC RESPONSE	IMPACT
<p><b>3 Restoring trust</b> in the profession through advancement of ethics, accountability and discipline</p> <p>Trust in the accountancy profession depends on members' ethical behaviour and the maintenance of high standards. SAICA has a key role to play in advancing ethics among its members and in broader society</p> 	<p><b>RISKS</b></p> <ul style="list-style-type: none"> <li>• Implication of a few SAICA members in alleged unethical behaviour in recent high-profile cases and in the Zondo Commission report. This has negatively affected SAICA's reputation and the CA(SA) designation</li> <li>• Delays in finalising cases and poor public understanding of the disciplinary process further erode public trust in SAICA's ability to discipline members who act unethically</li> </ul> <p><b>RELATED OPPORTUNITIES</b></p> <ul style="list-style-type: none"> <li>• Streamline and create efficiencies in the disciplinary process to finalise disciplinary cases (including those from the Zondo Commission) timeously and transparently</li> <li>• To contribute positively to the broader fight against corruption through initiatives such as Unite4Mzansi™ and Courageous Conversations</li> <li>• Increased communication and engagement with key stakeholders to maintain good relationships and restore trust in the profession</li> </ul> <p><b>STRATEGIC RESPONSE</b></p> <ul style="list-style-type: none"> <li>• Reviewed By-laws to create efficiencies in the disciplinary process</li> <li>• The Code of Professional Conduct provides an objective measure for regulation of members' conduct</li> <li>• SAICA partnership with the Gordon Institute of Business Science (GIBS) to conduct an Ethics Barometer study of students, trainees and members</li> <li>• The Trust Reconstruction campaign which includes the rollout of the Integrated Ethics Plan supported by an integrated communication and marketing strategy to project the profession as #aprofessionofnationalvalue and #trustleadership</li> <li>• Increased transparency of the disciplinary process outcomes</li> </ul>	<p><b>IMPACT</b></p> <p><b>CAPITALS</b></p>   <p><b>STRATEGIC PILLARS</b></p>  <p><b>TOP RISKS</b></p>  <p>3</p>
<p><b>OUTLOOK</b></p>		
<p>The amendments made to the SAICA By-laws have streamlined the disciplinary process and 669 complaints are currently being assessed. SAICA will continue to investigate allegations of wrongdoing by members. Upholding the reputation of the profession will forever be a priority.</p>		





**4 Delivering excellence** in a rapidly changing world to advance professional competencies

SAICA ensures that members' professional and technical competency standards are continuously enhanced throughout the member lifecycle through a rigorous approach to the education, examination and training of prospective members, and an emphasis on continuing professional development (CPD)



## RISKS, OPPORTUNITIES AND STRATEGIC RESPONSE

### RISKS

- Inadequate skills and competencies of accountants to meet rapidly changing business needs and the emergence of disruptive technologies
- Potential negative rating of the robustness of the SAICA exams process due to the challenges experienced at the APC exams on 01 December 2021

### RELATED OPPORTUNITIES

- Adding value to members by identifying the requisite skills required to meet future needs
- Providing development opportunities to members

### STRATEGIC RESPONSE

- SAICA's CA2025 project, the CA Pathways to Relevance, technical programme and accreditation aim to equip members with the evolving competencies and critical skills required to meet the needs of the future
- All offerings are mapped to the CA Pathways to Relevance Framework and CPD Policy to ensure maximum employability, relevance and success of the members in the profession

## IMPACT

### CAPITALS



### STRATEGIC PILLARS











### TOP RISKS



## OUTLOOK

We will continue to roll out CA2025 and CA Pathways to Relevance, while researching additional future skills and competencies as the world of work evolves further.

	RISKS, OPPORTUNITIES AND STRATEGIC RESPONSE	IMPACT
<p><b>5 Enhancing stakeholder impact</b> in the profession through advancement of ethics, accountability and discipline</p> <p>SAICA leverages its strong relationships with local and international stakeholders to represent members' interests and create member value. The transformation of the Institute and profession is imperative</p> <p></p> <p>(See page 100)</p>	<p><b>RISKS</b></p> <ul style="list-style-type: none"> <li>Inability of SAICA and its members to remain relevant in the global business context</li> <li>SAICA's sustainability and relevance depends on the transformation of the Institute and profession in line with population and gender demographics</li> <li>Our advocacy role requires that we maintain excellent relationships with government departments, agencies and regulators</li> </ul> <p><b>RELATED OPPORTUNITIES</b></p> <ul style="list-style-type: none"> <li>Represent members' and South Africa's interests by proactively participating in international forums and during the setting of international standards</li> <li>Continue to build and strengthen relationships with peer organisations</li> <li>Realise the benefits of increased diversity in the profession.</li> <li>Further expand relationships with peer accounting institutes to increase members' professional mobility and networks</li> </ul> <p><b>STRATEGIC RESPONSE</b></p> <ul style="list-style-type: none"> <li>SAICA participates and advocates in international forums to gather valuable input for our member engagement activities and inform global standard-setting. Our relationships with peer accounting institutes provide access to thought leadership and improve members' professional mobility and international business networks</li> <li>Transformation is a key focus of SAICA's activities. SAICA's collaborative nation-building initiatives include a focus on supporting HDSA learners and students to achieve the necessary qualifications to become CAs(SA)</li> </ul> <p>SAICA maintains strong relationships with its stakeholders, including government departments, related agencies and regulators, and supports cooperative activities and representation of member interests</p>	<p><b>CAPITALS</b></p>  <p><b>STRATEGIC PILLARS</b></p>     <p><b>TOP RISKS</b></p>  <p>5,9,14</p>

## OUTLOOK

Collaboration and engagement with stakeholders remain an essential aspect of SAICA's activities and the value we create for members and society. The SAICA Stakeholder Management Policy is in the process of being finalised and approved by the SAICA Board.



**6 Leveraging governance** to improve operational efficiency, sustainability and resilience

The governance framework prescribed by the SAICA Constitution enables the Board to oversee, assess and approve the strategic direction, financial and non-financial performance areas, resource allocation and risk appetite of the Institute



## RISKS, OPPORTUNITIES AND STRATEGIC RESPONSE

### RISKS

- Non-alignment of SAICA's governance processes with international best practice standards

### RELATED OPPORTUNITIES

- Leverage the diversity of skills and experience of the Board
- Conduct a benchmark against King IV™ principles on corporate governance to identify opportunities to further strengthen the SAICA Governance Framework

### STRATEGIC RESPONSE

- SAICA has implemented a best-practice and fit-for-purpose Governance Framework
- The Board approves and annually reviews SAICA's Delegation of Authority (the "DOA"), which provides clarity of levels of responsibility for decision-making
- Constitutional review through a consultative process
  - Following the consideration of comments received from members and Management, amendments were made to the SAICA Constitution
  - The proposed amendments were tabled for consideration and approved by the SETCO on 4 March 2021
  - The Board expressed its support for the proposed amendments and referred the matter to the AGM for approval by the members. The revised Constitution was approved in May 2021
  - The International Regional Constitution adopted this revised Constitution

## IMPACT

### CAPITALS



### STRATEGIC PILLARS



### TOP RISKS



10

## OUTLOOK

SAICA is committed to the highest standards of governance, enabling us to preserve the Institute's and profession's sustainability and to create long-term stakeholder value.



	RISKS, OPPORTUNITIES AND STRATEGIC RESPONSE	IMPACT
<p><b>7 Acceleration of the digitisation strategy</b> to create efficiencies and maximise automation of processes</p> <p>A solid, resilient and stable IT platform is critical to execute the SAICA strategy and meet the changing needs of the new world of work</p> <p><b>NEW</b></p>	<p><b>RISKS</b></p> <ul style="list-style-type: none"> <li>Delays due to insufficient capacity/capabilities required to execute on the digitisation strategy</li> </ul> <p><b>RELATED OPPORTUNITIES</b></p> <ul style="list-style-type: none"> <li>Automation of processes to create efficiencies and improve member experience</li> </ul> <p><b>STRATEGIC RESPONSE</b></p> <ul style="list-style-type: none"> <li>Increased capacity within the IT environment to accelerate the implementation of the SAICA digital strategy through the Ushintsho project</li> <li>Appointed a highly experienced IT specialist to advise management</li> <li>Investigating other delivery mechanisms that will improve delivery time while reducing cost</li> </ul>	<p><b>CAPITALS</b></p>  <p><b>STRATEGIC PILLARS</b></p>   <p><b>TOP RISKS</b></p>  <p>12</p>

## OUTLOOK

Oversight and monitoring of key milestones planned for implementation in 2022 by the Digital Transformation Governance Committee.

# RISK AND OPPORTUNITY MANAGEMENT

## RISK MANAGEMENT PHILOSOPHY

Enterprise risk management at SAICA integrates strategy and risk with the intention of creating value through improved performance and places greater focus on the creation and preservation of value as the key driver of risk management, whilst emphasising the importance of other features such as stakeholder inclusivity, human and cultural factors.

## OUR RISK APPETITE GUIDES OUR DECISION-MAKING

The risk appetite and tolerance framework provides guidance on developing and implementing risk appetite, risk tolerance levels and the risk bearing capacity (which collectively form the risk thresholds of the SAICA Group), linked to and derived from the organisation's strategic pillars and, short, medium and long-term objectives. The realisation of SAICA's strategy depends on the ability to take calculated risks in a manner that creates sustainable value for the SAICA Group. The framework provides guidelines for tracking and monitoring of Key Risk Indicators (KRIs) which provide an early warning signal of increasing risk exposures and enable management to intervene in a timely manner through appropriate risk mitigating responses.

## OUR RISK MANAGEMENT IS UNDERPINNED BY A WELL-DEFINED AND ADOPTED ERM FRAMEWORK ALIGNED TO BEST PRACTICE STANDARDS

The SAICA risk management process is governed by the approved SAICA Enterprise Risk Management (ERM) Policy and Framework which was updated in line with the COSO Risk Management Framework: 2017, King IV™ and the ISO 31000:2018

Risk Management – Principles and Guidelines Standard and best practice, as the basis for the risk management process. By taking a systematic approach to risk management, management can proactively address threats arising from the external environment and business risks occurring across the divisions within the organisation.

## APPROACH TO ENTERPRISE-WIDE RISK MANAGEMENT

The SAICA Group Enterprise Risk Management (ERM) policy and frameworks adopted by the Board, governs ERM in the organisation and clearly defines the roles and responsibilities of the Board, Board Sub-committees, and various lines of assurance providers, promoting a sound risk culture. The ERM policy and frameworks integrate risk with performance management and align strategic objectives and performance goals with related processes, risks and controls.

## COMBINED ASSURANCE

The SAICA combined assurance model comprises five lines of assurance to provide assurance of the effectiveness of internal controls. The model ensures a holistic view and integrated approach for assurance of key risks and actual performance of the Institute and its entities. The Audit and Risk Committee assesses the appropriateness of SAICA's combined assurance model to ensure that significant risks facing SAICA are adequately addressed by the model.

## RISK GOVERNANCE

The SAICA Board is ultimately accountable for the oversight of enterprise-wide risk. They ensure that assurance services and functions enable an effective control environment and support the integrity of information

for internal decision-making and of the organisation's external reports. The process to ensure integrity of information for decision-making requires continuous review in order to be strengthened. Risk management and opportunity identification form 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 on and approved at every Audit and Risk Committee meeting and reported at every Board meeting. Internal audit and other appointed assurance providers are contracted to provide independent assurance to assist management and the Board in ensuring that the control environment improves, and objectives are achieved.

## KEY INITIATIVES UNDERTAKEN TO ADVANCE RISK MANAGEMENT

SAICA benchmarked various leading ERM maturity models to further enhance risk management practices including an assessment of risk culture.

Further initiatives included ensuring that risk management becomes a standard agenda item in all divisional and Sub-committee meetings, workshops and information sharing. Processes have been enhanced for implementation of corrective actions in response to compliance breaches, internal and external audit findings and continuous implementation of the change risk management process.

Full implementation of the Enterprise Risk Management and Compliance System is expected to be completed in 2022 which will enable further automation efficiencies for risk management practices.

**EMERGING AND TOPICAL RISKS****COVID-19**

- SAICA continues to monitor the potential risk impact of COVID-19 (including its impact on employee wellbeing and secondary education) whilst also identifying and assessing the opportunities that it may present.

**The accounting/auditing scandals**

- This risk carries reputational and brand damage to SAICA and the accountancy profession as a whole.
- It has reemphasised the importance of building trust in the CA Profession and showcasing SAICA's commitment to ensuring CAs(SA), AGAs(SA) and ATs(SA) compliance to the Code of Professional Conduct.

**Business continuity/resilience**

- Economic recovery – negative growth in the economy has an impact on SAICA members' ability to pay for

subscriptions and thus impacting on the sustainability of SAICA.

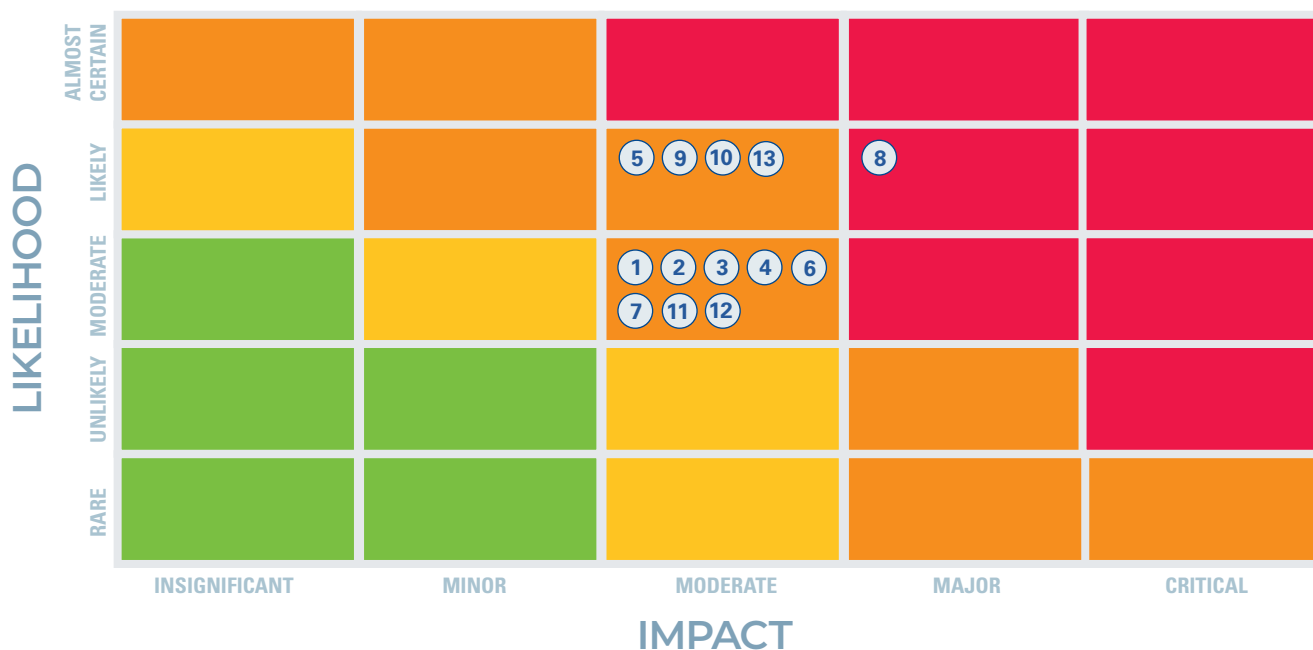
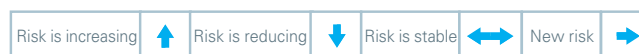
- Power outages – intermittent load shedding poses a risk of disruption in business operations and is likely to continue for at least the next 5 years based on recent media reports – continuous revision and implementation of SAICA's business continuity practices.

**SAICA's professional exams**

- Negative rating of the SAICA exams process.
- Risk of reputational damage due to poor pass rates amongst transformation candidates.

**Ushintsho programme risk**




- Challenges experienced due to, amongst other things, SAICA's complex processes and integration between multiple legacy systems and D365 and resource constraints causing delays in delivery of the programme.

**LEGEND FOR RESIDUAL RISK RATING****LEGEND FOR RISK TREND**



RISK	STRATEGIC PILLAR MATERIAL MATTER	ORGANISATIONAL CAPITALS AFFECTED
<b>1</b> Diminishing value of all SAICA designations resulting in a decline in membership (Members do not perceive value of belonging to a professional body)	 	  
<b>2</b> Members and Associates losing their accreditation to perform regulatory functions through the repeal of applicable regulation (CA (SA) Designation Act, APA, etc.)	 	 
<b>3</b> Loss of confidence in members' professional competencies (including their conduct in terms of the Code of Professional Conduct and competencies required by CA2025) and skills	  	  
<b>4</b> Loss of confidence in SAICA's educational programmes, that they will not produce students with the competencies required by training offices and the market resulting in SAICA's inability to attract new members	 	
<b>5</b> Loss of strategic stakeholder (government and funders) confidence and inability to attract funding for growth and transformation initiatives	 	 
<b>6</b> Decline in intake of learners to attract into the profession	  	
<b>7</b> Unable to serve SAICA members and stakeholders resulting in SAICA Group ceasing to exist	  	

OPPORTUNITY	RISK RESPONSE	TREND Y-0-Y
Adding value to members and prospective members by identifying the requisite skills required to meet future needs through service offerings aligned to rapidly changing skills and competency requirements	<ul style="list-style-type: none"> <li>Monitoring of initiatives to enhance member value and review of feedback through PHI scores</li> <li>Implementation and monitoring of member services through independent feedback (PHI - member satisfaction) and timely intervention on negative trends</li> </ul>	
<ul style="list-style-type: none"> <li>Proactive engagement with members to meet their needs and requirements</li> <li>Ongoing collaboration and effective engagement with regulators</li> </ul>	<ul style="list-style-type: none"> <li>Continuous in-depth monitoring of regulator perception through independent feedback and timely intervention on negative trends</li> </ul>	
Showcasing and elevation of the role and impact of the profession in the economy through thought leadership and value creation initiatives	<ul style="list-style-type: none"> <li>Continuous review of SAICA's competency framework. Oversight and implementation of the CA2025 and CPD policy</li> </ul>	
Differentiating marketing, communication and public relations activities as part of the trust campaign both locally and internationally	<ul style="list-style-type: none"> <li>Continuous review of SAICA's competency framework and the implementation of the CA2025 outcomes</li> <li>Review of SAICA's training regulations and effective implementation thereof</li> </ul>	
Showcase members' contribution to the SA economy and society and SDGs	<ul style="list-style-type: none"> <li>Effective stakeholder engagement</li> <li>Marketing and communication of the growth and transformation initiatives</li> </ul>	
Promotion of the accountancy profession within all schools including rural schools	<ul style="list-style-type: none"> <li>Established relations with Department of Basic Education to ensure a collaborative approach in the promotion of mathematics and the accountancy profession</li> </ul>	
Increased understanding of members' and stakeholders' expectations	<ul style="list-style-type: none"> <li>Engage members on SAICA's value proposition</li> <li>Maintain long-term contracts with funders</li> </ul>	

RISK	STRATEGIC PILLAR MATERIAL MATTER	ORGANISATIONAL CAPITALS AFFECTED
<b>8</b> Risk of data breaches and cybercrime, leading to downtime	 	
<b>9</b> Non-compliance to laws and regulations pertaining to processing, storing, securing and sharing of data	 	
<b>10</b> Failure to support Board and Board Sub-committees in line with Governance best practice	 	 
<b>11</b> Inability to continue business in the event of an emergency or disaster (including COVID-19 pandemic)	 	   
<b>12</b> Organisational underperformance	 	     
<b>13</b> Loss of credibility amongst stakeholders due to an unfavourable B-BBEE rating	 	 



OPPORTUNITY	RISK RESPONSE	TREND Y-0-Y
Enhance security through real-time monitoring of and responding to attempted breaches	<ul style="list-style-type: none"> <li>Effective implementation of SAICA's security strategy</li> </ul>	
Continued compliance by SAICA as a mechanism to maintain and enhance its credibility	<ul style="list-style-type: none"> <li>Identify areas of potential non-compliance and implement corrective action</li> </ul>	
Creation of value for members and stakeholders through the effective implementation of the governance framework	<ul style="list-style-type: none"> <li>Monitoring the implementation of the governance framework and responding to the challenges timeously</li> </ul>	
Enhanced credibility through proactive risk analysis and scenario planning	<ul style="list-style-type: none"> <li>Implement Business Continuity Management policy and framework, Business Continuity Plan and Disaster Recovery Plan</li> </ul>	
Change management initiatives to build an organisational culture which promotes innovation and high performance	<ul style="list-style-type: none"> <li>Leadership interventions to enhance organisational culture</li> <li>Effective performance management process (tracking and monitoring of performance trends)</li> </ul>	
Enhanced credibility through the implementation and monitoring of B-BBEE sub-level requirements	<ul style="list-style-type: none"> <li>Continuous monitoring and tracking of set B-BBEE targets and timely interventions on exceptions</li> </ul>	

# TURNING CHALLENGES INTO OPPORTUNITIES THAT'S THE DIFFERENCE



Following his passion for education and business, Nicholas Riemer not only created a company that he believes will add significant value to the academic world in mitigating online examination risk, as well as making education more accessible across the globe, he also created FNB's beginner, intermediate and advanced investing courses as well as video content to allow South African citizens to access financial education material to improve their financial literacy and investment journeys.

However, The Invigilator app was not Nicholas' first creation. While studying, he created a brand called Pro-Oats and Pro-Pasta, which was sold in mainstream retail, including DisChem, Spar and Checkers. He believes if there is a problem, you can find a solution – a mindset that led to the creation of The Invigilator app.

Nicholas is constantly looking for opportunities and ideas to create companies and jobs. The recent private equity deal with the Buffet Group, will see The Invigilator app being used internationally, with expansion into India currently underway. Expanding the companies' reach will allow for further employment opportunities back home, which is very important for Nicholas.





# GOVERNANCE REPORT

**DIFFERENCE MAKER:** Nicholas Riemer CA(SA)



# HIGHEST STANDARDS OF GOVERNANCE

## COMMITMENT TO GOVERNANCE

SAICA is committed to the highest standards of governance, enabling us to preserve the Institute's and profession's sustainability and to create long-term stakeholder value. By inculcating a positive culture of ethics and values, the SAICA Board enables the creation of value for SAICA stakeholders on a fair and equitable basis.

## KING IV™ STATEMENT OF COMPLIANCE

The SAICA Board embraces the outcomes of King IV™, being an ethical culture, effective control, good performance and legitimacy. There are ongoing efforts to further embed the King IV™ principles into the Institute's day-to-day business activities. The Board is satisfied that the Institute is aligned with the key principles and are mindfully overseeing the application of the relevant practices.

## KING IV™ PRINCIPLES APPLIED

### Leadership, ethics and corporate citizenship



#### LEADERSHIP: PRINCIPLE 1 APPLIED - The Board leads SAICA ethically and effectively.

##### THE ROLE OF THE BOARD

The Board remains SAICA's overall custodian of good corporate governance, promoting an ethical and cohesive organisational culture, effective control, compliance, accountability, and responsive and transparent stakeholder engagement. The Board's primary responsibility is that of setting the strategic direction of the Institute.

##### ETHICAL LEADERSHIP

An ethical culture builds support structures that underpin our core purpose, values and strategy as a profession.

##### CONFLICTS OF INTEREST

Every Board and Board Committee meeting is preceded by a declaration of interests on the matters that are on the agenda. In a case where

there are material interests, a member is recused from the meeting and does not participate in the decision-making on the particular matter.

##### FIT AND PROPER REQUIREMENTS

The SAICA Board is committed to ensuring that responsible persons in key positions are fit and proper. A fit-and-proper person is someone who meets the list of requirements contained in the Constitution.

#### ETHICS: PRINCIPLE 2 APPLIED - The Board governs the ethics of SAICA in a manner that supports a sound ethical culture.

##### GOVERNANCE STRUCTURES TO ENSURE AN ETHICAL CULTURE

The Board is responsible for an ethical organisation. The Board has delegated the responsibility for ethics governance to the Social, Ethics and Transformation Committee. The day-to-day implementation of the Code of Ethics lies with executive management.

##### CODE OF ETHICS

The Board conducted its annual review of SAICA's Employee Code of Ethics, which outlines the key behaviours and actions expected of employees, suppliers and business partners.

No material breaches of the Code of Ethics were noted during the review period.

**RESPONSIBLE CORPORATE****CITIZENSHIP: PRINCIPLE 3 APPLIED**

- The Board ensures that SAICA acts responsibly and is seen to be a good corporate citizen.

SAICA as an organisation commits itself to operating in a manner that is fair, responsible and transparent through promotion of sustainable business practices, environment, employee and community development. We have prioritised six SDGs.

**EMBEDDING SUSTAINABILITY**

As part of our strategy and to inform

our day-to-day decision-making, we embedded social, economic, transformation, and environmental considerations. A key overarching consideration is to maximise the positive impacts and avoid or, at worst, mitigate any negative impacts arising from our business decisions and activities.

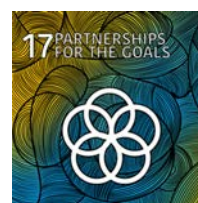
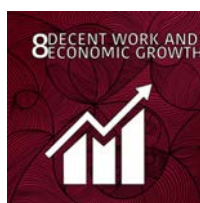
**BEING A RESPONSIBLE CORPORATE CITIZEN**

The Board, supported by its Social, Ethics and Transformation Committee, oversees and monitors SAICA's activities relating to our broader

societal contributions and our role as a responsible corporate citizen.

**RESPONSE TO A CHALLENGING ENVIRONMENT**

The COVID-19 pandemic required organisations around the world to demonstrate their corporate citizenship. In the case of SAICA, responses to the pandemic included the provision of health and wellbeing support to our employees, members, and other affected stakeholders.



Refer to pages 98 to 99 to read more about our initiatives that support these SDGs.

**STRATEGY, PERFORMANCE AND REPORTING****STRATEGY AND PERFORMANCE: PRINCIPLE 4 APPLIED -**

The Board appreciates that SAICA's value proposition, its risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value creation process.

The Board approves SAICA's strategic direction and purpose after obtaining the input of the Council. It then delegates to management the responsibility for formulating strategy implementation in the short, medium and long term and performance measures and targets by which success is measured.

**REPORTING: PRINCIPLE 5 APPLIED -**

The Board ensures that reports issued by SAICA enable stakeholders to make informed assessments of SAICA's performance, and its short-, medium-, and long-term prospects.

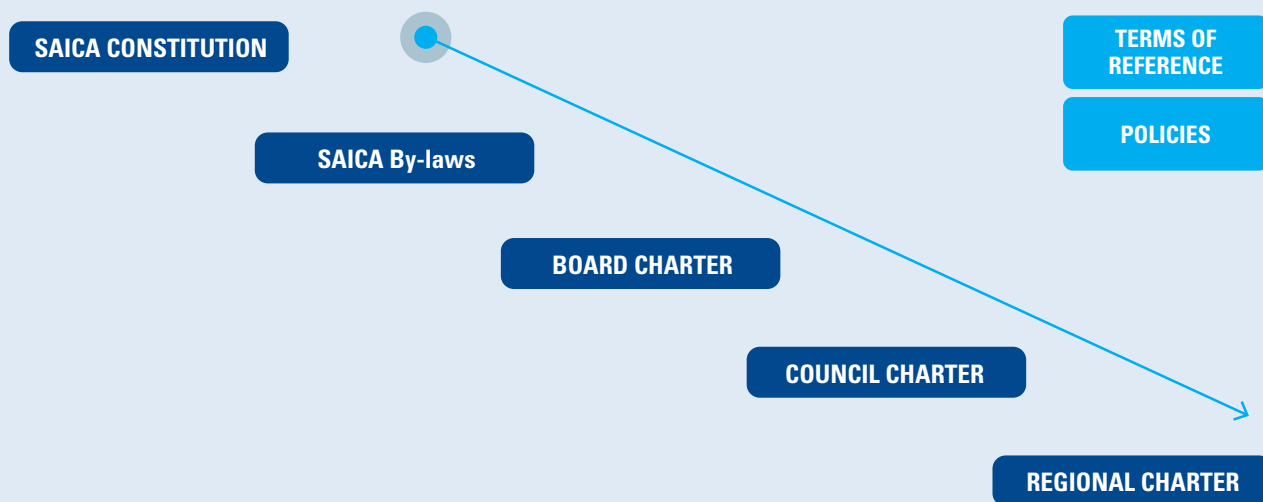
The Board sets the direction, approach and conduct for the reporting of SAICA affairs and performance to stakeholders. This is done during the annual approval of a reporting framework. The Board also ensures that the reporting frameworks comply with all regulatory obligations, which include the principles of King IV™ and approves the Annual Integrated Report.

**ROLE AND RESPONSIBILITIES OF THE BOARD: PRINCIPLE 6 APPLIED** - The Board serves as the focal point and custodian of corporate governance in SAICA.

The SAICA Governance Framework is built to comply with the directives from the following documents.

#### EXISTING DIRECTORS

It should be noted that documents with prescriptions regarding these committees currently exist.

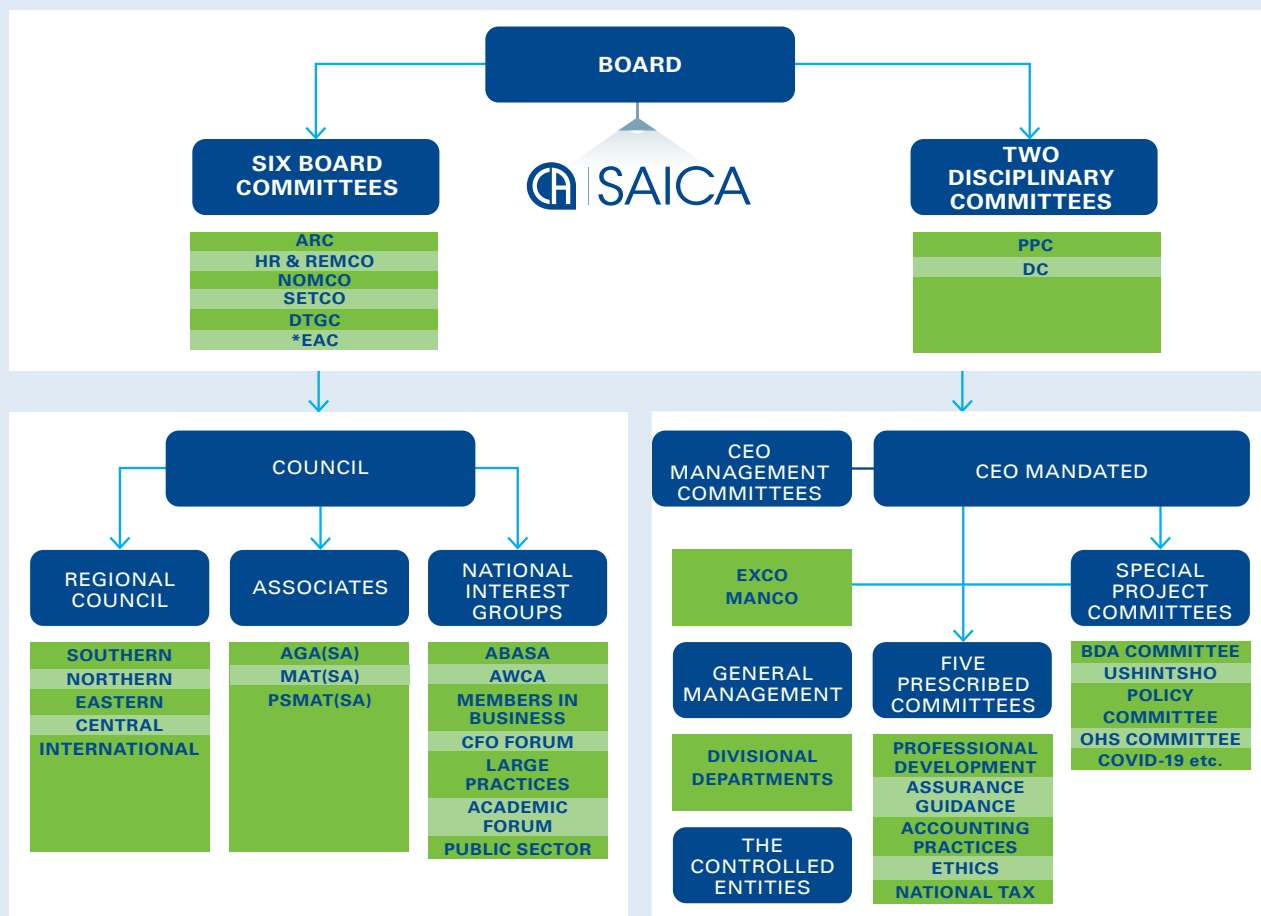


#### GOVERNANCE FRAMEWORK

The Governance Framework prescribed by the SAICA Constitution enables the Board to oversee, assess and approve the strategic direction, financial and non-financial performance areas, resource allocation and risk appetite of the Institute. It also supports the Board in ensuring that it can hold the executive team accountable for execution.



## OVERVIEW OF THE GOVERNANCE FRAMEWORK



\*The Education and Assessment Committee was established in December 2021

### BOARD CHARTER

The charter regulates the parameters within which the Board operates and ensures the application of the principles of good corporate governance in all its dealings and sets out the roles and responsibilities.

### BOARD MEETINGS

The Board uses its meetings to discharge its governance and regulatory responsibilities.

The Board met eight times (includes three special meetings) during the year at which there was 100% attendance by members (refer to [www.saica.org.za](http://www.saica.org.za) for Board meeting attendance).

### KEY GOVERNANCE MATTERS ADDRESSED IN 2021

See the Chairman's report page 28.

### ACCESS TO AND FLOW OF INFORMATION

Members of the Board have unrestricted access to the Executive Committee, as well as other resources required to carry out their duties and responsibilities. The process to ensure the integrity of information for decision-making requires continuous review in order to be strengthened.

### EXTERNAL ADVISORS

Access to specialist advice is available to directors at SAICA's expense and experts are used to advise the various Board Committees.

**BOARD COMPOSITION: PRINCIPLE**

**7 APPLIED** - The Board comprises the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively.

**OUR BOARD**

The Board of SAICA has 12 members, which is the maximum number of Board members as per the SAICA Constitution.

- This membership includes two executives – the CEO and COO per SAICA Constitution;
- There are also seven CAs(SA) on the Board and these members are the largest group as required by the Constitution;

- There are three non-CAs(SA) on the Board which is the maximum allowed by the Constitution;
- There are three ex-officio members on the Board who comprise of the CEO; COO; and President of the Council; and
- The Lead Independent Board Member is annually elected by the Board following the AGM.

Induction of newly appointed directors is a formalised programme, facilitated by the Board Secretary and CEO.

**BOARD DIVERSITY**

Race, gender, disability and diversity, relevant skills and expertise, and knowledge of the core skills of the profession enhance the composition of a truly diverse Board. They also assist in achieving a sustainable competitive advantage for the profession. It is the policy of the Board that all facets of diversity are considered in determining the optimal composition of the Board which, where possible, will be balanced appropriately.

## VINCENT MOHAU MOTHOLO

**NON-EXECUTIVE DIRECTOR (CHAIRMAN OF THE BOARD)**

CA(SA), Programme for Management Development (PMD) with merit

Vincent leverages professional exposure, career progression and knowledge building gained over a 15-year career, marked by substantial development and success. He is the Chief Financial Officer of the University of Cape Town. Prior to joining UCT he was a Partner/Director at SNG Grant Thornton. Vincent has served on numerous board committees.



## BRENDA TSVETU

**NON-EXECUTIVE DIRECTOR**

CA(SA), MPhil in Development Finance (MDevF) (Cum Laude), B. Acc. Sci (Hon), Association of Corporate Treasurers in the UK (ACT)

Brenda is the Chief Financial Officer at First National Bank, a division of Firststrand Bank Limited, a financial services provider listed on the Johannesburg Stock Exchange. She has 14 years of commercial banking experience, spanning corporate governance and board participation, strategy formulation and execution, financial management, treasury management, financial resource management, and asset and liability management. She previously served as CFO of First National Bank Lesotho, an expatriate assignment within the Group for 3.5 years. As part of her commercial banking experience Brenda has gained exposure across Africa through working with different subsidiaries in the Firststrand Group, namely Namibia, Botswana, Swaziland, Mozambique, Tanzania, Ghana, Zambia, and Nigeria.



# YASMIN FORBES

NON-EXECUTIVE DIRECTOR

MBA, CHARTERED DIRECTOR (CD(SA))

Yasmin worked with technology multinationals such as WordPerfect Corp, Novell, Hewlett Packard, Microsoft and Oracle predominately in strategy, sales, and technical and business development before starting her own business. She coaches executives/directors on being tech-savvy in an environment where the cloud, Big Data, mobile, social media and the Internet of Things are changing the way businesses operate and how modern societies work. She finished her six-year stint at the University of the Western Cape on 25 November 2021, with three years as chair of the Council. Yasmin is the Lead Independent Board member.



# ILSE LUBBE

NON-EXECUTIVE DIRECTOR

CA(SA), PhD Higher Education Studies

Ilse Lubbe is an Associate Professor in the College of Accounting at the University of Cape Town having been involved in education of accounting professionals for more than 20 years. She teaches Financial Accounting at undergraduate and postgraduate levels. Ilse has been a member of the Southern African Accounting Association (SAAA) Exco for several years and is a member of the Academic Board of the Chartered Accountants Academy (CAA) in Zimbabwe.

Her research interest is Accounting Education (with several publications in this field). She is an associate editor of the Accounting Education journal and SAJAR (South African Journal in Accounting Research), a member of BAFA (British Accounting and Finance Association) Accounting Education special interest group and mentors several national and international colleagues. She is the team leader of the national Ethics Collaboration Research Group comprising of accounting academics representing most SA universities. The group recently published a student workbook Ethics for Accounting Professionals – A Case Study approach (published by LexisNexis) and is currently working on a Values research study. She is the lead author of the textbook Financial Accounting, IFRS Principles (published by OUPSA).





## BABALWA BEKWA

NON-EXECUTIVE DIRECTOR

BCOM HONS, MBA

Babalwa has 20 years' experience in enabling organisations (across Banking, Telecoms and Public Sector) in leveraging technology, delivering technology transformation, implementing business strategy, protecting business integrity and practical strategic programme governance. Skills in digitalisation, transformation, and business management (mobile application design, product innovation, digital marketing strategy). She is currently the Head of Programme Office at Discovery Health.



## JOHAN DU TOIT

NON-EXECUTIVE DIRECTOR

B.Proc., LL.B (UFS); LL.M. (Corporate Law)  
(Cum Laude) (UJ)

Johan is a Senior Advocate of the Johannesburg Bar and a Barrister of the Middle Temple, London. He worked as an attorney from 1979 to 1984, has been an advocate since 1984 and was awarded silk in 2006. He has served as an acting judge on occasion. He is a member of the Institute of Directors (SA), a non-executive director of Rays of Hope Alexandra NPC, and a non-executive director of Seraphim Financial Services (Pty) Ltd (derivative traders).



# BONOLO RAMOKHELE

NON-EXECUTIVE DIRECTOR

CA(SA)

Bonolo is an entrepreneur and the founder and executive chairman of the Differentia group of companies. He is partner in charge at Differentia Chartered Accountants, a partner of Huruma Inc, and part owner of a healthcare start-up focusing on cervical cancer (Heal IT). His board experience includes fulfilling the role as chairman of the Audit Committees at CJC TVET College and Matthew Goniwe School of Leadership and the finance committee at Gauteng CET College. He is a trustee of the South African National Aids Council Trust and the treasurer-general of the Black Business Council. His awards include the World Economic Forum Global Shapers Alumni and SAICA Top 35-under-35 in SA (2014).



# MONICA SINGER

NON-EXECUTIVE DIRECTOR

CA(SA)

Monica was the first CEO of South Africa's Central Securities Depository (CSD), Strate (Pty) Ltd she set up in 1998 until she resigned in August 2017. In October 2017, Monica was appointed as South Africa Lead for ConsenSys, being the biggest blockchain company in the world. Currently she participates as: Professor of Practice in the School of Accounting in the University of Johannesburg specialising in blockchain for the accounting and auditing profession; Board member of the Accounting Blockchain Coalition (ABC) which is defining market practices for accounting, auditing and taxes for crypto assets; member of the Advisory Board to the Global Digital Asset & Cryptocurrency Association (Global DCA). Previous roles include: Johannesburg Stock Exchange 1996/1998; World Bank in Washington DC in 1995/1996; Technical Director of SAICA (1989-1995) and articles with audit firm Arthur Young. Monica has been recognised with many awards, the most notable being the first winner of the Conscious Company Award in 2017.





# PATRICIA STOCK

NON-EXECUTIVE DIRECTOR

CA(SA), CD(SA), Masters in International Accounting and MDP: B-BEEE

Patricia has held various senior operational and managerial positions in the audit profession for over 15 years. She is the co-founder and CEO of AfricaRAS. She has served in various senior management roles in audit and audit quality assurance functions at the Auditor General of South Africa before joining the private sector, first as Associate Director at BDO South Africa Incorporated, and shortly afterwards was promoted to Director and Audit Partner. She further served as the Head of Transformation and Chaired the Transformation Advisory Committee for the BDO group during her tenure.

Patricia is a CD(SA) with extensive and broad governance experience and currently serves as a non-executive director on various boards and as chairman of the various audit and risk committees.



# JACOBUS SWANEPOEL

NON-EXECUTIVE DIRECTOR

CA(SA)

Jacobus Swanepoel is the President of the SAICA National Council and through this serves on the current SAICA Board. He has served as a SAICA Board Member under the previous governance structures since July 2016 until it was replaced by the new independent Board. He has been an academic for 30 years and is actively involved in professional development at different levels. He lectures on financial management, integrating strategy and risk into it. He has more than 30 years' experience in the profession and has served for more than 13 years on various committees of SAICA.



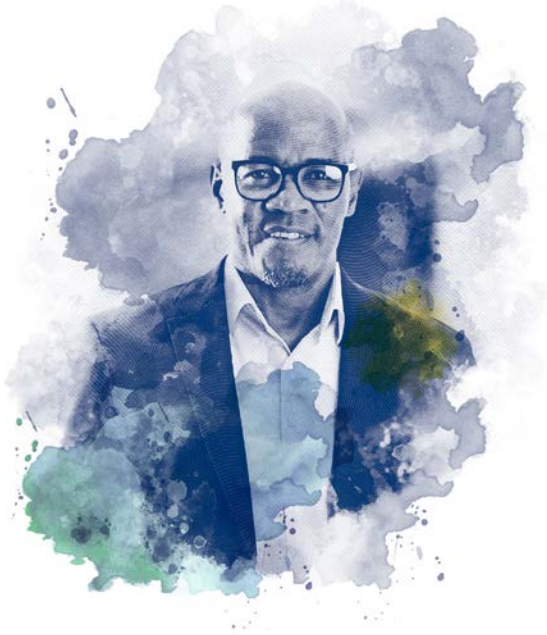


## FREEMAN NOMVALO

BCompt Hons

Chief Executive Officer of SAICA since February 2019. Non-executive director of various companies. Previous roles include CEO of the State Information Technology Agency. More than 25 years' work experience, 17 at a senior level in public and private sectors - first African and longest-serving Accountant-General of a democratic South Africa. During this time, served on multiple public sector boards. Led the team that drafted and presented the Audit Profession Act 2005 and worked with 18 Caribbean countries at the request of the Commonwealth Secretariat to develop their country governance framework.

Assisted Judge Christopher R Nicholson in the committee on the ministerial probe into the financial affairs of Cricket South Africa and recently served on the Ntsebeza Inquiry into certain SAICA members employed by KPMG South Africa during various engagements with public and/or private entities.



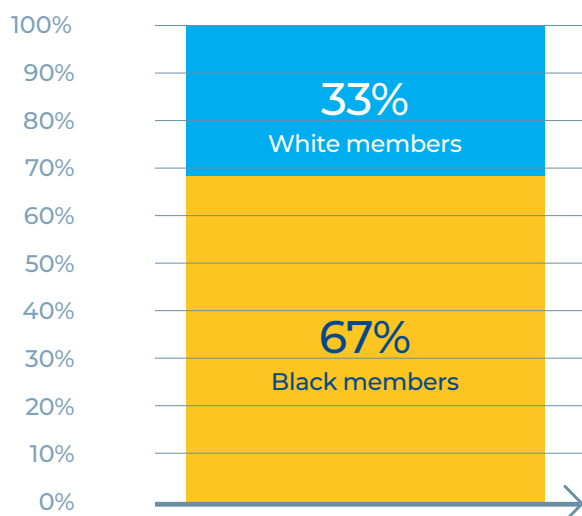
## FANISA LAMOLA

CA(SA) and CD(SA)

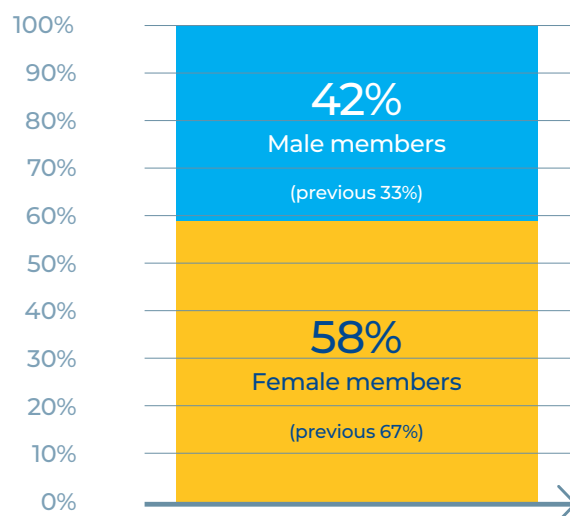
Chief Operating Officer at SAICA, following a professional career starting in 1995 at Anglo American, then JP Morgan Securities as a management accountant. Other roles include KPMG; Polokwane Office, in the position of Manager Municipal Finance; Limpopo Provincial Treasury - as the Provincial Accountant-General; and City Manager of Polokwane. Served on various committees and councils, including chairperson of the Limpopo University Advisory Council for the School of Accounting.



## THE RACIAL DEMOGRAPHICS ARE AS FOLLOWS:



## THE GENDER DEMOGRAPHICS ARE AS FOLLOWS:



## SKILLS OF OUR BOARD

The Board comprises of Directors with a wide variety of skills which include: Strategy and Implementation, Business and Business Rescue; Finance and Treasury, Accounting and Auditing; Forensic Accounting and Auditing; Governance and Law; Assurance and Internal Controls; Banking; Risk Management; Information Communication Technology and Information Systems; Business Continuity Management; Stakeholder Management; Human Resources; Medical; Development (SMME, Enterprise, B-BBEE, Transformation).

## CHAIRMAN

The roles of the Chairman and Chief Executive Officer are clearly defined and differentiated, as set out in the SAICA Board Charter.

## BOARD APPOINTMENTS/ROTATION/ RESIGNATIONS

During 2021, three members of the Board retired by rotation at the AGM. These included Ms Tsakani Maluleke who was appointed as the Auditor General of South Africa and Ms Refilwe Matenche. Ms Babalwa Bekwa, the third director who retired by rotation, made herself available for re-election and was re-elected by the members.

The two vacancies created by the mentioned retirements were filled by the appointment of Mr Vincent Motholo and Ms Brenda Tsvetu. Following his appointment to the Board, Mr Motholo was appointed as the new Chairman of the SAICA Board.

With regard to the Committees, the following changes are notable:

- Mr Vincent Motholo was appointed as Chairman of the Nominations and Governance Committee;
- Ms Brenda Tsvetu was appointed as a member of the Audit and Risk Committee and the Digital, Transformation and Governance Committee;
- Mr Jacobus Swanepoel was appointed as a member of the Nominations and Governance Committee; and
- Ms Patricia Stock was appointed as a member of the Human Resources and Remuneration Committee

**COMMITTEES OF THE BOARD: PRINCIPLE 8 APPLIED** - The Board ensures that its arrangements for delegation within its own structures promote independent judgement and assists with the balance of power and the effective discharge of duties.

## BOARD COMMITTEES

To support it in its broader oversight and governance role, the Board has five standing committees through which it executes some of its duties. These are:

- The Audit and Risk Committee (See page 75)
- The Human Resources and Remuneration Committee (See page 81)
- The Digital Transformation Governance Committee (See page 80)
- The Nomination and Governance Committee (See page 79)
- The Social Ethics and Transformation Committee (See page 78)
- The Education and Assessment Committee (NEW - established December 2021)

The authority of each committee is set out in formal terms of reference; reviewed and approved annually by the Board.

### Disciplinary Committees

In addition to the five Board Committees, the Board must annually appoint a Disciplinary Panel from which the members of the Professional Conduct Committee and the Disciplinary Committee are appointed. These disciplinary committees have the powers to carry out the duties and exercise the functions granted to them under the By-laws. The powers and duties of the Professional Conduct Committee and the Disciplinary Committee referred to in the By-laws are deemed to have been delegated to those Committees by the Board.

### The Professional Conduct Committee ("PCC")

The PCC, as and when required, shall be appointed from members of the Disciplinary Panel who have declared that they have no conflict of interest. A PCC must consist of two members in the case of advisory matters and of three in any other matter. The functions of the PCC are set out in paragraph 7 of the Disciplinary Code.

### The Disciplinary Committee ("DC")

DCs, as and when required, shall be appointed from the members of the disciplinary panel who have declared that they have no conflict of interest in the matter at hand and must consist of three members, of whom the Chairperson must be a lawyer. The functions of the DC are set out in paragraph 7 of the Disciplinary Code. See report of Disciplinary matters on page 128.

### EVALUATION AND PERFORMANCE OF THE BOARD: PRINCIPLE 9

APPLIED - The Board ensures that the evaluation of its own performance, and that of its Committees, its chair and its individual members, supports continued improvement in its performance and effectiveness.

### ANNUAL BOARD EVALUATION

King IV™ recommends that a formal evaluation process be conducted to evaluate the performance of the governing

body of a company at least every two years. Every alternate year, the governing body should schedule an opportunity for consideration, reflection and discussion of its performance. The Board conducted a formal evaluation on its performance in 2021 and reflected and discussed the results at its meeting on 29 April 2022. Overall, the outcome indicates that the Board performed most of its key functions effectively, also noting that there were only two scores below 3. The remainder of the scores were between 3 ("satisfactory") to 4 ("good"). Measures to address the areas in need of improvement will be implemented.

### APPOINTMENT AND DELEGATION TO MANAGEMENT: PRINCIPLE 10 APPLIED

- The Board ensures the appointment of, and delegation to management contribute to role clarity and the effective exercise of authority and responsibilities.

### DELEGATION OF AUTHORITY

The Board approves and annually reviews SAICA's Delegation of Authority (the "DOA"), which provides clarity of levels of responsibility for decision-making. The framework establishes an appropriate balance for the need to ensure that decisions are taken at appropriate levels, dependent upon the materiality and importance of such decisions, while also empowering management to take appropriate business decisions.

Refer to SAICA's operating model on page 112.

## GOVERNANCE OF FUNCTIONAL AREAS



### RISK GOVERNANCE: PRINCIPLE 11

APPLIED - The Board governs risk in a way that supports SAICA in setting and achieving its strategic objectives.

The Board is committed to achieving SAICA's strategic objectives in accordance with the recommendations of King IV™ and through the Audit and Risk Committee ensures oversight over the governance of risk management by setting the direction for how the Institute's risk and opportunity

management should be approached and addressed. See the Risk report on page 54 and the Audit and Risk Committee summary on page 75.

### INFORMATION AND TECHNOLOGY GOVERNANCE: PRINCIPLE 12

APPLIED - The Board governs technology and information in a way that supports SAICA setting and achieving its strategic objectives.

The Board is responsible for ensuring appropriate governance of SAICA's IT systems to support the achievement of the strategic objectives of SAICA. The Digital Transformation and Governance Committee monitors SAICA's technology and information initiatives and programmes on behalf of the Board, the report for which can be read on page 80.

### COMPLIANCE GOVERNANCE:

PRINCIPLE 13 APPLIED - The Board governs compliance with applicable laws, and adopted non-binding rules, codes and standards in a way that supports SAICA being ethical and a good corporate citizen.

The Board sets the standards that ensure compliance in all areas of the business with relevant laws, regulations, codes and policies. There is zero tolerance for breaches of legislation, and material breaches are reported to the Board directly, or through committee structures. See the Audit and Risk Committee Report on page 75.

### REMUNERATION GOVERNANCE:

PRINCIPLE 14 APPLIED - The Board ensures that SAICA remunerates fairly, responsibly and transparently so as to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term.

Governance of fair, responsible and transparent remuneration falls under the scope of Human Capital management under the oversight of the Human Resources and Remuneration Committee, which in turn advises the Board. See the Remuneration Report and the Human Resources and Remuneration Committee meeting report on page 81.



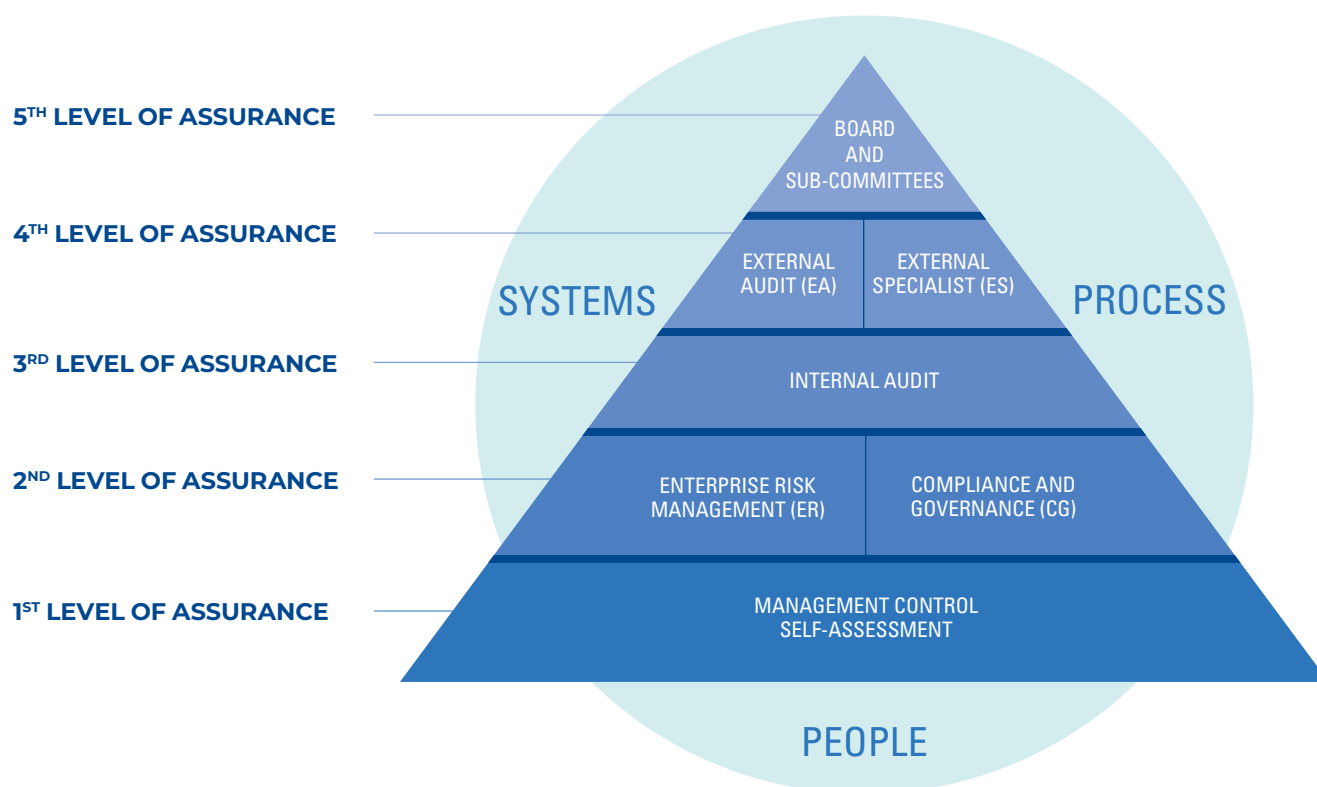
**ASSURANCE: PRINCIPLE 15 APPLIED** - The Board ensures that assurance services and functions enable an effective control environment, and that these support the integrity of information for internal decision-making and of SAICA's external reports.

The Board acknowledges that it cannot operate effectively without confidence in the information placed before it. It has delegated responsibility for the oversight of direct assurance services and functions to the Audit and Risk Committee, which ensures that an effective internal control environment exists to provide integrity of information used in decision-making.

Refer to the Risk report on page 54 and refer to the Audit and Risk Committee report on page 75.

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

The Audit and Risk Committee assesses the appropriateness of SAICA's combined assurance model to ensure that significant risks facing SAICA are adequately addressed by the model.



## STAKEHOLDER RELATIONSHIPS



**STAKEHOLDERS: PRINCIPLE 16 APPLIED** - In the execution of its governance role and responsibilities, the Board adopts a stakeholder-inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interest of SAICA over time.

## STAKEHOLDER MANAGEMENT

The Board considers the legitimate interests of all stakeholders in discharging its duties and when acting in the best interest of SAICA. Our stakeholder engagement report is tabled quarterly at the Social, Ethics and Transformation Committee.

Refer to the Social, Ethics and Transformation Committee report on page 78 and the Stakeholder Engagement report on page 100.

# BOARD COMMITTEE REPORTS



## THE AUDIT AND RISK COMMITTEE

**Chairman - Ms Patricia Stock**

### COMMITTEE PURPOSE AND HOW IT CONTRIBUTES TO VALUE CREATION

The Audit and Risk Committee provides oversight of the financial reporting process, the audit process, SAICA's system of internal controls and compliance with laws and regulations. Through this Committee, the Board also ensures that the Institute maintains a robust process for identifying, prioritising, managing, mitigating, monitoring and reporting critical risks.

This report from the Audit and Risk Committee (ARC) provides a summary of the Committee's work during the 2021 financial year.

It is reported that the ARC has complied with its responsibilities and has covered the scope of the agreed work plan in discharging its responsibilities in line with its approved terms of reference. The ARC is accountable to the Board and has an oversight function for matters reported below.

The assurance expressed by the ARC is based on the work of different assurance providers such as the external audit, internal audit, and internal assurance providers provided by the Institute, notably the ones of risk and compliance and the finance unit. The ARC obtains an understanding of the activities and risks associated with the various developments by reviewing management reports and by interacting with various relevant stakeholders.

### COMBINED ASSURANCE PROVIDERS

#### Meetings with Management and Finance function

During 2021, the ARC met frequently with Management; reviewed the 2021 annual budget and recommended to the Board the approval of the 2022 annual budget. In addition, the ARC reviewed and recommended to the Board the approval of the SAICA Group Investment and Reserves Policy.

The ARC conducted an evaluation of the finance function performance for 2021. The ARC is satisfied with the leadership expertise of the Chief Financial Officer, however the resource allocation and skills of the Finance Team requires enhancement.

### External auditors

The ARC held discussions with the external auditors throughout the year, to keep the ARC briefed on the audit progress and all audit and accounting issues. The ARC conducted a private interview with external auditors before giving its clearance on the various financial statements. The ARC received assurances that the audit process went as planned, with full support from SAICA management.

The ARC regularly assesses the external auditors' independence, including the absence of conflicts of interests and is satisfied with the independence and objectivity of the external auditors. The ARC reviewed the annual audit plan and considered the scope and fees to be paid to the auditors. There were no non-audit services provided by the external auditors during 2021.

The ARC conducted an evaluation of external audit's performance and is satisfied with its outcome.

### Internal Audit

The Internal Audit Unit is an independent outsourced function of SAICA with a direct reporting line to the ARC. The internal audit coverage plan for 2021 was approved and implemented. The ARC took note of the outcome of the evaluation, together with key conclusions and recommendations raised. Finally, the status of implementation of Internal Audit Action plan was monitored.

Internal Audit performed additional reviews in the year under review within the set limits and the scope of work and the fee was approved by the ARC.

External independent quality review of the outsourced internal audit function was assessed as "Generally Conforms" to the Standards for the Professional Practice of Internal Auditing (IIA Standards), this being the highest level of conformance on a three-point scale. Furthermore, the ARC conducted an evaluation of internal audits' performance for 2021 and is satisfied with its outcome with some areas that required improvement.

### Combined Assurance, Risk and Compliance Management

The ARC addressed various aspects of risk management and regularly reviewed the quarterly risk and combined

assurance reports. SAICA received an opinion of needing some improvement on risk management as expressed by the internal auditors. Having considered the significant challenges experienced by SAICA in 2021 and the independent internal audit opinion, the ARC was not satisfied with the Level 3 (Foundation) Enterprise Risk Management (ERM) maturity level as independently confirmed by SAICA's internal auditors. There is a need to increase the risk management human resource capacity and strengthen the processes of the implementation of the approved ERM Policy and Framework which aims to effectively drive the risk management culture and improve the control environment.

Although SAICA implemented the approved combined assurance model which identified various levels of assurance provided by management, SAICA's risk and compliance unit, internal specialists, internal auditors, external auditors and external advisors, improvement is required to strengthen the assurance in the examination processes. The ARC further received assurance from the Board Sub-committees on the effectiveness of the risk management processes relevant to their portfolios.

The ARC monitored the mitigation of control weaknesses and levels of non-compliance and was satisfied that the material compliance matters are adequately monitored and addressed. The ARC was also updated on SAICA Group's approach to ensure regulatory (including tax) compliance. In addition, the ARC considered the process for the whistleblowing reporting which is under the custodian of the risk and compliance unit and obtained the unit's assurance that all reported matters have been adequately addressed with the assurance for material matters. Matters reported through the whistleblowing process in the scope of the Board and its Sub-committee are referred for investigation of which one investigation is ongoing at the date of this report.

The ARC conducted an evaluation of the performance of the risk and compliance function, and improvement is required in some areas.

## ANNUAL FINANCIAL STATEMENTS

The ARC examined SAICA's 2021 financial statements, prepared in accordance with International Financial Reporting Standards (IFRS) and has discussed with the external auditors, in the presence of the SAICA's management and in private, to obtain an understanding of the audit procedures applied.

Based on the work undertaken and the information received (including the opinion from the external auditor on the separate and consolidated financial statements and a representation letter from the Management of SAICA), the ARC confirms that the separate and consolidated financial statements of SAICA, presents a true and fair view of the financial position of SAICA as of 31 December 2021, in accordance with International Financial Reporting Standards (IFRS). On this basis, the ARC recommended the Group financial statements of SAICA to the SAICA Board of

Directors of which the Board has approved the submission of SAICA's separate and consolidated financial statements to the members of SAICA for approval on 26 May 2022.

ARC concurs and accepts the conclusions of the external auditor on the annual financial statements and is of the opinion that the audited separate and consolidated financial statements be accepted and read together with the report of the external auditors.

## ANNUAL INTEGRATED REPORT

The Committee reviewed the content of the Annual Integrated Report ensuring it is presented in accordance with the International <IR> Framework and has recommended it for approval to the Board. The ARC noted with concern the regression in SAICA's performance for 2021.

An independent limited assurance on the review of the SAICA's Annual Integrated Report was provided by the external auditors. On this basis, the ARC recommended the SAICA Annual Integrated Report to the Board of Directors of which the Board has approved the submission of the SAICA Annual Integrated Report on 19 April 2022, for approval by members at the Annual General Meeting on 26 May 2022.

## MEMBERS, ATTENDANCE AND PERFORMANCE EVALUATION

The ARC held six (6) meetings during the 2021 financial year. The Board conducted an independent evaluation of ARC's effectiveness and is satisfied with its outcome. The ARC is satisfied with the composition of members with respect to the required knowledge and skill of the members and that all members are independent non-executive members. The table on page 77 outlines the ARC members' meeting attendance.

## 2021 KEY MATTERS OF STAKEHOLDER INTEREST

### Examination processes

The examination related risk management processes were excluded in the scope of the Board's oversight through AudCo as it was regarded by management as adequately addressed by the established operational structures. The subsequent establishment of the Board's Education and Assessment Committee (EAC), proactive internal audit real-time/hot reviews are some of the interventions intended to strengthen the combined assurance in the examinations' critical components of the business. The internal auditors expressed an opinion on SAICA's risk management processes which has regressed from 'satisfactory' to 'needing some improvement' compared to the prior years assessment because of control weaknesses identified in the examination processes. An investigation which is ongoing at the date of this report, was commissioned to ascertain the root causes of what contributed to APC process failures and the outcome thereof will be considered for instituting consequence management.

### Protection of information

SAICA has implemented measures to ensure compliance with the Protection of Personal Information Act (POPI Act) which is



MEMBERS	PORTFOLIO	TERM STARTED	TOTAL MEETINGS
P Stock	Chairman	23 October 2019	06/06
B Bekwa	Non-Executive Board member	04 December 2019*	06/06
R Matenche	Non-Executive Board member	23 October 2019****	02/02
B Tsvetu	Non-Executive Board member	June 2021	04/04
V Motholo	Independent Non-Board Member	September 2018**	02/02
V Ngobese	Independent Non-Board Member	September 2018***	03/03
Y Madolo	Independent Non-Board Member	October 2021	03/03
A Teeruth	Independent Non-Board Member	October 2021	02/03

The Committee must comprise at least three members of the Board, with relevant experience and the chair of the Committee must be a Board member and appointed by the Board. The Committee must also include at least two members who are not members of the Board or employed by the Institute.

\* Appointed to serve on ARC at the Board meeting of 04 December 2019

\*\* Term ended as a result of appointment to the SAICA Board on 27 May 2021 and subsequent appointment as the Chairman of the SAICA Board

\*\*\* Natural term of office came to an end in September 2021

\*\*\*\* Retired off the Board by rotation at the AGM Meeting held on 27 May 2021

planned to be assured independently. The DTGC is monitoring measures put in place to continuously strengthen SAICA's cybersecurity.

#### FOCUS AREAS GOING FORWARD

During 2022, the ARC will continue with the execution of its mandate as set out in its current terms of reference and will continue to focus closely on the enhancement of SAICA

Group's Internal Control and Risk Management Culture and Environment. The ARC will continue to oversee that a risk based combined assurance approach is embedded across SAICA.

*Ms. Patricia Stock*

**Chairperson of the Audit and Risk Committee**

## SOCIAL ETHICS AND TRANSFORMATION COMMITTEE (SETCO)

Chairman - Mr Johan du Toit

### MEMBERS AS AT 31 DECEMBER 2021

Mr Johan du Toit	100% Attendance
Ms Yasmin Forbes	100% Attendance
Ms Ilse Lubbe	100% Attendance
Mr Jacobus Swanepoel	100% Attendance

*The Committee must comprise at least three members of the Board, with relevant experience and the chair of the Committee must be a Board member and appointed by the Board.*

### Committee purpose and how it contributes to value generation

The purpose of the Social, Ethics and Transformation Committee (the "Committee") is to assist the Board in ensuring that the Board discharges its oversight responsibilities with regard to safety, security, health, environmental, social, ethics, transformation and sustainable development matters and stakeholder relationships, to ensure the Institute upholds the principles of good corporate citizenship and conducts its business in an ethical and sustainable manner.

### THE KEY VALUE-CREATING ACTIVITIES FOR 2021

#### Constitutional review:

The Constitutional review initiative commenced on 1 June 2020 when members were requested to provide suggestions to further enhance the SAICA Constitution. Members were specifically requested to take the time to motivate their proposed amendments and send these to the Governance Division of SAICA by e-mail.

Following the consideration of comments received, amendments were reviewed by the SAICA Management team as well as the SAICA Exco. Following much deliberation, the proposed amendments were tabled for consideration by the SETCO, which, at its meeting of 4 March 2021 recommended approval by the Board.

On 15 April 2021, the Board approved the proposed amendments and referred the matter to the AGM scheduled for May 2021 for approval by the members, which the members did.

#### Recommended and approved amendments to the SAICA By-laws:

With effect from 26 April 2021 section 48(1A) of the Auditing Professions Act, 26 of 2005 provides for the IRBA to refer non-audit related complaint matters brought against a registered auditor, to an accredited professional body such as SAICA for the finalisation of the investigation and disciplinary processes. It caused amendments to section 8 of the SAICA By-laws, duly recommended by SETCO and

approved by the SAICA Board, allowing for SAICA to retain disciplinary complaints against concurrent SAICA members and registered auditors where the alleged misconduct is non-audit related.

#### The creation of a SAICA Sustainability Technical Committee:

SETCO proposed that the Board consider adopting a formal governance structure, i.e., the SAICA Sustainability Technical Committee (SSTC), to support SAICA in addressing the various current and emerging sustainability aspects such as climate risk, as it relates to its members. This proposal was accepted by the Board at its November 2021 Board meeting. The Corporate Reporting Division seeks to complement this with a separate committee that will focus on the non-financial aspects that subsist broadly within the environmental, social and governance (ESG); and integrated thinking spheres. This Committee's main focus areas will be thought leadership and advocacy; covering the areas of sustainability, reporting, and assurance as relating to ESG and integrated thinking.

#### Integrated Ethics Plan (IEP):

It is widely acknowledged that trust in the accounting profession has been seriously eroded by recent high-profile cases related to state capture and corporate failures. Unethical behaviour lies at the heart of all these cases and it is imperative that, in order to restore trust in the profession, a plan be developed and implemented to improve our members' and associates' ethical acumen.

The vision of the IEP is to develop the ethics competence of all SAICA members with the aim of restoring trust and reputation. This project will ensure that SAICA retains its position as a leading, professional accountancy organisation that serves the public interest. To ensure that SAICA is fulfilling this ultimate objective for members to achieve and maintain ethical competency, the Integrated Ethics Working Group (IEWG) has set out to consolidate internal activities providing training in relation to the ethics related learning outcomes, with the ultimate objective of performing a gap analysis to inform a consolidated work plan to be developed under the banner of the IEP.

#### Audit Reform Project ("ARP"):

The auditing profession plays a crucial role in ensuring the stability of the financial market system and attracting investments into the country. Transparent and accurate financial reporting are essential for investors to make informed investment decisions. This is even more important for a developing country like South Africa. The recent corporate failures in South Africa have brought the auditing profession under public scrutiny and tainted the reputation of the profession. It is important that the reputation of the auditing profession is restored as this function has the potential to contribute significantly in repairing the socio-economic problems that South Africa is grappling with. It is in this context that SAICA embarked on the Audit Reform Project.

The ARP commenced in August 2020 after which a project plan was formulated, and execution commenced. The stakeholder engagement programme was also formulated, resulting in a wide range of consultations.

Extensive research and a benchmarking exercise were conducted and together with the consultation process, this exercise enabled the formulation of the main outcome of the first stage of the project – the Terms of Reference for the Audit Reform Panel, the creation of which was announced during the 2020 Budget speech by the erstwhile Minister of Finance, Tito Mboweni. These terms of reference have been prepared by SAICA based on consultation with the National Treasury, to facilitate the formation and the activities of the Audit Reform Panel.

The Audit Reform agenda has been actively promoted through multiple internal and external member structures which has resulted in a significant increase in awareness and allowed for wider and all-inclusive consultation.

Management reported regularly on SAICA's standing in terms of the principles set out in the United Global Compact principles relating to:

- Good Corporate Citizenship;
- Effective Management of Ethics;
- Procurement;
- Human Rights;
- SAICA standing in terms Labour and Employment;
- The Employment Equity Act and the Broad-Based Black Economic Empowerment Act;
- The Environment;
- Anti-Corruption; and
- The Organisation for Economic Cooperation and Development.

The Committee met three times during FY2021.

*Mr Johan du Toit*

**Social Ethics and Transformation Committee**

## THE NOMINATIONS AND GOVERNANCE COMMITTEE (NomGov)

**Chairman - Mr Vincent Motholo**

### MEMBERS AS AT 31 DECEMBER 2021

Mr Vincent Motholo	100% Attendance
Mr Johan du Toit	100% Attendance
Ms Monica Singer	100% Attendance
Mr Jacobus Swanepoel	100% Attendance

*The Committee must comprise at least three members of the Board, with relevant experience and the chair of the Committee must be a Board member and appointed by the Board.*

### Committee purpose and how it contributes to value generation

The purpose of the NomGov Committee is to provide assistance to the SAICA Board in fulfilling its responsibility to the members of the Institute and the stakeholders by monitoring and recommending to the Board, corporate governance principles to apply to the Institute, and reviewing the performance and membership of the Board, and other governing bodies.

### KEY VALUE-CREATING ACTIVITIES FOR 2021

The single most significant achievement for the year from a governance perspective was the revision and finalisation of the SAICA Governance Framework as an important tool in Corporate Governance per King IV™.

As part of its programme for the implementation of the new SAICA Constitution and the amended governance structures (following the adoption of this Constitution in 2019) the NomGov worked with management to develop a proposal for the Board and conditionally approved of a proposed Governance Framework at its meeting on 8 September 2020.

The resolution of the NomGov at the time was "conditional" because the Code also proposed that the framework, which covers subsidiaries should be adopted by the subsidiary boards as it is a matter for consideration and approval by the boards of the subsidiary companies as separate legal entities. The NomGov therefore resolved that the draft framework be referred to the Controlled Entity boards for their approval before tabling at the SAICA Board. Following further consultation, amendments and reviews, the new SAICA Governance Framework was approved by the Board in November 2021.

As part of its annual work plan, the Committee also attended to the following:

- Annual Board Evaluation Report.
- SAICA Board Composition/Diversity Review.
- Rotation and succession planning at the AGM.
- Governance Report for the 2020 Annual Integrated Report.
- Update on the Governance framework for the subsidiaries.
- Update on the review of the Regional Constitutions.
- Update on the review of the SAICA Constitution.
- Proposals on Directors and Officers Liability Insurance for 2021.
- Review the composition of the boards of the entities controlled by the Institute.
- Assurance Guidance Committee (AGC).
- SAICA Ethics Committee.
- External representation on local and international bodies.
- Opinion on Board member's rotation.
- Appointment on the National Tax Committee.

During the year under review, the Committee held five meetings, three of which were special with a 100% attendance. The Committee is satisfied that it has fulfilled its obligations in terms of its mandate.

*Mr Vincent Mohau Motholo*

**The Nominations and Governance Committee**



## DIGITAL TRANSFORMATION GOVERNANCE COMMITTEE (DTGC)

Chairman - Ms Babalwa Bekwa

### MEMBERS AS AT 31 DECEMBER 2021

Ms Babalwa Bekwa	100% Attendance
Ms Yasmin Forbes	100% Attendance
Ms Brenda Tsvetu	100% Attendance
Mr Bonolo Ramokhele	100% Attendance

*The Committee must comprise at least three members of the Board, with relevant experience and the chair of the Committee must be a Board member and appointed by the Board.*

### Committee purpose and how it contributes to value generation

The DTGC oversees SAICA's strategic direction and investment in digital transformation and technology, ensuring effective planning, development, implementation, monitoring and maintenance of the overall technical aspects of the digital transformation strategy, including, but not limited to; applications, integration, business process re-engineering, organisational change and business model revamp. It also oversees building and recruiting digital capabilities to facilitate the achievement of SAICA's strategic objectives.

Key initiatives include the transformation of how members engage with SAICA and improved internal processes to ensure that members' queries are attended to speedily.

### KEY VALUE-CREATING ACTIVITIES FOR 2021

#### Retention of critical IT skills

In general, the Committee has registered its concern about challenges with retaining critical skills in the IT Department with the Board. Concerns were raised about the difficulty in retaining critical skills in the IT Department - this was thought to be because of SAICA's remuneration not being competitive and attractive for skilled IT specialists.

#### Cybersecurity and vulnerability management

In July 2021 SAICA experienced a phishing incident which was aimed at gaining access to our core systems. SAICA was not penetrated and the incident was controlled. All affected data subject matter experts were duly informed. Managed Security Operations Centre (MSOC) is being implemented in order to mitigate cybersecurity risk. The Committee had oversight over the motivation of MSOC to provide the following:

- Real-time, 24/7 threat monitoring, detection, response and analysis with actionable intelligence to enable the SAICA IT teams to effectively and quickly resolve issues as they arise.
- Appointment of a Cyber and Information Security Officer (CISO) to ensure that both IT and cybersecurity risks are identified and addressed timeously.
- The scope would also include some aspects of a light

IT Security strategy as this would be a glaring point of departure.

The Committee highlighted the potential risks until the implementation of a MSOC and asked management to tighten up the security and alleviate the gaps.

During the year it was decided to refocus the digitisation project to prioritise projects that will enhance customer experience.

#### Ushintsho Project:

At the start of 2021, the Committee noted delays in closing off Stage 1 and 1.5 of the Ushintsho Project due to data synchronisation issues. At the time, the challenges being experienced were related to iMIS/GP data migration. With regard to Stage 2, delays may affect revised timelines and releases 5 and 9 will be put on hold.

Other focus areas of the Committee in 2021 have been the following:

- Tracking and monitoring of the Digital Governance function as mandated by the Board-approved SAICA scorecard;
- Considering IT compliance as it relates to business goals;
- Resource investment and allocation;
- The IT architecture (i.e. both the application and infrastructure architecture), including external service providers;
- The underlying dynamics that govern changes in technology and how such changes have the potential to alter SAICA's economic outlook and balancing the organisation's short-term business needs with long-term technological investments;
- Review of the execution of SAICA's Digital Transformation roadmap, ensuring that it is integrated within SAICA's strategic and business processes;
- Oversight of the Digital Transformation Strategy within the parameters of the overall SAICA Strategy and SAICA budget as interrogated by the Audit and Risk Committee and as approved by the SAICA Board; and
- The IT Security Strategy.

During the year under review, the Committee held four meetings with a 100% attendance. The Committee is satisfied that it has fulfilled its obligations in terms of its mandate.

*Ms Babalwa Bekwa*

**Digital Transformation Governance Committee**  
SAICA

## HUMAN RESOURCES AND REMUNERATION COMMITTEE (HR and RemCo)

Chairman - Mr Bonolo Ramokhele

MEMBERS AS AT 31 DECEMBER 2021	
Mr Bonolo Ramokhele	100% Attendance
Ms Ilse Lubbe	100% Attendance
Ms Monica Singer	100% Attendance
Ms Patricia Stock	100% Attendance

*The Committee must comprise at least three members of the Board, with relevant experience and the chair of the Committee must be a Board member and appointed by the Board.*

### Committee purpose and how it contributes to value generation

The HR and RemCo oversees the overall governance of human capital management at SAICA and provides the Board with assurances in this regard. Also key among the Committee's functions are recommending to the Board a 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 Committee is also responsible for recommending a remuneration policy based on best practice to ensure that SAICA remunerates all employees fairly and responsibly to the Board.

### KEY VALUE-CREATING ACTIVITIES FOR 2021

#### Salary Benchmarking exercise:

An independent and objective remuneration review for 19 executive positions within SAICA was carried out by 21st Century with data valid as at March 2021. Data was obtained from JSE listed companies and in-house database of 21st Century based on national markets encompassing different sectors including the NPOs. The results of the benchmark were aligned to SAICA's remuneration philosophy, with most of the positions of senior managers paying at the market median.

Other focus areas of the Committee in 2021 include:

- SAICA performance in 2020 (Scorecard report)
- Overview of 2020 Short Term Incentives (STI) granted to SAICA staff in respect of 2020 performance cycle
- SAICA Balanced Scorecard for 2022
- HR/ RemCo Terms of Reference ("TOR") annual review
- Review of the Board fee payment procedure
- SAICA staff Remuneration and Reward Policy
- Human Capital HR progress report against the HR plan
- Review of the Employment Equity (EE) universe at SAICA

During the year under review, the Committee held two meetings with a 100% attendance. The Committee is satisfied that it has fulfilled its obligations in terms of its mandate.

## REMUNERATION

The objective of 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. We are pleased to report that our remuneration practices were aligned with our performance and strategic objectives set for the 2021 financial year. During the past year, the Board reviewed the Remuneration and Reward Policy, however the core remuneration policy and principles remained consistent. A few non-material changes to address challenges experienced in the implementation of the Policy were made and we continue to review and adapt to changes in market conditions to ensure that they remain appropriately aligned with our overall strategy.

This report seeks to ensure that members are able to understand how remuneration decisions are made in order to assess the outcome of these decisions. We have sought to align our practices to good governance regarding remuneration, which in South Africa, is primarily informed by the King Code. The COVID-19 pandemic that engulfed the entire globe made the governance of remuneration to remain a critical feature of the corporate governance landscape over the last two years.

The alignment of remuneration to the long-term strategic goals of SAICA to deliver sustainable performance remained a key focus during the year. A large portion of our remuneration structure is made up of fixed-total guaranteed package and a small portion comprising of short-term incentive (STI). The long-term sustainability of SAICA is dependent on the ability to attract, develop and retain high performing professionals that can execute the strategy.

### Human Resources and Remuneration Committee

The Chairman of the Committee is Mr Bonolo Ramokhele. The Company Secretary is the secretary for the Committee. The Executive Directors/Management are not members of the Committee but attend meetings by invitation only and recuse themselves when conflicts arise, particularly when their performance and remuneration are discussed.

The Committee's main purpose is to ensure that SAICA's remuneration practices and policies are aligned with good corporate governance. The Committee acts as a formal Sub-committee of the SAICA Board (the "Board") and has the power to recommend to the Board for approval a developed strategy and supportive policies for the acquisition, management, retention and fair and responsible remuneration of Human Capital in accordance with statutory regulations, governance requirements and best practice. In addition, the Committee oversees the overall governance of Human Capital management, setting and administering a remuneration policy framework and strategy at SAICA and provides the Board with assurances in this regard.

The Committee seeks to assist the Board to ensure that an appropriate remuneration policy and philosophy that is

aligned with its long-term strategy, objectives and risk appetite are in place, with specific focus of ensuring that:

- the remuneration policy and philosophy are appropriately applied throughout SAICA;
- remuneration of Board Members and Executive Directors/Management is fair and responsible;
- informed decisions pertaining to the acquisition, management, development and retention of its human resources are made;
- the results of SAICA and that of its Executive Directors/Management are reviewed

The Chairman of the Committee reports to the Board on the activities of the Committee at Board meetings. For the period under review, the Committee is satisfied that it has fulfilled all its statutory duties assigned by the Board.

### REMUNERATION PHILOSOPHY AND POLICY

The South African Institute of Chartered Accountants (SAICA) Remuneration Philosophy is one based on the fact that we believe great people are the foundation of our success. SAICA recognises that without the contribution of highly engaged, high-performing employees, our strategic objectives cannot be achieved. It is therefore critical for the sustainability of SAICA that we continuously attract, develop and retain high performing employees by providing a compelling value proposition to prospective and existing employees. At the centre of the SAICA employee value proposition is the remuneration and reward strategy that balances both market competitiveness as well as affordability.

It is our belief that to achieve the balance between strategy and employees' diverse needs, we continually strive to transform to a broader definition of reward – that of total rewards. To deliver on our philosophy, an enabling Remuneration and Rewards Policy was reviewed during the year and it leverages the proper mix of rewards that satisfies the personal and financial needs of current and potential employees given existing operational conditions and constraints.

To achieve this, SAICA integrates two (2) key reward elements:

- Compensation – guaranteed remuneration (total cost to Company),
  - o Fixed salary
  - o Benefits – pension fund, medical aid, wellness subscription, Group risk insurance and funeral cover.
- Short-term incentives for performance

The long-term incentive (LTI) as a retention strategy was tabled before by the Board and in consideration of fiduciary responsibilities, i.e., SAICA being a non-profit membership-based organisation, LTI was not adopted. However, to ensure SAICA's ability to attract and retain capable talent, implementing several non-financial retention measures as

well as recommending improvements of the short-term incentive (STI) to the Board will be explored in the near future.

### Remuneration and Reward Policy (summarised)

#### Objective

The Remuneration and Reward Policy serves to ensure standardised approach in the application of remuneration principles and practices within all the business units and functions of SAICA.

#### Scope

The Policy provides for competitive market-aligned remuneration balanced with the need for cost containment. The Policy is founded on a total rewards context, which embraces all elements of the employee value proposition including compensation, benefits, recognition, career and growth opportunities, and the work environment.

#### Compliance

The Remuneration and Reward Policy is reviewed every three (3) years or as and when required, in order to ensure that the terms are current, fair and representative of relevant corporate and industry conditions.

#### Implementation of the Remuneration policy

In order to implement the Policy provisions as envisaged, SAICA developed a Human Resources Plan which encompassed key focused initiatives that would enable the attraction, development and retention of high-performing employees.

#### Salary Benchmarking

In order to ensure that employees are remunerated fairly and responsibly, SAICA has over the years reviewed its salary scales bi-annually to enable sound remuneration decisions during its salary review process. Every year in line with the provisions of the Policy, SAICA uses the services of an independent credible remuneration consultancy firms to provide the market movement factor. The market movement factor that SAICA uses is based on comparative organisations within the relevant industry sector.

SAICA has during the 2021 financial year undertaken a more comprehensive and holistic remuneration review which incorporated all the various elements that influence remuneration. The independent reviews and benchmarks included:

- Executive Job Profiling
- Executive Job Evaluation
- Pay Structure Review and
- Salary benchmarking

The review sought to ensure that SAICA is aligned to the strategic direction and specific value drivers. As such, remuneration will play a critical role in reinforcing, encouraging and promoting superior performance.



The overall results of the benchmark were aligned to SAICA's remuneration philosophy and indicated that SAICA is remunerating its employees in line with the market, with most of the positions paying at the market median. SAICA does however experience challenges for specialists positions.

SAICA began converting the grading system from Peromnes to Paterson during 2021 in order to have better differential between grades and enable accurate benchmarking of jobs. This exercise has been completed for all the executive jobs and the rest will be completed in successive phases.

### Remuneration Report-Key Statistics

#### *Non-executive Remuneration*

The non-executive directors receive fees for serving on the Board and Board Committees. The fees for non-executive directors are recommended by the Remuneration Committee to the Board for consideration. The Board recommends the fees to members for approval at the Annual General Meeting of the Institute.

#### *Executive Remuneration*

SAICA has a performance management process that is directly linked to annual increases in total cost to company and annual short-term incentive bonuses. Performance reviews and moderation sessions take place regularly

throughout the year, where the organisational performance, divisional and individual achievement of key performance indicators ("KPIs"), and delivery on key strategic objectives are discussed.

All employees are rewarded for achieving performance targets as set out in their annual performance contracts. The performance score of an employee is based on a weighted average, which takes into consideration three elements: the performance of SAICA, the performance of the division within which the employee operates and the employee's individual performance. The three elements are weighted differently depending on the level of seniority of each employee. The respective element weighting takes into consideration the level of authority and influence an employee carries, with higher level employees carrying a higher percentage of SAICA's performance.

In line with King IV™, the table below is a disclosure of the SAICA Executive Directors' remuneration (in R'000) using the single figure view for the period 01 January 2021 – 31 December 2021.

*Mr Bonolo Ramokhele*

**Human Resources and Remuneration Committee**



## REMUNERATION OF THE BOARD AND EXECUTIVE COMMITTEE 2020 – FIGURES IN R'000

NAMES	REMUNERATION	PENSION FUND	STI	TOTAL
V Motholo, 2021: <b>Board member (Chairman; Nominations Committee Chairman) 2020: Independent member of the Audit and Risk Committee</b>	112	-	-	112
A Teeruth, <b>Independent member of the Audit and Risk Committee</b>	-	-	-	-
B Bekwa, <b>Board member (Digital Transformation Committee Chairman)</b>	377	-	-	377
B Ramokhele, <b>Board member (Human Resource and Remuneration Committee Chairman)</b>	286	-	-	286
B Tsvetu, <b>Board member</b>	-	-	-	-
I Lubbe, <b>Board member</b>	259	-	-	259
J du Toit, <b>Board member (Social, Ethics and Transformation Committee Chairman)</b>	261	-	-	261
J Swanepoel, <b>Board member</b>	223	-	-	223
M Singer, <b>Board member</b>	241	-	-	241
P Stock, <b>Board member (Audit and Risk Committee Chairman)</b>	304	-	-	304
R Matenche, <b>Board member (Resigned 27 May 2021)</b>	343	-	-	343
T Maluleke, 2020: <b>Board member (Chairman; Nominations Committee Chairman) (Resigned 27 May 2021)</b>	375	-	-	375
V Ngobese, <b>Independent member of the Audit and Risk Committee (Term ended 30 September 2021)</b>	98	-	-	98
Y Forbes, <b>Board member (Lead Independent)</b>	295	-	-	295
Y Madolo, <b>Independent member of the Audit and Risk Committee</b>	-	-	-	-
C Mulder, <b>Executive Director: Nation Building (Resigned: 28 February 2022)</b>	2 647	286	-	2 933
FL Lamola, <b>Chief Operating Officer (COO)</b>	2 943	211	-	3 154
J Snyman, <b>Executive Director: Governance</b>	2 061	156	-	2 217
M Bouah (2021: five months) (2020: seven months) <b>Executive Director: Member and Global Alliances</b>	1 380	101	-	1 481
M McWalter, <b>Chief Executive Officer: SAICA Enterprise Development (Pty) Ltd</b>	991	-	-	991
NO Nekhavhambe, <b>Chief Financial Officer (CFO)</b>	2 189	331	-	2 520
P Faber (2021: seven months) <b>Acting: Executive Director: Education</b>	-	-	-	-
R Zwane (2022: one month) <b>Acting: Executive Director Nation Building</b>	-	-	-	-
SF Nomvalo, <b>Chief Executive Officer (CEO)</b>	4 331	-	-	4 331
	19 716	1 085	-	20 801

## REMUNERATION OF THE BOARD AND EXECUTIVE COMMITTEE 2021 – FIGURES IN R'000

NAMES	REMUNERATION	PENSION FUND	STI*	TOTAL
V Motholo, 2021: <b>Board member (Chairman; Nominations Committee Chairman) 2020: Independent member of the Audit and Risk Committee</b>	350	-	-	350
A Teeruth, <b>Independent member of the Audit and Risk Committee</b>	75	-	-	75
B Bekwa, <b>Board member (Digital Transformation Committee Chairman)</b>	430	-	-	430
B Ramokhele, <b>Board member (Human Resource and Remuneration Committee Chairman)</b>	341	-	-	341
B Tsvetu, <b>Board member</b>	350	-	-	350
I Lubbe, <b>Board member</b>	327	-	-	327
J du Toit, <b>Board member (Social, Ethics and Transformation Committee Chairman)</b>	406	-	-	406
J Swanepoel, <b>Board member</b>	303	-	-	303
M Singer, <b>Board member</b>	425	-	-	425
P Stock, <b>Board member (Audit and Risk Committee Chairman)</b>	465	-	-	465
R Matenche, <b>Board member (Resigned 27 May 2021)</b>	121	-	-	121
T Maluleke, 2020: <b>Board member (Chairman; Nominations Committee Chairman) (Resigned 27 May 2021)</b>	-	-	-	-
V Ngobese, <b>Independent member of the Audit and Risk Committee (Term ended 30 September 2021)</b>	36	-	-	36
Y Forbes, <b>Board member (Lead Independent)</b>	420	-	-	420
Y Madolo, <b>Independent member of the Audit and Risk Committee</b>	76	-	-	76
C Mulder, <b>Executive Director: Nation Building (Retired: 28 February 2022)</b>	2 519	493	746	3 758
FL Lamola, <b>Chief Operating Officer (COO)</b>	2 921	363	814	4 098
J Snyman, <b>Executive Director: Governance</b>	2 040	269	572	2 881
M Bouah (2021: five months) (2020: seven months) <b>Executive Director: Member and Global Alliances</b>	1 031	106	338	1 475
M McWalter, <b>Chief Executive Officer: SAICA Enterprise Development (Pty) Ltd</b>	1 009	-	-	1 009
NO Nekhavhambe, <b>Chief Financial Officer (CFO)</b>	2 273	349	525	3 147
P Faber (2021: seven months) <b>Acting: Executive Director: Education</b>	1 160	114	-	1 274
R Zwane (2022: one month) <b>Acting: Executive Director Nation Building</b>	67	11	-	78
SF Nomvalo <b>Chief Executive Officer (CEO)</b>	4 511	-	1 118	5 629
	<b>21 656</b>	<b>1 705</b>	<b>4 113</b>	<b>27 474</b>



# WE DECIDE WHAT DIFFERENCE WE WANT TO MAKE IN THE WORLD



Akona Gazi-Babana's great exposure to the world of academia and the impact she could have on students from all walks of life, specifically on students from disadvantaged backgrounds, came from doing her Academic articles at UCT. She later joined the WSU re-accreditation programme in Mthatha as a senior lecturer and this allowed her to give back to her community. She is currently senior lecturer and a programme director for BCTA at the University of Johannesburg, holds a master's degree in Development Finance and is currently pursuing a master's in Applied Finance at the University of Cape Town.

She is a presenter on APT, a preparatory course for the second board exam, and is a member of the JSE proactive monitoring team. She is also involved in a community upliftment programme in her rural village where they focus on youth development and assisting the impoverished. ABASA has recently selected Akona as the Academic Woman of the Year 2021.



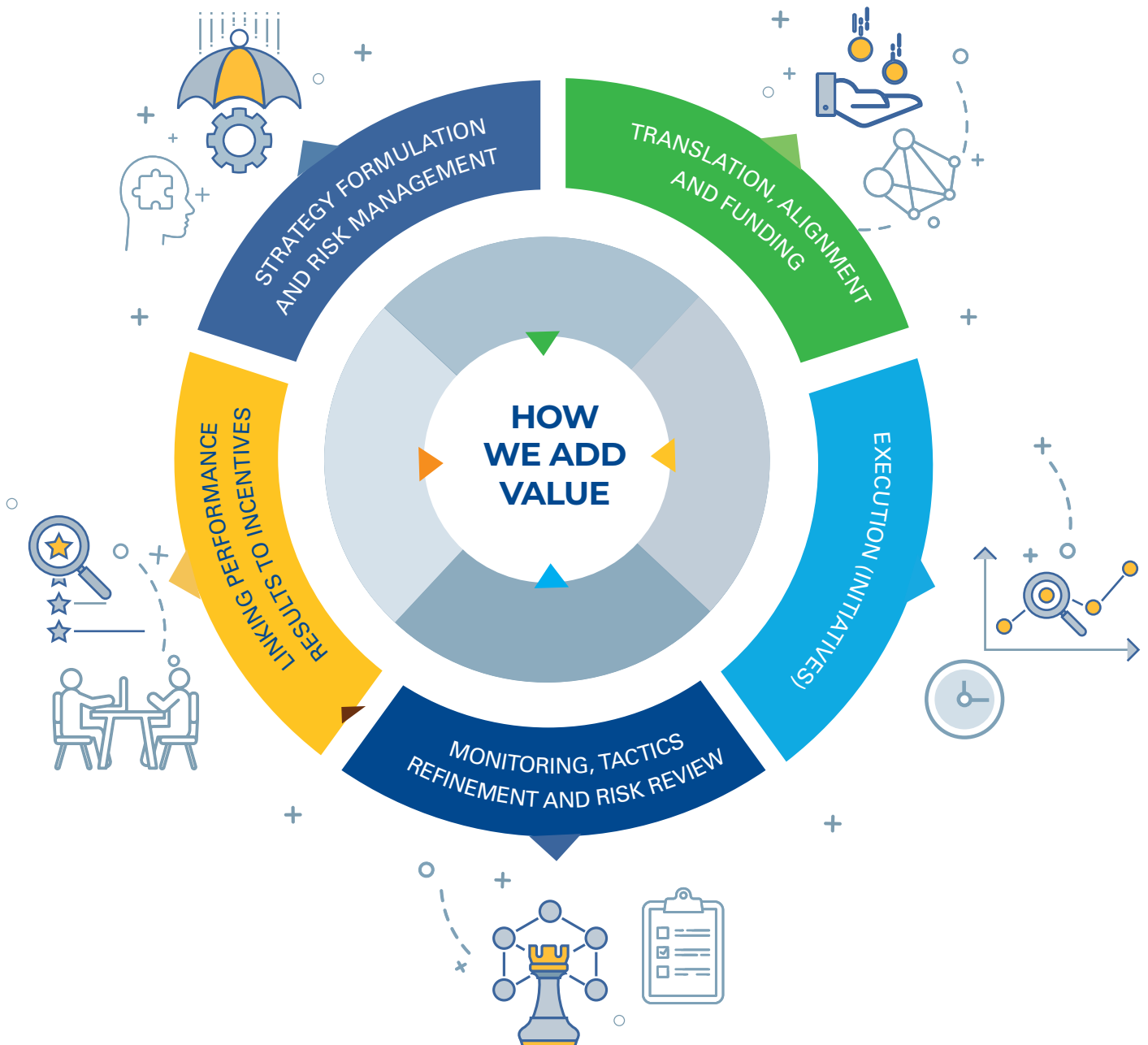


**DIFFERENCE MAKER:** Akona Gazi-Babana CA(SA)

HOW WE CREATE VALUE

# OUR STRATEGY AND KEY STRATEGIC FOCUS AREAS 2021–2023 AND BEYOND

The current strategy was finalised and approved by the Board early in 2021 and applies to the end of 2023. SAICA's strategic management process follows the stages shown below.





## STRATEGY FORMULATION AND RISK MANAGEMENT

Our strategic planning process started with a comprehensive environmental scan and diagnostic review to clarify SAICA's current internal operating environment and external context, understand the impact of the enduring COVID-19 pandemic, and identify key internal and external issues facing SAICA.

### EXTERNAL ENVIRONMENTAL SCAN, INCLUDING:

- A macro-environmental PESTEL analysis and desktop research
- An analysis of global and local trends to gain insight into best practices before, during and after the pandemic
- Responses to the COVID-19 pandemic

The internal and external scanning exercise sought to understand the impact of risks and opportunities on our value creation and capitals. In addition, the outcomes of the internal and external environmental scan formed the basis of our risk and opportunity identification.

The risk and compliance team performed a risk review as part of the strategic planning process to evaluate, revise and communicate risks to ensure that SAICA's strategic risk profile remains aligned to the strategic objectives. The SAICA Strategic Risk Register was workshopped with members of management to ensure completeness.

Based on the strategic insights, existing SAICA strategic pillars i.e. Member Value, Relevance and Reputation, Growth and

### INTERNAL ENVIRONMENTAL SCAN, INCLUDING:

- Employee strategy specific survey
- Diagnostic interviews with focus groups from SAICA divisions, leadership and the Board
- Members' perspectives provided by the SAICA Council

Transformation and Organisational Sustainability, are still relevant and adequate in supporting the organisation to achieve its 'True North' vision.

These strategic pillars will be supported by eight strategic objectives, underpinned by twenty-four strategic initiatives to achieve these objectives.

### TRANSLATION, ALIGNMENT AND FUNDING

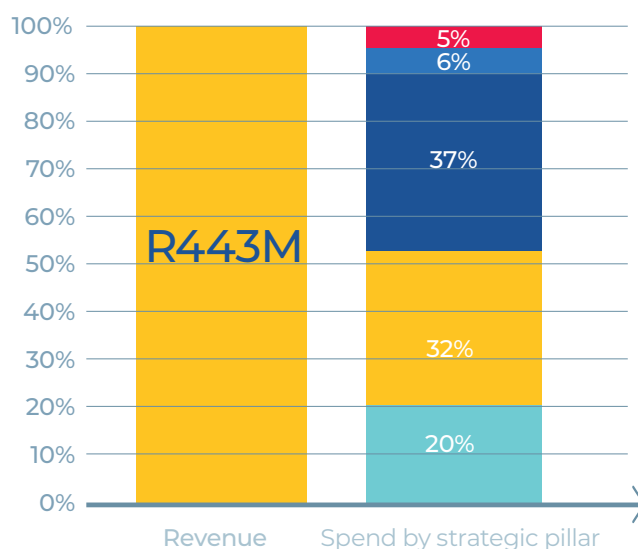
The completed strategy was translated into a strategy map that provides a one-page visual representation of all strategic dimensions – strategic pillars, objectives, intent and outcomes.

### LEGEND

Reserves		Relevance + Reputation		Organisational Sustainability		Member Value		Growth + Transformation	
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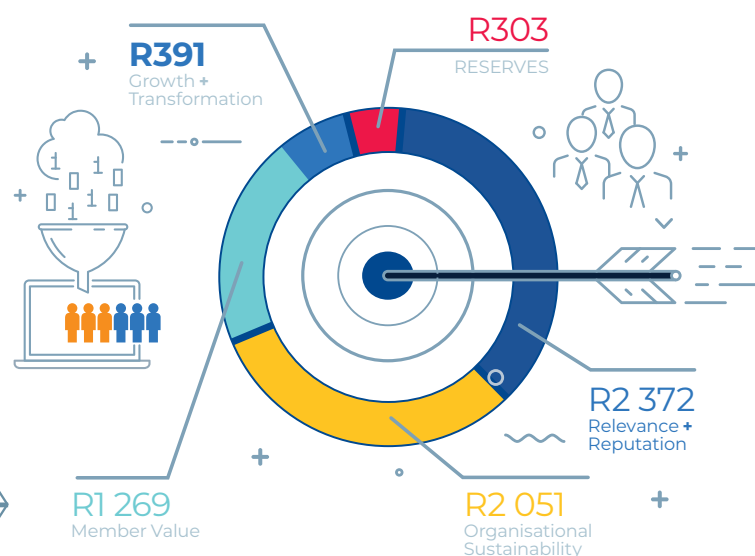
## RESOURCE ALLOCATION

Revenue spend by strategic pillar



## R 6 386

Member fee split



The strategy was communicated to SAICA employees through the CEO townhall, to members during the CEO roadshows and to other stakeholders through additional channels including *Accountancy SA* and the 2020 Integrated Report.

The strategic pillars and objectives defined in the strategy map were then embedded into SAICA's balanced scorecard (see page 134), which sets measures and targets for each initiative.

The organisation is aligned by cascading the strategy down into the business and support unit divisional scorecards. The strategic pillars operate across functions and business units to support successful strategy execution. Personal scorecards are linked to the divisional scorecards, to ensure that employees fully understand the strategy and align their day-to-day activities to its priorities.

Strategic initiatives are included in the business planning process and budget

forecasting to ensure sufficient funding is allocated for effective execution.

**MONITORING, TACTICS REFINEMENT AND RISK REVIEW**

Progress with implementing the strategic initiatives is monitored, reviewed and evaluated to assess their effectiveness and contribution to the strategy. Where necessary, initiatives are modified to improve strategic delivery.

Performance is measured and monitored at all levels of the organisation:

INDIVIDUAL	MANAGEMENT AND EXECUTIVES	BOARD
<p>Individual performance is monitored on a day-to-day basis at the operational level against the employees' KPIs, as they execute strategic initiatives. Formal performance reviews are carried out bi-annually in June and December.</p>	<p>The CEO and executive directors meet monthly to discuss progress on strategic initiatives, identify root causes of any performance issues, ensure that the initiatives are still delivering as intended, and identify early warning indicators for corrective actions where necessary to ensure successful outcomes.</p> <p>The Management Committee (MANCO) meets quarterly to discuss strategic performance based on the CEO and SAICA scorecard. Feedback is cascaded throughout the organisation by the relevant executive directors. Risk oversight and monitoring and townhall engagements with staff, CEO weekly communications are an integral part of strategy execution to identify initiatives that are not on track and to implement appropriate management actions to address shortcomings.</p>	<p>REMCO, ARC and the Board review the quarterly CEO report and SAICA scorecard.</p> <p>At the end of the year, REMCO and the Board review the SAICA scorecard, divisional scorecards and employee scorecards, and allocate final end-of-year scores. Performance results are linked to incentives by the relevant HR policies.</p>



# IF IMPACT IS NOT MEASURABLE IT MAKES NO DIFFERENCE



Professor Wiseman Nkuhlu is currently the Chairman of KPMG South Africa. He has held the following titles: Chancellor of the University of Pretoria, formerly the Principal and vice-Chancellor of the University of Transkei (1987 – 1991), Chairman of DBSA (1995 – 2000), Economic Advisor to former President Thabo Mbeki, Executive Secretary of NEPAD (2000 – 2006).


He has served as President of the South African Institute of Chartered Accountants (SAICA) for two terms. Professor Wiseman is also a Trustee of the IFRS Foundation – overseeing the development of Accounting standards (2013 – 2018). He is passionately involved with the development of Black Accountants and is the Patron of the Nkuhlu School of Accounting at the University of Fort Hare.








**DIFFERENCE MAKER:** Professor Wiseman Nkuhlu CA(SA)




### SAICA 2021 – 2023 STRATEGY


SAICA's strategic intent is supported by four strategic pillars. The identified strategic pillars are supported by eight strategic objectives and each objective is underpinned by strategic initiatives to ensure execution and to close the gap between a measure's performance and its target. 24 strategic initiatives were identified to drive the execution of SAICA's strategy.

STRATEGIC PILLAR	STRATEGIC OBJECTIVE	STRATEGIC OUTCOME
<div></div> <div>MEMBER VALUE</div>	<div>Deliver member value by promoting the premiership status of the CA(SA) designation and enhancing the member value proposition.</div> <div>Promote the common interest and professional competence of members and associates, nationally and internationally.</div>	<div><b>Strong brand:</b> To ensure that the profession has business value, it is admired and that SAICA is a reputable organisation that drives well-respected brands [CA(SA), AGA(SA), AT(SA)]. All members understand and buy into the need and relevance of belonging to a professional body.</div> <div><b>Competency:</b> Developing a shared set of professional competencies. Professional competence is knowledge, skills, attitudes and values. These competencies include:<ul style="list-style-type: none"><li>Professional skills and values (ethics, lifelong learning, citizenship)</li><li>Enabling competencies (decision-making, business acumen, digital acumen, relational acumen)</li><li>Technical competencies</li></ul></div>
OUTLOOK FOR THE FUTURE MEDIUM TO LONG TERM	<ul style="list-style-type: none"><li>Implementation of the Learning Development Platform to provide members and associates with</li><li>Provide targeted offerings to meet member needs as per segmentation outcomes for the short</li><li>Deliver on the key milestones of the CA2025 Competency Framework over the short, medium</li><li>Continue to drive engagement with significant employers to understand the changing requirem</li></ul>	

2021 STRATEGIC INITIATIVES	IMPACT
<ul style="list-style-type: none"> <li>1. Implement the Learning and Development Platform</li> <li>2. Revamp the SAICA website</li> <li>3. Member reach and member profiling initiatives</li> </ul>	<p><b>CAPITALS</b></p> <div style="display: flex; justify-content: space-around;">   </div> <p><b>MATERIAL MATTERS</b></p> 
<ul style="list-style-type: none"> <li>4. Implement the Pathway to Relevance framework</li> <li>5. Stakeholders' engagement initiatives</li> <li>6. Member engagement activities and support</li> </ul>	<p><b>CAPITALS</b></p>  <p><b>MATERIAL MATTERS</b></p> <div style="display: flex; justify-content: space-around;">   </div> 

in a single digital hub  
, medium and long term  
and long term to achieve the desired outcomes  
ents applicable to the profession to ensure that the members are staying relevant and effective

STRATEGIC PILLAR	STRATEGIC OBJECTIVE	STRATEGIC OUTCOME
 <b>RELEVANCE AND REPUTATION</b>		
<p>Building trust and ethical conduct are key focus areas for the organisation to address a perceived failure in historical disciplinary cases.</p> <p>SAICA's reputation is a key driver for attracting and retaining members, and correcting past reputational damage is a priority.</p> <p>SAICA must ensure that it remains relevant in times of inequality and unemployment, both for its members and wider society.</p>	Enhance trust, ethical conduct and the credibility of the profession in the economy and society.	<p><b>Integrity:</b> Members should be living the principles of the Code of Professional Conduct, and where they are not, appropriate action must be taken.</p> <p>Members should be socially conscious (focus is broader than on just deriving profit from an entity).</p>
<b>OUTLOOK FOR THE FUTURE MEDIUM TO LONG TERM</b>	<ul style="list-style-type: none"> <li>Formalise the Sustainability Technical Committee and finalise appointments of members to pro</li> <li>Make a formidable contribution in the ESG space</li> <li>Sustain SAICA as a well-reputed organisation, driving a respected brand</li> <li>Restore trust in the profession by ensuring members are living the Code and appropriate action</li> <li>In the short term SAICA intends to deal decisively with current disciplinary matters and in the lo</li> </ul>	

STRATEGIC PILLAR	STRATEGIC OBJECTIVE	STRATEGIC OUTCOME
 <b>GROWTH AND TRANSFORMATION</b>		
<p>SAICA's continued growth and transformation requires that we play an active role in addressing inequalities. By influencing policy to address the challenges faced by its members, SAICA can become part of the solution, and stay connected with national and international social and political agendas.</p> <p>Leverage technology to support accreditation of institutions to grow and transform the membership base.</p>	Grow and transform the accountancy profession.	The profession has a presence in schools to increase the member pipeline. Increased number of accredited training and higher education providers for all SAICA designations is crucial.
<b>OUTLOOK FOR THE FUTURE MEDIUM TO LONG TERM</b>	<ul style="list-style-type: none"> <li>Increasing accessibility at all South African Universities by ensuring that their PGDA programme</li> <li>Digitisation of Grade 10-12 accounting textbooks to support learners in continuity of studies and</li> </ul>	



## 2021 STRATEGIC INITIATIVES

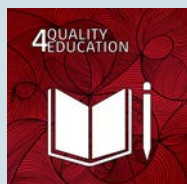
## IMPACT

## 7. Integrated ethics plan

## 8. Optimise disciplinary procedures

## 9. Implement SDG initiatives

Refer to pages 98 to 99 to read more about our initiatives that support these SDGs.



## 10. Audit reform initiatives

## 11. Unite4Mzansi™

## 12. Courageous Conversations

## 13. Government-assistance programmes

## 14. Communication strategy execution

## CAPITALS



## MATERIAL MATTERS



vide thought leadership to remain relevant and positively contribute to a sustainable future

is taken against misconduct, promoting accountability and integrity among members  
ong term aspires to minimal discipline being required of its members

## 2021 STRATEGIC INITIATIVES

## IMPACT

## 15. Schools and tertiary institution engagement

## 16. Thuthuka programmes

## 17. Digitisation of Grades 10–12 accounting textbooks

## 18. Common PGDA for Historically Disadvantaged Institutions

## CAPITALS



## MATERIAL MATTERS



es are accredited  
d grow the future pipeline of CAs(SA)

STRATEGIC PILLAR	STRATEGIC OBJECTIVE	STRATEGIC OUTCOME
 <b>ORGANISATIONAL SUSTAINABILITY</b>		
<p>SAICA's continued growth and transformation requires that we play an active role in addressing inequalities. By influencing policy to address the challenges faced by its members, SAICA can become part of the solution, and stay connected with national and international social and political agendas.</p> <p>Leverage technology to support accreditation of institutions to grow and transform the membership base.</p>	Achieve financial sustainability as an organisation.	<p>Achieve the budgeted surplus, as well as healthy solvency and liquidity ratios. To stay relevant, SAICA will prioritise digital transformation.</p> <p>While the need has been accelerated by the COVID-19 pandemic, digital transformation improves the speed at which IT issues are addressed and increases transparency to avoid employee and member frustration and improve member satisfaction index from the PHI perspective.</p>
	Digitise operational processes to work quicker and qualitatively better, and accelerate strategic benefits.	<p>By elevating the focus on people, SAICA will be showing that it cares about its people and is invested in their success. This includes implementing management processes to ensure individuals are respected, valued and empowered. The cradle to grave Employee Value Proposition (EVP) is crucial. SAICA should become a more agile organisation by building a culture that allows experimentation where people adopt a 'fail fast and pivot swiftly' mentality.</p>
	Empower human capital to enhance innovation and engage employees to create a more engaged organisation.	
	<b>Internal transformation</b> <ul style="list-style-type: none"> <li>• Improve SAICA's B-BBEE score.</li> </ul>	
<b>OUTLOOK FOR THE FUTURE MEDIUM TO LONG TERM</b>		<ul style="list-style-type: none"> <li>• The results of the recent culture survey have been analysed and has provided the organisation with</li> <li>• IT environment has been strengthened with additional capability and capacity to ensure success</li> <li>• Achieve a level 4 B-BBEE score in 2023 with a focus on skills development and enterprise and</li> </ul>

Our strategic objectives are measured through defined Key Performance Indicators to track performance included in the organisation's Balanced Scorecard and cascading to employee scorecards. Reward and remuneration are linked to both individual and business performance. To read more about our performance against strategy and achievement of KPIs, refer to page 134.

## 2021 STRATEGIC INITIATIVES

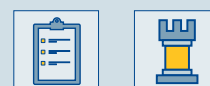
## IMPACT

## 19. Manage working capital and investments

## CAPITALS



## MATERIAL MATTERS



## 20. Digital transformation

## CAPITALS



## MATERIAL MATTERS



## 21. Review the employee value proposition

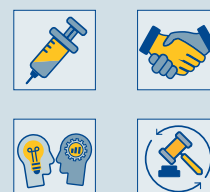
## 22. Talent management

## 23. Improve organisational culture

## CAPITALS



## MATERIAL MATTERS



## 24. Improve SAICA's B-BBEE score

## CAPITALS



## MATERIAL MATTERS



with the ability to plan short-, medium- and long-term response strategies  
 successful delivery of the project in support of SAICA's digitisation strategy  
 supplier development



# CONTRIBUTING TO A SUSTAINABLE FUTURE (THE UN SDGS)

As Difference Makers, the accounting profession is well positioned to help to solve society's most pressing problems.

The 17 SDGs and 169 associated targets to 2030 set in the United Nations Sustainable Development Goals (SDGs) provide governments, businesses and civil society with a universal roadmap to tackle urgent challenges, meaningfully engage with emerging risks and discover new opportunities for creating value.

SAICA has united around the SDGs to deepen the country's understanding of the challenges, opportunities and dynamics that can be leveraged to accelerate and prioritise the delivery of the SDGs. We have identified SDGs 4, 8, 10, 13, 16 and 17 as priority SDGs for the Institute.

The creation of the Sustainability Technical Committee will assist in directing SAICA

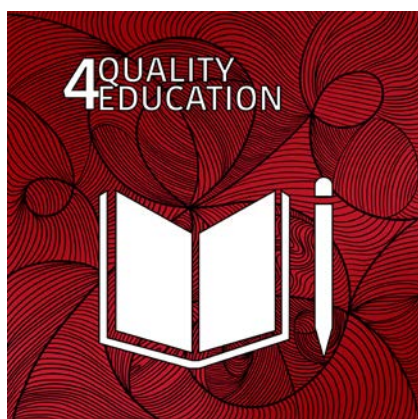
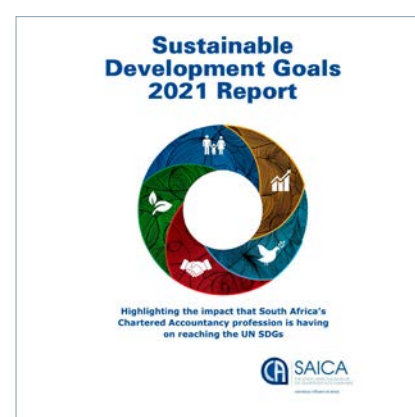
and its members' activities around the SDGs and enable SAICA to be part of the standard setting process, while providing both thought leadership and education in this area which has renewed and urgent focus by the global standard setters.

SAICA collaborates with a number of organisations to promote the SDGs. These include Sustainable SA and FinBiz2030, a collaboration between One Young World, Chartered Accountants Worldwide and SAICA.

SAICA's 2021 SA's Chartered Accountancy Profession and the UN SDGs Report showcases the crucial role played by corporates, the CA profession and other stakeholders to deliver solutions supporting the SDGs through

planning and implementation projects within their communities, organisations and sectors.

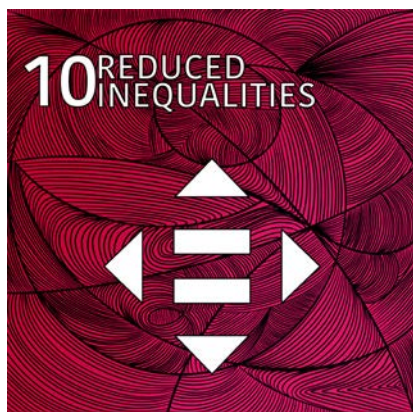
SAICA activities that support our priority SDGs during 2021 include:



- Training programmes in the public sector
- The schools' annual financial statements project to ensure a proper schooling environment
- Training of interns on the public school project
- Rolling out affordable technical and vocational training to members and non-members through the Pathways to Relevance framework and annual events planner
- Educator and learner support and enrichment in maths and accountancy
- Initiatives at school level promote SAICA's designations and the importance of mathematics, which is core in identifying learners to apply for the Thuthuka Bursary
- Activities include promoting the designations on radio and in other media; educator training; Olympiads; career roadshows, symposia and exhibitions; learner development camps; and recording of Grade 12 maths and accounting revision videos
- SAICA is conducting a study of the root causes of the poor performance of African candidates in the ITC and APC examinations as part of detailed plans to address these challenges
- Engagement with service providers to look into support initiatives for our university students, including resilience training and enabling competencies



- SAICA's Business Emergency Room and Recovery Initiatives (see page 117) and BounceBack in collaboration, with ICAS and Gift of the Givers
- FinBiz2030 supports the Vukanda mentorship platform project
- SAICA's standards department providing both operational and technical training and support to the SAICA Enterprise Development unit
- Proposals to Parliament on the Fiscal Responsibility Bill and alternative Fiscal Responsibility models
- Submissions and engagements with National Treasury in collaboration with other stakeholders regarding VAT refund delays and proposed improvements to the pre-budget process
- Employer engagement on skills needs - driving engagement with significant employers to understand the changing requirements applicable to the profession to ensure that the members are staying relevant and effective.
- Member profiling initiatives such as the Top 35-Under-35 competition celebrates and showcases young CAs(SA) who are difference makers driving positive change in the economy and society

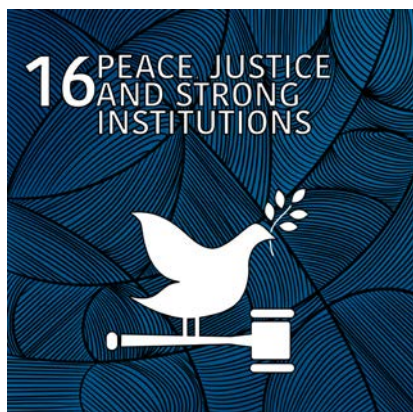


- Reducing inequalities by ensuring equal empowerment of trainees through the Audit Reform project
- SAICA is addressing the IRBA inspection findings with members in public practice to ensure equitable practices
- The Youth Employment Service (YES) programme was launched in 2021 with the primary aim to empower and mentor young people to gain employment - 19 placements were secured as at November 2021
- Women empowerment and leadership initiatives are also a key focus to promote the role of women in business as follows:
  - o The Leadership Evolution Masterclass Series (LEMS) which focusses on:
    - developing female leaders; and
    - the work undertaken to review the differential in pass rates between races to increase representation of historically disadvantaged candidates in the industry
  - o The Women in Leadership Conference which highlighted the value women bring to the workplace, particularly during times of crisis, and finding solutions to the biggest professional obstacles women encounter

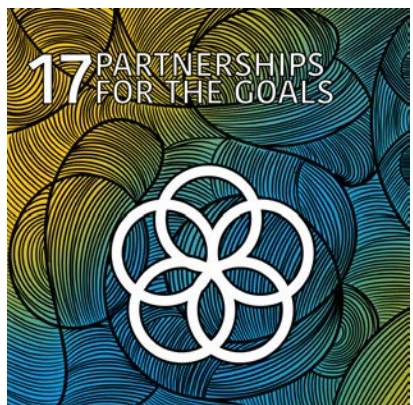


As part of its natural capital considerations, SAICA, as an entity, will seek to progress in establishing its own internal policies, targets and goals that would align to an overall internal sustainability structure. SAICA, given its nature of business does not manufacture any physical products or operate in a specialised geographic area. At a high level, the impact of its operations are not seen as a material component of the Integrated Report. As the world embraces the effects of climate change and Task Force on Climate-related Financial Disclosures (TCFD) as a global imperative, we have responded in various ways to begin the process of measuring and minimising our impact on the environment and natural resources. This takes place through:

- Measuring own consumption of water
- Measuring own consumption of electricity
- Introducing Natural Capital in our Business Model (see page 40) and disclosing the consumption of water and electricity in our 2021 integrated report
- Disclosing our carbon emissions in the Business Model on page 41) under Natural Capital
- Starting the formal tracking of our Total Carbon Footprint in 2021. Scope 2 of this measurement is in place however only mobile combustion is tracked in Scope 1 and in Scope 3 only flights are included in the calculations. In 2022 we will extend the tracking of additional elements of our carbon footprint in Scope 1 and Scope 3 e.g. paper consumption, waste and means of employee commuting
- Establishing a consolidated sustainability programme to combine all sustainability-related initiatives across departments and divisions
- Oversight by the Sustainability Technical Committee of current and emerging sustainability aspects. Members were invited to submit their views on climate change and biodiversity to help shape SAICA's response strategy to these issues



- Promoting justice and strong institutions through the HDIs movement
- SAICA's government support initiatives (see page 139)
- Advocacy submissions to both local and international regulators and standard setters with a view of improving legislation and standards and enhancing regulatory compliance as well as partnerships
- Enhancing SMP participation in the audit and assurance projects



- SAICA's participation in and support for FinBiz2030 and Sustainability SA
- Partnering with SARS to address customs matters and assist with capacitation with specialists in tax and forensics
- Engagement with the National Prosecuting Authority to assist with the prosecution of highly technical commercial crimes
- Facilitating the dialogue and managing the work group with SARS and IRBA on revision of section 18A audit certificate process
- IAASB submissions on the 2022/23 work plan, fraud and going concern and electronic signature of audit reports
- IAASB submissions on their third agenda consultation, the reduced disclosure initiative, Management commentary amongst others – all of which could have a material impact on corporate reporting on our continent

# STAKEHOLDER ENGAGEMENT AND VALUE CREATION



Stakeholder engagement is a key aspect of SAICA's activities not only in terms of our advocacy role, but also in establishing and managing the partnerships that make delivery on our projects and strategic initiatives possible. Our goal is to maintain good relations with all of our key stakeholders to create a strong collaborative value creating environment.

Our engagements with a broad range of stakeholders help us to understand their needs and interests so that we can respond appropriately, support the transformation and upliftment of communities and contribute to sustainable societies.

Effective engagement with stakeholders helps to translate their needs into organisational goals and creates the basis of effective strategy execution. Stakeholder groups include both strategic dependencies (stakeholders SAICA depends on to execute its strategy) and strategic benefactors (those who will benefit from the achievement of the strategy). Stakeholder

needs and interests are also critical inputs into the material matter determination process and the identification of risks and opportunities.

We identify our key stakeholders by considering SAICA's most material matters, continued local and international relevance, technical competence, reputation management, financial sustainability and service of the public interest and the extent to which expectations have been met.

SAICA's key stakeholder groups are shown in the graphic below.

## LEGEND

Expectations met		Improvement required		Expectations not achieved	
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<b>MEMBERS AND ASSOCIATES</b> Member satisfaction score = 68.42%	<b>SAICA BOARD</b> Engagement score = 50%	<b>EMPLOYEES</b> ENGAGEMENT SCORE 75%	<b>REGULATORS</b> ENGAGEMENT SCORE = 50%
<b>USERS</b> PHI - EMPLOYABILITY SCORE = 74.12%	<b>GOVERNMENT</b> ENGAGEMENT SCORE = 100%	<b>NON-GOVERNMENTAL ORGANISATIONS AND THE GENERAL PUBLIC</b> PHI = 68%	<b>TRAINEES</b> PHI - ATTRACTIVENESS OF THE PROFESSION TO NEW ENTRANTS = 90%
<b>STUDENTS</b> PHI - ATTRACTIVENESS OF THE PROFESSION TO NEW ENTRANTS = 90%	<b>FIRMS</b> ENGAGEMENT SCORE = 78%	<b>ACADEMIA</b> ENGAGEMENT SCORE = 92%	<b>MEDIA</b> ENGAGEMENT SCORE: 100%
<b>TRAINING OFFICES</b> ENGAGEMENT SCORE: 79%	<b>LEARNERS AND EDUCATORS</b> PHI - ATTRACTIVENESS OF THE PROFESSION TO NEW ENTRANTS = 90%	<b>DONORS</b> ENGAGEMENT SCORE = 67%	<b>ALLIANCE PARTNERS</b> ENGAGEMENT SCORE = 68%

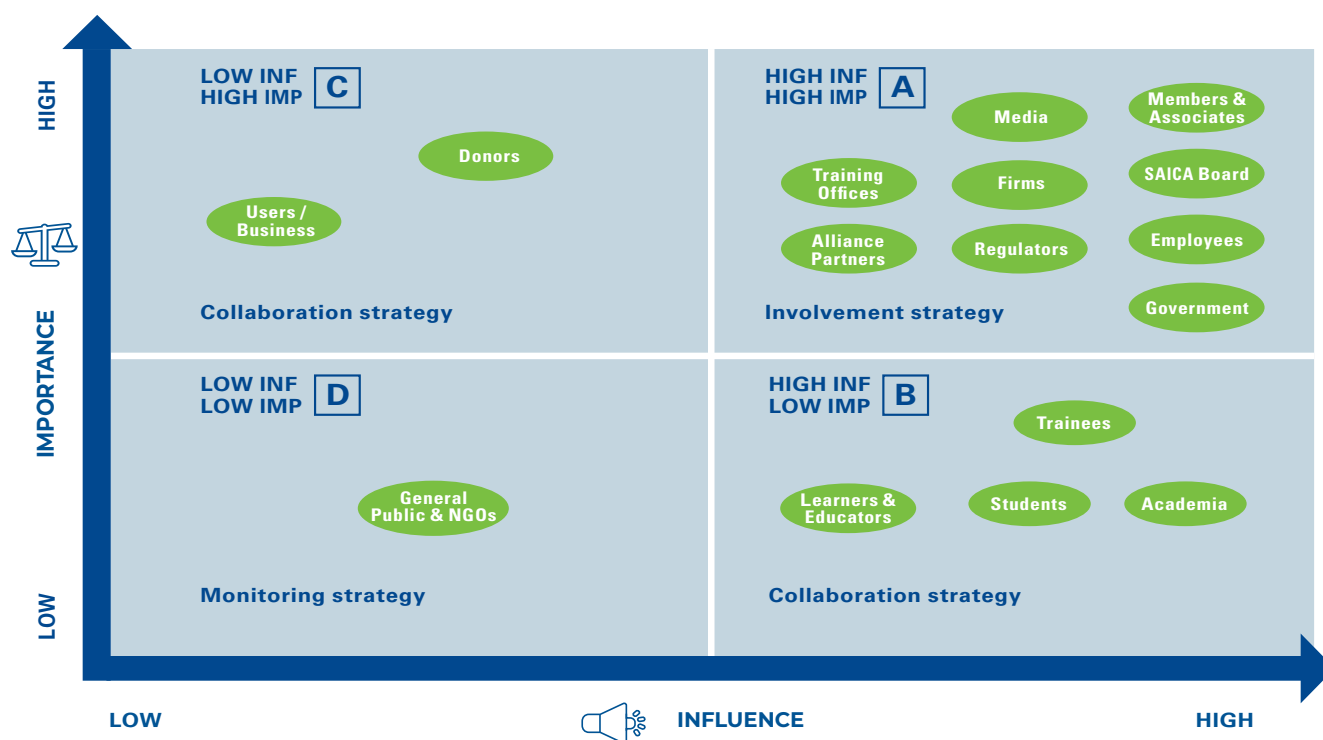


To improve and maintain positive stakeholder relationships, collaboration and involvement strategies will be enhanced.

The survey was completed in January 2022.



## STAKEHOLDER ENGAGEMENT MODEL



**A Group Stakeholders:** Members and associates, The Board, Employees, Government, Regulators, Firms, Media, Training Offices, Alliance partners

**B Group Stakeholders:** Learners and Educators, Trainees, Students, Academia

**C Group Stakeholders:** Users, Donors

**D Group Stakeholders:** NGOs and General Public

SAICA's stakeholder engagement strategy, plan and stakeholder management policy guide interactions with stakeholders. Significant engagements are captured in an organisational stakeholder engagement tracking document and reported quarterly to the Social, Ethics and Transformation Committee.

A stakeholder management policy has been developed and submitted to the Social, Ethics and Transformation Committee (SETCO) which was recommended to the Board for approval.

The revised policy will be tabled at the Board in March 2022 incorporating Board recommendations that were made.

The quality of our stakeholder relationships are measured through an annual survey. The 2021 survey showed an overall satisfaction score of 85.59% (2020: 82%).

### STAKEHOLDER ENGAGEMENTS IN 2021

Lockdown continues to impact interactions with stakeholders and most stakeholder engagements were virtual during 2021. Key themes that were topics of discussion for engagements during 2021 include:

#### TOPICS OF DISCUSSION

- Fraud and corruption prevention
- Audit reform and audit quality
- Corporate Reporting Improvement
- Reputation management and disciplinary updates
- Capacitating and professionalising the public sector
- Engagements with partner organisations and potential partners
- Ethics
- SAICA strategy

#### TOPICS OF DISCUSSION


- Impact of COVID-19 on the profession and the approach to vaccinations
- Transformation in the industry, Institute and industry pipeline
- Topical interviews and media engagements throughout the year
- Awareness of and delivery on the UN SDGs
- Advocacy on public interest and of member concerns with government, particularly regarding SARS, the Masters Office and responsiveness of public sector stakeholders






## STAKEHOLDERS, INTERESTS AND ENGAGEMENT CHANNELS

The tables below demonstrate our commitment, engagement and quality of our relationships with key stakeholders through the value we have delivered.

### LEGEND

Expectations met		Improvement required		Expectations not achieved	
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HOW WE ENGAGE	THEIR ROLE IN VALUE CREATION		THEIR MATERIAL INTERESTS	HOW WE ADDRESS THESE INTERESTS
	<b>Strategic Pillars</b>  		<b>Material Matters</b>  	
<b>Members and associates</b> <i>(Stakeholder Group A)</i>				
<ul style="list-style-type: none"> <li>SAICA Board, SAICA National Council and regional councils</li> <li>National and regional constituency-based committees</li> <li>Roadshows</li> <li>Interest groups</li> <li>Networking/seminars and events</li> <li>Online member communications</li> <li>Face-to-face member visits</li> <li>Focus groups with members</li> <li>SAICA facilitated member engagements with regulators</li> <li>Annual General Meeting</li> </ul>	<ul style="list-style-type: none"> <li>Active engagement with SAICA</li> <li>Adherence to the Code of Professional Conduct (ethical conduct)</li> <li>Understanding of lifelong learning principles (so as to not participate in CPD as a tick-box exercise)</li> </ul>		<ul style="list-style-type: none"> <li>Value of the SAICA membership</li> <li>Reputation of SAICA designations</li> <li>SAICA's disciplinary process for members under investigation for transgression of the Code of Professional Conduct and overall ethical standing of the profession</li> <li>Enhancement of their professional competencies</li> <li>CA(SA), AGA(SA), AT(SA) brand clarity and enhancement</li> <li>SAICA and member relationships with key government agencies</li> <li>Sustainability of the accountancy profession</li> <li>Support, query resolution and advocacy during COVID-19</li> </ul>	<ul style="list-style-type: none"> <li>An integrated communication and marketing plan to protect/build the reputation/sustainability of SAICA's designations</li> <li>Continuous professional development/support</li> <li>Technical and non-technical training</li> <li>Premium/market-leading designation</li> <li>International mobility</li> <li>Engagement with government stakeholders to identify opportunities for members to contribute to the development of the SA economy/society</li> <li>An active leadership role in the profession and community to enhance image and standing of designations</li> </ul>
<b>SIGNIFICANT ENGAGEMENTS IN 2021</b>	<ul style="list-style-type: none"> <li>CEO roadshows in March and August for members in SA, EMEA, Asia Pacific and the Americas               <ul style="list-style-type: none"> <li>Focus included the ongoing impact of COVID-19 on the profession, reputation and relevance of the profession, governance, digital transformation</li> <li>All questions were answered and uploaded to the FAQ page on the SAICA website</li> </ul> </li> </ul>			
<b>RISKS/OPPORTUNITIES</b>	<ul style="list-style-type: none"> <li>Negative perceptions of SAICA designations</li> <li>Ineffective disciplinary processes</li> <li>Unethical conduct of SAICA members</li> <li>SAICA CA qualifications not recognised by international accreditation bodies</li> </ul>			
<b>STRATEGIC RESPONSE</b>	<ul style="list-style-type: none"> <li>Proactive ongoing engagement</li> <li>A segmentation exercise in 2021 to improve understanding of member needs across categories</li> </ul>			
<b>KEY METRICS AND OBJECTIVES TRACKED TO MONITOR VALUE DELIVERED</b>	<ul style="list-style-type: none"> <li>Member satisfaction score = 68.42%</li> </ul>		<b>VALUE DELIVERED</b>	


HOW WE ENGAGE	THEIR ROLE IN VALUE CREATION	THEIR MATERIAL INTERESTS	HOW WE ADDRESS THESE INTERESTS
<b>SAICA Board</b> <i>(Stakeholder Group A)</i>	<b>Strategic Pillars</b>  	<b>Material Matters</b>   	
	 	   	
<ul style="list-style-type: none"> <li>Board meetings</li> <li>Training and induction</li> <li>Strategy formulation</li> </ul>	<ul style="list-style-type: none"> <li>Board approves SAICA's strategic direction and purpose after input from the Council</li> <li>Delegates to management the responsibility for formulating strategy implementation, performance measures and targets</li> <li>Board sets the direction, approach and conduct for the reporting of SAICA affairs and performance to stakeholders</li> <li>Oversight of performance, reputational risk, etc.</li> </ul>	<ul style="list-style-type: none"> <li>Relevant, accurate and timeous information and reporting</li> <li>Achievement of strategic objectives</li> <li>Improved governance and ethics</li> </ul>	<ul style="list-style-type: none"> <li>Governance framework</li> <li>Improved planning and communication</li> <li>Performance reviews</li> <li>Business scorecard reporting</li> <li>I&lt;IR&gt;F gap analysis</li> <li>Board evaluations</li> <li>Annual review of SAICA's Employee Code of Ethics</li> <li>Annual approval of a reporting framework</li> </ul>
<b>SIGNIFICANT ENGAGEMENTS IN 2021</b>	<ul style="list-style-type: none"> <li>Board evaluation - Formal evaluation in 2021 and discussed results on 29 April 2022               <ul style="list-style-type: none"> <li>Overall, the outcome indicates that the Board performed most of its key functions effectively, also noting that there were only two scores below 3</li> <li>Other scores were between 3 ("satisfactory") to 4 ("good") – measures to address the areas in need of improvement will be implemented</li> </ul> </li> <li>SAICA Strategy</li> <li>Quarterly Board and Sub-committee meetings with management</li> <li>Special Board meetings – 1st December 2021 APC sitting</li> </ul>		
<b>RISKS/OPPORTUNITIES</b>	<ul style="list-style-type: none"> <li>Transparency; inaccurate reporting; under performance; poor decision-making; potential liability for directors; integrated business planning</li> <li>Forward planning of committees' focus for year ahead</li> <li>Leverage skillset of directors as SAICA continues to transform on its path of digitisation and digitalisation</li> </ul>		
<b>STRATEGIC RESPONSE</b>	<ul style="list-style-type: none"> <li>Proactively engage with Board on matters of strategic importance</li> <li>Timeous and accurate reporting for effective decision-making</li> <li>Commitment to execute strategy and achieve strategic objectives</li> </ul>		
<b>KEY METRICS AND OBJECTIVES TRACKED TO MONITOR VALUE DELIVERED</b>	<ul style="list-style-type: none"> <li>Board evaluation</li> <li>SAICA Board engagement score = 50%</li> </ul>		<b>VALUE DELIVERED</b> 









HOW WE ENGAGE	THEIR ROLE IN VALUE CREATION		THEIR MATERIAL INTERESTS	HOW WE ADDRESS THESE INTERESTS
	Strategic Pillars	Material Matters		
Employees (Stakeholder Group A)		 		
<ul style="list-style-type: none"><li>Daily interface between management and employees</li><li>Regular departmental meetings</li><li>Townhall meetings</li><li>Culture diagnostics exercise</li><li>Anonymous suggestion box</li><li>Employee engagement surveys</li><li>Performance discussions</li><li>Dedicated behavioural training including an open mindset</li></ul>	<ul style="list-style-type: none"><li>Can be the strongest brand ambassadors for SAICA</li><li>Highly motivated, skilled and competent staff are critical to the successful implementation of SAICA's strategy</li></ul>	<ul style="list-style-type: none"><li>Health and wellness</li><li>Support and tools for WFH</li><li>Clear understanding of SAICA's strategy to maximise contribution</li><li>Fair remuneration</li><li>Transformation</li><li>Career progression</li></ul>	<ul style="list-style-type: none"><li>Protocols for employees' health and safety</li><li>Reconfiguration of SAICA offices to align with the remote working policy</li><li>Culture project</li><li>Fair treatment and remuneration</li><li>A range of development and training programmes</li><li>Regular communication with employees</li><li>Proactive EE strategy</li></ul>	
SIGNIFICANT ENGAGEMENTS IN 2021	<ul style="list-style-type: none"><li>The CEO hosted 4 staff townhall meetings<ul style="list-style-type: none"><li>Open-mic approach, with staff encouraged to speak freely and submit questions in advance</li><li>Topics included 2021-2013 strategy, results of employee engagement survey and organisational restructure</li><li>To enhance two-way communication, a confidential employee suggestion box was launched with a dedicated email address and a link on the SAICA Intranet page. Suggestions are shared with CEO</li></ul></li><li>CEO round table discussion accelerating and prioritising delivery of SDGs</li></ul>			
RISKS/OPPORTUNITIES	<ul style="list-style-type: none"><li>Poor staff culture; low staff morale; ineffective business continuity; loss of key staff</li></ul>			
STRATEGIC RESPONSE	<ul style="list-style-type: none"><li>Health and wellbeing programmes; culture initiatives; staff talent and retention strategies; engagement strategies; strong staff support for remote working; launch of a recognition programme to reward high performance; Targeted Human Capital strategy, includes integration of the organisational culture and diversity, equity, and inclusion (DEI)</li></ul>			
KEY METRICS AND OBJECTIVES TRACKED TO MONITOR VALUE DELIVERED	<ul style="list-style-type: none"><li>Employee survey results and action plans</li><li>76% of staff strongly agree that remote working has increased productivity levels</li><li>The staff engagement score remained at 75% for 2021</li><li>10.18% staff turnover</li></ul>		VALUE DELIVERED 	<ul style="list-style-type: none"><li>Review of EVP, a clear focus on employee experience, engagement and enablement which will support talent retention</li><li>Leadership interventions in response to the culture diagnostic exercise to enhance organisational culture</li></ul>

HOW WE ENGAGE	THEIR ROLE IN VALUE CREATION	THEIR MATERIAL INTERESTS	HOW WE ADDRESS THESE INTERESTS
<div><div>Strategic Pillars</div><div>Material Matters</div></div>			
<div>Regulators</div> <div>(Stakeholder Group A)</div> <div></div>	<div></div> <div></div>		
<ul style="list-style-type: none"><li>SAICA committee structures</li><li>Accreditation engagements</li><li>Face-to-face meetings</li><li>Member queries through the D365 system</li></ul>	<ul style="list-style-type: none"><li>Provide the regulatory framework in which SAICA operates</li></ul>	<ul style="list-style-type: none"><li>SAICA and member compliance with regulations</li><li>Inputs and commentary on regulations to assist in their development</li></ul>	<ul style="list-style-type: none"><li>Ensure compliance of Institute and members</li><li>Engage with regulators to provide input on developing regulations</li></ul>
SIGNIFICANT ENGAGEMENTS IN 2021	<ul style="list-style-type: none"><li>Independent Regulatory Board for Auditors (IRBA) CEO and SAICA CEO quarterly meetings</li></ul>		
RISKS/OPPORTUNITIES	<ul style="list-style-type: none"><li>Failing to comply with regulator requirements</li><li>Proactive engagement with regulators (opportunity)</li></ul>		
STRATEGIC RESPONSE	<ul style="list-style-type: none"><li>Governance structures to ensure compliance</li><li>Robust regulatory framework</li><li>Compliance monitoring</li></ul>		
KEY METRICS AND OBJECTIVES TRACKED TO MONITOR VALUE DELIVERED	<ul style="list-style-type: none"><li>External assurance of regulatory compliance</li><li>Good relationship with regulators</li><li>No fines or penalties</li><li>Survey result of regulators = 50%</li></ul>	VALUE DELIVERED	

HOW WE ENGAGE	THEIR ROLE IN VALUE CREATION	THEIR MATERIAL INTERESTS	HOW WE ADDRESS THESE INTERESTS
<div> <div> <b>Government</b>  <i>(Stakeholder Group A)</i> </div> <div> <b>Strategic Pillars</b> </div> <div> <b>Material Matters</b> </div> </div>			
<ul style="list-style-type: none"> <li>Parliamentary presentations</li> <li>Meetings with representatives from government departments and related entities</li> <li>Engagement with National Treasury, Department of Higher Education, Department of Trade and Industry, South African Reserve Bank, Prudential Authority, State Owned Entities and SARS</li> </ul>	<ul style="list-style-type: none"> <li>Engage with SAICA on how the Institute/members can best contribute to the development of the SA economy/society</li> <li>Strategic partnerships for national imperative initiatives</li> <li>Users of financial capacity-building initiatives</li> </ul>	<ul style="list-style-type: none"> <li>Well-functioning capital markets</li> <li>Transforming the profession in line with the national context</li> <li>Identifying and implementing projects that support the National Development Plan, particularly eliminating corruption and providing accounting support for African entrepreneurs and emerging small businesses</li> </ul>	<ul style="list-style-type: none"> <li>SAICA's purpose commits the Institute to contribute to a sustainable South African society</li> <li>Transformation is a key focus of the Institute's activities</li> <li>SAICA's national imperative initiatives include projects to address key challenges facing the country, including education, transformation, skills development and job creation</li> </ul>
<b>SIGNIFICANT ENGAGEMENTS IN 2021</b>	<ul style="list-style-type: none"> <li>Meetings with various government departments, specifically the DTI on the B-BBEE Scorecard and funding the missing middle</li> <li>CEO meeting with Mr Kieswetter, the SARS Commissioner</li> <li>A ministerial task team session and ongoing support on the professionalisation of the Public Sector</li> <li>Vaccination support was discussed with various government departments</li> <li>SARS/SAICA webinar held – 79 SAICA senior members expressed interest</li> <li>Engaged Deputy Minister of Justice to address various administrative weaknesses affecting citizens</li> </ul>		
<b>RISKS/OPPORTUNITIES</b>	<ul style="list-style-type: none"> <li>Contribute to the development of the South African economy and society</li> <li>Loss of stakeholder (government and funders) confidence and inability to attract funding for growth and transformation</li> </ul>		
<b>STRATEGIC RESPONSE</b>	<ul style="list-style-type: none"> <li>Forge good relationships with Government bodies and explore opportunities for the accounting profession to play a leadership role in addressing key challenges facing the country</li> </ul>		
<b>KEY METRICS AND OBJECTIVES TRACKED TO MONITOR VALUE DELIVERED</b>	<ul style="list-style-type: none"> <li>Stakeholder Survey results for 2021 – Score for Government = 100%</li> </ul>	<b>VALUE DELIVERED</b> 	



HOW WE ENGAGE	THEIR ROLE IN VALUE CREATION	THEIR MATERIAL INTERESTS	HOW WE ADDRESS THESE INTERESTS
<div> <div> <b>Firms</b>  <i>(Stakeholder Group A)</i> </div> <div> <b>Strategic Pillars</b> </div> <div> <b>Material Matters</b> </div> </div>			
<ul style="list-style-type: none"> <li>Training officers</li> <li>Firm visits</li> <li>Trainee allocation engagements</li> <li>Active firm participation within SAICA technical advocacy structures</li> </ul>	<ul style="list-style-type: none"> <li>Skills absorption: Trainee placement and employers for SAICA members</li> <li>SAICA programme support: Thuthuka donors</li> </ul>	<ul style="list-style-type: none"> <li>Highly competent and trained trainees and members</li> <li>Relevant programmes to provide a skills pipeline</li> <li>Members trained for the business of the future/impact of the 4IR on auditing and other accounting functions</li> <li>Technical support, query resolution and advocacy during COVID-19</li> </ul>	<ul style="list-style-type: none"> <li>Training programme development and support</li> <li>Professional support</li> <li>CA2025 and Pathways to Relevance</li> <li>SAICA engages with government stakeholders on behalf of members</li> </ul>
<b>SIGNIFICANT ENGAGEMENTS IN 2021</b>	<ul style="list-style-type: none"> <li>AGC met on Transformation issues at EY and discussed why EY were not able to appoint a transformation candidate to the AGC</li> <li>The CEO introduced the new SAICA Board Chairman to various firms</li> <li>The CEO discussed the establishment of the Centre for Audit Quality in South Africa with KPMG</li> </ul>		
<b>RISKS/OPPORTUNITIES</b>	<ul style="list-style-type: none"> <li>Trainees not well placed due to lack of professional support</li> </ul>		
<b>STRATEGIC RESPONSE</b>	<ul style="list-style-type: none"> <li>CA Profession and vaccine roll-out</li> <li>Transformation issues discussions</li> <li>Audit reform initiatives</li> <li>Centre for Audit Quality in South Africa</li> </ul>		
<b>KEY METRICS AND OBJECTIVES TRACKED TO MONITOR VALUE DELIVERED</b>	<ul style="list-style-type: none"> <li>Stakeholder Survey results for 2021 – Engagement score = 78%</li> </ul>	<b>VALUE DELIVERED</b> 	





HOW WE ENGAGE	THEIR ROLE IN VALUE CREATION	THEIR MATERIAL INTERESTS	HOW WE ADDRESS THESE INTERESTS
<div> <div> <b>Strategic Pillars</b>  <b>Media</b>  <i>(Stakeholder Group A)</i>  </div> <div> <b>Material Matters</b>   </div> </div>			
<ul style="list-style-type: none"> <li>SAICA proactively provides the media with information about the profession and commentary about key business and financial matters, and matters of greater public interest</li> <li>Media responses</li> <li>One-on-one interactions with media houses, especially business media</li> </ul>	<ul style="list-style-type: none"> <li>Influence the reputation of SAICA and the profession</li> <li>Key in shaping public opinion</li> <li>Assist in reaching greater audience around the work, economic role and greater social and economic importance of the profession</li> </ul>	<ul style="list-style-type: none"> <li>Impact of our members on the public and private sector and the economy</li> <li>SAICA's role in the enhancement of the independence and ethical conduct of the profession</li> <li>Role and track record of the profession in transformation</li> <li>SAICA's role and commentary on issues of public interest</li> </ul>	<ul style="list-style-type: none"> <li>Proactive engagement to provide relevant updates and information, and to ensure that SAICA's position on important matters is clearly communicated</li> </ul>
<b>SIGNIFICANT ENGAGEMENTS IN 2021</b>	<ul style="list-style-type: none"> <li>Various interviews and engagement with media and opinion leaders</li> </ul>		
<b>RISKS/OPPORTUNITIES</b>	<ul style="list-style-type: none"> <li>Proactive engagement with media to promote the reputation of SAICA and the profession</li> <li>SAICA builds and maintains relationships with the media to ensure balanced exposure</li> </ul>		
<b>STRATEGIC RESPONSE</b>	<ul style="list-style-type: none"> <li>Topical interviews and media engagements throughout the year</li> <li>Extensive engagement with media on alleged unethical behaviour and high profile cases relating to unethical conduct in the accounting profession</li> <li>Ad-hoc media engagement takes place on request</li> </ul>		
<b>KEY METRICS AND OBJECTIVES TRACKED TO MONITOR VALUE DELIVERED</b>	<ul style="list-style-type: none"> <li>Media &amp; opinion leaders performance score above neutral: 100%</li> <li>1 395 positive media exposures were achieved in 2021</li> <li>15 social media channels – engagement levels above the industry averages</li> </ul>		<b>VALUE DELIVERED</b> 





HOW WE ENGAGE	THEIR ROLE IN VALUE CREATION	THEIR MATERIAL INTERESTS	HOW WE ADDRESS THESE INTERESTS
<div> <div> <b>Strategic Pillars</b>  <b>Alliance partners</b>  <i>(Stakeholder Group A)</i>  </div> <div>    </div> </div>			
<ul style="list-style-type: none"> <li>Regular engagement with other professional bodies through membership of GAA, CAV, IFAC</li> <li>Representation on various regional and international accountancy bodies</li> <li>Submissions to international accountancy bodies</li> </ul>	<ul style="list-style-type: none"> <li>Mutual assistance in maintaining global standards and vice versa</li> <li>Sharing of best practice</li> <li>Provide representation for SA concerns at global forums</li> <li>Contribute to establishment and sustainability of strong and stable accountancy institutes worldwide</li> </ul>	<ul style="list-style-type: none"> <li>SA compliance with international professional and related standards</li> <li>Recognition agreements with professional accountancy organisations</li> <li>A unified African profession and participation in the Pan African Federation of Accountants</li> <li>Developing an international brand</li> <li>SA inputs on key professional and technical issues</li> </ul>	<ul style="list-style-type: none"> <li>SAICA is an active participant at Board and executive levels in a range of professional bodies</li> </ul>
<b>SIGNIFICANT ENGAGEMENTS IN 2021</b>	<ul style="list-style-type: none"> <li>Role of Auditors in Preventing State Capture discussed with WITS</li> <li>Effectiveness of audit committees in local government discussed and included SAICA, CIPFA and the UNDP</li> <li>The CEO introduced the new SAICA Board Chairman to other membership bodies</li> <li>The agenda and the discussion guide for the CAW 2030 Strategy meeting was finalised</li> <li>The Donor CFOs/CEOs engagements with the SAICA CEO yielded good results - funding approval contracts are being drafted</li> </ul>		
<b>RISKS/OPPORTUNITIES</b>	<ul style="list-style-type: none"> <li>Developing a strong international brand and promoting the value of the accountancy profession</li> </ul>		
<b>STRATEGIC RESPONSE</b>	<ul style="list-style-type: none"> <li>Power/influence over SAICA's ability to meet its strategic objectives is high</li> </ul>		
<b>KEY METRICS AND OBJECTIVES TRACKED TO MONITOR VALUE DELIVERED</b>	<ul style="list-style-type: none"> <li>Stakeholder Survey results for 2021 – Engagement score for Alliance partners = 68%</li> </ul>		<b>VALUE DELIVERED</b> 







HOW WE ENGAGE	THEIR ROLE IN VALUE CREATION	THEIR MATERIAL INTERESTS	HOW WE ADDRESS THESE INTERESTS
<div> <div> <b>Strategic Pillars</b>  <b>Training offices</b>  <i>(Stakeholder Group A)</i> </div> <div>  </div> <div> <b>Material Matters</b>   </div> </div>			
<ul style="list-style-type: none"> <li>Training office remote visits</li> <li>Accreditation meetings</li> <li>Training office workshops</li> <li>Online surveys</li> </ul>	<ul style="list-style-type: none"> <li>Deliver the training component of the CA(SA) and AGA(SA) qualifications</li> <li>Ensure that prospective members are competent, ethical and relevant for the future world of work</li> </ul>	<ul style="list-style-type: none"> <li>Suitable supply and retention of trainees</li> <li>Reputation of SAICA designations</li> <li>Relevant training administration systems</li> <li>Effective application of SAICA accreditation</li> <li>Training implementation support</li> <li>Regular updates on COVID-19 and how to manage challenges</li> </ul>	<ul style="list-style-type: none"> <li>Training programme development and support</li> <li>Promotion of high-quality training programmes at accredited training offices</li> <li>Streamlined accreditation and monitoring, including effective reporting to training officers</li> <li>Frequent communications to keep trainees and training offices updated</li> </ul>
<b>SIGNIFICANT ENGAGEMENTS IN 2021</b>	<ul style="list-style-type: none"> <li>The impact of COVID-19 and support required from SAICA was identified</li> <li>The CEO introduced the new SAICA Board Chairman to the training officers</li> </ul>		
<b>RISKS/OPPORTUNITIES</b>	<ul style="list-style-type: none"> <li>Loss of confidence in member's professional competencies</li> <li>Adding value to members by identifying the requisite skills required to meet future needs</li> <li>Providing development opportunities to members</li> </ul>		
<b>STRATEGIC RESPONSE</b>	<ul style="list-style-type: none"> <li>Continuous review of SAICA's competency framework and the implementation of the CA2025 outcomes</li> <li>Continuous development and delivery of effective member education, particularly non-technical training courses</li> </ul>		
<b>KEY METRICS AND OBJECTIVES TRACKED TO MONITOR VALUE DELIVERED</b>	<ul style="list-style-type: none"> <li>Stakeholder Survey results for 2021 – Score for Training office = 79%</li> </ul>		<b>VALUE DELIVERED</b> 

HOW WE ENGAGE	THEIR ROLE IN VALUE CREATION	THEIR MATERIAL INTERESTS	HOW WE ADDRESS THESE INTERESTS
<div> <div> <b>Strategic Pillars</b>  <b>Trainees</b>  <i>(Stakeholder Group B)</i> </div> <div>  </div> <div> <b>Material Matters</b>   </div> </div>			
<ul style="list-style-type: none"> <li>Trainee workshops</li> <li>Online surveys</li> <li>Trainee Tuesdays online engagements</li> <li>One-on-one engagements</li> </ul>	<ul style="list-style-type: none"> <li>Sustainability - trainees represent the future of the profession</li> <li>Potential ambassadors for the profession if engaged with appropriately</li> </ul>	<ul style="list-style-type: none"> <li>Professional practical work experience</li> <li>Developing competencies to increase market attractiveness/employability</li> <li>Regular tips on how to manage the challenges of the training contract</li> </ul>	<ul style="list-style-type: none"> <li>Rigorous training programme</li> <li>Trainee appeal process to SAICA in relation to training regulations</li> <li>Engage in employment contracts</li> <li>Frequent communications to keep trainees and training offices updated</li> </ul>
<b>SIGNIFICANT ENGAGEMENTS IN 2021</b>	<ul style="list-style-type: none"> <li>Training on relevant topics including "Trainee Assessment workshops", "CAvival toolkit" and "Taking Charge of my CAREER"</li> <li>Monthly Mythbuster mailers</li> <li>Trainee Tuesday events and engagement through trainee queries</li> <li>New trainees welcome: personal email and welcome video</li> <li>Trainee Summit (27 September to 1 October)</li> <li>Trainee Trailblazer competition</li> </ul>		
<b>RISKS/OPPORTUNITIES</b>	<ul style="list-style-type: none"> <li>Pass rate below expectations, affecting morale of trainees</li> <li>Impact on professional firms if pass rate is low and trainees need to write several times (out of office/study leave)</li> </ul>		
<b>STRATEGIC RESPONSE</b>	<ul style="list-style-type: none"> <li>Creating a conducive learning environment for all trainees</li> <li>Assessment as an accurate reflection of competence</li> <li>A focus on development of professional competence</li> <li>Equitable scheduling and exposure from a practical experience perspective (on the job)</li> </ul>		
<b>KEY METRICS AND OBJECTIVES TRACKED TO MONITOR VALUE DELIVERED</b>	<ul style="list-style-type: none"> <li>Profession Health Index – Attractiveness of the profession to new entrants = 90%</li> </ul>		<b>VALUE DELIVERED</b> 


HOW WE ENGAGE	THEIR ROLE IN VALUE CREATION	THEIR MATERIAL INTERESTS	HOW WE ADDRESS THESE INTERESTS
<b>Academia</b> <i>(Stakeholder Group B)</i> <div>    </div>			
<ul style="list-style-type: none"> <li>Institutional accreditation</li> <li>Competency reviews</li> <li>Accounting heads of department meetings</li> <li>African academics conference</li> </ul>	<ul style="list-style-type: none"> <li>Competent training-ready students</li> <li>Transformation of tertiary curriculum and teaching methods</li> </ul>	<ul style="list-style-type: none"> <li>SAICA accreditation for accounting programmes</li> <li>Relevant higher education offerings</li> <li>Training and subvention for African academics</li> </ul>	<ul style="list-style-type: none"> <li>Accreditation support</li> <li>Development and support for academics</li> </ul>
<b>SIGNIFICANT ENGAGEMENTS IN 2021</b>	<ul style="list-style-type: none"> <li>Thought Leadership within ITC, APC and as contributor to the IFRS Thought Leadership</li> <li>Contributions to State of the Profession address</li> <li>Ongoing engagements related to the Integrated Ethics Plan</li> </ul>		
<b>RISKS/OPPORTUNITIES</b>	<ul style="list-style-type: none"> <li>Loss of confidence in SAICA's educational programmes, that they will not produce students with the competencies required by training offices and the market resulting in SAICA's inability to attract new members</li> </ul>		
<b>STRATEGIC RESPONSE</b>	<ul style="list-style-type: none"> <li>Continuous review of SAICA's competency framework and the implementation of the CA2025 outcomes</li> <li>Review of SAICA's training regulations ensuring effective implementation with training and monitoring</li> </ul>		
<b>KEY METRICS AND OBJECTIVES TRACKED TO MONITOR VALUE DELIVERED</b>	<ul style="list-style-type: none"> <li>Stakeholder Survey results for 2021 – Engagement score = 92%</li> </ul>		<b>VALUE DELIVERED</b> 




HOW WE ENGAGE	THEIR ROLE IN VALUE CREATION	THEIR MATERIAL INTERESTS	HOW WE ADDRESS THESE INTERESTS
<b>Learners and educators</b> <i>(Stakeholder Group B)</i> <div>    </div>			
<ul style="list-style-type: none"> <li>School visits (career awareness)</li> <li>Career exhibitions</li> <li>Thuthuka development camps</li> <li>Educator and curriculum support programmes</li> </ul>	<ul style="list-style-type: none"> <li>Science, Technology, Engineering and Mathematics (STEM) subject promotion</li> <li>Curriculum development</li> <li>Promotion of accounting as a tertiary subject choice</li> <li>Advancement of accountancy careers</li> </ul>	<ul style="list-style-type: none"> <li>Access to careers that will make them employable while making a social contribution</li> <li>Assistance in developing educational skills</li> <li>Quality and relevant maths, science, accounting and English curricula</li> </ul>	<ul style="list-style-type: none"> <li>Career awareness</li> <li>Academic support (STEM)</li> <li>Educator mentoring and support</li> <li>Curriculum development assistance</li> <li>School governance and financial management support</li> </ul>
<b>SIGNIFICANT ENGAGEMENTS IN 2021</b>	<ul style="list-style-type: none"> <li>Educator Training (EMS &amp; Acc.: GP and NC); FS Gr 12 Olympiad; EMS Career Roadshow; Career Awareness Activities: Symposia and exhibitions in person; Learner Development Camps: GP(3), NW, MP and WC</li> <li>Gr 12 Maths &amp; Accounting Revision Videos recorded and released</li> </ul>		
<b>RISKS/OPPORTUNITIES</b>	<ul style="list-style-type: none"> <li>Decline in intake of learners to attract into the profession</li> </ul>		
<b>STRATEGIC RESPONSE</b>	<ul style="list-style-type: none"> <li>Established relations with the Provincial Departments of Basic Education to ensure a collaborative approach in the promotion of mathematics and the accountancy profession in all schools, including rural schools</li> </ul>		
<b>KEY METRICS AND OBJECTIVES TRACKED TO MONITOR VALUE DELIVERED</b>	<ul style="list-style-type: none"> <li>Profession Health Index – Attractiveness of the profession to new entrants = 90%</li> </ul>		<b>VALUE DELIVERED</b> 

HOW WE ENGAGE	THEIR ROLE IN VALUE CREATION	THEIR MATERIAL INTERESTS	HOW WE ADDRESS THESE INTERESTS
<b>Students</b> <i>(Stakeholder Group B)</i>			
	<b>Strategic Pillars</b> 	<b>Material Matters</b>  	
<ul style="list-style-type: none"> <li>Ongoing engagement through the student funding and support initiatives</li> <li>Student forums for networking and mentorship from young professionals/members</li> </ul>	<ul style="list-style-type: none"> <li>Pipeline: Students in the accounting stream represent possible future members and it is therefore critical to understand their needs and interests</li> </ul>	<ul style="list-style-type: none"> <li>Support to continue studies during lockdown and assistance to return to campus</li> <li>Rising tertiary institution costs and funding challenges (fee-free education and ongoing #FeesMustFall discourse)</li> <li>A high-quality programme from SAICA that ensures their employability</li> </ul>	<ul style="list-style-type: none"> <li>Provision of financial support to eligible students through the Thuthuka Bursary Fund (TBF) (page 123) and ISFAP (page 140)</li> <li>SAICA provides additional academic and psycho-social support to students who are eligible and demonstrate potential</li> </ul>
<b>SIGNIFICANT ENGAGEMENTS IN 2021</b>	<ul style="list-style-type: none"> <li>The SAICA CEO discussed reputation management with students</li> <li>SAAA Online Webinar - GEN Z – grasping a better understanding of our students</li> </ul>		
<b>RISKS/OPPORTUNITIES</b>	<ul style="list-style-type: none"> <li>Decline in intake of learners to attract into the profession</li> <li>Under and post graduate pass rates do not provide adequate numbers of candidates to proceed as trainees</li> </ul>		
<b>STRATEGIC RESPONSE</b>	<ul style="list-style-type: none"> <li>Established relations with the Provincial Departments of Basic Education to ensure a collaborative approach in the promotion of mathematics and the accountancy profession in all schools, including rural schools</li> </ul>		
<b>KEY METRICS AND OBJECTIVES TRACKED TO MONITOR VALUE DELIVERED</b>	<ul style="list-style-type: none"> <li>Attractiveness of the profession to new entrants = 90%</li> </ul>		<b>VALUE DELIVERED</b> 

HOW WE ENGAGE	THEIR ROLE IN VALUE CREATION	THEIR MATERIAL INTERESTS	HOW WE ADDRESS THESE INTERESTS
<b>Users</b> <i>(Stakeholder Group C)</i>			
	<b>Strategic Pillars</b>  	<b>Material Matters</b>  	
<ul style="list-style-type: none"> <li>Skills of the future focus groups</li> <li>Employer and recruiter engagements</li> <li>Face-to-face interactions</li> <li>SAICA market surveys</li> </ul>	<ul style="list-style-type: none"> <li>Help SAICA keep abreast of market needs and the roles members need to play, to ensure the continued relevance</li> <li>Ensure programmes enable SAICA members and associates to deliver value to their employers</li> <li>Potential funders for SAICA nation-building/ financial capacity-building</li> </ul>	<ul style="list-style-type: none"> <li>Competent and ethical professionals</li> <li>SAICA members to be value creators for their businesses and departments</li> <li>Quality-assured and trusted/ reputable programmes in which to place funds</li> </ul>	<ul style="list-style-type: none"> <li>Excellence in competence</li> <li>Continuous professional development</li> <li>Technical and non-technical training</li> <li>Professional support for members</li> <li>Rigorous training programmes</li> </ul>
<b>SIGNIFICANT ENGAGEMENTS IN 2021</b>	<ul style="list-style-type: none"> <li>Finance Leaders initiative – a 6 series webcast event hosted in September with 23 speakers</li> <li>Friday Knowledge Cafes: Friday Knowledge Cafes: Dext were the series sponsor</li> <li>Wellness: mental wellness support offered to members via ICAS</li> </ul>		
<b>RISKS/OPPORTUNITIES</b>	<ul style="list-style-type: none"> <li>SAICA not keeping abreast of market needs and the roles our members need to play to deliver these, which helps to ensure the continued relevance of our training, CPD offerings and members</li> </ul>		
<b>STRATEGIC RESPONSE</b>	<ul style="list-style-type: none"> <li>A platform driving engagement with significant employers to understand the changing requirements applicable to the profession to ensure that members are staying relevant and effective</li> </ul>		
<b>KEY METRICS AND OBJECTIVES TRACKED TO MONITOR VALUE DELIVERED</b>	<ul style="list-style-type: none"> <li>Profession Health Index – Employability = 74.12%</li> </ul>		<b>VALUE DELIVERED</b> 

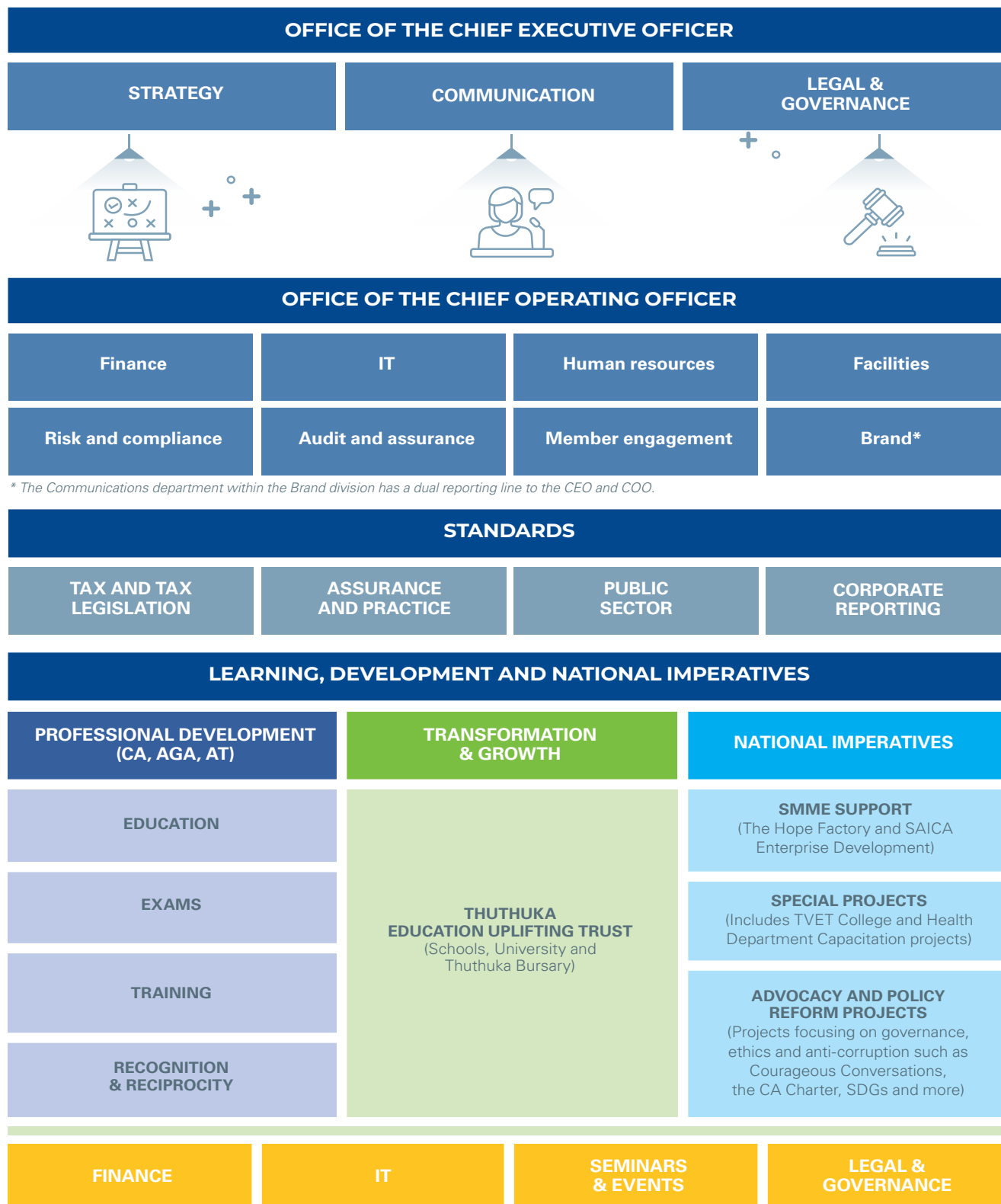


HOW WE ENGAGE	THEIR ROLE IN VALUE CREATION	THEIR MATERIAL INTERESTS	HOW WE ADDRESS THESE INTERESTS
<b>Donors</b> <i>(Stakeholder Group C)</i>	<b>Strategic Pillars</b> 	<b>Material Matters</b>  	
<ul style="list-style-type: none"> <li>Funding proposal briefing sessions and proposals</li> <li>Donor update meetings</li> <li>One-on-one donor sessions</li> <li>Student allocation engagements</li> </ul>	<ul style="list-style-type: none"> <li>Programme development (financial capacity-building)</li> <li>Sustainability of SAICA student-funding programmes</li> <li>Skills absorption (Thuthuka trainee allocations)</li> </ul>	<ul style="list-style-type: none"> <li>Transformation of the profession</li> <li>B-BBEE rating</li> <li>Quality-assured and trusted/reputable programmes in which to place funds</li> </ul>	<ul style="list-style-type: none"> <li>SAICA delivers mutually beneficial programmes</li> <li>Tailored/sector or organisation-specific financial capacity building</li> <li>Effective programme delivery and trackable spend</li> <li>Transformation is a key focus of the SAICA's activities</li> <li>SAICA's nation-building initiatives</li> <li>CA Charter is aligned to the B-BBEE Code of Good Practice to grow the number of black people in the CA(SA) profession</li> </ul>
<b>SIGNIFICANT ENGAGEMENTS IN 2021</b>	<ul style="list-style-type: none"> <li>Strategic partnership engagements with the biggest donor contributors:               <ul style="list-style-type: none"> <li>Fasset: signing of the MoU for multiple years</li> <li>SETA CEOs engagement with SAICA CEO</li> <li>Student engagement sessions with Thuthuka Board members and Donors</li> <li>Resilience training for all Thuthuka students</li> </ul> </li> </ul>		
<b>RISKS/OPPORTUNITIES</b>	<ul style="list-style-type: none"> <li>Loss of strategic stakeholder (government and funders) confidence and inability to attract funding for growth and transformation initiatives</li> </ul>		
<b>STRATEGIC RESPONSE</b>	<ul style="list-style-type: none"> <li>Continuous monitoring of growth and transformation initiatives and throughput pass percentages:               <ul style="list-style-type: none"> <li>Thuthuka camps focused on attracting the top maths performers in the country</li> <li>Support programmes to drive improved mathematics results to increase student pipeline</li> <li>Wrap-around support interventions at undergrad and CTA levels</li> <li>ITC and APC support programmes</li> <li>Alliances with strategic partners to deliver career awareness initiatives</li> </ul> </li> </ul>		
<b>KEY METRICS AND OBJECTIVES TRACKED TO MONITOR VALUE DELIVERED</b>	<ul style="list-style-type: none"> <li>Stakeholder Survey results for 2021 – Score for Donors = 67%</li> </ul>		<b>VALUE DELIVERED</b> 

HOW WE ENGAGE	THEIR ROLE IN VALUE CREATION	THEIR MATERIAL INTERESTS	HOW WE ADDRESS THESE INTERESTS
<div> <div>Strategic Pillars</div> <div>Material Matters</div> </div>			
<b>Non-government organisations and the general public</b> <i>(Stakeholder Group D)</i>			
<ul style="list-style-type: none"> <li>Engagements driven by SAICA's trust restoration imperatives</li> </ul>	<ul style="list-style-type: none"> <li>Take a stand on issues of public interest and play a role in shaping public opinion</li> </ul>	<ul style="list-style-type: none"> <li>Professional conduct of members</li> <li>Impact of members on the public, private sector and economy</li> <li>SAICA's role in enhancing the independence and ethical conduct of the profession</li> <li>SAICA's role and commentary on their particular areas of public interest</li> </ul>	<ul style="list-style-type: none"> <li>SAICA proactively engages with non-government organisations in areas of shared interest and participates in initiatives to raise awareness</li> </ul>
<b>SIGNIFICANT ENGAGEMENTS IN 2021</b>	<ul style="list-style-type: none"> <li>SAICA's Audit Reform initiative (see page 78) requires wide consultation with stakeholders including auditors, users of financial statements, management of entities and those charged with governance               <ul style="list-style-type: none"> <li>The first phase of the engagements were facilitated by SAICA's CEO with the objective of identifying the causes of the current reputational crisis in the profession, possible changes to the current regulatory model and framework to improve audit quality and help to prevent future corporate failures, the responsibility of other role players in the financial reporting ecosystem, the way forward for the profession and other related matters</li> </ul> </li> <li>Discussion held for further engagements around the IFRS foundation movement, the VRF being formed and SAICA's work within the IRITS space               <ul style="list-style-type: none"> <li>The IFRS Foundation supports IFRS and reporting advocacy and is assisting in trying to re-establish the FRSC</li> </ul> </li> </ul>		
<b>RISKS/OPPORTUNITIES</b>	<ul style="list-style-type: none"> <li>No reliance on SAICA and member opinions and negative rating of the impact of the profession by decision makers</li> <li>SAICA losing recognition nationally and internationally resulting in SAICA and members not being invited and recognised as thought leaders, to participate and contribute in matters relevant to the profession</li> </ul>		
<b>STRATEGIC RESPONSE</b>	<ul style="list-style-type: none"> <li>Continuous in-depth monitoring, tracking of trust and credibility of the profession in the economy and society through independent feedback</li> <li>Effective, and differentiating marketing, communication and public relations activities. (#Professionofnationalvalue)</li> <li>Showcase the profession's contribution to the SA economy and society through Thought Leadership articles</li> </ul>		
<b>KEY METRICS AND OBJECTIVES TRACKED TO MONITOR VALUE DELIVERED</b>	<ul style="list-style-type: none"> <li>All brand admiration indexes are showing improvement:               <ul style="list-style-type: none"> <li>Member satisfaction of PHI went up from 64% (2020 ) to 68% (2021)</li> <li>The overall PHI market trust index went to 84% which is also reflected in the Ask Afrika (business decision makers) trust index which is also 84%</li> <li>The overall PHI for Brand Admiration (composite among all stakeholders) improved from 77% to 79%, while the Ask Afrika survey (among business decision-makers) went up to 73%</li> </ul> </li> </ul>		
	<b>VALUE DELIVERED</b> 		

# SAICA'S OPERATING MODEL

During 2021, SAICA realigned its organisational structure to streamline collaboration, ensure focused and sustainable implementation of the strategy, improve service delivery and increase member satisfaction. No jobs were affected, although some reporting lines were changed and the Nation Building division was renamed to Learning, Development and National Imperatives. A key success factor underpinning SAICA's Operating Model is the digitisation journey to improve operational efficiencies and increase member value, see page 126.



# HUMAN CAPITAL



SAICA's human capital is critical to our ability to deliver on our strategy.

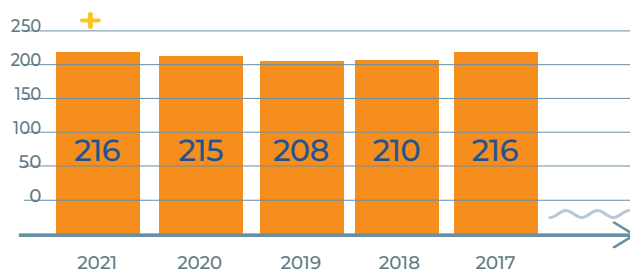
FOCUS AREAS:	STRATEGIC PILLARS	MATERIAL MATTERS
<ul style="list-style-type: none"> <li>Employee engagement</li> <li>Culture project</li> <li>Succession planning</li> <li>Employee wellness</li> </ul>		

Human Capital (HC) initiatives are overseen by the Human Resources and Remuneration Committee and implemented by the HC function.

Our goal is to build a leadership brand that attracts the best calibre candidates while enhancing the performance culture and linking it to reward and recognition to enable an environment where people are engaged to serve and grow.

As at 31 December 2021, SAICA had 216 staff members (2020: 215), 70% of whom are women and 78% are deemed Historically Disadvantaged South Africans (HDSA).

## SAICA HEADCOUNT



Over the last few years, SAICA's human capital has been affected by damage to the Institute's reputation, resignations that resulted in institutional memory loss and vacancies in some positions for extended periods. Recurrent changes to leadership and strategy, as well as increased workloads to cover for vacancies affected morale and service delivery. These challenges were exacerbated by COVID-19.

## BLENDED OPERATING MODEL

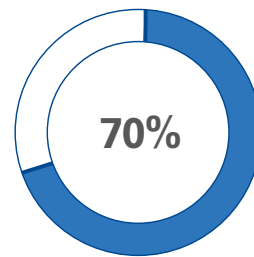
SAICA now uses a blended operating model that combines remote work and working from the physical SAICA offices when necessary. Staff use an online desk booking facility to reserve workspace when working at the office, with all staff apart from those with enclosed offices now using shared workstations. Strict safety controls and processes remain in place for working from the office to ensure Occupational Health and Safety and COVID-19 protocols are observed at all times, as laid out in the guidelines by the NICD and the WHO.

The shift to remote work had little negative impact on SAICA's activities as the majority of staff are knowledge workers. The Board approved the Remote Working Policy, which clearly defines the terms and conditions for remote work.

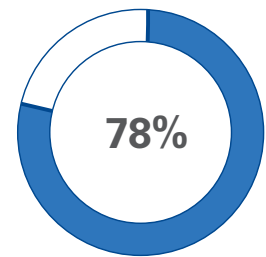
## EMPLOYEE WELLNESS AND REMOTE WORKING

While the primary focus regarding COVID-19 was to ensure staff stay safe, healthy, and connected, we recognise that mental

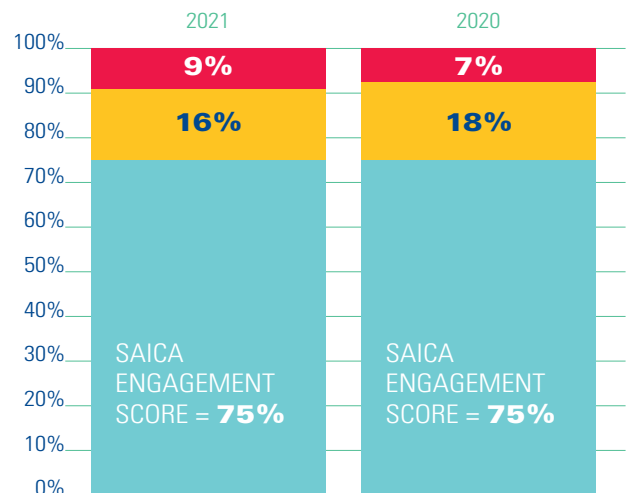
## WOMEN EMPLOYEES



## HDSA EMPLOYEES



health is a vital part of overall health and wellness. Mental Health Awareness sessions were rolled out to create awareness of some of the more common mental health concerns, offer ways to effectively manage and maintain personal mental health and equip staff to help their colleagues and family.



CALCULATED ON THE WEIGHTED AVERAGE ACROSS THE RATING SCALE (1 – 5)

DISENGAGED = RATINGS  
1 + 2 (STRONGLY DISAGREE  
+ DISAGREE)

NEUTRAL = RATINGS  
OF 3 (NEITHER AGREE  
NOR DISAGREE)

ENGAGED = RATINGS  
4 + 5 (STRONGLY AGREE  
+ AGREE)

The survey was completed in January 2022.



Eleven wellness workshops were conducted to provide additional COVID-19 support and an additional ten days' sick leave was approved and communicated to staff.

To further anchor the work around employee mental health, an employee wellness framework that is inclusive of a targeted mental health first aid programme will be rolled out as part of the HC Strategy.

Staff reported challenges with long working hours given the blurring of lines between work and personal time while working from home. HR provided guidelines to ensure employees remain productive without feeling overwhelmed or compromising their wellbeing.

A Work From Home Survey was conducted during the reporting period where staff were given the opportunity to answer specific questions around their work from home experience which included the challenges and successes they had experienced since SAICA adopted remote working in March 2020.

The results received indicated that overall, employees are happy with working remotely and recognise that SAICA has flourished in adapting to the new ways of work, with productivity increasing significantly (76% of employees strongly agreed with this).

One of the biggest challenges being experienced is for employees to distinguish between work and personal life, however it is a challenge they are happy to overcome. Technical issues such as connectivity and issues accruing because of load-shedding are also experienced but are not perceived by employees to be a significant concern (38% experienced this as a problem).

Clear, concise, and effective communication, especially from ManCo and ExCo, is now more important than ever and even though employees know what is expected of them every workday, the feeling of connectedness is lacking amongst some employees.

### EMPLOYEE ENGAGEMENT

In line with our goal of fostering a culture of honest, transparent conversations at SAICA, the CEO hosted 4 staff townhall meetings during the year. Staff are encouraged to speak freely both at the meeting and in submitting questions in advance. An online, anonymous suggestion box was created and an "Exco Digest" is shared with all staff after Exco meetings to keep them informed about decisions made during these meetings.

Following last year's Employee Engagement Survey, five action points were identified to improve employee engagement, including succession planning, recognition, opportunities for promotion, using developed skills more effectively and upskilling staff for future ways of working. Action plans were drafted and implementation is progressing on the related initiatives. The staff engagement score remained at 75% for 2021.

### INCREASING EMPLOYEE ENGAGEMENT THROUGH RECOGNITION AND REWARDS

One of the areas highlighted in the Employee Engagement Survey Results obtained in 2020 was around the lack of formal and informal recognition. With the intention of addressing this and increasing employee engagement, a Recognition Programme was launched towards the end of 2021 and the first Awards ceremony held in December.

The main objectives of the programme are to:-

- Entrench a culture of recognising and rewarding engaged and high performing employees who are regularly acknowledged, feel valued and have pride in their work.
- Raise awareness of the value and benefits of recognising employees.
- Contribute to the attraction and retention of a talented and skilled workforce.
- Enhance the status of SAICA as an employer of choice.
- Provide opportunities to showcase individual employee talent.
- Foster creativity and motivation for employees to continue to perform above average on an ongoing basis.
- Encourage SAICA, its divisions and departments to recognise employees for their achievements and contributions; and
- Remind employees that they are part of an organisation which makes a difference to society and which is always acting in the public interest.

### INTEGRATED HUMAN CAPITAL STRATEGY

In 2021, 22 employees resigned from SAICA, which equates to a 10.18% staff turnover, similar to what was experienced in 2020 (8%).

Most employees stated culture and leadership style/approach as their main reasons for leaving the employment of SAICA.

SAICA has therefore formalised a targeted Human Capital Strategy, part of which includes integration of the organisational culture and diversity, equity, and inclusion (DEI). The objective of this integrated approach is to maintain employee engagement, create an enabling environment for staff and improve talent retention efforts.

In addition, the SAICA's employee value proposition (EVP) will be reviewed with a clear focus on employee experience, engagement and enablement which will support talent retention.

SAICA initiated a move from the Peromnes job-grading system to the Paterson job-grading system to improve comparative analysis, differentiation between grades, benchmarking, career development and include consideration of outside influence. Job descriptions and titles are being realigned to enable accurate grading in Patterson. The newly integrated Human Capital Strategy will see this work integrated and connected to other parts of the Human Capital value chain.

### CULTURE PROJECT

The SAICA Culture Project commenced in July 2021 and started with a culture diagnostics exercise to identify the extent and impact of existing culture gaps in the organisation. The second phase comprised a leadership summit to discuss the outcomes of the exercise and to implement urgent leadership interventions where required. The final phase commenced in the fourth quarter and involved all SAICA employees to implement the required changes and appoint change champions.

### SUCCESSION PLANNING


Succession planning is critical to ensure organisational resilience and sustainability, and requires that we improve talent differentiation and related development investments. SAICA embarked on a succession project focused on succession in critical roles with an emphasis on identifying exceptional ability, attitude, ambition and agility. Identified candidates will be equipped with the skills and guidance to prepare them to apply for critical positions as they become available. This work will continue as part of the integrated Human Capital Strategic Framework.

# BRAND INITIATIVES



The Brand division implements SAICA's Integrated Relevance and Reputation marketing and communication plan to promote the reputation of SAICA's three designations as well as the reputation of the Institute and the profession.

Promoting SAICA's designations reinforces the profession's relevance and reputation. Promoting trust in and admiration of CAs(SA) creates value for members by strengthening their reputation and employability.

FOCUS AREAS:	STRATEGIC PILLARS	MATERIAL MATTERS
<ul style="list-style-type: none"> <li>Communications</li> <li>Marketing</li> <li>Brand status monitoring</li> <li>Digital and publishing</li> <li>Website</li> <li>Social media and digital content</li> <li>Seminars and events</li> <li>Disciplinary outcomes communication</li> <li>Commercial initiatives including Sponsorship procurement</li> </ul>	    	

SAICA's marketing, digital publishing and communications priority is to protect and restore the reputation of the profession by rebuilding trust (#trustleadership) following ongoing revelations of alleged CA(SA) malfeasance in several widely published cases in the findings of the Zondo Commission. The strategy also aims to build the relevance of the profession by promoting it and our members as Difference Makers (#difference makers).

## COMMUNICATIONS

The Trust Reconstruction Strategy positions the profession's leaders as brand ambassadors using the Difference Makers Campaign which was launched in 2021 through thought leadership and member profile articles.

SAICA builds and maintains relationships with the media, including hosting regular meetings between prominent media editors and the SAICA CEO, to ensure balanced exposure in top-tier print, broadcast (radio and television), and online media. Further engagements include civil society organisations and communications include those with a broader public interest while retaining a member focus.

Social media remains a strong platform and SAICA is currently active on 15 social media channels with engagement levels well above industry averages.

## MARKETING

SAICA's marketing initiatives promote the value of all three designations and their respective brand equity and relevance according to a differentiated brand architecture to appropriately position the designations in the marketplace.

The Difference Makers strategic youth campaign promotes CA(SA) as a career path of choice to sustain the pipeline of future SAICA members and support SAICA's Transformation and Growth strategic pillar.

## BRAND STATUS MONITORING

SAICA monitors the market status of its designations through an annual independent brand survey across all sectors of the business decision makers market in South Africa. This survey provides insight into the impact of external market factors on the profession as well as the effectiveness of SAICA's reputation management as well as the reputation of the CA(SA) designation.

The negative publicity around mainly the auditing profession that started in 2018 led to a decline across all indicators that year, except spontaneous awareness.

As a result of SAICA's Trust Reconstruction Strategy, the important lead indicators of CA(SA) brand health have risen since 2019 despite ongoing historical and new negative publicity around the profession. However, the Brand Admiration Index, arguably the most important measure of the standing of the CA(SA) brand, continues to be impacted by the ongoing negative publicity despite the positive trend in the other lead indicators and increased by 5% to 73% at the end of 2021. The only lead indicator that declined significantly in 2021 is the net promoter score which is the result of the unattractiveness of the audit profession given the ongoing negative publicity, as well the challenge SAICA had with the APC examination in December 2021.

The CA(SA) designation is mainly promoted by partnering with business media and other key stakeholders to position CAs(SA) as difference makers and valuable contributors to the economy and society.

Marketing for the AGA(SA) and AT(SA) designations raises awareness among potential candidates and prospective employers to position the value of hiring these designation holders to key positions. AGA(SA) membership increased by 436 in 2021 and AT(SA) increased by 74 in 2021.

In addition to SAICA's survey, Chartered Accountants Worldwide commission surveys of global business leaders and key decision-makers to assess trust in Chartered Accountants around the world. The 2021 Edelman Trust survey showed that trust in Chartered Accountants has

strengthened across most markets and that the broader profession is resilient. Trust in CAs(SA) improved from 81% in 2019 to 85% in 2021 and trust in SAICA improved strongly, remaining well above the global average (78%) for CA bodies, achieving 86%.

	STAKEHOLDER	2021	2020	2019	2018
<b>Attractiveness</b>					
• PHI <sup>1</sup> CA(SA) attractiveness Index	Learners, students and trainees	90%	87%	87%	84%
<b>Relevance and reputation</b>					
• PHI Brand Admiration Index	All stakeholders	79%	77%	95%	83%
<b>Brand strength of the CA(SA) designation</b>					
• Spontaneous Awareness Index	Business decision-makers	94%	90%	87%	85%
• Preference in Employees Index		78%	74%	67%	68%
• Net Promoter Score <sup>2</sup>		29%	37%	36%	28%
• Trust Index		83%	84%	80%	75%
• Admiration Index		73%	68%	68%	66%

<sup>1</sup> Professional Health Index; <sup>2</sup> The rating of respondents who encourage their children to become CAs(SA); \* As at December every year. The Ask Afrika Survey indicates that by the end of December 2021 our Trust Index went down by 1% from 2020, but it is still in line with the findings of the Edelman Trust survey which was completed in July 2021. The Net Promoter Score declined by 8% due to the impact of the December 2021 APC exam crisis. This most likely also accounts for the drop of 1% in the Ask Afrika Trust Index.

## DIGITAL AND PUBLISHING

SAICA's social media and publishing team drives engagement with members and the public through digital and social media channels, including the SAICA website, the digital Accountancy SA magazine, and social media channels. In July 2021, the Division implemented the revamp and redesign of the SAICA website to improve the user experience, which has been well received by members, stakeholders and the general public. The member rating of the Social media channels grew to 78,42% (62% in 2020).

SAICA's Accountancy SA magazine is available in four formats to provide new, relevant, and interesting content that supports broader campaigns. The member rating of the Accountancy SA magazine grew to 83,29% (73% in 2020).

SAICA's Top-35-under-35 competition forms the core of our international promotion of the CA designation in conjunction with Chartered Accountants Worldwide (CAW). It is also a key project for engagement with our young members.

## SEMINARS AND EVENTS

The SAICA Brand division provides organisational support for continuing professional development opportunities for members. These include seminars, events, workshops, conferences, and webcasts. The shift to mainly virtual events since the start of COVID-19 reduced revenue earned as well as the costs to deliver the events.

The Brand division organised three Courageous Conversations events for members in 2021 and launched the first Unite 4 Mzansi™ video case study in June 2021. The division also presented the Finance Leaders and Cloud in Practice events for members, which attracted significant sponsorship.

## COMMERCIAL

SAICA creates innovative and creative sponsorship opportunities for sponsors to promote services that are relevant to our members. Events and conferences such as Top 35-under-35, Finance Leaders, Cloud in Practice, and the CA of the Future allows SAICA to attract multiple sponsorships and engage with large numbers of members. The commercial unit secured R7.1 million in sponsorship in 2021 (2020: R5,6 million) which represents an increase of 26% in funding for SAICA events, bringing additional value to members.

## 2021 SEMINARS AND EVENTS





**130** events with 34 325 delegates  
**69%** of events provided free for members, providing excellent member value

# MEMBER ENGAGEMENT



A restructure to the Member Engagement division allowed a greater focus on direct member engagement and value creation. The division was able to focus more acutely on member interests, enabling SAICA to deliver value to members and stakeholders, locally and abroad. This was achieved through a variety of initiatives.

The value that is unlocked by being a member or associate of SAICA is clearly and succinctly expressed via the member value proposition (MVP). You can read our MVP and more about it on the SAICA website.

FOCUS AREAS:	STRATEGIC PILLARS	MATERIAL MATTERS
<ul style="list-style-type: none"> <li>Member and stakeholder engagement</li> <li>Understanding member needs, completed via a worldwide comprehensive survey</li> <li>Member mental wellness programs</li> <li>Member segmentation</li> <li>Engaging with Regional Councils and District Committees</li> <li>Business Emergency Room and Business Emergency Rescue projects, in response to the June 2021 civil unrest</li> <li>Member networking events</li> <li>Short communication messages to keep members informed, via WhatsApp, Facebook and Did You Know messaging</li> <li>Member development, via mentorship programmes</li> <li>Development of the member value proposition</li> <li>Engagement with fellow institutes worldwide</li> </ul>	 	 

To better understand the value that members can unlock from SAICA, a comprehensive, statistically relevant segmentation survey was conducted amongst members worldwide. Members were given the opportunity to comment on the institutional relevance of SAICA, what type of development support they require, when and how they would like to access development opportunities, and what type of networking opportunities members would like SAICA to provide. For the first time the survey results can be defined by various segments, including age, location, role, industry, years of experience and other relevant information. This has allowed the Standards and the Learning & Development departments to structure their interventions based on member expectations.

To further understand member and stakeholder requirements, over 120 stakeholder engagements were initiated to understand broader stakeholder requirements. Stakeholders included members, environments in which our members and associates are employed as well as stakeholders who our members engage with on a regular basis. These engagements have allowed SAICA to identify skills that would increase the employment opportunity of our members, to fine tune service offerings and to facilitate closer relationships between members and the stakeholders they engage with most frequently, including local South African Revenue Services offices, the Auditor General, universities, and the Master of the High Court.

These engagements initiated an internal focus group amongst the management committee of SAICA that discussed interventions to address the critical issues that members are discussing between themselves. These include:

- The perceived over-regulation of the audit profession;
- Whether the number of CAs in the marketplace is adequate for the South African economy;
- The resilience of trainees; and
- How members and the institute can influence policy and the South African economy.

## BUSINESS EMERGENCY RESCUE PROJECT

The proactiveness of the Member Engagement department extends to pressing social support. Reacting to the civil unrest that gripped parts of South Africa in July 2021, the department initiated activities under the Business Emergency Rescue project banner. Over 200 members volunteered their time to assist over 80 businesses to recover from the unrest. Discussions were facilitated between members and government organisations, including SARS and the CIPC, to provide guidance on how to deal with the loss of business source documents, and with SASRIA to enable members to advise their clients and employers on how to lodge insurance claims. SAICA hosted a Business Recovery Conference which unpacked the political and socio-economic impact that the unrest



had on KwaZulu-Natal and South Africa. A partnership with the Gift of the Givers charity enabled members of SAICA to make a meaningful contribution to those most affected by the unrest.

### MENTAL WELLBEING PROJECT

The COVID-19 pandemic continued to ravage the country during the course of 2021. The Member Engagement team maintained a focus on mental wellbeing improving mental health literacy amongst our members. Incorporating partnerships with Chartered Accountants Worldwide, the South African Depression and Anxiety Group (SADAG) and ICAS, 12 interventions over the course of 2021 focussed on raising awareness of mental health, breaking down stigmas, and nurturing mental wellness resilience. Attendees were provided with tools to assist themselves and their teams to both destigmatise mental illness and to provide an enabling environment to improve mental wellbeing. The series reached over 8 000 views.

### MORE ENGAGEMENT CHANNELS

Being informed is key to a positive member experience. The Member Engagement department initiated various projects that enable members to remain informed with regards to their institute and on current affairs. The following channels are used to keep members up to date on information that matters most to them:

- WhatsApp distribution messaging: Members can join their Regional WhatsApp distribution lists to gain up-to-the-minute information on the most important matters.
- Did You Know campaign: Informative infographics conveying important and timely information, that is circulated via WhatsApp, Instagram, Facebook, LinkedIn and Twitter.
- Informative videos played before each online seminar, addressed important matters relevant to members and associates, in a short and concise manner, and are updated frequently. The videos are also shared on the SAICA social media channels.

### NEW MEMBER INDUCTION

For the first time in 2021, new members were warmly welcomed to the SAICA family via an online induction. The event introduced new members to various departments and Senior Executives at SAICA who demonstrated how SAICA can remain a relevant partner in members' career growth, and the important role members play by being involved in the Institute. Members were also introduced to their Regional Executives, who play a primary role in facilitating member engagement. Focus groups with new members and internal workshops resulted a redesign of the new member confirmation correspondence, the welcome packs that new members receive, and the content of new member events.

### CAREER NETWORK SERIES

SAICA hosted its first annual virtual Career Network Series. The four-day event introduced members to various specialisms that are available to CAs(SA), and by virtue of the wide range of competencies gained over the course of study and experience, a broader range of careers that CAs(SA) may not traditionally have considered.

### MENTORSHIP PROGRAMME

For the first time in five years the mentorship programme was held in a virtual environment, which enabled the programme to extend its reach beyond South Africa. SAICA facilitates over 100 pairings of mentors and mentees, and the number of mentorship ambassadors

increased from 10 to 28. The programme is aligned to SAICA's Pathways to Relevance post-qualification framework and exposes members to an ongoing, iterative and tacit learning process in an evolving programme structure. The structure ensures benefit to members at all levels, from newly qualified CAs(SA) and trainees as mentees, to more experienced members who take on the role of mentor or programme ambassador.

### WOMEN IN LEADERSHIP CONFERENCE

Gender equity in the workplace remains top of mind within the department. The annual Women in Leadership conference was hosted virtually over the course of eight days with over 3,300 women (and men!) registering for the series. The conference highlighted the value women bring to the workplace, particularly during times of crisis, and found solutions to the biggest professional obstacles women encounter. Topics discussed included career development, innovation, self-care, entrepreneurship, the future of work, connectivity, social impact, gender equality, and activism and advocacy. Sessions on mental health nurtured mental resilience, improving mental health literacy and overall mental wellness. The event was further imbued with Power Hour sessions which involved intimate life and business coaching sessions with experienced life and executive coaches. Feedback from members praised the diversity and calibre of the speakers and the boldness and sensitivity with which difficult conversations around gender-based violence, gender inequality and mental health and wellbeing were tackled.

### LEADERSHIP EVOLUTION MASTERCLASS SERIES

The Leadership Evolution Masterclass Series (LEMS) focusses on developing female leaders, addressing the challenges experienced at leadership levels within business and practice. A consistent theme throughout the Member Engagement offerings, the series was open to all female members worldwide due to a move to the virtual delivery. An intensive 6-part online programme open to female members worldwide, LEMS is a blend of conceptual, practical, dynamic, and interactive learning.

### FRIDAY KNOWLEDGE CAFÉ SERIES

An end of week staple, the Friday Knowledge Café (KC) series ensured that members remain skilled when it comes to the softer aspects of the profession. Aligned to SAICA's Pathways to Relevance, the series of short, sharp online discussions covers every aspect (outside of the technical standards) that the CA of the future is expected to have and to know. From technology and leadership to time management, the series aims to ensure that the CA involved in the value creation process is a well-rounded professional who can succeed in a wide range of environments and roles.

### INTERNATIONAL MEMBERS





Members based internationally are represented by 12 committees based in nine countries where there are significant concentrations of CAs(SA). The committees are instrumental in ensuring that SAICA's International Region, based in London, gains meaningful insight into the requirements of members across the world, and then delivers on it with the full support of the South African-based secretariat. The International Region has partnered with other institutes based outside of their home countries to jointly deliver several joint conferences and events, including in the United Kingdom, Australia and the United States. Member events were held in 14 countries outside of South Africa, ensuring that members access local benefit in addition to the internationally relevant content delivered from South Africa.

# STANDARDS



The Standards division contributes to developing proposed new standards and legislation, and engages with stakeholders on strategic initiatives to get buy-in and collaboration.

Through collaboration with member structures, providing input and building relationships with local and global standard setters and legislatures to reach local and global consensus, Standards supports members with the knowledge they need to excel and advocates on their behalf to shape standards and support effective legislation, standard setting and public policy.

FOCUS AREAS:	STRATEGIC PILLARS	MATERIAL MATTERS
<ul style="list-style-type: none"> <li>Formulating in collaboration with member structures, technical and standards policy positions on behalf of the profession</li> <li>Engaging stakeholders to advocate SAICA technical and standards policy positions to them</li> <li>Collaborating with stakeholders to inform process and implement standards and communicate changes to members</li> <li>Developing or hosting thought leadership</li> </ul>	<ul style="list-style-type: none"> <li>Interventions and positions on behalf of the profession in respect of future technical and standards positions</li> <li>Technical support and guidance for members</li> <li>Promotion of the consolidated trust reconstruction programme</li> <li>Ensuring future relevance of the profession</li> <li>Promoting and supporting the leadership roles members are expected to play in the economy and society</li> </ul>	    

Standards builds SAICA's intellectual capital and ability to create value for members by contributing to creating new knowledge and providing technical support and guidance. This thought leadership on important developments in the industry and technical implementation is communicated to members through regular newsletters and guides, on the SAICA website, at seminars, events and roundtable discussions, in Accountancy SA and research publications, and in articles published in the media. Members also contact SAICA directly to resolve queries on technical and operational matters.

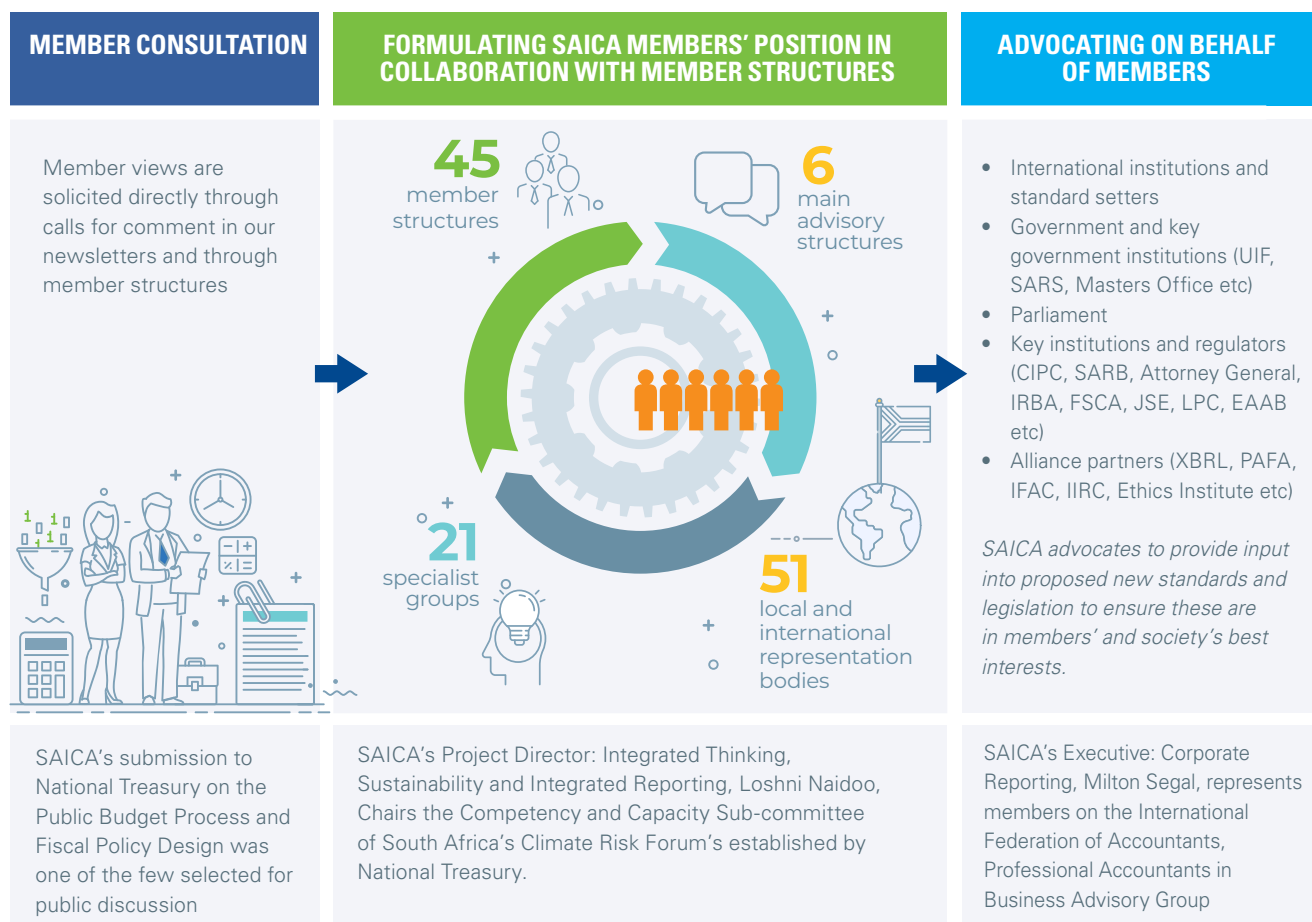
The division plays an advocacy role on behalf of the profession in the fields of audit and assurance, taxation, corporate reporting, sustainability, corporate governance, ethics and public sector matters. Stakeholder engagement is a critical aspect of this role to build strong relationships to reach local and global consensus on standards setting and legislation and to ensure that our input as a profession is taken seriously regarding public policy and proposed legislation.

The organisational restructure during the year moved the member engagement functions to the office of the COO and all learning and development initiatives to the Learning, development and national imperatives division, leaving the

Standards division to focus on its core roles of thought leadership, advocacy and stakeholder engagement.

We are reviewing and revising SAICA's member structure framework to align the governance, strategy and purpose of each category of member structure to enhance member consultation and contribution, and improve transparency in how a SAICA technical and policy position is reached. The Board approved the Sustainability Committee as a Prescribed Committee to advocate for SAICA on behalf of members for the new direction of non-financial corporate reporting globally and in South Africa.

One of the main challenges we face is the difficulty in attracting and retaining the highly technical and globally recognised skills required to create thought leadership and advocate effectively. There has been significant turnover at management and senior levels in the unit over the last six years, several changes in strategy and restructurings, and some positions remain unfilled or filled in acting capacities resulting in a high workload to maintain output. Advocacy requires a long-term investment in relationships and there can be years of engagement on a particular issue with little progress evident. Only a small proportion of SAICA's members actively engage in the membership consulting phase of advocacy, making it difficult to ensure that the industry views we formulate represent all members equally.



## STANDARDS' OUTPUT DURING THE YEAR INCLUDED:

<b>ADVOCACY</b> <ul style="list-style-type: none"> <li>• 394 stakeholder engagements</li> <li>• 57 advocating member structures and committee engagements</li> <li>• 84 consultation member structure engagements/reports</li> <li>• 82 written submissions</li> </ul>	<b>MEMBER GUIDANCE</b> <ul style="list-style-type: none"> <li>• 7 weekly, monthly and quarterly newsletters</li> <li>• 19 new technical guides</li> <li>• 1009 member technical queries addressed</li> </ul>
<b>EVENTS, PUBLICATIONS AND MEDIA</b> <ul style="list-style-type: none"> <li>• 17 Accountancy SA articles</li> <li>• 11 editions of the Integritax Journal with 98 articles</li> <li>• 96 technical events with 19 556 attendees</li> <li>• R22,4 million value of external media coverage</li> <li>• 24 member profiles</li> </ul>	<b>MEMBER BUSINESS SUPPORT</b> <ul style="list-style-type: none"> <li>• 1 tax induction programme</li> <li>• 858 operational query escalations</li> <li>• 2 Checklists</li> <li>• 2 tools &amp; 2 FAQs</li> <li>• 1 Global Accounting Alliance Passport event</li> <li>• 1 International Accounting Standards Board event</li> <li>• Support for Registered Auditors, Business Rescue Practitioners, Tax Practitioners and Executors</li> </ul>

## PUBLIC SECTOR SUPPORT

The Public Sector unit is implementing a strategy for professionalising the public sector developed in collaboration with stakeholders including the South African Local Government Association (SALGA), National and Provincial Treasuries and the Gauteng Department of Cooperative Governance and Traditional Affairs (COGTA). The project aims to support a turnaround in public sector financial performance, professionalise public finance departments by establishing required competency levels and play an advocacy role in improving legislation.





The Public Sector unit delivers technical and operational support to members engaged in the public sector via the learning offerings, surveys of needs and opinions, and advocacy engagements with various stakeholders. SAICA facilitated the Auditor-General (AG) audit outcomes sessions in 2020 and 2021. SAICA has profiled members making a difference in the public sector in Accountancy SA and other media during the year to improve the perception of members employed in the sector.







# LEARNING, DEVELOPMENT AND NATIONAL IMPERATIVES

The Learning, Development and National Imperatives division manages the qualification, training and continued development of members, drives transformation in the industry and houses the donor-funded initiatives that support social contribution.

By encouraging and supporting aspirant CAs(SA), AGAs(SA) and ATs(SA), while upholding industry standards through the ITC and APC exams, we create a pipeline of ethical and highly competent future members. Our transformation initiatives create opportunities and drive transformation of the industry to ensure it remains relevant and increasingly representative.

FOCUS AREAS:	STRATEGIC PILLARS	MATERIAL MATTERS
<p><b>Professional development</b></p> <ul style="list-style-type: none"> <li>• Education</li> <li>• Exams</li> <li>• Training</li> <li>• Continuous Professional Development</li> <li>• Recognition and reciprocity</li> </ul> <p><b>Transformation and growth</b></p> <ul style="list-style-type: none"> <li>• Thuthuka Education Upliftment Fund</li> </ul>	 	 

PRE-QUALIFICATION				POST-QUALIFICATION
LEARNERS	STUDENTS	TRAINEES	MEMBERS AND ASSOCIATES	
<ul style="list-style-type: none"> <li>• Education</li> </ul>	<ul style="list-style-type: none"> <li>• Education</li> <li>• Assessing standards at tertiary institutions</li> <li>• Capacitating historically disadvantaged institutions</li> </ul>	<ul style="list-style-type: none"> <li>• Exams</li> <li>• Training</li> </ul>	<ul style="list-style-type: none"> <li>• Professional development</li> <li>• Recognition and reciprocity</li> </ul>	
				
<ul style="list-style-type: none"> <li>• Education support</li> </ul>	<ul style="list-style-type: none"> <li>• Thuthuka university projects and bursaries</li> <li>• CA2025</li> </ul>	<ul style="list-style-type: none"> <li>• CA2025</li> <li>• Trainee and training office support</li> <li>• Pathways to Relevance</li> </ul>	<ul style="list-style-type: none"> <li>• CPD programme</li> <li>• Pathways to Relevance</li> </ul>	

## SUPPORT FOR PROSPECTIVE MEMBERS AND ASSOCIATES, SCHOOLS, TERTIARY INSTITUTIONS AND TRAINING OFFICES

With transformation as an overarching imperative, we implement a range of initiatives (as illustrated in the initiatives triangle) to improve the throughput pass rates of learners,

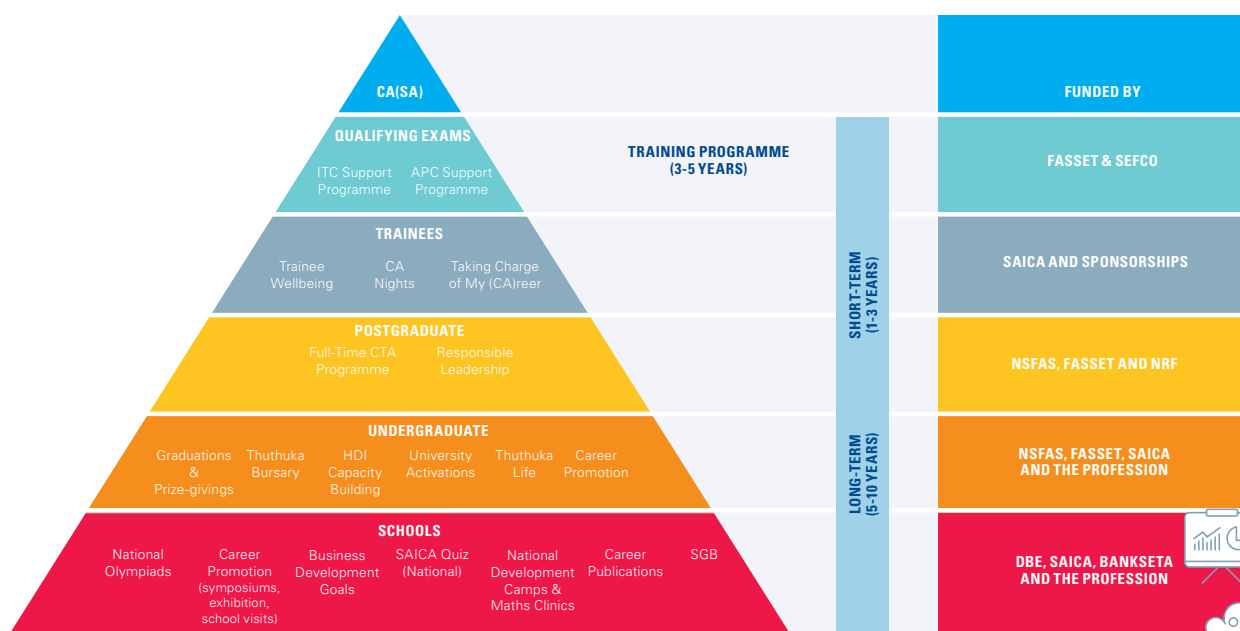
students and trainees along the pipeline.

- **Learners, schools and educators:** In 2021, 47 school programmes were run across all nine provinces in 2021 with more than 169 000 learners.
- **Trainees:** Support for trainees include Trainee Tuesday events covering relevant topics, various trainee-specific



campaigns, the annual SAICA Trainee Summit and support for the ITC and APC exams. As at 31 December 2021, there were 10 160 trainees at SAICA-accredited training providers (2020: 10 487). During 2021, 2 224 prospects successfully completed the requirements to become SAICA members (2020: 2 050).

AGA(SA) members continue to grow and SAICA was successful in accrediting more tertiary institutions and securing reciprocity agreements with international peer bodies. We have also seen more interest in placing ATs(SA) and AGAs(SA) in the public sector and an AT(SA) public sector learnership was implemented during the year for 65 students.



### CONTINUOUS PROFESSIONAL DEVELOPMENT (CPD)

SAICA provides a range of resources for members to further their development. During 2021, (60 events totalling 130 sessions) CPD workshops were held with corporates and districts attended by 34 325 members, including via webcast.

SAICA officially launched the approved **CA2025** competency framework in March. The framework defines the competencies required of entry-level members to equip them to remain relevant in the face of the rapidly emerging trends that are affecting the accountancy profession.

Pathways to Relevance is a future-focused post-qualification competency framework arising out of the CA2025 programme that identifies ten specialist career paths and the knowledge, skills and attributes CAs(SA) will require to remain relevant for their changing roles over the lifecycle of their career. SAICA has also identified key offerings available

to members to promote enabling competencies.

More information is available on the SAICA website [click here](#).

### TRANSFORMATION AND GROWTH

Transforming the racial and gender representation of accountants helps to transform key roles in the private and public sectors, while ensuring that the profession is sustainable and relevant.

While new members and trainees show good diversity in terms of gender representation, SAICA's ongoing initiatives, discussed below, aim to further improve representation by race.

### SAICA – FASSET PARTNERSHIP

UNISA PGBA support programme to enhance the chances of UNISA students' success at PGBA, ITC and APC.

### The Thuthuka Education Upliftment Fund

Thuthuka aims to drive transformation and provide educational support

to African and Coloured learners and students for the benefit of the profession, while simultaneously helping to uplift communities.

SAICA's Thuthuka school projects aim to improve literacy and numeracy at schools, through programmes including academic interventions, learning support materials, educator training, and career promotion and awareness. More than one million learners have participated in these programmes in the 19 years since inception.

Thuthuka Bursary beneficiaries continue to achieve above the national pass rates. In the September 2021 ITC Thuthuka beneficiaries achieved a 73% pass rate compared to a 59% national pass rate and achieved 86,8% pass rate compared to a national pass rate of 64,5% for the June 2021 ITC. This is in accordance to our strategic objective to grow and transform the profession. The APC results will only be available on 27 May 2022.

### THE INITIAL TEST OF COMPETENCE (ITC)

The ITC assesses how candidates apply the technical competence they have gained during the academic programme, their ability to evaluate the underlying business challenges and problems in each scenario and, through critical thinking, apply their theoretical knowledge.

### THE ASSESSMENT OF PROFESSIONAL COMPETENCE (APC)

The APC is a competency-based assessment that, via a case study, assesses the candidates' professional competence. It includes a review of candidates' ethical, personal and professional attributes and their ability to apply these skills and their technical knowledge to real-world scenarios.

In 2021, the Thuthuka Bursary funded 447 undergraduate and 621 postgraduate students at 12 partner universities. More than 1 800 prospective CAs(SA) are currently in various stages of the qualification process.

#### THE THUTHUKA REPEAT PROGRAMME

African and Coloured candidates who are repeating the ITC or the APC received support in preparation for their assessments. The ITC repeat programme was funded by the Financial and Accounting Services Sector Education and Training Authority (FASSET) and a total of 880 candidates benefited. SAICA is pleased with the Thuthuka beneficiaries' performance in the 2021 ITC assessments. For the April 2021 ITC, Thuthuka beneficiaries achieved a pass rate of 73% compared to the overall pass rate of 59%. And for the September 2021 ITC, Thuthuka beneficiaries achieved a pass rate of 86.8% compared to the overall pass rate of 64.5%. Candidates on the programme who wrote the September 2021 APC achieved a 68% compared to the overall pass rate of 59%.

In 2021, SAICA's Education Fund Committee (SEFCO) contributed towards the funding of the APC repeat programme for all African and Coloured candidates who were repeating the APC. This benefited over a thousand candidates.

#### Capacitating Historically Disadvantaged Universities

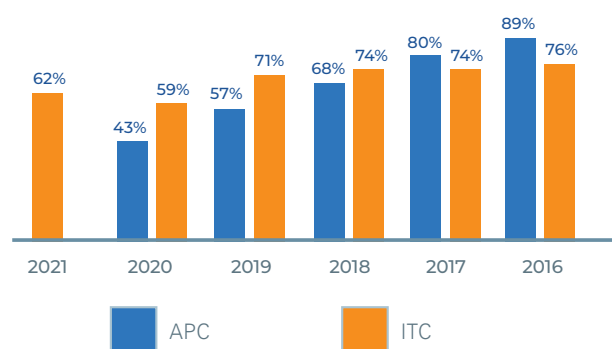
SAICA's capacitating programmes continue to focus on the universities that are yet to be accredited for SAICA's PGDA programme, namely the University of Zululand, University of Venda and Walter Sisulu University. All three universities received the Department of Higher Education Science and Technology's approval for their PGDA programmes and are awaiting feedback on their submission to the Council for Higher Education.

#### SAICA EXAMS

All prospective CAs(SA) must pass two qualifying examinations after completing their accredited post-graduate programme.

The declining trend in the ITC and APC pass rates remains a concern for SAICA. To this end, SAICA completed an independent review of the standard of the ITC and APC in 2021 conducted by Mr Sizwe Nxasana and Mr Mark Allison. SAICA also initiated an independent research into the full value chain of the CA qualifying route. The independent research is expected to be completed in the second quarter of 2022, thereafter SAICA, through the Initial Professional Development (IPD) Committee, will consider both reports and make the relevant recommendations.

### OVERALL PASS RATE



#### 2021 APC EXAM

During the 1st December 2021 APC sitting, candidates experienced difficulties with hardware, connectivity and technical support, which also delayed the start of the exams. Candidates had the opportunity to rewrite the 2021 APC on 30 March 2022 at no examination fee. Comprehensive risk mitigating measures were put in place to ensure that the events that took place on 1 December 2021 do not repeat. The APC rewrite was successfully written on 30 March 2022 without significant challenges.

Due to the rewrite, the comprehensive 2021 APC results will only be released on 27 May 2022.

#### NATIONAL IMPERATIVES

National imperatives include a number of donor-funded initiatives that support the profession's public interest focus established in the SAICA constitution. The projects aim to leverage the accountancy profession's skills and networks to facilitate meaningful economic participation for those in and outside the profession.

#### SMME SUPPORT

##### SAICA Enterprise Development and The Hope Factory

SAICA Enterprise Development (SAICA ED) implements enterprise and supplier development programmes to grow South Africa's entrepreneurial ecosystem by advancing the sustainable growth of small Black businesses, supporting job creation and economic growth. The Hope Factory focuses on socio-economic development initiatives in targeted communities by developing informal traders to become established businesses.

## SAICA ED & THE HOPE FACTORY INTERACTIONS WITH SMMEs

**858**

NUMBER OF SMMEs IMPACTED

**259**

NUMBER OF INDIVIDUALS IMPACTED

**76**

NUMBER OF ACCOUNTING GRADUATES IMPACTED

**31**

NUMBER OF KEY PROGRAMMES AND PROJECTS

**29**

NUMBER OF STRATEGIC PARTNERSHIP WITH SAICA SMPS

**83**

NUMBER OF NEW JOBS CREATED THROUGH SMMEs ON OUR PROGRAMMES



*SED - Socio-Economic Development / SMME: Small, medium and micro Enterprise / YES - Youth Employment Services / ED - Enterprise Development / SMP - Small and Medium practice*

## MEDIA AND PUBLICATION EXPOSURE 2020/2021



**16**

Entrepreneur tips and thought leadership radio talk shows 2020/21 (including 4 KPMG director guests)



**10**

SMME advice segments in ASA publication in 2021



**31**

Press event releases and/ feature articles/ impact stories published by the media 2020/2021



**16**

Webinar/TV/virtual networking event segments for brand and initiative exposure 2020/21



**10**

SAICA-associated Small and Medium Practices profiled and given exposure in 2021

## SAICA ED & THE HOPE FACTORY CONTRIBUTION TO THE UN's SUSTAINABLE DEVELOPMENT GOALS

The Hope Factory and SAICA Enterprise Development contribute towards Goals 1, 4, 5, 7, 8, 10 and 17 of the UN SDG: The table graphic shows how The Hope Factory and SAICA Enterprise Development contribute to these goals.

	<p><b>THE HOPE FACTORY</b></p> <ul style="list-style-type: none"> <li>• SED Flagship Programme &amp; COVID-19 Relief Programme</li> <li>• ASISA Foundation FLAME Programme</li> </ul>		
	<p><b>THE HOPE FACTORY OFFERS ACCREDITED NVC SKILLS TRAINING</b></p> <ul style="list-style-type: none"> <li>• New Venture Creation - Short skills accredited programme that equips and educates individuals through the transfer of knowledge and skills</li> </ul>		
	<p><b>THE HOPE FACTORY &amp; SAICA ED OFFER INITIATIVES WITH A FOCUS ON WOMEN AND YOUTH</b></p> <ul style="list-style-type: none"> <li>• SED and ED flagship programmes supporting 150 entrepreneurs, of which 63.7% are female on SED programmes and 42.5% SMMEs are female-owned on ED programmes</li> </ul>		
	<table border="1"> <tr> <td data-bbox="336 1115 903 1308"> <p><b>SAICA ENTERPRISE DEVELOPMENT AVON AND DEDISA PROJECT (2018 - 2022) AND BEYOND</b></p> <ul style="list-style-type: none"> <li>• Developing Black entrepreneurs within the energy sector through Enterprise Development</li> </ul> </td><td data-bbox="903 1115 1458 1308"> <p><b>SAICA ENTERPRISE DEVELOPMENT WIND FARM SMME DEVELOPMENT PROGRAMMES</b></p> <ul style="list-style-type: none"> <li>• River Wind Farm Skills Development as well as Aurora Wind Farm Enterprise Development</li> </ul> </td></tr> </table>	<p><b>SAICA ENTERPRISE DEVELOPMENT AVON AND DEDISA PROJECT (2018 - 2022) AND BEYOND</b></p> <ul style="list-style-type: none"> <li>• Developing Black entrepreneurs within the energy sector through Enterprise Development</li> </ul>	<p><b>SAICA ENTERPRISE DEVELOPMENT WIND FARM SMME DEVELOPMENT PROGRAMMES</b></p> <ul style="list-style-type: none"> <li>• River Wind Farm Skills Development as well as Aurora Wind Farm Enterprise Development</li> </ul>
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	<p><b>THE HOPE FACTORY &amp; SAICA ED PROJECTS AND PROGRAMMES</b></p> <ul style="list-style-type: none"> <li>• Majority of our programmes and projects all play a sustainable role in economic transformation and job creation</li> <li>• <b>16 SMME development projects/programmes</b> contributing to this goal alone in 2021</li> </ul>		
	<table border="1"> <tr> <td data-bbox="336 1523 903 1715"> <p><b>THE HOPE FACTORY'S TRANSNET PROGRAMME FOR ENTREPRENEURS WITH DISABILITIES</b></p> <ul style="list-style-type: none"> <li>• Partnering with Transnet Pipeline 2019 - 2021 programme empowering <b>10</b> SMMEs in KZN</li> </ul> </td><td data-bbox="903 1523 1458 1715"> <p><b>SAICA ENTERPRISE DEVELOPMENT YOUTH INITIATIVE</b></p> <ul style="list-style-type: none"> <li>• YES programme placing unemployed youth graduates in 2021</li> <li>• 76 youth graduates impacted 2020 - 2021</li> </ul> </td></tr> </table>	<p><b>THE HOPE FACTORY'S TRANSNET PROGRAMME FOR ENTREPRENEURS WITH DISABILITIES</b></p> <ul style="list-style-type: none"> <li>• Partnering with Transnet Pipeline 2019 - 2021 programme empowering <b>10</b> SMMEs in KZN</li> </ul>	<p><b>SAICA ENTERPRISE DEVELOPMENT YOUTH INITIATIVE</b></p> <ul style="list-style-type: none"> <li>• YES programme placing unemployed youth graduates in 2021</li> <li>• 76 youth graduates impacted 2020 - 2021</li> </ul>
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	<p><b>THE HOPE FACTORY &amp; SAICA ED PUBLIC-PRIVATE PARTNERSHIPS WITH VARIOUS INSTITUTIONS, CLIENTS, SETAS</b></p> <ul style="list-style-type: none"> <li>• Some key partnerships 2020/2021 include Transnet Pipelines, KPMG, Exxaro, ASISA Foundation, Avon and Dedisa, Black Umbrellas, JP Morgan, Rio Tinto, Anglo American and CHIETA and more</li> </ul>		



# DIGITISATION



SAICA's digital transformation programme is fundamental to execute on the overall SAICA strategy. The digital transformation journey of SAICA commenced during prior financial years and entailed the rollout of key strategic projects, with Ushintsho being one of those key pillars. Key to the success of the digital transformation is the alignment of the IT strategy to business strategy and also the need to optimise the existing IT architecture.



## THE DIAGRAM BELOW SETS OUT THE DIGITAL TRANSFORMATION PROGRAMME

SAICA DIGITAL TRANSFORMATION															
CA(SA), AGA(SA), AT(SA)	USHINTSHO PROGRAMME														
	MEMBER ENGAGEMENT & STANDARDS				OTHER INITIATIVES										
	Member Self-Service	✔️	Seminars & Events	⚙️	Member Loyalty Programme	❌	Thuthuka Portal	✔️	SAICA Payment Gateway	✔️					
	Member Management	✔️	Online Technical Queries	✔️	Committees Management	⚙️	Annual General Meeting (AGM) e-Voting	✔️	Electronic writing and marking	✔️					
	Regulatory Management						New SAICA Website	✔️	Electronic Assessments	⚙️					
	SAICA VALUE CHAIN						Finance Optimisation	✔️	Membership (Annual Billing)	⚙️					
	Infants	❌	Learners	❌	Students	❌	Research (BI and Analytics)	❌	Human Resource Management	❌					
	Prospects	❌	Parents	❌	Trainees	❌	Enterprise Risk Management	⚙️	Legal - Compliance	⚙️					
	OTHER						SAICA Intranet Revamp	❌	Legal – Contract Management	❌					
	Research (Surveys)	❌	Contact Centre	✔️	Bulk Email Communication	⚙️	Great Plains Upgrade	✔️	Learning Management	⚙️	Contact Centre (Web, Mobile, Social Media Integration)	❌			
	Mobile Application	❌	Debtors (CRM Integration)	⚙️	SQL Server Reporting Services (SSRS)	❌	AT(SA)	✔️	Training Contract Management System (TCMS) rebuild			❌			
	Legal (Disciplinary)	❌	Donor Management	❌	Membership	⚙️	Moving Financial out of iMIS	✔️	Enterprise Development (Asset Management)			❌			
	Enterprise Development	❌	Continuous Professional Development	✔️	Create & Publish Content	⚙️	BCP and DRP Upgrade	⚙️							
	Web Services for Multiple Applications		❌												
APPLICATION AND INFRASTRUCTURE ARCHITECTURE															
IT Infrastructure Monitoring Tools		✔️		Backup Internet Link		✔️		Team Foundation Server		✔️		Hardware Refresh (performed every 3 years)		✔️	
BUSINESS PROCESS RE-ENGINEERING															
BUSINESS MODEL REVAMP															
ORGANISATIONAL CHANGE MANAGEMENT															
Note: The Digital Transformation Programme will be continuously updated in line with changes to the Business Strategy and/or changes in technology trends.							Completed	✔️	In Progress	⚙️	Not Started	❌			

# DISCIPLINARY MATTERS 2021

SAICA's focus on the maintenance and protection of the CA(SA) brand, which in recent times has been tainted by numerous public allegations of misconduct against some members of SAICA, led to a total re-write of the By-laws related to Discipline. The introduction of a revised Disciplinary Code and Schedules (Appendix 4 to SAICA By-laws) is aimed at a more efficient resolution of complaints against members.

## OVERVIEW

### Reporting boundary

SAICA's focus on the maintenance and protection of the CA(SA) brand, which in recent times has been tainted by numerous public allegations of misconduct against some members of SAICA, led to a total re-write of the By-laws related to Discipline. The introduction of a revised Disciplinary Code and Schedules is aimed at a more efficient resolution of complaints against members.

While the Disciplinary Code as per the SAICA By-laws was implemented from 1 June 2020, its effectiveness was realised in the 2021 period, with a significant increase in the number of cases finalised (281) compared to 2020 (143)

### Key improvement in the new Disciplinary Code

Among the numerous mechanisms that were added to the process:

- A distinction between minor and serious matters is determined shortly after receiving the full complaint and is directed to two separate process streams to avoid time delays resulting from the previously linear process (see schedule with Board approved guidelines on applicable fines, [click here](#)).
- For minor matters members may pay admission of guilt fines, otherwise the matter will be referred to the normal Professional Conduct Committee (PCC) process with no legal representation.
- The PCC Rulings are final and therefore no longer open to be heard anew by the Disciplinary Committee (DC) as was the case previously. Therefore, complainants and/or respondents who are aggrieved by the PCC Finding can take the matter on review through the Courts.

- Serious matters process, through the DC, allows for the settlement of the matter between the parties by settlement order, resulting in a faster and cost-effective resolution.
- If no settlement is achieved the matter will be referred for a formal hearing.

### Additional By-law Amendments in 2020/2021

Since the implementation date of 1 June 2020, the following by-law amendments have been made to further improve SAICA's processes:

#### *Cancellation of Membership*

The introduction of these provisions empowers the SAICA Board to cancel the membership of any member who has been convicted of a criminal offence in which violence is an element, including public violence; murder; rape; sexual assault; robbery; assault and/or torture and where the member has been sentenced to imprisonment without the option of a fine.

Where a member has been convicted of any of the above offences and is sentenced to imprisonment with an option of a Fine or only sentenced to have to pay a fine, the Board will have a discretion as to whether to cancel his/her membership or not.

#### *Sequestration*

Amidst the background of the challenging economic climate over the past few years, this amendment provides that a member will not be terminated where he/she satisfies the PCC that the sequestration was either due to exceptional circumstances or to legitimate business related circumstance.

The inclusion of the term "legitimate business circumstances" in this provision of the By-laws addressed the concerns that members engaged in business and entrepreneurial activities were being unfairly prejudiced by the cancellation of their membership due to sequestration.

The amendment clarifies that acts or omissions which in the opinion of the PCC, amount to recklessness; negligence; dishonesty; dishonourable; irregular and/or unworthy conduct, shall not be considered to be legitimate business circumstances.

Further, failure by a member to notify SAICA of his/her provisional or final sequestration has now been included as a punishable offence in the Disciplinary Code.

***SAICA to investigate complaints against Registered Auditors/SAICA Members which are non-audit related***

In the past, SAICA would refer all complaints against Registered Auditors to the Independent Regulatory Board for Auditors (IRBA) for investigation.

Section 48(1A) of the Auditing Professions Amendment Act now makes provision for the IRBA to refer non-audit related complaints brought against a registered auditor, to an accredited professional body such as SAICA for investigation and disciplinary processes.

The IRBA has drafted Rules for the referral of these complaints to accredited Professional Bodies and these rules have been gazetted for public comment, and have now been adopted. SAICA has accordingly amended section 8 of the SAICA Disciplinary Code to allow for SAICA to retain disciplinary complaints against concurrent SAICA members and registered auditors where the misconduct alleged is non-audit related.

**Some caution to note**

It is important to acknowledge that the Disciplinary Code content is not totally within the discretion of the SAICA Board and management. To be blunt – SAICA cannot just add whatever it likes into the Code. The SAICA Code has to take note of the general principles of law applicable in society.

Section 33 of the Constitution provides that:

- Everyone has the right to administrative action that is lawful, reasonable and procedurally fair.
- Everyone whose rights have been adversely affected by administrative action has the right to be given written reasons.

The **Promotion of Administrative Justice Act** was passed pursuant to the provisions of section 33 of the

Constitution. This legislation, amongst other things, sets out the requirements for procedurally fair administrative action, gives effect to the right to written reasons and provides for the grounds on which administrative action can be judicially reviewed and set aside. The implication is that the SAICA Disciplinary Code is subject to this statute.

In addition, SAICA is not excluded from potential civil suits based on alleged defamation and loss of income.

In drafting the new Disciplinary Code, all of the above had been taken into account and we are confident that within the requirements of this legal framework, we have succeeded in introducing significant improvements.

**Concerns raised by members regarding Tax Practitioner non-compliance complaints**

SAICA processed the backlog complaints against Tax Practitioner members, dating as far back as 2015, who were allegedly non-compliant with specific requirements for Tax Practitioners. Some Tax Practitioner respondents have been aggrieved by the length of time taken to prosecute these matters. They argue that the Professional Conduct Committee has not taken into account their mitigating circumstances and are unhappy that their names will be published with the guilty Findings on the SAICA website in terms of SAICA Disciplinary Code paragraph 18.2.

SAICA has been liaising with these respondents to listen to their feedback and to assist them in understanding the process and reasons for SAICA pursuing these non-compliance cases. SAICA is also considering the possibility of a more equitable solution.

The Revised SAICA By-laws, which enabled the resolution of the backlog, were implemented in June 2020 and allow lodging of these complaints since June 2020.

In consideration of the length of time that has elapsed, the sanctions being imposed are believed to be

reasonable, in that, for complaints where the respondent members are 30 days late or less in submitting the Tax Declarations, the fine of R30 000 (thirty thousand rand) has been wholly suspended.

**THE SAICA DISCIPLINARY PANEL**

The Board of SAICA appoints the members of the SAICA Disciplinary Panel (the “Disciplinary Panel”), which consist of:

- Members, in good standing for at least five years, in sufficient numbers to ensure the speedy and efficient completion of disciplinary matters; and
- Lawyers, being retired magistrates, judges or practicing Legal Practitioners of not less than 10 (ten) years’ experience, in sufficient numbers to ensure the speedy and efficient completion of disciplinary matters.

The PCC is appointed, as and when required, from the members of the Disciplinary Panel as follows:

- in the case of advisory matters 2 (two) such members;
- in any other matters 3 (three) such members; and
- ad hoc additional panellists whenever the PCC deems it necessary.

The DC is appointed by the Designated Disciplinary Officer from the Disciplinary Panel who have declared that they have no conflict of interest in the matter at hand and as follows:

- 3(three) such members, of whom the Chairperson shall be a lawyer; and
- additional panellists whenever the DC deems such additional appointment necessary.

The Legal members of the PCCs and DCs serve as the Chairpersons to these Committees and are paid a fixed hourly fee for their time and contribution.

The 883 complaints lodged against SAICA members/associates are broken down into 145 general complaints and 738 minor complaints for non-compliance with SAICA requirements for Tax Practitioners and for CPD. SAICA has employed additional fixed



## REPORT ON CASE MANAGEMENT

## Number of Complaints received

DISCIPLINARY SUMMARY	2021	2020	2019	2018	2017	2016	2015
Number of cases reported	1000	476	247	248	229	507	177
Cases referred to IRBA*	24	38	34	35	42	24	31
<b>Cases finalised **</b>	<b>281</b>	<b>143</b>	<b>184</b>	<b>128</b>	<b>235</b>	<b>162</b>	<b>70</b>
• Through the Professional Conduct Committee (PCC)	279	137	173	119	229	142	55
• Through the Disciplinary Committee (DC)	2	6	11	9	6	20	15
<b>Breakdown of total cases reported in 2021</b>	<b>1000</b>	<b>476</b>	<b>247</b>	<b>248</b>	<b>229</b>	<b>507</b>	<b>177</b>
• Complaints against members and associates (AGAs)	883	414	171	190	177	136	160
• Complaints against trainee accountants	67	41	39	15	38	38	12
• Complaints against non-members***	50	21	19	43	14	3	5
• APC matters	-	-	-	-	2	330	-

\* Complaints against Members who are registered auditors are referred to the Independent Regulatory Board for Auditors to investigate where the complaints are audit-related.

\*\* Cases may also be closed outside of Committees where Complaints fail to provide complaint affidavits and/or sufficient information for SAICA to pursue an investigation.

\*\*\* Complaints which are lodged against persons who are found not to be members/associates of SAICA. 7 of these matters are being followed up as "Holding Out" cases for contraventions of the Chartered Accountants (Private) Designation Act 67 of 1993.

term staff to assist in finalising the large number of minor non-compliance complaints.

In addition to the 1000 complaints received in 2021, a further 158 complaints were rolled over from previous years.

**PCC Meetings in 2021**

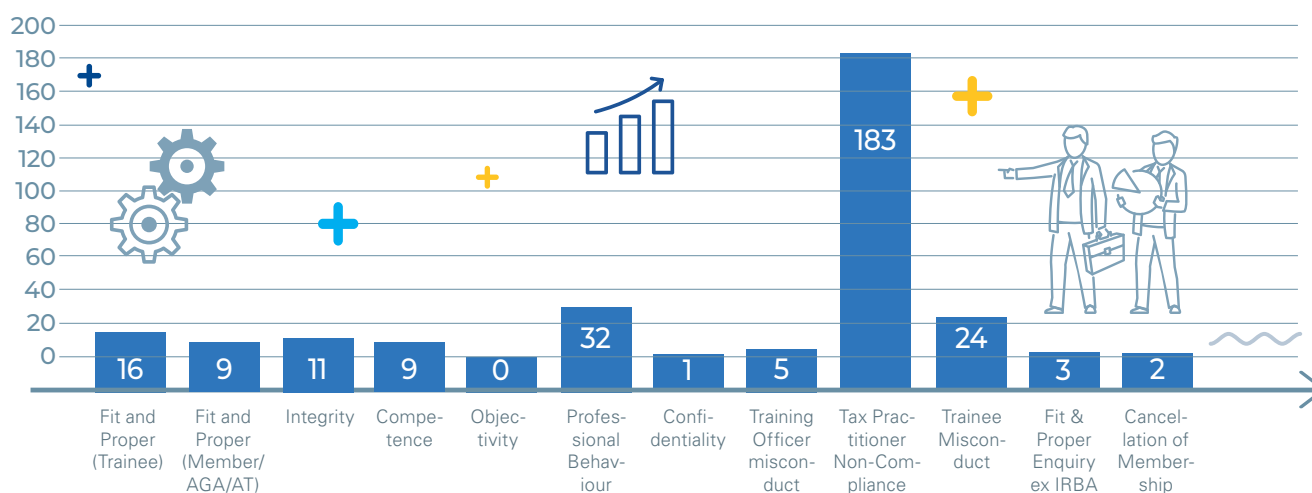
In 2020, the PCC met 16 times, considered 158 matters and finalised 137 of these cases with 16 cases on-going.

Comparatively, in 2021 the PCC met a total of 35 times (Full PCC convening 30 times and the Advisory Committee meeting 5 times); considered 295 cases

and finalised 279 cases with 16 cases on-going.

Of the 16 on-going cases: 2 were referred to the Disciplinary Committee; 2 are concluded and awaiting Rulings; 2 are set down for Fit and Proper Enquiries relating to IRBA Findings and 10 are part-heard.

## NATURE OF COMPLAINTS (JAN-DEC 2021)



FINDINGS/SANCTIONS (JAN-DEC 2021)	
Fit and Proper for Traineeship	14
NOT Fit and Proper for Traineeship	1
Fit and Proper for Membership/Associateship	8
NOT Fit and Proper for Membership/Associateship	1
Fines imposed	170
Penalty period imposed on Training Contract	19
Closed to await parallel processes	3
Suspension and Fine	1
No prospects of success	5
No Improper conduct found	37
On-going/part heard	10
Reprimand	5
Caution	1
Recommended to Board to Cancel Membership	2
Referred to Disciplinary Committee from PCC	2
Fit & Proper Enquiry to be convened (arising from IRBA Finding)	2
Judgement Reserved	2
Complaint Withdrawn with PCC approval	1
Closed by Advisory Committee (no prima facie evidence)	11
<b>Total</b>	<b>295</b>

#### Cancellation of Memberships by the SAICA Board

The PCC assisted the Board by tabling recommendations for the Board to consider in exercising its function to cancel memberships in certain circumstances without the need for a disciplinary investigation. Accordingly, the Board exercised its function in cancelling two memberships: One as the member had been convicted by a criminal court of fraud and sentenced to imprisonment; and one due to the member having been removed from a position of trust on account of misconduct.

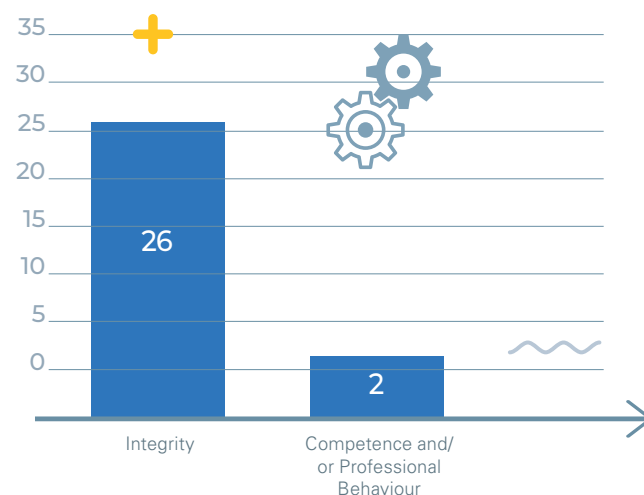
This is another indication of the effectiveness of the revised SAICA By-laws, which removes the need to commence a whole disciplinary investigation in certain circumstances where a Court has already made a finding on the matter. Such matters may now be dealt with faster and cost-effectively, while still affording an aggrieved party to take the matter on review through the Courts.

#### DC Meetings in 2021

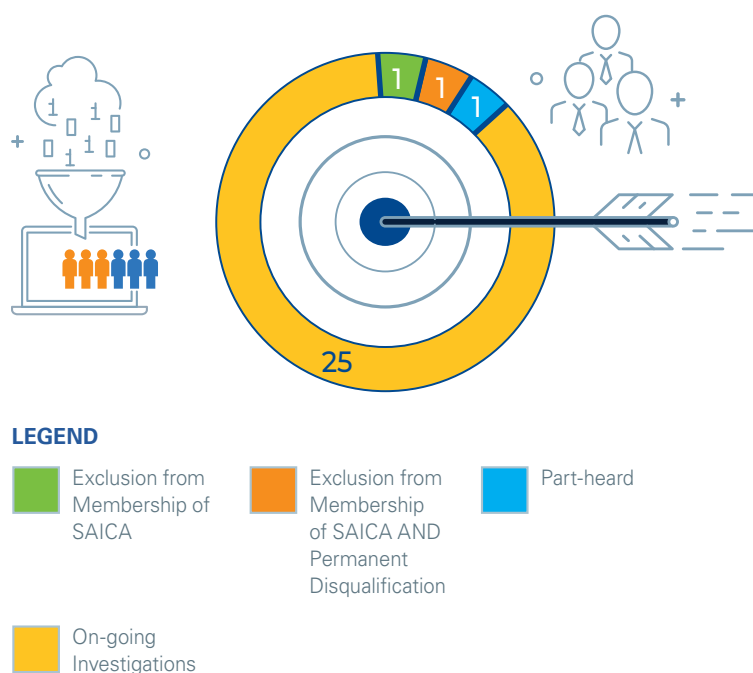
In 2020, the Disciplinary Committee finalised 6 cases and one case was part-heard.

SAICA has commenced use of the settlement dispensation which has resulted in a faster and cost-effective resolution of matters. Accordingly, in 2021, 2 complaints were settled between the parties by way of the settlement order mechanism. Of the remaining 26 complaints in the Disciplinary Committee stream, 2 are in advanced stages of settlement by way of settlement orders, 1 is part-heard and 23 are being investigated.

### NATURE OF COMPLAINTS TO DC (JAN-DEC 2021)



### DC COMPLAINTS (JAN-DEC 2021)



# CAN ONE PERSON MAKE A DIFFERENCE? ABSOLUTELY.

Mandy Muchnick has a passion for investing in people which has been at the centre of her investment philosophy as a private equity transactor and now as a founding team member at Panda, a company aimed at making mental health resources and support more accessible, as well as in her upliftment initiatives. She feels strongly about identifying and nurturing talent in others and believes that assisting in maximising individual growth is not only core to a meaningful life, but also critical to solving the world's main challenges. Mandy spends a significant amount of time investing in the future of the continent through her role as the Africa Chair for One Young World (OYW) and her non-profit imagine.nation. She also helped launch the FinBiz2030 Task Force in South Africa (which she Chaired from 2020-2022) and Nigeria.

Mandy's passion has seen her build and support two crèches, providing a safe learning environment for over 100 children annually and reaching over 20 000 vulnerable children through initiatives such as their annual Winter Warmer since 2014. She has proven that you do not always need to quit your job to make a difference and that working in a corporate provides a strong platform from which to effect societal change. The key is to remember that as one person you can only effect so much change, lift those around you up with you and empower them to do the same - the ripple effects of change are far greater than you could ever achieve on your own.







VALUE CREATED

DIFFERENCE MAKER: Mandy Muchnick CA(SA)



# PERFORMANCE AGAINST STRATEGY

SAICA's Board sets short-term targets and initiatives for the year ahead in the annual scorecard that support delivery on the strategic pillars, either directly or by enhancing the Institute's operational efficiency. At the end of the year, executive management collates the performance against the scorecard targets. The final scores are assured by the external auditors, reviewed by the Remuneration Committee and approved by the Board.

The scorecard comprised four categories weighted as shown in the table on the next page. Each scorecard category is given a score from 1 (far below expectations) to 5 (far exceeds expectations) and these scores are weighted according to the category weights to yield an overall score for the year. In 2021, SAICA achieved a performance rating of **3,47** out of 5, compared to 3,68 out of 5 in 2020.

MEMBER VALUE (2021: 72.55%) (2020: 75.77%)		
SAICA PROFESSIONAL HEALTH INDEX	2021 SURVEY RESULTS (% ABOVE NEUTRAL)	2020 SURVEY RESULTS (% ABOVE NEUTRAL)
*Attractiveness Index (New 2021)	63.16%	
Employability Index	74.12%	70.93%
Leadership Index	78.19%	88.39%
Inspiration Index	76.48%	68.92%
Brand Admiration Index	79.80%	77.25%
Competency Index	67.69%	73.08%
Member Satisfaction Index	68.42%	64.48%
*Access Index		87.35%

\*Access Index was replaced with Attractiveness Index in 2021.



RELEVANCE & REPUTATION (2021: 64.16%) (2020: 69.86%)		
SAICA PROFESSIONAL HEALTH INDEX	2021 SURVEY RESULTS (% ABOVE NEUTRAL)	2020 SURVEY RESULTS (% ABOVE NEUTRAL)
Integrity Index	72.58%	74.59%
Market Trust Index	84.55%	80.81%
Social Contribution Index	76.06%	67.69%
Advocacy Index	42.63%	61.37%
Thoughts Leadership Index	44.98%	61.17%
Social Involvement Index		73.55%

\*\*Social Involvement Index was discontinued in 2021.



## LEGEND

Below Target		Achieved		Exceeded		New Measure	
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STRATEGIC PILLAR	STRATEGIC OBJECTIVES	KPIS	TARGET 2021	PERFORMANCE ACHIEVED 2020	PERFORMANCE ACHIEVED 2021	UNWEIGHTED SCORE
Member value Performance weighting: 30%	Deliver member value by promoting the premiership status and enhancing the member value proposition	Professional Health Index	60–85% of respondents are above neutral	73,04 %	72,55% (3.50) 	3.50
	Promote common interest and professional competence of members and associates nationally and internationally	Positive media exposures	Annual target: 1301-1400 positive media exposures	1 633	1395 	3.95
Relevance and Reputation Performance weighting: 25%	Enhance trust, ethical conduct and credibility of the profession in the economy and society	Professional Health Index	60–85% of respondents are above neutral	73,04 %	64,16% 	3.01
		Annual Stakeholder Survey score	60 and <85% respondents are above neutral	82%	85,59% 	4.06
		Aggregated CA2025 milestones achieved	3.00		3.50 	3.50
Growth and Transformation Performance weighting: 25%	Grow and transform the accountancy profession	Average media pick up on Nation Building Thought Leadership	2x media pick up per article	181 exposures	4,69 average pick up 	5.00
		*Throughput pass percentage of Thuthuka first-time candidates and/or ITC and APC repeat programme pass rates	Pass rate of all the SAICA support programmes are the same as those programmes of the universities or the national averages (ITC and APC)	2.00		3.22
		Member conversion rate	75% - 85% conversion from eligible member to member (CA)	79.3%	81.90% 	3.69

\* Only the 1 December 2021 sitting of the 2021 APC was utilised. The 2021 APC is made up of the 1 December 2021 and the 30 March 2022 APC sittings. The results of the 30 March sitting will be published on 27 May 2022.

STRATEGIC PILLAR	STRATEGIC OBJECTIVES	KPIS	TARGET 2021	PERFORMANCE ACHIEVED 2020	PERFORMANCE ACHIEVED 2021	UNWEIGHTED SCORE
<b>Organisational Sustainability</b>  Performance weighting: 20%	Achieve financial sustainability	Surplus for the year	Surplus: R11.5 million	R24,5 million	Surplus: R29 million 	5
		Net cash from operations	Net cash: R10 million	R68,8 million	Net cash: R71,9 million 	5
	Digitise operational processes to work quicker and qualitatively better and accelerate strategic benefits	ERM Maturity Level	Maintain ERM Maturity Level 4	ERM Maturity Level 4	ERM Maturity Level 3  Refer to Enterprise Risk Management maturity level on page 141	2
	Empower human capital to enhance innovation and engage employees to create an engaged organisation	Stage 2 Ushintsho programme: member value benefits	Ushintsho Scorecard	3.00	Delays experienced with rollout of deliverables  Refer to material matter 7 on page 53	1.75
		Staff Engagement Survey	5–10% improvement on 2020	75%	75% 	3.59
	Transform the organisation	B-BBEE level	B-BBEE: Level 4	B-BBEE: Level 6	B-BBEE: Level 8  *B-BBEE improvement initiatives, refer to key challenges experienced in 2021 on page 23	2.00

\*Initiatives implemented in 2021 to improve the B-BBEE rating resulted in a marked improvement which will be realised in the 2022 financial year.

# CFO FINANCIAL REVIEW WITH LINK TO AFS



## SUMMARISED STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2021

	GROUP		CHANGE
	2021 R'000	2020 R'000	2021/20 %
<b>Assets</b>			
Non-current assets	124 270	136 262	-8,80%
Current assets	572 982	493 960	16,00%
<b>Total assets</b>	<b>697 252</b>	<b>630 222</b>	<b>10,64%</b>
<b>Reserves and liabilities</b>			
Reserves	388 245	321 118	20,90%
Non-current liabilities	70 116	76 326	-8,14%
Current liabilities	238 891	232 778	2,63%
<b>Total reserves and liabilities</b>	<b>697 252</b>	<b>630 222</b>	<b>10,64%</b>

### ↑ Assets (11%) due to:

- Ushintsho investment of R14 743 (2020: R13 427).
- Group cash increased by R132 000.
- Cash comprises 87% (2020: 74%) of current assets.
- Decline in non-current assets attributable to depreciation of R28 292 (2020: R27 539).

### ↓ Liabilities (0,3%):

- Decrease due to unwinding of lease liability and deferred income.
- Liabilities included provision for APC re-write (R8 155) and Contract liabilities on fees received at year-end of R99 585 (2020: R93 600).

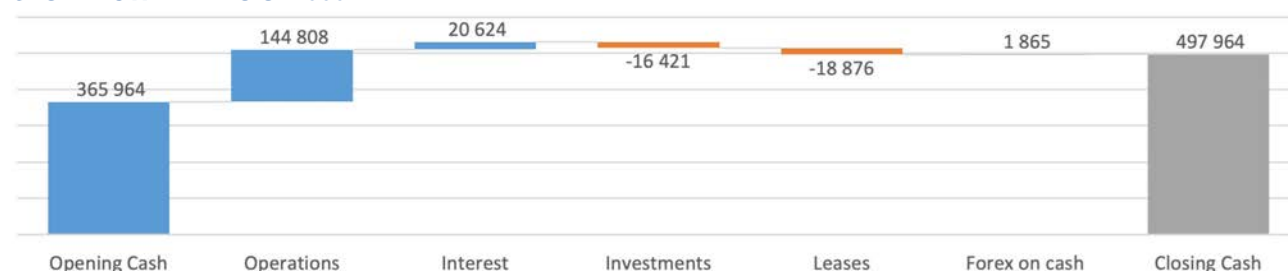
## SUMMARISED STATEMENT OF SURPLUS OR DEFICIT FOR THE YEAR ENDED 31 DECEMBER 2021

	GROUP		CHANGE
	2021 R'000	2020 R'000	2021/20 %
Revenue	443 292	412 510	7,46%
Other Income	431 689	395 799	9,07%
<b>Operating surplus before interest</b>	<b>56 537</b>	<b>46 943</b>	<b>20,44%</b>
Finance income	20 624	24 780	-16,77%
Finance costs	-10 033	-10 302	-2,61%
<b>Surplus for the year</b>	<b>67 128</b>	<b>61 421</b>	<b>9,29%</b>
Opening reserves	321 117	259 696	23,65%
<b>Total reserves at end of year</b>	<b>388 245</b>	<b>321 117</b>	<b>20,90%</b>

### ↑ Reserves (21%):

- Due to the reported surplus distributed as follows:
  - SAICA – R21 003
  - THF – R691
  - TEUF – R37 404
- Operating margin maintained at range 5%-10%.
- Revenue growth represent increase in professional development activities and net number of members.
- Other income growth represents improvement in donations and projects.
- Notable turnaround of THF from loss making to surplus.

## CASH FLOW ANALYSIS R'000



### Operating Activities:

Core operations realised a 47% (R46 486) additional cash better than previous year due to highly liquid operations and close management of working capital.

### Investing Activities:

Key investments made related to Ushintsho project (59% - R9 691) and the Electronic Assessment Tool (22% - R3 592). The balance (19% - R3 136) related to various projects necessary to maintain operations.

### Financing Activities:


SAICA Group buildings are leased from third parties and the amount reflects the payments of capital (R8 843) and interest (R10 033) in line with IFRS 16.



# PERFORMANCE

## PER STRATEGIC PILLAR + STRATEGIC OBJECTIVE

# 30%



### MEMBER VALUE

**WEIGHTED SCORE** 1,08

**AVERAGE SCORE** 3,60

#### DELIVER MEMBER VALUE BY PROMOTING THE PREMIERSHIP STATUS OF THE CA(SA) DESIGNATION AND ENHANCING THE MEMBER VALUE PROPOSITION

##### IMPLEMENTING THE LEARNING AND DEVELOPMENT PLATFORM

The new learning management system will consolidate the sourcing and delivery of ongoing learning in a single digital hub for the benefit of members and associates. A service provider was appointed to develop the system in 2022, while a temporary learner management system is in place.

##### REVAMPING THE SAICA WEBSITE

SAICA's website is one of our primary communication channels. The primary aim of the revamp was to improve ease of use for members, associates and other users. New SAICA website launched, improving navigation and content relevance for members.

#### MEMBER REACH AND MEMBER PROFILING INITIATIVES

Promoting the inspiring role of our members' impacts in business and society by profiling members in the media and facilitating flagship events. Profiling of members to optimise targeted offerings and improve member experience in 2022. Member profiling initiatives during the year included: Top-35-under-35 competitions, celebrating young CAs(SA) who drive positive change in the economy and society. The Difference Makers campaign encourages members to live an ethos of acting in the public interest and share their stories to demonstrate how they are difference makers in business and society. Virtual Women in Leadership Conference attended by nearly 3 300 members, highlighting the value women bring to the workplace, particularly during times of crisis; solutions to the biggest professional obstacles they face were discussed.

#### PROMOTE COMMON INTEREST AND PROFESSIONAL COMPETENCE OF MEMBERS AND ASSOCIATES NATIONALLY AND INTERNATIONALLY

##### IMPLEMENTING THE PATHWAYS TO RELEVANCE FRAMEWORK

Pathways to Relevance is a post-qualification framework to equip members with the skills required for the evolving workplace, as mapped out in CA2025. The CA2025 Competency Framework includes a revised CPD policy and the Pathways to Relevance framework aimed at improving

employability, relevance and success of the members. A dedicated microsite was developed to guide members through new CPD policy requirements and the Pathways to Relevance framework. The CPD information and Pathways to Relevance information can now be found on the SAICA website.

#### STAKEHOLDERS' ENGAGEMENT INITIATIVES

Stakeholder engagement is a key aspect of SAICA's activities in terms of our advocacy role, as well as establishing and managing the partnerships that make delivery on our projects and strategic initiatives possible. The SAICA strategy is stakeholder inclusive as engagement is key to strategy execution.

#### MEMBER ENGAGEMENT ACTIVITIES AND SUPPORT

A platform driving engagement with significant employers to understand the changing requirements applicable to the profession to ensure that the members are staying relevant and effective.

# 25%



## RELEVANCE AND REPUTATION

**WEIGHTED SCORE 0.75**

**AVERAGE SCORE 3.01**

### ENHANCE TRUST, ETHICAL CONDUCT AND CREDIBILITY OF THE PROFESSION IN THE ECONOMY AND SOCIETY

#### INTEGRATED ETHICS PLAN

Promote professional ethics and awareness to ensure that the profession is seen as a responsible leader in business and society. SAICA's Ethics Committee authorised nine new appointments. A key project is to define SAICA members' support for detriments faced from ethical conduct. Members in Business forums explored mechanisms to protect whistleblowers. Ethics-related content on the SAICA website was benchmarked locally and internationally. Partnered with the Gordon Institute of Business Science (GIBS) to conduct an Ethics Barometer study on SAICA trainees and members.

#### OPTIMISING DISCIPLINARY PROCEDURES

Streamline the disciplinary process to ensure timeous resolution and ensure members are held to account. SAICA

amended its By-laws during 2020 to streamline the disciplinary process. Quarterly updates are communicated to members and on the SAICA website.

#### SDG INITIATIVES

The creation of the Sustainability Technical Committee will provide thought leadership and education to SAICA members regarding the SDGs to enable SAICA to join global standard-setters. To promote the SDGs, SAICA collaborates with several organisations such as Sustainable SA and FinBiz2030, a collaboration between One Young World, Chartered Accountants Worldwide and SAICA. Refer more about our activities that support achievement of these SDGs on page 98.

#### AUDIT REFORM INITIATIVES

Restoring public trust in the auditing profession. Through the agreement reached with the South African Auditing Profession Trust Initiative (SAAPTII) and SAAPTII-affiliated firms, SAICA will continue with the Audit Reform Plan (launched in March) in leading the creation of the Centre of Audit Quality. Alongside the Association of International Certified Professional Accountants (AICPA), the new structural arrangements for the audit profession have been drafted.

#### UNITE4MZANSI™

Promotes active citizenship through our members as leaders in business. The initiative showcases high-profile advocates with the goal to mobilise civil society and work together to see what concerned leadership can do to identify, understand and prevent corruption in the private and public sectors.

#### COURAGEOUS CONVERSATIONS

A thought leadership initiative in partnership with the Wiseman Nkuhlu Trust to facilitate uncomfortable but necessary conversations of national importance. In April, the 'Accountants must be accountable' event resulted in a Trainees and Transformation Action Plan to address main issues raised. In September, Unite4Mzansi™ lead the discussion of 'Overcoming South Africa's built-in apathy about corruption'. In October, considering the impact of COVID-19 and the July 2021 political riots, a group of reputable panellists discussed the role business plays in supporting SMMEs to create employment opportunities.


#### GOVERNMENT-ASSISTANCE PROGRAMMES

Support the professionalisation of the finance division within the public sector to improve service delivery. Engagements with SALGA and KZN Treasury to assist with capacity-building and support within local government. SAICA hosted the KZN Provincial Treasury CFO Forum, helping all CFOs of municipalities and public entities to access Generally Recognised Accounting Practice (GRAP) updates. In July, SARS and SAICA entered a MoU to help capacitate the revenue collector with specialists in tax and forensics.

#### EFFECTIVE COMMUNICATION STRATEGY

Protect and restore the reputation of the profession. SAICA's communications priority is to build society's trust in the profession (#trustleadership) as well as promote its relevance through SAICA members through Difference Makers (#differencemakers). Read more about our communication plan in the Brand Initiatives section on page 115.

# 25%



## GROWTH AND TRANSFORMATION

**WEIGHTED SCORE 0.99**

**AVERAGE SCORE 3.97**

## GROW AND TRANSFORM THE ACCOUNTANCY PROFESSION

### SCHOOLS AND TERTIARY INSTITUTION ENGAGEMENT

Initiatives include career awareness promotion; educator support and enrichment; learner support and enrichment. School-level initiatives, which aimed to promote SAICA's designations and the importance of mathematics as well as the opportunity to apply for the Thuthuka

Bursary, were delayed or otherwise negatively impacted by the adjusted calendar due to COVID-19 alert levels and safety protocols. School-level activities further included promoting the designations on radio and other media; educator training; Olympiads; career roadshows, symposia and exhibitions; learner development camps; and providing Grade 12 maths and accounting revision videos.

### THUTHUKA PROGRAMMES

The Thuthuka programmes are mainly aimed at university students through the Thuthuka Bursary programme and support programmes for the ITC and APC candidates. Engagement took place with the Ikusasa Student Financial Aid Programme (ISFAP) on using their system to track progress of Thuthuka students. Awareness campaigns for the Thuthuka bursary application window is carried out on various media outlets. The root causes of the poor performance of African candidates in the ITC and APC examinations are currently under study, as part of detailed plans to address these challenges.

### DIGITISATION OF GRADES 10–12 ACCOUNTING TEXTBOOKS

The National Department of Basic Education approached SAICA to assist in the digitisation of the Grades 10–12 accounting textbooks. A MoU is being drafted that includes additional partnership opportunities between the parties.

### COMMON CTA FOR HISTORICALLY DISADVANTAGED INSTITUTIONS

Ensuring that all of South Africa's Historically Disadvantaged Universities (HDU) achieve full accreditation at both undergraduate and postgraduate levels. Where universities do not have accreditation, SAICA is assisting the HDUs to develop an innovative curriculum through the Common CTA programme. SAICA is facilitating collaborations that will ensure that students from these HDUs are supported throughout their CTA programme at other universities. SAICA sourced the funding of bursaries for 100 undergraduate students at Walter Sisulu University and the University of Venda.

# 20%



## ORGANISATIONAL SUSTAINABILITY

**WEIGHTED SCORE** 0.64

**AVERAGE SCORE** 3.56

### ACHIEVE FINANCIAL SUSTAINABILITY

#### MANAGING WORKING CAPITAL AND INVESTMENTS

Strategies to improve fee collections were optimised since the start of COVID-19; an investment policy was implemented to improve investment returns; and cost efficiencies were realised.

### DIGITISE OPERATIONAL PROCESSES TO WORK QUICKER AND QUALITATIVELY BETTER AND ACCELERATE STRATEGIC BENEFITS

#### DIGITAL TRANSFORMATION

Efficient and effective implementation of a digital environment through Ushintsho, SAICA's digital transformation project.

The inability to attract and retain IT skills resulted in further delays in the Ushintsho roll-out. The IT environment has been strengthened with additional capacity to ensure the successful delivery of the project in support of SAICA's digitisation

strategy. SAICA is investigating alternative delivery mechanisms to deliver faster and reduce the cost of delivery. This requires the investigation to extend beyond South African borders.

### EMPOWER HUMAN CAPITAL TO ENHANCE INNOVATION AND ENGAGE EMPLOYEES TO CREATE AN ENGAGED ORGANISATION

#### REVIEWING THE EMPLOYEE VALUE PROPOSITION

Revise the employee value proposition to increase staff retention and enable sustainable delivery of long-term programmes. Action plans from the employee engagement plan are being implemented and divisional action plans from the employee engagement survey have been implemented. A quarterly CEO Town Hall was initiated as a platform to enable further employee engagement.

#### TALENT MANAGEMENT

Develop and implement a clear talent management strategy. Succession planning workshops with divisions and consolidated plans to close gaps submitted to Exco for approval. Interventions identified include a management development programme and a leadership development programme. MANCO members attended the Outward Mindset Programme as part of the culture project to develop leadership capabilities.

### IMPROVE ORGANISATIONAL CULTURE

Build a high-performance culture and strengthen leadership capabilities. An external consultancy was engaged to conduct a culture diagnostics exercise

to identify the extent and impact of existing culture gaps in the organisation. Outcomes of the culture exercise were discussed at the leadership summit, where leadership interventions were prioritised. Performance management workshops were held on the topics of quality of performance and productivity.

### TRANSFORM THE ORGANISATION

#### IMPROVE SAICA'S B-BBEE SCORE

SAICA's B-BBEE score has moved from Level 6 to Level 8. The following B-BBEE pillars contributed to SAICA's unfavourable rating: Skills development; Enterprise and supplier development. B-BBEE recovery initiatives are underway and the impact will be evaluated at the end of 2022. Initiatives implemented in 2021 to improve the B-BBEE rating resulted in a marked improvement which will be realised in the coming financial year.

#### ENTERPRISE RISK MANAGEMENT MATURITY LEVEL

SAICA ERM maturity level regressed from Level 4 (Proactive) to Level 3 (Foundation) as a result of improvements required in the risk culture and management of risk relating to change management. Pursuant to APC challenges in December, improvements have been implemented for the APC re-write in March 2022.











# OUTLOOK

## LOOKING FORWARD

Our outlook information covers the strategic path ahead – leadership’s view of the material uncertainties, disruptive factors, challenges that may affect the achievement of our strategic objectives and the potential implications for the institute as well as opportunities that we have identified in the medium to longer term.

<b>Strategic pillar</b>	<b>Member Value</b> Delivering better member value and offerings that will see our members in high demand in the marketplace
<b>Challenges, uncertainties and disruptive factors</b>	<ul style="list-style-type: none"> <li>• Rapidly shifting nature of business induced by the pandemic and new ways of working</li> <li>• Changing member needs to remain relevant for the future, and an expectation for professional member bodies to focus more on sustainability of economies</li> </ul>
<b>Mitigating factors/ opportunities</b>	Equip members with the skills they need for the future of work through the following initiatives: <ul style="list-style-type: none"> <li>• CA2025 Competency Framework</li> <li>• Member portal as part of the Ushintsho project</li> <li>• Targeted member offerings</li> <li>• Implementation of the Learning Development Platform</li> <li>• Drive engagement with significant employers to understand the changing requirements applicable to the profession to ensure that the members are staying relevant and effective</li> </ul>
<b>CAPITALS</b>  	<b>MATERIAL MATTERS</b>    
<b>Strategic pillar</b>	<b>Relevance and Reputation</b> Continued relevance of the accountancy profession and the creation of an ethical culture within the accountancy profession in the service of public interest
<b>Challenges, uncertainties and disruptive factors</b>	<ul style="list-style-type: none"> <li>• Trust erosion and reputational harm for the profession arising from unethical and sometimes criminal conduct of members</li> <li>• Restoring trust and rebuilding the reputation of the profession to ensure its relevance into the future for the benefit of all members</li> <li>• This trust is vital for a successful economy and society. It is the combination of skills and individual character that creates trust in the profession and underpins its premium value in the marketplace</li> <li>• Governance failure in private and public institutions (sometimes assisted by the members of the profession)</li> <li>• Accountancy profession still linked to state capture allegations through the audit work performed – loss of confidence</li> <li>• Announcement by the Minister of Finance to review the auditing profession</li> </ul>
<b>Mitigating factors/ opportunities</b>	<ul style="list-style-type: none"> <li>• SAICA will continue to focus on reputation management by rolling out various initiatives aimed at rebuilding trust in the profession:               <ul style="list-style-type: none"> <li>o Promoting common interest and professional competence of members and associates, nationally and internationally</li> <li>o Enhancing trust, ethical conduct and credibility of the profession in the economy and society</li> <li>o Continuing to drive the audit reform project</li> <li>o Ensuring members are living the code and appropriate action is taken against misconduct, promoting accountability and integrity among members</li> </ul> </li> <li>• Provide additional support to government (including Parliament) to identify matters of concern and required interventions</li> <li>• Directing SAICA and its members’ activities around the SDGs and enable SAICA to be part of the standard setting process</li> </ul>
<b>CAPITALS</b>  	<b>MATERIAL MATTERS</b>    

<b>Strategic pillar</b>	<b>Growth and Transformation</b> Growth and transformation of the accountancy profession in terms of race and gender and in line with the overarching national agenda
<b>Challenges, uncertainties and disruptive factors</b>	<ul style="list-style-type: none"> <li>• 3 remaining historically disadvantaged universities not having accreditation for a post-graduate degree</li> <li>• Inadequate or sub-standard education and skills development</li> <li>• Rising inequalities in the country and its impact on the talent pipeline</li> <li>• Poor performance of candidates in the ITC and APC</li> </ul>
<b>Mitigating factors/ opportunities</b>	<ul style="list-style-type: none"> <li>• Increasing accessibility at all South African Universities by ensuring that their PGDA programmes are accredited</li> <li>• Digitisation of Grade 10-12 accounting textbooks to support learners in continuity of studies and grow the future pipeline of CAs</li> <li>• Increased presence in schools to grow the member pipeline</li> <li>• Address root causes for poor performance of candidates in the ITC and APC</li> </ul>
<b>CAPITALS</b>  	<b>MATERIAL MATTERS</b>   
<b>Strategic pillar</b>	<b>Organisational Sustainability</b> COVID-19 highlighted the need for introspection on organisational sustainability, challenging SAICA to become faster and more agile to deliver member value, achieve relevance and impact on society. This requires that we reduce existing divisional silos, embark on a cultural transformation journey and review the organisation's structure to ensure it is still fit for purpose
<b>Challenges, uncertainties and disruptive factors</b>	<ul style="list-style-type: none"> <li>• Increase in business closures and economic recession</li> <li>• Growth in disruptive technology changing the traditional way of doing business, rendering existing processes inefficient</li> <li>• Increased threat of cybercrime</li> <li>• High staff turnover</li> <li>• Low staff morale</li> </ul>
<b>Mitigating factors/ opportunities</b>	<ul style="list-style-type: none"> <li>• Achieving financial sustainability as an organisation</li> <li>• Digitising operational processes to work quicker and qualitatively better, and accelerate strategic benefits</li> <li>• Empowering Human Capital to enhance innovation and employee engagement to create a better engaged organisation</li> <li>• Transforming the organisation internally regarding skills levels, culture, and gender and race representation</li> </ul>
<b>CAPITALS</b>    	<b>MATERIAL MATTERS</b>   



# THE DIFFERENCE IS ENABLING HUMAN POTENTIAL BY USING AI FOR TASKS



Over the past five years, Lauren Berrington CA(SA), Chief Audit Executive at the Bidvest Group Limited, and her team have been working almost nonstop on a revolutionary next-generation digital auditor called ALICE, complete with cognitive skills and data transformation capabilities. ALICE was built to enable assurance professionals to focus on higher-level tasks that need human intelligence, enabling auditors to have the time and capacity for critical thinking, better risk management and decision-making, while allowing a combination of technologies to automate the repetitive and routine audit work.

According to Lauren, a digital mindset is acquired through curiosity, questioning and practice in preferably a safe environment where you can experiment, not be scared to fail and learn from the experience with other professionals that are on a similar journey. The role of human intelligence and the power of thinking and solutioning will continue to shape an augmented future.





# SUPPLEMENTARY INFORMATION

**DIFFERENCE MAKER:** Lauren Berrington CA(SA)



# SUPPLEMENTARY INFORMATION

## Acronyms

- 4IR – Fourth Industrial Revolution
- ABASA – Association for the Advancement of Black Accountants in South Africa
- ACFE – Association of Certified Fraud Examiners
- AG – Auditor General
- AGA – Associate General Accountant
- AGC – The Assurance Guidance Committee
- AGM – Annual General Meeting
- AICPA – American Institute of Certified Public Accountants
- APC – Assessment of Professional Competence
- ARC – Audit and Risk Committee
- ARP – Audit Reform Project
- ASA – Accountancy SA Magazine
- ASPAC – Countries of the Asia-Pacific Region
- AT – Accounting Technician [AT(SA)]
- AWCA – African Women Chartered Accountants
- BASA – Banking Association of Southern Africa
- B-BBEE – Broad-based Black Economic Empowerment
- BLSA – Business Leadership South Africa
- BUSA – Business Unity South Africa
- CAANZ – Chartered Accountants Australia and New Zealand
- CAQ – Centre for Audit Quality
- CAW 2030 – CA Worldwide
- CAPtR – CA Pathways to Relevance project
- CEO – Chief Executive Officer
- CFO – Chief Financial Officer
- CIPC – Companies and Intellectual Property Commission
- CIPFA – Chartered Institute of Public Finance and Accountancy
- CISO – Cyber and Information Security Information Officer
- COGTA – Cooperative Governance and Traditional Affairs
- COO – Chief Operating Officer
- CoPc – Code of Professional Conduct
- CPD – Continuous Professional Development
- CTA – Certificate in the Theory of Accounting
- DEI – diversity, equity, and inclusion
- DOA – Delegation of Authority
- DTGC – Digital Transformation Governance Committee
- EAC – Education and Assessment Committee
- EAT – Exam Assessment Training
- ED – Enterprise Development
- EE – Employment Equity
- EMEA – Europe, the Middle East and Africa
- ERM – Enterprise Risk Management
- ERMIC – Enterprise Risk Management and Compliance
- ESD – Enterprise and supplier development
- ESG – Environment Social and Governance
- EY – Ernst & Young
- FASSET – Sector Education and Training Authority (Seta) for the Finance, Accounting, Management Consulting and Other Financial Services Sector
- FRSC – Financial Reporting Standards Council
- GIBS – Gordon Institute of Business
- GP – Gauteng Province
- GRAP – Generally Recognised Accounting Practice
- HDIs – Historically Disadvantaged Institutions
- HDSA – Human Development Student Association
- HODs – Heads of Departments
- Hons – Honours
- HR – Human Resources
- HR and RemCo – Human Resources and Remuneration Committee
- IAASB – International Auditing and Assurance Standards Board
- IEP – Integrated Ethics Plan
- IEWG – Integrated Ethics Working Group
- IFAC – International Federation of Accountants'
- IFRS – International Financial Reporting Standards
- IRBA – Independent Regulatory Board for Auditors
- ISFAP – Ikusasa Student Financial Aid Programme
- IRITS – Integrated Reporting, Integrated Thinking and Sustainability
- IT – Information Technology
- ITC – Initial Test of Competence
- JSE – Johannesburg Stock Exchange
- LEMS – Leadership Evolution Masterclass
- LPC – Legal Practice Council
- KPI – Key Performance Indicator
- KZN PAG – KwaZulu-Natal Provincial Accountant-General
- MANCO – Management Committee
- MFMA – Municipal Finance Management Act
- MIB – Members in Business
- MSOC – Managed Security Operations Centre
- MOU – Memorandum of Understanding
- NDP – National Development Plan
- NPO – Non-Profit Organisation
- PAFA – Pan African Federation of Accountants
- PAIB – Professional Accountants in Business
- PFMA – Public Finance Management Act
- PGDA – Postgraduate Diploma in Accounting
- PHI score – Professional Health Index
- RFP – Request for Proposal
- SAAPTI – South African Auditing Profession Trust Initiative

- SAICA CVO – Chief Value Officer
- SAICA-ED – SAICA Enterprise Development
- SALGA – South African Local Government Association
- SAQA – South African Qualifications Authority
- SARS – South African Revenue Service
- SDGs – Sustainable Development Goals
- SED – Socio-economic development
- SETCO – Social Ethics and Transformation Committee
- SMME – Small, Medium and Micro Enterprises
- SMP – Small and Medium Practices
- SSTC – SAICA Sustainability Technical Committee
- STI – Short Term Incentives
- TEUF – Thuthuka Education Upliftment Fund
- THF – The Hope Factory
- TOR – Terms of Reference
- TVET – Technical Vocational Education and Training
- UIF – Unemployment Insurance Fund
- UN – United Nations
- UNDP – United Nations Development Programme
- VAT – Value Added Tax
- XBRL – Business Reporting language

## Corporate Information

### SAICA NPO REGISTRATION NUMBER

020-050-NPO

### REGISTERED OFFICE ADDRESS

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### WEBSITE

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### EXECUTIVE COMMITTEE

Sithembiso Freeman Nomvalo – Chief Executive Officer\*  
Chantyl Mulder – Executive Director: Learning, Development and

National Imperatives

Robert Zwane – Acting Executive Director: Learning, Development and National Imperatives

Fanisa Lamola\* – Chief Operating Officer

Jaco Snyman – Executive Director: Legal and Governance

Milton Segal – Executive Director: Standards

*Executive Directors\**

### NON-EXECUTIVE DIRECTORS

Vincent Mohau Motholo

Babalwa Bekwa

Bonolo Ramokhele

Brenda Tsvetu

Ilse Lubbe

Johan du Toit

Monica Singer

Patricia Stock

Yasmin Forbes

Jacobus Swanepoel

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