CA(SA)
COMPETENCY FRAMEWORK

“CA of the Future”

E. GUIDANCE ON THE INITIAL ASSESSMENT OF COMPETENCE (IAC)

This document must be read together with the following documents:

- A. The Preface document;
- B. At Entry “CA of the Future” Competency Framework;
- C. Guidance to the content, development and assessment in the Academic Programme;
- D. Guidance on the content, development and assessment of Competencies in the SAICA Training Programme; and
- F. Guidance on the Professional Programme and the Assessment of Professional Competence (APC).
- **Appendix 1**. Detailed competencies setting out the learning outcomes for the Professional Values Attitudes and Acumens (PVAAs) and the Technical competencies at point of entry
- The following documents are key policy documents which support this document and contain specific detail:
    - The Qualification Policy: Chartered Accountant (South Africa)
    - Qualifying Examination Regulations for the IAC (version 16 and subsequent versions)
    - Examination Setting, Marking and Adjudication Policy for the Initial Assessment of Competence (version 16 and subsequent versions)

Approved 21 Apil 2026

Version control

#	Date	Description
1	9th April 2026	Document drafted with inputs from Chairperson of IAC Exam Committee, includes approval made from CAPDC from 2022-2024 and input from IAC working group up to May 2025, with broad principles that PVAA assessment workgroup will finalise by March 2026. The revised IES 6 (March 2025) include 2 additional principles, namely authenticity and integrity. In addition, Equity been expanded to include accessibility and inclusivity **Final approval by CAPDC- 21 April 2026**

Acronyms

AGA(SA)	Associate General Accountant (South Africa)
APC	Assessment of Professional Competencies
CA(SA)	Chartered Accountant (South Africa)
CAPDC	Chartered Accountant Professional Development committee
CHE	Council for Higher Education
HEQSF	Higher Education Quality Sub-Framework
HEQC	Higher Education Quality Council
HEI	Higher Education Institutions (encompassing both Public and Private institutes)
IAC	Initial Assessment of Competence: Formerly known as the Initial Test of Competence (ITC)
IPD	Initial Professional Development
NQF	National Qualifications Framework
PGDA	Postgraduate Diploma in Accounting (PGDA): A SAICA endorsed PGDA or an equivalent qualification
PP	Professional Programme
PVA	Professional values and attitudes
PVAA	Professional values, attributes and Acumens (Enabling competencies)
SAQA	South African Qualifications Authority
SAICA	The South African Institute of Chartered Accountants

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A. INTRODUCTION

The Initial Assessment of Competence (IAC) is a cornerstone of the professional qualification pathway, serving as the required standard-setting examination upon the completion of the academic programme. The IAC is a key component of the overall qualification model, the details of which are stipulated in the Qualification Policy and related Preface to the CA(SA) Competency Framework.

Qualification Policy Standard 8:

The IAC is a standard setting exam, which aims to assess core competence at the end of the academic programme and is a key component of the qualification model.

The IAC is important as it:

(a) Is a standard setting exam with the objective of assessing core competence at the end of the PGDA;
(b) Allows for the common assessment of core competence which lies at the heart of the qualification model (and is a core component of the IRBA accreditation model);
(c) Allows SAICA (the profession) to endorse a number of different academic programmes across a wide range of academic providers (distance learning versus contact learning, public and private providers to name a few);
(d) Allows SAICA (the profession) to continue to determine the common standard for core competence to be developed in the many different endorsed providers;
(e) The SAICA Competency Framework is not, ***on it own****, capable of effectively communicating SAICA's expectations regarding the development and assessment of core competence to the providers of endorsed programmes;*

The SAICA endorsement process does not, ***on its own****, provide for an effective mechanism to ensure the quality of assessment of core competence in the PGDA (put differently, additional rigorous monitoring of the standard of the assessment of technical competence at the PGDA level during monitoring visits would be required if the IAC is withdrawn. It will also require an acceptable mechanism for the withdrawal of endorsed PGDA programmes in respect of which the monitoring process identifies material deficiencies in the standard of assessment of technical competence).*

The purpose of this document is to outline the high-level principles that govern the assessment. It is intended to provide broad context for stakeholders.

B. THE CA OF THE FUTURE COMPETENTY FRAMEWORK SUITE OF DOCMENTS

A. PREFCE

- Sets out the
  - components of the qualification process
  - definitions of key concepts used in the CA(SA) Competency Framework Suite of Documents

B. CA(SA) ENTRY LEVEL COMPETENCY FRAMEWORK

- Identifies and describes the professional competencies (professional values and attitudes, enabling acumens (PVAA's) and technical competencies) that a CA(SA) should demonstrate at entry point to the profession.

C. GUIDANCE ON THE CONTENT, DEVELOPMENT AND ASSESSMENT OF COMPETENCIES IN THE ACADEMIC PROGRAMME

- Provides endorsed providers of the academic programme with guidance for the content development and assessment.

D. GUIDANCE ON THE CONTENT, DEVELOPMENT AND ASSESSMENT OF COMPETENCIES IN THE TRAINING PROGRAMME

- Sets out the fundamental principles on which the
  - format of the training programme is based,
  - assessment of trainee accountants is based

E. THE INITIAL ASSESSMENT OF COMPETENCE (IAC)

- Provides providers of the Academic Programme with Guidance on the purpose and nature of the IAC

F. THE PROFESSIONAL PROGRAMME AND THE ASSESSMENT OF PROFESIONAL COMPETENCE (APC)

- Provides providers of the Professional Programme with guidance for the development and Assessment of Professional Competence

Appendix 1: Detailed competencies setting out the learning outcomes for the Professional Values Attitudes and Acumens (PVAAs) and the Technical competencies at point of entry to the profession and across the various programmes.

C. PURPOSE & OBJECTIVE

The purpose of the IAC is to set out illustratively through multi-disciplinary case studies, the competencies and standard to which these competencies are to be developed in the academic programme. The IAC is a standard setting examination written by students after the completion of the SAICA endorsed PGDA programme. This assessment signals to academic programme providers the required standard to which the competencies should be developed and assessed in the academic programme. This includes technical competencies as well as the assessment of some of the professional values and attitudes (primarily ethics) and enabling competencies (primarily communication, decision making and business acumens).

The IAC is therefore one component in the qualification process and is also used to evaluate (measure) the standard and quality (output) of the academic programme.

The IAC (together with the monitoring and endorsement of the academic programme) is therefore used by SAICA to measure whether the competencies, defined in the CA(SA) Competency Framework "CA of the Future" Guidance to the Academic programme, have been sufficiently developed over the duration of the academic programme.

Completing and passing the IAC is a milestone measure which must be reached before moving on to the next components (other than the training programme) in the qualification process.

The objective of the IAC is <u>not</u> to assess all of the competencies developed in the academic programme. As this is a written examination there are limitations to what can be assessed. Therefore, the competencies to be assessed in the IAC include:

- Technical competencies (i.e. not only technical knowledge);
- Professional Values and Attitudes (primarily Ethics); and
- Enabling competencies / Acumens (primarily communication, critical thinking, computational thinking, decision-making and business acumens).

It signals the standard of the Technical Competencies and the Professional Values, Attitudes and Acumens (PVAAs) that must be developed and assessed in the academic programme.

The IAC is important as it:

i. Is a standard setting exam with the objective of assessing core competence at the end of the PGDA;
ii. Allows for the common assessment of core competence which lies at the heart of the qualification model (and is a core component of the IRBA accreditation model);
iii. Allows SAICA (the profession) to endorse a number of different academic programmes across a wide range of academic providers (distance learning versus contact learning, public and private providers to name a few); and
iv. Allows SAICA (the profession) to continue to determine the common standard for core competence to be developed in the many different endorsed providers.

The IAC is set independently of accredited Academic Programme Providers and is therefore used to evaluate (measure) the standard and quality of the academic programme. It serves as an important measure of accountability of accredited Academic Programme Providers (together with the monitoring and accreditation of the academic programme).

D. THE FORMAT AND NATURE OF THE IAC

1. Format of the IAC

Although there are several established means of assessing competence and capabilities, the IAC currently is in the form of a written examination. This will continue up to 2029 and will include an electronic writing option for candidates.

From 2030 the examination will be done electronically (using a computer and digital tools) to ensure incorporation of digital acumen skills as stipulated in the competency framework. Academic providers are required to ensure the necessary skills are developed by students in preparation for this change.

The format of the paper is also set out in the IAC Regulations which are reviewed and updated annually.

The IAC shall comprise three papers: Professional Paper 1, Professional Paper 2, and Professional Paper 3. Candidates may be required to respond on each day in separate writing books for specific sections within each professional paper. This is done to assist the marking process.

As set out in the IAC regulations, candidates are allowed 240 minutes (four hours) reading and writing time in which to answer each professional paper. The IAC does not include a defined “reading time” period.

SAICA does have a special concession policy which is applicable to candidates with disabilities. Candidates may apply for specific concessions in the IAC, of which additional time MAY be one of the concessions granted, depending on the nature end extent of the disability.

The three professional papers will be written on three consecutive days: one professional paper shall be written on each day. All three professional papers must be written in one sitting of the IAC. Dates are communicated on the SAICA website.

SAICA considers that any candidate who achieves, the overall pass mark of 50% is subject to the candidate achieving a sub-minimum of 40% in at least two of the three professional papers.

As per the IAC regulations, as updated from time to time, a ‘bad fail’ provision is currently in place. This requires that candidates who obtained a mark of 25% or less, twice within the six IAC examination opportunities, will be required to repeat the PGDA before being allowed to write the IAC. This regulation is currently under re-consideration.

2. Natural Integration:

One of the key principles of the IAC is that of natural integration.

In the context of the IAC, natural integration refers to the process of integrating and applying the professional values and attitudes, acumens and technical competencies to real-world scenarios and tasks simulating to the extent possible in a written assessment, the decision-making processes candidates may encounter in professional settings as a CA(SA).

The IAC is designed to evaluate candidates’ proficiency in applying the professional values and attitudes, acumens and technical competencies in real-world scenarios and required parts to solve practical problems accurately and effectively, having very recently completed a four-year academic programme. Therefore, the IAC will typically include required parts that place the candidate in multiple roles that require candidates to consider the scenario through multiple lenses and mirror the complexity and diversity of real-world accounting situations.

By emphasising natural integration in the design of an accounting assessment, SAICA ensures that the evaluation goes beyond theoretical knowledge and assesses candidates' skills, critical thinking and ability to integrate accountancy principles into their decision-making process. This approach seeks to identify individuals who not only understand technical competencies, but can also apply them in real-world scenarios, contributing to their effectiveness as professional accountants.

In designing the IAC and incorporating natural integration, cognisance will be taken of the following:

i. The standard of the IAC, which is set at the level of competence that candidates are expected to demonstrate after completing all the requirements of the academic programme (i.e. this is a stepping- stone to the final assessment, the Assessment of Professional Competence where candidates would be expected to apply their practical knowledge and skills gained in the training contract);
   - The assessment being based on a real-life case study using a comprehensive scenario which provides an overview of a fictitious business,
   - focuses on a specific problem (or set of related problems) that needs to be solved, and
   - addresses competencies relating to specific technical competency areas in the context of the professional values and attitudes and acumens that are most suited to the problem (or set of related problems) that needs to be solved;

ii. The Principles of Assessment;
iii. The Competency Framework and related suite of documents;
iv. The integration of Taxation either as a standalone technical competency or as part of another technical competency;
v. Time i.e., that the assessment must be manageable as a written assessment within four hours under exam conditions; and
vi. Complexity as it is appropriate at point of entry to the profession.

3. Competencies to be assessed in the IAC

The objective of the IAC is not to assess all of the competencies developed in the academic programme. As this is a written examination there are limitations to what can be assessed. Therefore, the competencies to be assessed in the IAC include:

a) Technical competencies (i.e. not only technical knowledge)
b) Professional Values and Attitudes (primarily Ethics)
c) All of the enabling competencies (primarily the decision-making and business acumens)

The details of the technical and PVAA competencies are defined by the Academic Programme component in the CA of the Future Competency framework.

Due to the breadth of the technical knowledge and Professional Values, Attitudes, and Acumens (PVAAs) required, it is not feasible to assess every single competency in a single examination. The assessment is designed to ensure that all areas of professional competence are evaluated effectively over a period of time across multiple IAC sittings.

The exam setting process ensures that the IAC maintains consistency and equitability with previous years regarding the depth, scope, and difficulty of the competencies assessed.

4. Developing competencies in the academic programme

The objective of the postgraduate programme should not have as its sole purpose preparation for candidates to pass the IAC. Development of all competencies must be prioritised throughout the undergraduate and postgraduate programmes. (Also refer to **C. CA(SA) Guidance to the Academic programme**)

Academic study by itself does not result in the demonstration or the achievement of professional competence at the required proficiency level. The academic programme, while only one component of the full qualification process towards the CA(SA) designation, however remains a significant contributor towards the development of the professional.

The academic programme must develop (and assess) all the competencies in the Competency Framework to some extent over the duration of the academic programme (as outlined in the Competency Framework and appendixes)

SAICA requires the academic programme to address the development and assessment of both technical and the relevant non-technical competencies (i.e. the Professional Values and Attitudes and Enabling Competencies). Assessments in the academic programme (undergraduate and post-graduate) must therefore also include the appropriate coverage of the competencies required to be developed in the academic programme (depth and breadth) and should include a wider variety of types of assessment and assess both technical and the non-technical competencies. Furthermore, assessments should be integrated across the duration of the programme and disciplines, and must evaluate the ability to apply technical competencies within the value creation process in conjunction with the PVAA's.

The learning outcomes should not be developed in isolation. Endorsed providers should use the minimum content as a guideline to achieve the competency. While SAICA remains non-prescriptive on the inclusion of specific theories, endorsed providers are required to ensure constructive alignment between their curriculum, learning content and the SAICA outcomes.

Competency development is a continuous process that relies on scaffolding principles applied over an extended period. While SAICA has established the Competency Framework, it remains non-prescriptive on the exact curriculum focus of the PGDA. Endorsed providers are granted the autonomy to structure their programmes to build sequentially on existing knowledge, thereby ensuring that content is not merely reteaching material covered in earlier degrees.

It is important to remember that the exam candidate we are wanting to pass is an entry level candidate (assumption is that they are entering the SAICA training programme, although many candidates do study part time and may already have had some work experience). At this level exam candidates who are eligible to write the IAC are generalists and NOT specialists.

E. Principles of assessment

According to the International Education Standard 6 (as revised in March 2025), Initial Professional Development – Assessment of Professional Competence, for an assessment to be effective seven principles of assessment, namely reliability, validity, equity, transparency, sufficiency authenticity and integrity. An assessment activity achieves a high level of these principles as follows:

Reliability is achieved if the assessment consistently produces the same result, given the same set of circumstances. Reliability is not an absolute measure, and different assessment activities may have different levels of reliability. An assessment activity has high reliability if the majority of assessors, acting independently, consistently come to the same judgement, given the same set of circumstances. Reliability is a generic term used to cover all aspects relating to the dependability of an assessment tool.

In this context, the IAC would be considered reliable if the same set of candidates wrote the examination during successive years and the same candidates repeatedly either passed or failed the assessment.

Within the context of the IAC, reliability is ensured through the consistently high standard of assessment set by experienced examiners and a well-defined and thorough marking process.

Validity, is achieved when an assessment truly measures the professional competence required by the PGDA endorsed programmes. The IAC ensures validity by ensuring content and construct validity:

Content validity: The assessment adequately covers the entire range of professional competence areas (technical, skills, values) required by the competency framework.
Construct Validity: The assessment actually measures the underlying professional traits (like critical thinking, problem-solving, and professional judgment) and not just rote memorisation.

The IAC is a test of core competence (currently this is marks based), which implies that those who are awarded 50% or more have successfully demonstrated an appropriate degree of core competence. When setting each of the IAC's, the IAC Examco strives to set examination papers which will provide candidates with the opportunity to demonstrate core technical AND applied within the PVAAs.

Equity, is achieved if the assessment activity is fair and without bias and incorporates accessibility and inclusivity. Equity is not an absolute measure, and different assessment activities may differ in their levels of equity. Equity can be improved when those who design assessment activities are aware of the possibility of bias.

SAICA ensures this in the IAC by incorporating a diversity reviewer with the aim to ensure that nothing within the questions could potentially prejudice any candidate because of background, race, ethnicity, gender, class, sexual orientation, culture and/or religious persuasion. In addition, concessions are carried over from PGDA concessions and new conditions are taken into consideration.

Transparency is achieved when details of an assessment activity, such as the competence areas to be assessed and timing of the activity, are disclosed publicly. A high level of transparency is also relevant when considering the entirety of the assessment activities that are undertaken during initial professional development. Transparency is not an absolute measure, and different assessment activities may differ in their levels of transparency. Clear and accessible communications to stakeholders may lead to a high level of transparency being achieved.

SAICA achieves this in the IAC through their clear competency framework, published IAC Regulations and published Examiner's Reports. SAICA also provides a report to academic providers in response to the comments they provide after the exam is written.

Sufficiency is achieved if the assessment has a balance of depth and breadth, knowledge, and application, and combines material from different areas applied to a range of situations and contexts. A high level of sufficiency is also relevant when considering the entirety of the assessment activities that are undertaken during initial professional development. Sufficiency is not an absolute measure, and different assessment activities may differ in their levels of sufficiency.

SAICA uses a highly structured, centrally managed marking and review process to ensure consistency as documented in the IAC setting, marking & adjudication policy

Authenticity requires that the formal assessment activities are designed to resemble the tasks and environment required of a professional accountant in their actual role.

This is achieved in IAC through the natural integration and scenario's which are based on real life examples. In addition. The IAC format will be moved to an electronic format which will be compulsory for all candidates by 2030.

Integrity: principle of Integrity is concerned with the security and reliability of the assessment process itself, ensuring that the results truly reflect the candidate's own competence. The goal is to ensure the assessment is designed, delivered, and overseen to minimise the risk of security breaches, improper administration, or cheating, thereby increasing stakeholder confidence in the outcome.

SAICA has set processes and regulations for the IAC which is currently hand written / paper-based (access to the internet is therefore not possible in the IAC). The move toward electronic format is taking all aspects of integrity (such as use of AI, proctoring tools etc) into account.

Conclusion

The **IAC** is essential for maintaining the integrity and high standards of the CA(SA) designation. By strictly adhering to the principles of assessments (Reliability, Validity, Equity, Transparency, Sufficiency, Authenticity, and Integrity) the IAC ensures that all candidates demonstrate the required core competence at the entry level of the profession.

The principles laid out in this guidance document are fundamentally supported by the detailed procedures and policies contained within the *Qualifying Examination Regulations for the IAC* and the *Examination Setting, Marking and Adjudication Policy*.

Further details for exam candidates can be found in the *IAC Regulations* (updated from time to time and published on the SAICA website).