

CEO Roadshow – EMEA

The questions below were raised in anticipation of the CEO Roadshow for members residing in the EMEA region, taking place on 23 February 2021

MEMBER VALUE

- 1. How is the pandemic taken into account with the CPD requirements? There are fewer events (face-to-face and online) available in general, which makes it harder to find the required CPD hours.**

The national lockdown in March 2020 meant that SAICA had to quickly revisit all its events, given that face-to-face events were no longer possible under the COVID-19 safety regulations. SAICA acted quickly and efficiently in this regard by changing almost all face-to-face events to online events. The result was that members actually had access to more events, given that region-specific events were also open to members residing in other areas, for example, events that would have been held in Durban or Cape Town, were now accessible to all members.

SAICA held a total of 244 events in 2020, in comparison to 232 events in 2019. These numbers exclude the regional and growth and transformation events. Therefore, the perception that SAICA held fewer events due to COVID-19 is not correct.

Members should also note that the new CPD policy which became effective on 1 January 2020, no longer requires hours to be tracked. Only Tax Practitioners who are still under obligation to track hours for their Registered Controlling Bodies (SARS for example), need to keep track of hours. The new CPD policy was communicated to all members from April 2019 and throughout 2020 in the Accountancy SA magazine, on SAICA social media, the monthly CA World newsletter as well as the regional newsletters. More information on the new CPD policy, its requirements and how to reflect on your lifelong learning interventions can be found on the dedicated [CPD website](#). Members can also send an email to newcpdpolicy@saica.co.za if they require more information.

- 2. How is SAICA planning to further enhance its relevance and support for non-resident members, in this case, specifically those that are practising or working in the EU? What is SAICA doing to promote the profession internationally?**

The EMEA sub-region, which forms part of SAICA's international region, is represented on SAICA's National Council as of 2020. This sub-region is supported by in-country committees in the UK, Holland, Channel Islands and Guernsey, and further in-country committees are being planned. These in-country committees provide insight into membership needs in that country, and SAICA then responds with specific programmes for those members.

International members are also supported by a dedicated Regional Executive based in London. Members can contact Bruce Freer on brucef@saica.co.za

In addition, SAICA maintains membership of and is an active participant with a number of global originations to ensure continued relevance and maintain standards including:

- The International Federation of Accountants (IFAC)

- Chartered Accountants Worldwide (CAW)
- The Global Accounting Alliance (GAA)

Further information on the activities of these bodies is available on page 32 and 33 of the 2019 Annual Integrated Report.

Regarding brand promotion, SAICA, along with 14 other CA member institutes, forms part of Chartered Accountants Worldwide (CAW), which aims to promote the CA designation in the international arena. Further information on the activities of CAW can be found on www.charteredaccountantsworldwide.com.

CAW also introduced a global network identifier logo for all CAs who are part of the CAW network. Members can [download this logo](#) and use it on their social media profiles and business signatures to show that they form part of a global network.

SAICA also has mutual recognition agreements with the following institutes in the EU: Institute for Chartered Accountants England and Wales (ICAEW), Chartered Accountants Ireland (CAI) and Institute for Chartered Accountants Scotland (ICAS).

This means you can join these bodies without any further education or training requirements.

In addition, through the GAA Passport, SAICA has access to certain member services with the Institut der Wirtschaftsprüfer in Deutschland e.V. (IDW) (Germany).

The other accounting bodies in the EU do not have any agreements in place with any other professional bodies, including SAICA.

We have, however, been in discussions with the Nederlandse Beroepsorganisatie van Accountants (NBA) with a view to reducing the number of documents and other evidence they require from our members in order to register as an RA.

3. As international members, do we have any reciprocity with the ICAEW to access their technical support hotline? I believe this is in place with certain foreign institutes.

Through the Global Accounting Alliance (GAA), SAICA has access to the following facilities and benefits at the ICAEW:

- Faculties
- Communities
- CPD events
- Use of Library and Information Service
- Eligible for anti-money laundering supervision

However, for access to the ICAEW advisory services and helplines and online accounting and tax developments by country, industry guides, market research reports, articles from key business magazines and e-books, a CA(SA) would have to join the ICAEW as a member via the Mutual Recognition Agreement between SAICA and the ICAEW.

To become an ICAEW member you need to:

- have obtained membership of your home institute by complying with its training and examinations requirements;
- provide a letter of good standing from your home institute in support of your application;
- maintain membership of our home institute
- comply with ICAEW CPD obligations and submit an annual declaration that you have done so; comply with ICAEW's Code of Ethics.

You do not have to be resident in the UK or Europe to take up ICAEW membership or sit the ICAEW aptitude test.

4. What is happening with IRBA and how are CAs(SA) affected?

SAICA will continue to collaborate with other stakeholders and decision-makers in support of finding an efficient resolution of the leadership of IRBA as we view the regulator's role as critical in rebuilding the public's trust in the auditing profession.

SAICA continues to support its members who are Registered Auditors with any matters relevant to IRBA. SAICA is also committed to supporting the IRBA caretakers Mr Roy Andersen and Mrs Nonkululeko Gobodo as well as the IRBA in any way required to ensure the ongoing stability of the organisation to restore and safeguard the reputation of the auditing profession.

RELEVANCE AND REPUTATION

5. What positive impact or influence can SAICA make on improving things in South Africa regarding reducing corruption within government institutions? Also regarding BEE and fairness for all - can SAICA start to speak to government to make them aware that because of BEE many qualified South Africans have left SA and because of the skills drain in the country it has had a very negative impact on the country.

In 2020, the SAICA CEO commented extensively in the media on the need to professionalise the public sector as well as to communicate to both the members and the media what is expected of SAICA members from a Professional Code of Conduct perspective.

In 2021, SAICA will continue advocating for qualified, competent and ethical individuals within both the public and private sectors through various SAICA strategic projects as follows:

- A consolidated trust restoration programme which includes the Integrated Ethics Project, Audit reform project, Governance in business and combined assurance program;
- A government assistance and public sector professionalisation programme which includes improving public sector audit outcomes.

In addition, SAICA also called for higher qualifications and skills levels for key municipal finance posts when the Auditor General South Africa released the 2018-19 audit outcomes for local government in July 2020 and have since had numerous meetings with key stakeholders in local government to address these concerns.

SAICA is also currently making submissions to the "National Implementation Framework towards the Professionalisation of the Public Service".

Another way in which SAICA is working towards improving financial skills in the public sector is through our Accounting Technicians [AT(SA)] designation. Currently we have 57 accredited

training providers, 26 (46%) of which are public training institutions including TVET Colleges, Universities of Technology and comprehensive universities. SAICA's AT(SA) department have worked with 59 national, provincial and municipal offices across the country to deliver the AT(SA) qualifications to 5 811 public sector employees.

In addition, SAICA, through the Wiseman Nkhulu Trust's Unite 4 Mzansi™ initiative, is working to mobilise civil society to work together to identify, understand and prevent corruption in both the private and public sectors, through policy reform, finding solutions, and education to actionable ways to overcome South Africa's prolific culture of corruption and state capture. To this end Unite 4 Mzansi™, through research done by the University of Stellenbosch, has developed several case studies to help students, members of the business community and civil society develop an understanding of ethics, corporate malfeasance, state capture, and what we need to do to ensure this is not the norm in our nation. In 2021 Unite 4 Mzansi™ will begin sharing these case studies with the public via various engagements including interviews, thought leadership pieces and events with our Unite 4 Mzansi™ advocates including Prof Wiseman Nkuhlu, Prof Thuli Madonsela, Bonang Mohale, Busisiwe Mavuso and other prominent business leaders.

This work will continue throughout 2021 and beyond.

6. When I hear the word "auditor" in a South African context, I believe we have lost our moral compass. KPMG and Deloitte have been implicated in significant scandals. What are you and the board doing in communicating to the wider economy, politicians and South Africans in general, that auditors are still relevant and important?

In response to the recent corporate failures and alleged audit failures that have taken place, SAICA decided to pursue a strategic project on Audit Reform. This is an important project that aligns with the SAICA strategic pillar of Relevance and Reputation.

First and foremost, SAICA had to get an understanding of the problems that the profession is grappling with and this involved wide stakeholder engagement with auditors, users of financial statements, management of entities and those charged with governance.

This consultation 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 Audit Reform Panel was announced during the 2020 Budget speech by the Minister of Finance, Tito Mboweni. The draft Terms of Reference have been prepared by SAICA to facilitate the formation and the work of the Audit Reform Panel, based on consultation with the National Treasury. The draft Terms of Reference focus on providing the international and South African background to the problem, formulating the required outcomes as well as analysing the skill sets which will be required for the Panel to achieve such outcomes.

SAICA will be facilitating a second round of discussions with the aim of finding solutions to the key problems identified during the first round of consultations. Two Audit Reform events are planned for June 2021 and September 2021. Influential decision-makers in the profession will be invited to these panel discussions with the objective of identifying some of the key decisions that those in the wider financial reporting ecosystem can start making in order to address the audit expectation gap and to restore trust in the profession.

In addition to the above initiatives, SAICA will drive thought leadership on the topic of Audit Reform in the Accountancy SA magazine by sourcing articles from leaders in the profession. Subsequently, these articles will be amended to also fit an external audience, in an effort to drive positive media exposure.

SAICA's CEO also had various media engagements in 2020 and will in 2021 continue to speak with influential media editors on matters related to Audit Reform, the state of the auditing and accounting professions in general as well as other trust reconstruction initiatives.

SAICA believes that all stakeholders have a valuable role to play in rebuilding the reputation of the profession and will continue to drive these conversations.

We encourage members to keep an eye on SAICA communication for updates on this matter.

7. How is the relevance of the CA profession benchmarking before and after the KPMG debacle?

SAICA monitors, on an annual basis, the impact of external market factors as well as the effect of its own brand reputation management on the reputation of the CA(SA) designation using independent brand research conducted by Ask Afrika among business decision makers across all sectors of the business market in South Africa.

The lead indicators and lag measures to monitor the market standing of our designations are:

- **Lead Indicators:**

- Spontaneous Awareness
- Preference in employers
- Net promoter score (NPS) (NPS is the rating of respondents to encourage their children to become a CA(SA))

- **Lag measures:**

- Trust Index
- Admiration Index

The performance of these lead indicators and lag measures from 2017 (pre-KPMG) and 2020 and these criteria have moved as follows since 2017:

Criteria	2017	2018	2019	2020	Target 2025
Spontaneous awareness	86%	85%	87%	90%	90%
Preference in employees	72%	68%	67%	74%	75%
Net promoter score	45%	28%	36%	37%	45%
Trust Index	Not measured	75%	80%	84%	85%
Admiration Index	76%	66%	68%	68%	75%

What these criteria illustrate are that from 2017 to 2018 when all the negative publicity started occurring, all the indicators, except awareness, have declined. Since 2019 the lead

indicators have recovered as a result of SAICA's Trust Restoration Strategy which constitutes our brand reputation management activities.

The important lead indicators have risen since 2018 despite ongoing historical and new negative publicity.

The lag measure that has not indicated satisfactory growth in the last two years is the admiration index which is arguably the most important measure of the standing of the CA(SA) brand among business decision makers.

This is because the historical and new negative publicity still impacts on the CA(SA) designation's admiration measure despite the positive trend in the other lead indicators. SAICA is confident that over time the CA(SA) brand admiration will improve due to its trust reform promotion activities. This will however be slow or static while new negative publicity continues to surface on an ongoing basis.

The CA(SA) brand situation is improving and is not as dire as members may believe. SAICA will continue to pro-actively manage the reputation of the CA(SA) designation.

It is also important for members to be positive about their designation, as members are the most powerful drivers of the CA(SA) designation's positive brand reputation.

8. What is your view on the ethical situation surrounding the Big 4 Firms right now and how do you plan to rectify it since the firms aren't paying much attention to it?

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9. The profession has committed few fouls in the last few years, losing its credibility from the stakeholders it is aimed at protecting interests of, amongst other objectives. What steps have been taken by the organisation to repair the damage and how much progress has been made in this regard?

Since the launch of SAICA's Governance Review in July 2018 ([read more here](#)), led by Mr Roy Andersen, the following steps have been taken by SAICA:

- A new, diversified, independent Board was appointed in October 2019
- New SAICA by-laws were implemented in June 2020 that include a Disciplinary Code to enable SAICA to speed up the disciplinary processes and publish the outcomes of disciplinary hearings.
- In June 2020 further phase of member consultation was initiated to obtain input regarding changes to the SAICA Constitution in an effort to facilitate appropriate risk management as well as consequence management processes.
- In March 2020 the Board initiated a comprehensive review of the Reputation Management and Communication strategy, which was formulated and implemented throughout 2020.
- For 2021, SAICA created a consolidated Trust Reconstruction plan, which is a continuation of the Trust Reconstruction plan and Reputation Management and Communication strategy that was rolled out throughout 2018, 2019 and 2020.
- In 2018, 2019 and 2020, the SAICA CEO met with various media editors and senior journalists to ensure that SAICA's work and approach to rebuilding trust in the profession was properly communicated. SAICA achieved a total of 1725 external media exposures in 2020, of which 92 exposures were negative, meaning that the 1633 positive exposures far outweigh the negative.
- In 2021, the promotional plan will mostly focus on key initiatives which are underpinned by the SAICA strategy and the current media landscape. The key initiatives include, among others, an Audit Reform plan, an Integrated Ethics plan, as well as a plan to professionalise the public sector. We will continue building our media relationships to ensure SAICA is represented fairly in the marketplace.
- In early 2021, the SAICA Board adopted the changes to the *International Code of Ethics for Professional Accountants* (the IESBA Code) made by the International Ethics Standards Board for Accountants (IESBA) and changes to the Independent Regulatory Board of Auditors Code of Professional Conduct (IRBA Code) made by the IRBA in 2020, thereby aligning the SAICA Code of Professional Conduct (SAICA Code) to both the IESBA Code and the IRBA Code. The updated SAICA Code is available on the [SAICA website](#).

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independent brand research conducted by Ask Afrika among business decision makers across all sectors of the business market in South Africa.

Please see more detail in the answer to question 8 above.

GROWTH AND TRANSFORMATION

No questions related to growth and transformation were raised by members residing in EMEA areas.

ORGANISATIONAL SUSTAINABILITY

10. Please give an update on the improvement of the SAICA website.

SAICA is in the process of implementing the Digital Transformation Programme, mainly through the Ushintsho project, which aims to implement member-facing functionalities that will improve the overall member experience. The programme is currently in stage 2 of 5 stages.

In addition, there are other strategic projects already underway aimed at improving the member experience, including the website revamp project. The project seeks to improve the user-friendliness of the website, which is one area that our members have had challenges with. The new website is scheduled to launch in July 2021.

11. Why is the process of paying our subscriptions so difficult? Every year the links you send fail and your website doesn't work properly.

SAICA acknowledges that its technology needs improvement, which is why the institute embarked on a Digital Transformation Programme and is currently in stage 2 of the Ushintsho project, which forms part of the transformation programme. The Ushintsho project is being rolled out to enhance SAICA's digital capabilities to ultimately improve the member experience. SAICA is currently in stage 2 of Ushintsho which will run over five stages. Stage 2 is scheduled to be implemented throughout 2021, which will include, among many other benefits, a new, improved functionality for subscription payments.

12. How has the Covid-19 pandemic influenced your strategic horizon?

South Africa, much like the rest of the world, will be affected by this pandemic for years to come. The real effect will most likely only be known in future as we are very much in uncharted territory. However, what it will bring and create is new innovations, behaviours and a way of both working and living that will potentially be more congruent to a post-pandemic universe. SAICA is cooperating with other CA institutes via Chartered Accountants Worldwide (CAW) to implement practical ways of developing sustainable economies post COVID-19.