

## CEO ROADSHOW Q&A – SOUTH AFRICA FEBRUARY 2021

**The questions below were raised by members in anticipation of the SAICA CEO Roadshow, held on 9 February 2021 for members residing in South Africa.**

### MEMBER VALUE

#### **1. What has SAICA, as an institute, done to assist small businesses during this pandemic?**

SAICA, together with ABASA, did a call-out in March 2020 to all members to mentor SMMEs and over 300 SAICA members volunteered their time and expertise to assist small businesses through an initiative coordinated by SAICA Enterprise Development. SAICA also established a COVID-19 webpage on the website with excellent resources for small businesses. In addition, SAICA ran a number of complimentary webinars focusing on Leadership in a time of crisis specifically aimed at SMMEs. This webinar content was also extensively covered in the media for the benefit of SMMEs.

SAICA, under the banner of its Enterprise Development (SAICA ED) entity, and the Association for the Advancement of Black Accountants of Southern Africa (ABASA) have collaborated with FNB and Fetola to help small business customers with pro-bono professional services. Through the aptly named “Phila Sizwe” (meaning “healthy nation” in isiZulu) initiative, SAICA is proud to announce that 298 of its members volunteered to be part of the solution by playing a strategic role in offering pro-bono professional services to ailing SMMEs. This initiative will result in positive publicity in the short term.

The SAICA Business Emergency Room, which was hosted by SAICA’s Eastern Region, offered businesses support through access to a panel of business advisory experts. This service was purely an advisory service and not an implementation service. The primary target market was business, including members in business and members in practice that service business. To help, SAICA mobilised the chartered accountancy profession and business experts to lend a helping hand on a pro-bono basis to assist businesses that were in distress due to the global pandemic. The services included help with:

- Cash flow Management
- Funding / Grants / Incentives Applications
- Business Strategy
- Business Continuity Processes
- Business Rescue

SAICA also has two active entities serving the SMME space: The Hope Factory and SAICA Enterprise Development. The Hope Factory is a platform for SAICA members and member firms to contribute their Socio Economic Development B-BBEE contributions for the development of SMMEs as well as the development of supply chain enterprises and the upskilling of women and youth entrepreneurs through mentorship and training. SAICA Enterprise Development (SAICA ED) on the other hand, takes unemployed Accounting graduates and, working with SAICA’s Small

and Medium Accounting Practices (SMP), provides them with an Accounting Technician (SA) training contract and the graduates, in turn, provide back-office support to SMMEs. SAICA ED partners with the SMPs to bring financial excellence to SMMEs. In 2020, The Hope Factory trained 190 entrepreneurs through 5 programmes nationally. SAICA ED also impacted 550 SMMEs directly through 14 projects nationally and partnered with 27 SAICA member owned SMPs to provide Financial Excellence coaching, boot camp training and Accounting and Compliance support. Although supported by SAICA, all funding for both The Hope Factory and SAICA ED programmes is raised independently and does not come from member subscriptions.

- 2. Last year, our SAICA CEO and Bernhard Agulhas, CEO of IRBA, attended (along with a selected group of invited guests representing small, medium and large practice, business and academia) a series of workshops on the future of the auditing profession. None of the attendees, as best I am aware, ever got any feedback from that very important session. I would be interested to hear whether any of the matters discussed at those sessions ever got any further. I understand that the national lockdown followed shortly after these sessions, which might have halted the process. If that was the case, how does this conversation move forward?**

The member inputs and suggestions from these sessions were summarised by the facilitator and further inputs were provided by SAICA, before being provided to the IRBA CEO at the time, Bernard Agulhas. The IRBA appointed a new CEO soon after and South Africa also went into lockdown in the weeks following the Cape Town focus group. As a result, we have not had feedback from the IRBA in this regard.

However, in line with SAICA's strategy, various trust restoration initiatives are underway across the institute. This includes the Integrated Ethics plan and Audit Reform Project, the Professionalisation and turnaround of the Public Sector, the CFO of the Future as a Value Officer initiative, the annual CA of the Future Conference, Integrated Thinking and Integrated Reporting initiatives, Implementation of the Pathways to Relevance Framework and the Governance and Corporate Reporting initiatives. SAICA is currently in the process of consolidating all these trust restoration initiatives under the Trust Restoration Consolidated Roadmap. The ultimate intended outcome of these trust restoration initiatives is to restore trust in the accounting and auditing profession and regain the profession's relevance and reputation, thereby securing SAICA's position as a leading, professional accountancy organisation that serves the public interest.

- 3. Government Departments such as SARS and Masters of the High Court have not or will not accept communication via email, and appear to rely on postal services, which are slow or not working at all. When it comes to Estates and advertising at Magistrates Courts and newspapers, are these the best options to getting the Estates advertised? How can SAICA influence or assist in making these necessary changes?**

SAICA met with the newly appointed Chief Master in January and specifically engaged the Master's office on the acceptance of emailed documents as well as the acceptance of electronically signed annual financial statements. The Chief Master indicated that he has appointed a team to investigate modernisation of the Master's office functions. With regards to acceptance of certain documents via email the Master's office released directives for acceptance of certain documents via email during the pandemic. The issue of advertising of

Estates was previously discussed with the Deputy Minister and the Master's office is aware of the difficulty, especially with various regional newspapers closing down. This will also form part of the modernisation project.

The Department of Justice is currently preparing an Insolvency Bill that will replace some of the old legislation. We will continue to engage with the Chief Master to influence and advocate for the modernisation process to be sped up and for the acceptance of electronic documents submitted to the Master's office and the High Court.

From a SARS perspective, we have in the past raised concerns regarding the use of the postal service to correspond with taxpayers. SARS at the time indicated that most correspondence is uploaded on the taxpayer's eFiling profile and notifications are sent via email or SMS depending on what the taxpayer has selected as the preferred method of contact.

As far as we are aware, this has been the experience of most members. There may be isolated instances of the use of the postal service, for example, registered mail for legal matters and residency certificates which are sent by post or may be collected at a SARS branch. On the issue of the residency certificates specifically, we have addressed this with SARS in November 2020 and SARS is working on alternative options. The COVID-19 situation has actually accelerated SARS' vision to shift almost completely to virtual engagement with taxpayers and tax practitioners. To facilitate this, SARS have created new eFiling channels; specific email addresses for certain tax types, taxpayers and services; upload links on the SARS website (for those not on eFiling) and virtual appointment capability for almost all service offerings. It is only bulk supporting documents that must be dropped off at a SARS office or specific drop-off points. In the interest of adhering to COVID-19 safety regulations, the documentation is then kept in isolation for 5 days before being scanned by SARS staff.

**4. How is SAICA assisting the country in developing strategies that will reduce unemployment and create wealth? Can members approach SAICA to assist?**

SAICA is helping through two of its entities, The Hope Factory and SAICA Enterprise Development (SAICA ED). These two entities focus on the establishment and growth of SMMEs through entrepreneurship skills development and the development of financial excellence in SMMEs is the best way to reduce unemployment and also create wealth, not only for individuals, but also communities who will benefit through job creation and development of the local economy. If members would like to hear more, assist us, or partner with us in any way, they can contact Annie McWalter at [anniemc@thehopefactory.co.za](mailto:anniemc@thehopefactory.co.za) or [anniemc@saica.co.za](mailto:anniemc@saica.co.za).

**5. The government has announced that the funding of the COVID-19 vaccine should come from Medical Aid Schemes, corporates, etc. What is SAICA's take on this matter and how will this cost be accounted for in the books of these institutions and how will it be verified that the money spent was actually used for the intended purpose during an audit?**

From the schemes perspective it would be an expense occurred. From discussions at our last Medical Schemes Project meeting they will likely be treated as Prescribed Minimum Benefits. As the schemes cannot legally (at this stage) procure the vaccines, it would simply be accounted for as an expense payable to Treasury. The expense would be recovered through member fee income. Whether or not the schemes will receive any funding from government is not yet

known, but if so, it would potentially be accounted for as a cost recovery. Presumably the schemes themselves would not hold any inventory.

SAICA does not think it would be classified as any form of IAS 20 government grant as that would apply to off-market assistance from government, were as we see this being at cost, with (hopefully) no profit element. Should amounts be received from government that would not need to be repaid, it could potentially fall under IAS 20.

SAICA will raise this matter at our next Medical Schemes Project meeting as there is a potential thought leadership discussion to be had on this matter.

**6. How does a member actively participate in SAICA Committees? Committee vacancies are advertised, and I applied for one but after numerous follow-ups, I simply gave up. Numerous reasons were given regarding the finalisation of this, but still no final updates.**

The constituency of SAICA committees is mandated by its terms of reference. When a position opens up, it will be advertised on the SAICA website and communicated to members via SAICA newsletters and on social media. In the event that no response is received by the applicant, kindly log a query on the Member Portal (<https://my.saica.co.za/>) and the appropriate representative will get back to you. With the continued roll-out of the Ushintsho programme, these types of applications will ultimately be fully facilitated via the online platform, thereby ensuring that an application is not missed and members receive the required response from SAICA.

If the member still feels strongly about this, kindly contact Azhar Panchbhai by sending an email to [azharp@saica.co.za](mailto:azharp@saica.co.za) who will investigate and get back to you.

**7. Does SAICA think we are over regulated and some common sense should be re-introduced into the profession?**

Regulation is established in an effort to unify compliance with certain legal requirements, disclosures, behaviours, etc. The dilemma with “common sense” is that while a matter or transaction may make sense to one party, it may not to another, which would lead to the risk of diversity and lack of comparability. Regulation should, in theory, serve to protect a multi-stakeholder approach. The influential role that SAICA plays here is to lend the voice of our members to the regulators in an effort to advocate for what is in the best interests of members, the profession, the economy and society as a whole.

**8. Do you think there will be long-lasting effects of the pandemic on South Africa and the economy, even once the country has secured more than enough vaccines and the infection rate has dropped to zero?**

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. South Africa will need to repay its foreign borrowings extended as a result of COVID-19 and that impact may be felt for years to come.

SAICA is cooperating with other CA institutes via Chartered Accountants Worldwide (CAW) to implement practical ways of developing sustainable economies post COVID-19.

**9. What does SAICA see as the biggest friction points from the perspective of both individual professionals within the sector and the professional body itself? How will SAICA overcome these friction points? What are your hopes for the profession over the next two years?**

SAICA is a member organisation with its members' interests at heart. There is an active, ongoing engagement plan which is continuously monitored and implemented and the plan is focused on having more regular and more effective engagements with members in various ways. The digital world of virtual/online meetings also allows for these interactions to be arranged more frequently and with less disturbance to both members and the institute. SAICA will also remain firm in its interventions against members who are found guilty of breaching SAICA's Code of Professional Conduct but we do not consider that to be a friction point, but rather a necessary intervention to maintain the CA profession's reputation.

Two-way engagement between SAICA and its members is essential. Dialogue is the key, especially when divergent views on a particular matter are experienced.

**10. What is SAICA doing to empower Chartered Accountants?**

SAICA has a comprehensive strategy and plan in place where we focus on two strategic pillars: delivering member value and ensuring relevance of the profession. The program is focused on empowering SAICA members to be equipped to take leadership roles in the economy and society. SAICA will also be implementing the Pathways to Relevance framework in 2021, which is specifically aimed at empowering CAs(SA) to remain relevant in the future world of work. Members are encouraged to reach out to their regional executives for more information on SAICA's member value programmes:

- Northern Region (Gauteng, Mpumalanga, Limpopo): [Wela Swana](#)
- Southern Region (Western Cape, Eastern Cape): [Christiaan Vorster](#)
- Central Region (Free State, North West Province, Northern Cape): [Div Lamprecht](#)
- Eastern Region (KZN): [Naeem Asvat](#)
- International Region: [Bruce Freer](#)

**11. What is SAICA doing to encourage and support auditors? Our profession is dying.**

In line with SAICA's strategic intent to contribute to sustainable economies through developing responsible and ethical leaders, various trust restoration initiatives are underway across SAICA. This includes the Integrated Ethics Plan and Audit Reform Project, the Professionalisation and turnaround of the Public Sector, the CFO of the Future as a Value Officer initiative, the annual CA of the Future conference, Integrated Thinking and Integrated Reporting, Implementation of the Pathways to Relevance Framework and the Governance and Corporate Reporting projects. SAICA is currently in the process of consolidating all these trust restoration initiatives under the Trust Restoration Consolidated Roadmap. The ultimate intended outcome of these trust restoration initiatives is to restore trust in the accounting and auditing profession and regain the profession's relevance and reputation, thereby securing SAICA's position as a leading, professional accountancy organisation that serves the public interest.

## RELEVANCE AND REPUTATION

**12. Given the diminished status of the CA(SA) designation locally, surely SAICA's ability to retain members in other global regions must be under considerable threat and this is a wakeup call for SAICA to raise its game broadly. Surely SAICA should be speaking out loudly that qualified, competent and ethical individuals need to be appointed to prevent financial mismanagement both in the public and private sector and for proper oversight and accountability.**

SAICA is a founding member of the Chartered Accountants Worldwide (CAW) organisation which aims to promote the CA designation on an international level. CAW has just rebranded the old ACAUS organisation as the CAW Network USA. The international institutes are working with the CAW Network USA leadership to bring designation recognition in the US as well as provide better member value in the US. One of the objectives of CAW Network USA is to engage with CA members in Canada to also provide the US based services to Canadian based members. 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 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.

**13. How are we going to improve the reputation of the designation CA(SA) with all the high-level CAs(SA) involved in fraud and corruption? How relevant do you believe is the CA(SA) designation during the current state of the country, as well as the future? Do you think that the public perception of CA's has improved since the surfacing of the corruption cases?**

SAICA is currently implementing on an ongoing basis a comprehensive and integrated reputation management and communication plan to address the negative perceptions of the profession resulting from ongoing negative publicity in the media. We are pleased to report that SAICA achieved 1 648 positive exposures during 2020 which far exceeds the 92 negative exposures that mentioned chartered accountants. It is also pleasing to note that according to the annual independent Brand Reputation survey done by Ask Afrika, the index of trust in

CAs(SA) improved from 81% in 2019 to 84% in 2020. The admiration index of the CA profession however remained at 68% which was as a direct result of the ongoing coverage of past cases of alleged malfeasance which have not yet been concluded, as well as the announcement of new challenges in the CA profession. SAICA will continue to implement its reputation management plans and as the trust index improves and more disciplinary sanctions on errant members are published, the admiration index will rise as it is a lag measure index. We are therefore confident that this is tangible evidence that we are doing the right activities and succeeding therein to restore the market's confidence in the CA profession. It should be noted that this process will take time and it will not improve overnight.

Given the improvement of the Trust (81%), Brand admiration (68%) and Employability (74%) statistics indicated in our 2020 Brand reputation survey with Ask Afrika we are confident that we are succeeding in restoring the reputation of CAs(SA). These ratings significantly exceed the ratings of other business designations in South Africa for these particular index constructs.

**14. How are we going to strengthen our disciplinary processes to be visible, relevant, timely and effective in order to restore the trust in our profession by the public? Does SAICA have strong controls to ensure their members uphold ethical requirements consistently without any compromise?**

One of the key roles of SAICA is the maintenance and protection of the CA(SA) designation, which in recent times has been tainted by numerous public allegations of misconduct against prominent members of SAICA.

SAICA previously reacted to these developments with disciplinary investigations within the powers and procedures granted in its disciplinary processes as provided for in the SAICA By-laws. These powers and procedures however were seen by many as inadequate and many members expressed their frustration with the limitations on public disclosure and the time it takes to deal with these investigations.

As part of the trust restoration initiative, SAICA took into account input from the members and spent several months engaging with legal advisors and the SAICA Social and Ethics Committee in order to revise the SAICA By-laws. This led to a complete rewrite of the By-laws in respect of discipline which is now contained as a Disciplinary Code (Appendix 4 to the By-law).

The Board approved the revised SAICA By-laws in April 2020, with the effective date being 1 June 2020.

The new Disciplinary Code addresses the previous concerns by:

- Allowing the CEO to respond to the media on allegations of member misconduct after allowing the member 48 hours to respond;
- Allowing for publication of the outcomes of all disciplinary cases where a member is found guilty, by way of quarterly reports setting out the name of the member; details of the offence and the sanction imposed. The quarterly reports are published on the SAICA Governance site which can be accessed via the 'Governance and Discipline' banner on the SAICA home page.
- Speedy resolution of complaints by providing for separate disciplinary streams: less serious matters go through the Professional Conduct Committee (PCC) stream and serious matters are directed straight to the Disciplinary Committee stream.
- The early distinction between serious and lesser complaints make it possible to follow more appropriate process flows towards faster outcomes;

- Introduction of a schedule with guidelines on appropriate Fines for lesser offences and an Admission of Guilt option to shorten the process before the PCC;
- Authorising the PCC to determine whether a current member is still Fit and Proper to retain membership of SAICA where a competent Court judgement or an IRBA disciplinary finding is made against the member;
- Allowing without prejudice discussions between SAICA and the member to narrow the issues in dispute and to submit settlement proposals to the Disciplinary Committee for approval;
- Reduction of the cost of processing the complaints; and
- Recovery of costs from members found guilty of misconduct.

In addition, members are held to the Professional Code of Conduct which clearly states the responsibilities of SAICA members from an ethical perspective. In the event that the principles are not adhered to as indicated in the Professional Code of Conduct, SAICA will hold members accountable without fear or favour.

More information can be found on the [SAICA Governance website](#) which is accessible by clicking on the 'Governance and Discipline' banner on the SAICA home page.

**15. The CA(SA) designation has been brought into disrepute due to the number of cases of corruption SAICA members have been involved in. We are aware of ongoing and pending SAICA investigations and disciplinary hearings but we haven't seen any robust action taken.**

The SAICA Disciplinary processes have been completely re-written and the new process was implemented on 1 June 2020.

It is important to point out that the Disciplinary Code has been developed to be "legal and enforceable".

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 was taken into account and we are confident that within the requirements of this legal framework, we have succeeded in introducing significant improvements to our disciplinary processes.

In addition, the Disciplinary Committee hearings are open to the public to attend and dates of these hearings are posted on the SAICA Governance website.

A quarterly disciplinary report is published in the [ASA magazine](#), in the [Annual Integrated Report](#) and on the [SAICA Governance website](#), providing the details of all finalised matters where a member was found guilty of a punishable offence.



SAICA also achieved substantial media coverage for the disciplinary cases which were concluded with a guilty finding in 2020.

**16. What course of action does SAICA take to lessen the professional damage to the CA(SA) Brand caused by the media on audit failures and defaulting CAs(SA)? IRBA isn't the body to do this and reacts too late. What is the time span to react?**

SAICA is currently implementing an ongoing comprehensive and integrated reputation management and communication plan in order to address the negative perceptions of the profession resulting from ongoing negative publicity in the media. We are pleased to report that SAICA achieved 1 648 positive exposures during 2020 which far exceeds the total number of negative exposures received in the profession which is 92. It is also pleasing to note that according to the annual independent Brand Reputation survey done by Ask Afrika, the index of the trust in CAs(SA) improved in 2020 from 81% to 84%. The admiration index of the CA profession however remained at 68% which was as a direct result of the ongoing coverage of matters of alleged malfeasance which have not been concluded yet. In addition, there are also new challenges facing the CA profession which the media is reporting on. Therefore, SAICA will continue to implement its reputation management plans and as the trust index improves and more disciplinary sanctions on errant members are published, the admiration index will rise as it is lag measure index. We are therefore confident that we are doing the right activities and succeeding therein to restore the markets confidence in the CA Profession.

It is important to note that this is an ongoing process that will not be fixed overnight.

In addition, SAICA liaises on an ongoing basis with IRBA to improve the turnaround time on IRBA investigations, however members should note that investigations by IRBA or SAICA are legal processes which unfortunately require longer time periods to complete.

The IRBA is the regulator for audit related matters and therefore has the jurisdiction to investigate audit failings involving a registered auditor or an audit firm. Unlike SAICA, the IRBA is empowered to order the delivery of documents and other information under subpoena to assist in their investigation process.

SAICA is required to refer all matters alleging punishable conduct by a registered auditor to the IRBA for investigation. Upon finalisation of the IRBA disciplinary process, SAICA is obliged to accept the IRBA disciplinary finding and sanction and SAICA will then convene a Fit and Proper Inquiry to determine whether the member is still Fit and Proper to retain membership of SAICA in light of the IRBA finding against them.

**17. How is SAICA supporting the CAs(SA) who have been subjected to a written complaint to SAICA about them which is not warranted and one-sided?**

All disciplinary complaints to SAICA are adjudicated by way of either the Professional Conduct Committee (PCC) or the Disciplinary Committee (DC), which are both independent committees chaired by advocates or retired magistrates.

The Respondent Member to a complaint is provided with an opportunity to submit a written response to these committees and if deemed necessary also make oral representations before these committees before a decision is reached. This ensures that both the Complainant and the Respondent member place their version of events before the committee.

Where the PCC or DC decide that the Respondent member is not guilty of improper conduct, the complaint will be dismissed.

Where the committee is of the view that a member has acted unethically in making the complaint to SAICA, the committee may instruct the Discipline Secretariat to investigate this further with a view to bringing disciplinary action against the Complainant.

**18. High profile CAs(SA) involved in state/corporate capture seem to be able to use their ill-gotten wealth to delay prosecution or avoid censure which undermines SAICA's credibility and impacts all members' reputations. How can this be addressed?**

Where SAICA has sufficient evidence to enroll a disciplinary case before one of the disciplinary committees the matter will proceed even where a Respondent member chooses not to be involved in the proceedings.

While, in order to comply with procedural fairness, SAICA is obliged to respond to challenges raised by the Respondent Member and their legal representatives during the hearing, SAICA vigorously opposes any frivolous objections and attempts at delaying the hearings and finalisation of disciplinary cases.

**19. Why is it difficult to report or stop corruption as employees? Is it because our profession is not taught how to deal with corrupt superiors?**

The SAICA Code of Professional Conduct provides detailed guidance on how members should apply the conceptual framework to identify, evaluate and address threats to compliance with the five fundamental principles.

SAICA encourages members to report any allegations of punishable conduct by a members either to the [discipline@saica.co.za](mailto:discipline@saica.co.za) mailbox or to the Tip-offs Hotline.

More details on the SAICA Code of Professional Conduct and the complaints process can be found on the SAICA Governance website by clicking on the 'Governance and Discipline' banner on the SAICA Home page or going directly to [saicagovernance.co.za](http://saicagovernance.co.za)

**20. In an era where digital acumen is the new bread and butter for individuals and corporates alike, how is SAICA evolving and stabilising its relevance to remain future fit?**

SAICA is acutely aware of the importance of ensuring our members remain relevant in the future. SAICA is engaging with universities to make online learning available for our members which deal specifically with digital acumen including, among others, artificial intelligence, blockchain technology and more. The University of Johannesburg is already delivering online learning opportunities for SAICA members on these topics.

In addition, SAICA has also been working on the CA2025 project for a number of years, in which we are creating a competency framework (known as Pathways to Relevance) that will help create future-fit CAs(SA). This project will be implemented in 2021 and we will continue working closely with universities and academic training officers to ensure our prospective and existing members will remain relevant in the future. However, it must be noted that members also have a responsibility to ensure that they are at the cutting edge of new developments in the workplace of the 21<sup>st</sup> century. We encourage you to keep an eye on SAICA communications which will update members on Pathways to Relevance and a host of seminars and events

specifically focused on developing digital acumen. The ASA magazine also regularly features articles focused on the development of digital acumen.

You can find more information on the Pathways to Relevance site (<https://ca2025.co.za/>) and we encourage you to look out for SAICA communication in this regard, as the project will be implemented throughout 2021.

**21. The turnaround strategy for SAICA has been very impressive. The training competencies have been refined in a way that CAs(SA) and the CA training has been made relevant for the future. What are the plans to support qualified CAs(SA) and trainees with advanced digital skills?**

SAICA has been working on the CA2025 project for a number of years, in which we are creating a competency framework (known as Pathways to Relevance) that will help create future-fit CAs(SA). This project will be implemented in 2021 and we will continue working closely with universities and academic training officers to ensure our prospective and existing members will remain relevant in the future. However, it must be noted that members also have a responsibility to ensure that they are at the cutting edge of new developments in the workplace of the 21<sup>st</sup> century. We encourage you to keep an eye on SAICA communications which will update members on Pathways to Relevance and a host of seminars and events specifically focused on developing digital acumen. The ASA magazine also regularly features articles focused on the development of digital acumen.

## **TRANSFORMATION AND GROWTH**

**22. The dent that has so greatly cost the CA profession is quite huge. How do you see SAICA improving on that aspect and still being able to attract black young candidates to follow the CA profession?**

SAICA is currently implementing an ongoing comprehensive and integrated reputation management and communication plan in order to address the negative perceptions of the profession resulting from ongoing negative publicity in the media. SAICA also, despite the limitations of the COVID-19 lockdown, uses digital engagement with learners and trainees with a significant focus via Thuthuka on black trainees in particular. I am pleased to inform you that our research amongst prospective black CA candidates and learners indicates that the attractiveness of the profession as a viable career opportunity is still high among the learner population. The current SAICA professional health index of the attractiveness of the profession as a viable career opportunity still enjoys a positive access index of 87.35% overall.

SAICA is still drawing many young aspiring chartered accountants into our Thuthuka Bursary Fund. The biggest issue we as a profession should really be concerned about is the declining number of black students choosing Mathematics as a subject and even more concerning is the declining number of black students who are getting 60% or more in Mathematics. To combat this concern, SAICA does a many learner engagement sessions to explain the importance of choosing Mathematics and working hard to achieve the minimum of 60%. However, if you look at the pool of CAs(SA) who are under the age of 35, we are positive that becoming a CA(SA) is still an attractive choice for many young, black South Africans.

**23. I have been speaking to a few trainees from various accounting firms and have realised that exposure to auditing and gaining experience in complex industries is still limited to white trainees. Is SAICA looking to introduce a minimum requirement to be completed by trainees and auditing firms to assess a diversified pull of experience for all trainees? And in addition, it may help to have a body that monitors compliance to these standards on an ad hoc or regular basis.**

Issues of exposure and supervision in training offices are specifically addressed through SAICA's reaccreditation and monitoring processes.

We have also taken note of feedback provided in various forums and have a task team considering the impact of the manager in trainee development, exposure, performance management, assessment practices, etc. We have started by gathering specific information and engaging with various stakeholders to understand the specifics of what has been raised (often broad comments are made but when we drill down the concern is much more specific) so that we develop and run appropriate interventions to address areas of concern."

**24. There has been a lot of talk about the future of the CFO and that the current SAICA training programme is not sufficient to equip the CFO of the future. For example, a CFO of the future is a strategist who understands the impact of data, risks, operations and governance on the financials, he/she is not just a numbers analyst. What is the current or future plan to ensure that the CFOs, and CAs(SA), of tomorrow are more than just bookkeepers who manage finance?**

In order to address the change in job skills and expectations of members and associates, SAICA implemented the post-qualification competency framework - Pathways to Relevance - which addresses the competencies that will be required by members and associates to remain relevant in the changing world of work. SAICA has also updated its offerings to provide members and associates with offerings aligned to the Pathways to Relevance framework. You can find more information on the Pathways to Relevance site (<https://ca2025.co.za/>) and we encourage you to look out for SAICA communication in this regard, as the project will be implemented throughout 2021.

**25. What advice would you give to young CAs(SA) in order to maintain a sustainable growth in their careers, amidst the pandemic and the reputational issues facing the profession?**

It is important that young CAs(SA) understand that a CA's professional competence extends beyond specific accounting technical expertise and includes development of competencies that are attributable to responsible leadership and sustainable value creation. Professional competencies continue to be refined and proficiency levels increased to support the wide variety of roles taken up by the CA, over the span of their career. This requires that CAs, as lifelong learners, undertake relevant continuing professional development (CPD) activities and interventions to ensure that they maintain and develop the competencies required to continue to perform their roles competently, and being employable.

Young CAs should therefore be aware of the post-qualification framework - Pathways to Relevance - in their own growth, as well as their contribution to business and society. You can find more information on the Pathways to Relevance site (<https://ca2025.co.za/>) and we encourage you to look out for SAICA communication in this regard, as the project will be implemented throughout 2021.

**26. With BEEE many companies are promoting and hiring black female CAs(SA) more than coloured female CAs(SA). What is SAICA doing to advance equal opportunities for all females?**

SAICA is promoting the development of African and Coloured CAs(SA) through the Thuthuka Education Upliftment (TEUF) Board. We have several initiatives in this regard from a school, university right up to trainee level. We also engage with key stakeholders such as ABASA and AWCA in this regard. We will also raise this matter with our relevant stakeholders.

**27. How is SAICA doing on the Transformation front?**

Since SAICA's Transformation initiatives were mainly started around the year 2002 through the introduction of the Thuthuka programme, the success of the transformation initiatives is measured by the changes in the demographics of members under the age of 35. This is because there is not much that can be done around transforming the inherited membership, in other words the older members of the profession. Therefore, the true impact of SAICA's combined transformation initiatives is best represented by looking at how the membership base of CAs(SA) under 35 years old has changed since SAICA's transformation projects began in 2002. Details of SAICA's transformation successes are included in the [Nation Building Impact Report](#).

**28. Many companies are head-quartered in Gauteng or big cities with centralised control. Among these are companies with branches across the country in different secondary and small towns. In these towns there are many professionals (especially black professionals) trying to run practices and hustling for business. However, the challenge they face is that they do not get opportunities to work with local branches of these big companies as their clients because such work is reserved for big audit firms. This has the impact of stifling growth in small towns because business does not grow. What does SAICA think of this situation and what can be done to bring about change? SAICA has a Thuthuka programme to accelerate black students to qualify but after qualifying we don't have sufficient support to accelerate even further and break into roles and traditionally not occupied by young black CAs(SA). This can be an instrument of accelerating equality in our country.**

SAICA works closely with ABASA and this question relates directly to the work they do. SAICA will continue to raise these kinds of matters with ABASA in an effort to see how we can work together to ensure we support and enable our young black professionals to get the jobs they have worked so hard for.

## **OPERATIONAL SUSTAINABILITY**

**29. Why is there no differentiation in SAICA fees for those that are self-employed (pay bills themselves and feel the high cost thereof) versus those working for corporates (who do not pay these fees personally and therefore do not question the amount thereof). This is a huge disparity in equity between members that are self-employed versus company employed.**

The fees are based on the value of the designation rather than the economic standing of the member. There is already a concession arrangement in place for members whose financial

situation makes it impossible for them to pay fees and such a member would need to apply for concession in order for SAICA to consider the matters on a case-by-case basis.

### 30. Members need to know exactly how SAICA spends membership subscriptions.

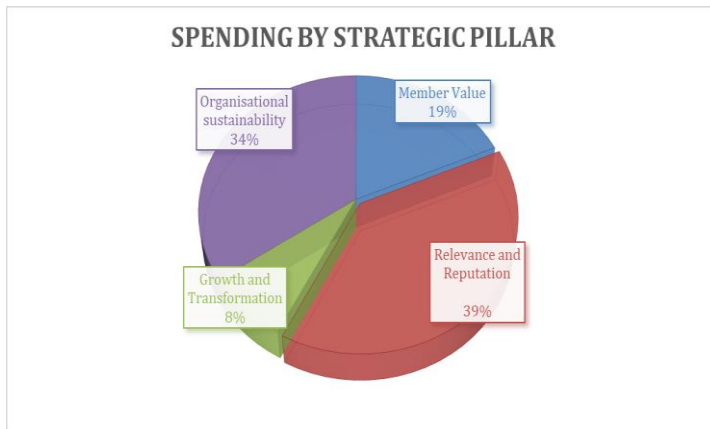
The SAICA membership subscriptions and all other income are only spent in furthering the principal objective of the Institute, which includes work on pre-qualification and post-qualification initiatives that ensures that SAICA members can be held to a highly ethical, professional, global standard and that they understand their broader responsibility in society. SAICA's audited financial statements are published every year with the Annual Integrated Report in the interest of members and all other stakeholders. Members are encouraged to read the financial statements and engage with SAICA management where further clarity is sought. The 2021 allocation of SAICA expenditure of member subscriptions was communicated in the Annual Member Subscription notice as follows:

The 2020 financial year was characterised by significant financial uncertainties due to COVID-19 that did not spare the Institute and its members. The Institute provided the necessary support to the members in response to these challenges despite the impact on revenues due to the various lockdowns implemented by governments across the world.

The fees for 2021 take into account that SAICA members have not recovered from these disruptions and it is also anticipated that the economy will take some time before it recovers. It is against this backdrop that SAICA has embarked on a cost-optimisation drive to identify ways to deliver value to members within available resources.

The 'new normal' has afforded SAICA an opportunity to embrace new technology-enabled ways of delivering value to all stakeholders, which in turn means that membership fees do not have to be adjusted for the 2021 financial year, whilst entrance fees have been reduced by 50% from 2020 rates across all designations. Tax practitioners' fees have been adjusted down by R1 260, after taking into account that some SAICA members pay these fees in addition to the membership subscription fee. An inflationary adjustment at 3,9% is factored into the examination fees after considering that these rates were also not adjusted in the previous year, despite the rise in costs of delivering examinations.

ILLUSTRATED MEMBER FEE	INDIVIDUAL: CA(SA)
	<b>R6 386</b>
Relevance and reputation	(R 1 100)
Member value	(R 2 316)
Growth and transformation	(R 473)
Organisational sustainability	(R 2 050)
Subsidy of Non-payers and over 60	(R 448)



### 31. Does SAICA have pensioners' rules and discounts?

The fees categories differentiate between full-paying members, pensioners (over the age of 65) reduced rate and long-serving or honorary members who are exempt of fees.

### 32. Is SAICA planning on reducing member subscriptions? The annual value for money is perceived to be very low. Many businesses around the world are heavily impacted by COVID-19 and the related economic impact. As a result, cost structures are under review and lots of effort spent on the efficiency of operations in an environment subject to supply and demand. With a captive market such as SAICA's, what is being done to improve the efficiency and cost structures in SAICA to keep membership fees from climbing?

SAICA has developed a strategy that outlines priorities and how value is delivered to members for the next 3 years and beyond. The fees that are charged to members are aligned to these priorities and where appropriate, SAICA has reviewed its operating model to embrace technology – this model was accelerated due to the global pandemic. The fees for 2021 were not increased and where savings were realised, fees were adjusted lower. It is also important to note that in 2020 over 60% of SAICA seminars and events were offered free of charge. The seminars and events offerings that SAICA has planned for 2021 also include a material proportion that will be complimentary and at no additional cost to a member who attends.

### 33. How has the pandemic affected the operation of the organisation? What are the changes planned to be made to the examinations sitting in order to protect everyone from the coronavirus?

The pandemic has affected everyone and not only SAICA and its operations but we do believe that our students and trainees have had the most challenging time. In response, SAICA engaged a lot more with our students and ran several digital interventions to assist them in any way we could. We also worked much closer with the universities through the HODs and the Thuthuka Programme Managers. In addition, we also wrote to the Vice Chancellors to request senior leadership interventions on certain matters regarding student support.

Our Trainee Tuesday events helped tremendously as well as our motivational sessions for the ITC and APC candidates. Both the ITC and APC exam dates had to be moved to ensure that all safety protocols were adhered to. Eventually, the exams were written, while we were fully compliant with government safety regulations regarding COVID-19.

The ITC sitting on 18 and 19 November 2020 as well as the APC sitting on 17 December 2020 took place with over 6 000 candidates as well as invigilators without any COVID-19 related incidents. SAICA anticipates following the same safety procedures for the ITC sitting in April 2021.

We also worked with training offices to address specific trainee concerns. We found that trainees who started their contracts during the early lockdown and trainees who had a few competencies left to finish their contracts were the worst affected. We were considerate of physical and mental health challenges during this time, which is why we worked with the individual training offices to address issues on a case-by-case basis, for example by suspending or extending trainees' contracts where health became a challenge. Most offices found that there was merely a temporary setback and that the experience could be caught up relatively easily later on. Unfortunately, a few offices had to retrench trainees and we assisted all of these individuals to find new training contracts.

**34. The quality of the SAICA website (functionality, content and reliability) needs to be revisited so as to get it nearer to the standard of the websites of organisations such as the ICAEW and CAA NZ.**

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.