

Ethical Reflections

Roger Steare: Ethicability Framework

Components of the CA2025 Competency Framework

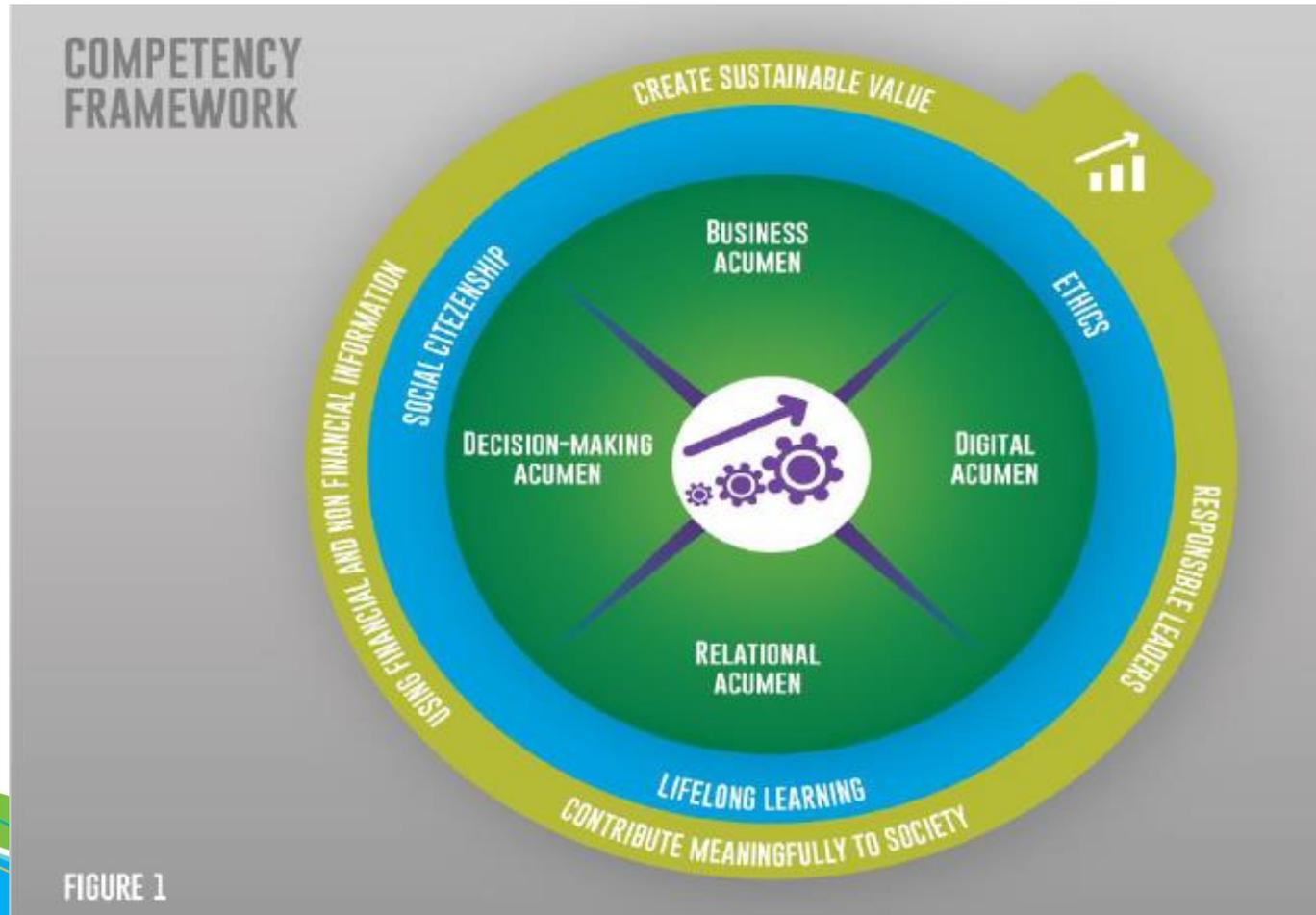


FIGURE 1

Ethic Initiatives Run by SAICA's Learning, Development & National Imperatives Unit

- Career Awareness
- Business Games
- Development Camps

Learners

Students

- Wrap-Around Support
- Thuthuka Lite Academic Support
- Student Induction Sessions
- 4th Talent Online Student Hyper-Personalised Learning
- Thetha Thuthuka
- Guest Lectures
- Career Awareness
- Gibs Student Survey

- Courageous Conversations™
- Unite 4 Mzansi™
- The Wiseman Nkuhlu Trust
- The Good Governance Academy
- ASA's #MoreThanWords campaign
- Thought Leadership

Members

Trainees

- Trainee Tuesday
- Firm Inductions
- ITC Support Programmes
- APC Support Programme
- Training Office Ethics Support
- 2021 Trainee Summit
- Gibs Trainee Survey

SAICA's Social Citizenship Role

SUSTAINABLE DEVELOPMENT GOALS

Our stated purpose of "responsible leadership" acts as a continuous challenge for us as SAICA to understand that our work has an impact that extends beyond business and into society as a whole.

As a purpose-led profession, we must recognise that when we uplift society and work towards these 17 SDGs, we have the power to transform our world community by community.

Here's how our projects are contributing on the SDGs:

PROJECTS

Thuthuka Education Upliftment Fund



Courageous Conversations



The Hope Factory SAICA Enterprise Development



Good Governance Academy



Unite 4 Mzansi



Gender Based Violence Project



Finbiz2030



#SustainableSA





Courageous Conversations

The Courageous Conversations dialogue series launched in May 2017, as a thought leadership initiative between SAICA and the Wiseman Nkuhlu Trust.

The series exists as a platform for engagement between the country's thought leaders, experienced professionals and the public, in order to find innovative but practical solutions to troublesome socioeconomic issues affecting the CA profession as well as the country. The long-term strategic intention behind the initiative is to create a national culture of critical thinking and solutions creation.

Details including recordings to each of the events can be found at:
<https://www.saica.org.za/initiatives/trust-restoration/courageous-conversations>.



Unite 4 Mzansi™

In South Africa, we have faced an impervious culture of impunity since the mid-2000s. State institutions of accountability have faltered and corruption has undermined our democracy and continues to destroy our economy. Unite 4 Mzansi™ aims to create solutions to the nine impediments to South Africa's economic growth, as per the National Development Plan (NDP), as well as the UN Sustainable Development Goals (SDGs) by addressing one of the biggest obstacles standing in the country's way of moving forward to achieve the NDP and the UN SDG: Corruption.

By studying state capture and the major corruption scandals in our country's recent history, the Unite 4 Mzansi™ case study videos focus on:

- Education campaigns – based on the insights learnt from the case studies
- Guardians of Governance campaigns – based on how we can influence structures of boards, etc.

Details can be found at: <https://www.saica.org.za/initiatives/trust-restoration/unite-4-mzansi>.

Audit Reform

1. In the February 2020 Budget speech, Minister of Finance Tito Mboweni indicated that National Treasury will appoint an independent panel of experts to review practices in the auditing profession.
2. Internationally, a number of reviews have been undertaken in other jurisdictions, such as the United Kingdom (UK).
3. The decision was made to consolidate the audit reform agenda with the Corporate Reporting Improvement Project being run by the CPR division.
4. While there is an understanding that audit profession needs to change in order to address trust restoration and reputational issues, SAICA's view is that the overall finance eco-system and capital markets' stability are called into question by the current situation.
5. The overall vision for the profession is to become true leaders in the economy and the society where the profession is seen as the custodians of governance, ethics and due care irrespective of which role each member plays within the finance eco-system.

SAICA Activities to date (Audit reform)

- SAICA has reviewed research that has been performed on other audit reform projects taking place globally (International benchmarking).
- There are ongoing consultations with various stakeholders to identify the South African problems and search for the possible local solutions.
- Proposed Terms of Reference have been drafted that will be used in SAICA CEO discussions with National Treasury.
- Quarterly features in the Accountancy SA on Corporate Reporting and Audit Reform, including media exposures.
- Two Audit Reform events planned for 2021 (June and September)
- Discussions on the need to establish a Centre for Audit Quality are currently underway.

Key themes included in the Terms of Reference submitted to Treasury

Some of the key themes in the Draft Terms of Reference include:

- **Wider financial reporting eco-system** – there is a need to look wider than the audit profession and focus on the other role players too.
- **The role of the auditor** - concerns were noted that the public interest role of the auditor is being overshadowed by a self-serving attitude.
- **Audit expectation gap** - The appropriateness of the audit product in its current form needs to be explored in terms of whether this still meets to the needs of the users of the financial information.
- **Independence** - audit firms are remunerated by the same companies that they audit, which may give rise to self-interest threats as well as pricing inconsistencies.
- **Regulatory Inspections** - The root causes of the negative inspections results reported by the IRBA need to be established and addressed.
- **Leadership, culture at auditing firms and governance processes** - The need for auditing firms to strengthen their corporate governance practices and firm requirements in order to manage conflicts of interest.
- **Other regulatory matters** - The benefits of enhanced collaboration between regulators such as the JSE Limited, the IRBA and the FSCA when dealing with cases of malfeasance in order to speed up the disciplinary process should be researched.

Public Sector

- SAICA believes that the ethical conduct of public servants is a foundational component of professionalism.
- Although public servants generally work to improve the lives of the public, their behaviour in public service is based on subjective morals and belief systems as opposed to universal, ethical principles. The purpose of ethics is to bridge the gap between these varying moral systems, ensuring that public service represents all of the public.
- Importantly, trust in public services is forever being eroded by public officials and public sector institution acting unethically, which emphasis the need for a Code of Ethics in the public service.
- SAICA strongly supports the professionalisation of the public service and believe that the Institute and its members are appropriately placed to support government on their journey to the professionalisation of the public sector with both its designations, namely Chartered Accountant (SA), Associate General Accountants (SA) and Accounting Technician (SA), and the skills and experience of its members and associates.