FACT SHEET 1: CA Pathways to Relevance: The importance of Ethics, Professional Values and Attitudes and Enabling Competencies

What is "CA Pathways to Relevance"?

CA Pathways to Relevance (CAPtR) is a competency framework that has been developed as a post qualification guidance tool to ensure that members can remain relevant and future fit as their roles evolve. This framework was built on the extensive research done to develop at "at entry" competencies expected of CAs(SA) in the CA2025 project.

The CAPtR sets out three different types of competency areas and members should ensure that when it comes to undertaking relevant learning and development activities for their roles that they are covering the competencies in all three of these areas. These are:
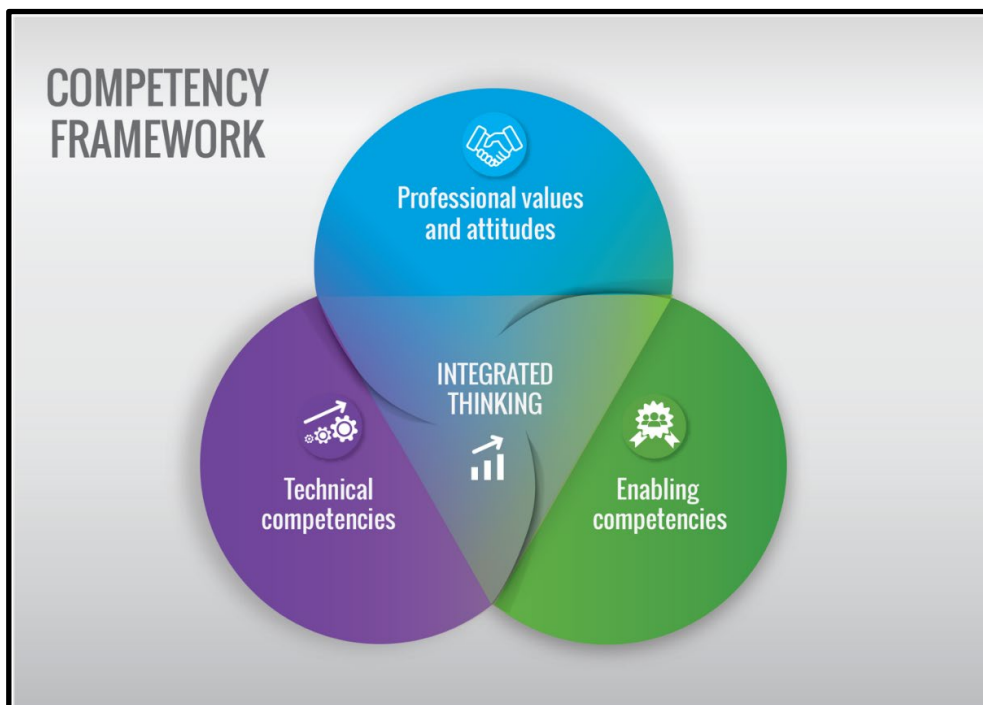
- Professional Values and Attitudes (Ethics citizenship and Lifelong learning);
- Enabling competencies (Decision making acumen; Business acumen; Digital Acumen and Relational acumen)
- Technical competencies in the value creation process

Figure 1: The SAICA competency framework

FIGURE 1
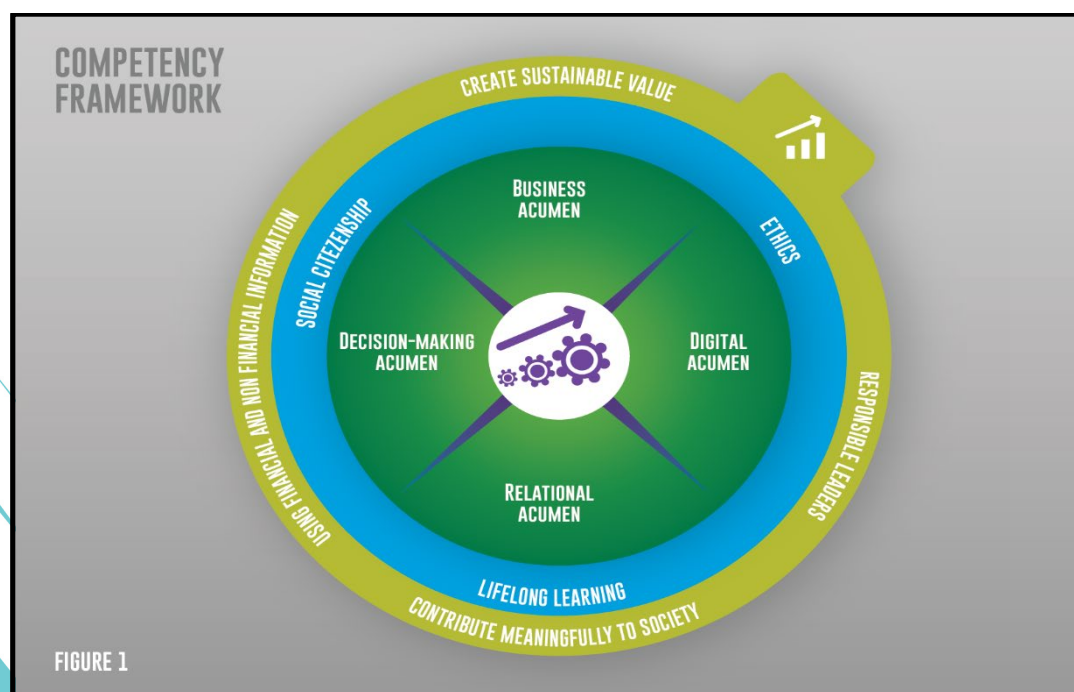
It is important to note that the three competency areas are not developed or assessed in isolation and that they are required to be integrated in order for true value to be delivered by a competent CA(SA). CAs need to integrate all relevant competencies (professional values and attitudes, enabling competencies and technical competencies) to provide quality deliverables (inputs, services, products and experiences) on a wide range of inputs, activities and outputs that lead to outcomes in an organisation's value creation process. This requires integrated thinking (also presented as an enabling competency below) to achieve viable solutions whilst considering all alternatives, by obtaining a broader understanding of an issue, creating a design or formulating a plan etc.

Figure 2: Integrating the three competency types

It is important therefore that CAs(SA) develop their competence for their specific role beyond that of just technical competence. The Professional Values and Attitudes as well as the enabling competencies also require further development post qualification.

What are Professional Values and Attitudes?
Professional values and attitudes are the characteristics that identify professional accountants as members of a profession. These characteristics are generally associated with and considered essential in defining professional behaviour. Professional values and attitudes describes the professional's commitment to technical competence and professional skills, ethical behaviour, professional manner, pursuit of excellence and social responsibility.

SAICA prescribes three competency areas within professional values and attitudes that all SAICA members need to develop and demonstrate in order to perform a role as an professional accountant[1], namely:
- Ethics,
- Citizenship; and
- Lifelong learning.

These three competency areas are further broken down as follows:

Ethics:
- **Personal ethics:** The personal value system applied by an individual to decision-making, conduct and interaction between the self and others.
- **Business ethics:** The ethical principles and values applied by the organisation to decision-making, conduct and the relationship between the organisation, its stakeholders and society.
- **Professional ethics:** The fundamental ethical principles and values applied by a professional CA to decision-making, conduct and the relationship between the professional, its stakeholders and society.

Citizenship:
- **Personal citizenship:** Personal citizenship is used to indicate that there are rights/responsibilities to being a member of multiple communities.
- **Corporate citizenship:** Corporate citizenship relates to the corporation's responsibilities/rights in society which has long been part of the field of business ethics.
- **Professional citizenship:** Professional citizenship is used to indicate that there are rights/responsibilities to being a member of multiple communities.

Lifelong Learning:
- **Self-development**: Self-development refers to the planning and management of personal development and an appreciation of how personal strengths and weaknesses may impact work, learning and goal attainment.
- **Adaptive mindset and agility:** Adaptive mind set and agility refers to taking initiative to improve performance and well-being by reviewing and reflecting on work performance.

Linking Ethics to Enabling Competencies
Ethics competence is a complex skill set and must be developed and demonstrated within the *enabling competencies* (as well as the Technical competencies) within the SAICA CA2025 Competency Framework.

In order to demonstrate their ethical competence, a SAICA member need to be able to demonstrate this in the context of:
- *Relational acumen such as:*
  - Communication skills
  - Leadership skills such as moral and ethical decision making and sustainability thinking
  - People skills such as negotiation, conflict resolution and consultation
  - Teamwork such as knowledge sharing and cooperation and collaboration

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[1] Professional accountant: as defined in the Code.

- o Self-management such as organisation culture advocacy
- o Managing others
- o Emotional intelligence
- *Decision-making acumen* such as:
  - o Critical analysis of ethical dilemmas
  - o Problem solving by considering the implications of one's actions
  - o Judgement and decision-making
  - o Professional scepticism by demonstrating an independent and questioning mindset
- *Business acumen* such as:
  - o Understanding the role of business in society
  - o Demonstrating concept of stewardship
  - o Sustainable development goals
  - o Continuous improvement of practices

Disclaimer:

Please take careful note that while SAICA does not seek to be prescriptive on the personal ethics of any individual, when an individual is engaged in activities within the professional and/or business contexts, alternatively engaged in activities where the SAICA designation is found to be relevant, an individual is required to act in accordance with the required standards as set out in the SAICA By-laws; SAICA Code of Professional Conduct; SAICA Regulations and Policies as well as to adhere to all relevant legislation.

Failure to act to the above required professional and business standards may result in an individual being found guilty of punishable conduct in terms of the SAICA Disciplinary Code.

FACT SHEET 2: Understanding Ethics

What is ethics?

Ethics, in the context of the accountancy profession, refers to the application of a set of fundamental principles, which are set out in a Code of Professional Conduct (the Code). The principles in the Code set out the expected standard of behaviour of a professional accountant, while recognising that professional accountants have a responsibility to act in the public interest. The fundamental principles in the Code are integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. The Code is applicable to SAICA members and associates (hereafter referred collectively as members).

Although the Code sets out the five fundamental principles of professional ethics, ethical competence is much broader than mere compliance with the Code. Ethics competence consists of ethics knowledge, ethics skills and ethical behaviour/attitudes.

- **Ethics knowledge** knowledge on ethical theories, ethical principles, ethical decision-making frameworks (personal and business ethics) and includes knowledge on the Code (professional ethics), etc.
- **Ethics skills** includes the ability to make decisions, the ability to negotiate appropriate solutions, the ability to communicate, the ability to apply critical thinking and other enabling competencies (refer the enabling competencies).
- **Ethical behaviour** includes demonstrating the ethics skills in practice (personally, within a business/organisational context and professionally as a CA(SA)).

In addition to the above components of ethical competencies have been further set out in the following areas:

- **Personal Ethics:** The ethical principles and values applied by an individual to decision-making, conduct and interaction between oneself and others.
- **Business Ethics:** The ethical principles and values applied by the organisation to decision-making, conduct and the relationship between the organisation, its stakeholders and society.
- **Professional Ethics:** The fundamental ethical principles and values applied by a professional Chartered Accountant (CA(SA)) to decision-making, conduct and the relationship between the professional, its stakeholders and society.

It is clear from this therefore that understanding, applying and behaving ethically goes beyond a mere application of the Code of Professional Conduct.

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FACT SHEET 3: Why SAICA requires all members to reflect on Ethics?

SAICA's Responsibility

As stated in the Code, a distinguishing mark of the accountancy profession is its acceptance of the responsibility to act in the public interest. SAICA has a responsibility to enable members to act in the public interest by setting out a formal qualification process, defining a set of competencies applicable to entry level members, and providing guidance on competence requirements post qualification (through the CPD Policy and other guidance tools such as the CA Pathways to Relevance post qualification competency framework). SAICA therefore has an active role to play in ensuring that its members appropriately develop the required *ethics competencies* as defined.

Member's responsibility in terms of continuous professional development for ethics

Equally, SAICA members have a responsibility to ensure that they are professionally competent for the roles they perform. Being professionally competent for any role a member performs must therefore include making sure the member demonstrates the necessary competence as it relates to the defined ethical competencies. To this end, SAICA may prescribe "compulsory areas" for CPD. The CPD Policy has been updated to confirm that these compulsory areas will be defined and communicated to members in the form a circular. This circular has been issued and as from 1 April 2021 it is required that all SAICA members specifically reflect on the ongoing development of their ethical competence, in line with the competency areas as set out above (also see the circular), as part of their annual reflective plan. Members are reminded that they only need to submit their annual reflective pans if they are selected for monitoring by the SAICA compliance team.

The theory of outcomes based continuing professional development

SAICA's new CPD model explicitly recognises that different professional accountants have different development needs and requires members to take ownership of their own professional development by demonstrating three broad steps of the output-based CPD reflective cycle, namely planning, action and reflecting; as referred to as PAR and are explained as follows:

- **P**lanning entails the identification of your own developmental needs (specific to the role you are performing);
- **A**ction by undertaking appropriate learning and development activities to meet the developmental need(s) you have identified and applying what you have learnt; and
- **R**eflecting by measuring the impact of CPD on your day to day activities and identifying any further developmental needs and learning and development activities.

The objective of CPD (which is framed in the SAICA CPD policy) is to promote up-to-date, high-quality services by ensuring that SAICA members have access to the necessary learning opportunities to maintain and improve their competence (knowledge, skills, attitudes, values and behaviours). An input-based approach to CPD focuses mainly on hours and activities, and it often neglects the actual purpose of CPD, which is for professional members to enhance their knowledge, acquire new skills and build on existing ones through

continuous reflection and improvement. The input-based approach to CPD often drives a compliance-based, number-driven view of learning which is in contrast to what SAICA wishes to achieve through its CPD policy, namely: a commitment to lifelong learning where CPD activity includes work-based learning, undertaking new projects at work, online reading, researching particular issues relating to clients or a specific role, and focused discussions with colleagues or professional advisers. (Note this is why the input measurement based approach is no longer allowed in terms of the SAICA CPD policy)

Under the new CPD policy, there is no requirement to achieve a certain number of hours or points –
the important feature is that consideration is given to the competence requirements (outcomes) of the member's current role and that learning addresses this. As ethics is the cornerstone of any professional, SAICA has issued a circular which sets out the compulsory CPD requirements as having to reflect on ones ethics competence in relation to the learning outcomes of the ethical competencies (personal, business and professional). Members are further reminded that if required, learning and development activities should be undertaken to maintain and further develop your understanding (and demonstration) of these ethical competencies.

FACT SHEET 4: How to reflect on Ethics

Refer to FACT SHEET 1 for more info on Ethics and Enabling competencies
Refer to FACT SHEET 2 for more info on Ethics 101
Refer to FACT SHEET 3 for more info on Why SAICA requires all members to reflect on Ethics

How to reflect on ethical competencies for the purpose of your CPD reflective plan (see circular 2021/02)

In terms of circular 2021/02, all members are required to include in their annual reflective plan, ongoing reflection on their ethical competence.

The reflection should happen in three stages, summarised as **PAR**:

Planning, **A**ction, **R**eflecting

- **P**lanning entails the identification of your own developmental needs. This can be done by asking yourself a series of questions listed below. Reflecting on your daily activities in the context of ethics, can best be achieved by using a series of questions. By asking yourself questions, you are prompted to consider all the ethical elements that is applicable to the daily activities of a professional accountants[2].
- **A**ction by undertaking appropriate CPD activities to meet the developmental need(s) you have identified and applying what you have learnt; and
- **R**eflecting by measuring the impact of CPD on your day to day activities and identifying any further developmental needs.

Frequency of reflection

Ethics is the cornerstone of our profession and the practice of considering ethical implications of all our actions should be second nature. Reflecting on ethics should not happen at specified intervals but rather be a continuous practice that becomes a way of life for all professional accountants. All members of SAICA should consciously create opportunities for reflection. Reflection may highlight that further learning and development activities are required – these should also be recorded on your annual reflective plan

Members of SAICA[3] as ethical leaders

As a member of SAICA, you are regarded as a leader in your industry. In the CA2025 competency framework, SAICA members are described as:

"Responsible leaders who behave ethically and create sustainable value for a wide range of stakeholders within an organisation".

Ethical leaders do not only act ethically, but also actively promote and stimulate ethical behaviour in others. As leaders, we have a responsibility to enable others to be ethical by creating appropriate structures, policies and opportunities for ethics development.

Opportunities for ethical reflection:

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[2] Professional Accountant: as defined in the Code.
[3] SAICA member include: chartered accountants - CA(SA).

- Staff meetings, board meetings, committee meetings and client meetings
- Training opportunities created by taking a newspaper article that you read the morning and discussing it with your staff in your daily catch up meeting.
- When you are faced with an ethical dilemma, reflect and make a point of sharing it with your staff/fellow member to allow learning opportunity
- Make a conscious decision to share prior experiences with juniors
- Make a conscious decision to coach staff on a daily basis by involving them in difficult decisions
- Discussion of disciplinary pronouncements and findings from the SAICA governance website
- Analysis of case studies
- Attending formal ethics training with a service provider
- Attending internal organisational ethics training such as code of conduct training

Reflection considerations

Disclaimer:
Please note that this is not an exhaustive list of reflection questions. This section is purely included to provide guidelines that can be used to start your reflective journey. As you develop the habit of reflecting and reading more on ethics on a continuous basis, you will find that the process will become more natural and habitual and that these and other questions will arise spontaneously.

Personal Ethics:
What is personal ethics and why should I reflect on it as part of CPD?
Personal Ethics reflection typically focus on your own values and how your values impact/ influence your current role in your organisation.

Considerations:
- What are your personal values? Ie. What is important to you?
- Compare your values with your employer values and evaluate whether they align?
- Do you know what your manager / managements values are?
- Reflect on the comparison between your own values and that of your direct manager or management.
- How do you define ethics?
- How would you explain the nature of ethics?
- How does your definition of ethics and your personal values, align with that of the Code?
- Evaluate your personal level of:
  - Ethical awareness (the ability to identify ethical dilemmas)
  - Ethical judgement (the ability to consider various options available)
  - Moral motivation (the willingness to do the right thing regardless of the consequences)
  - Moral action/ courage (the ability to make a difficult decision and follow through – whatever it takes – in the face of pressure and threats).
- Reflect on your current professional role identity to determine if there perhaps a misalignment between your personal values and that of the role that you are currently in:
  - What is your role in the organisation?
  - What is your role identity[4]?

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[4] *Role identity explained and relevance in the context of reflection:*
Professional accountants all enter a specific "role" in our job. The role that you most associate with, will drive your decision making process. In the Code, 3 typical roles can be identified that all CA's fulfil on a daily basis namely: serving the public interest; serving your employer; serving the client/ customer/ user of your services/end product.

  o Which of the three typical CA roles (as identified in the Code) do you most associate with and is this aligned to the strategic objective of the organisation?
    ▪ Do you most associate with the role of serving your employer? Being loyal to employer and protecting the employer's interest?
    ▪ Do you most associate with the role of the protector of the public's interest?
    ▪ Do you most associate with the role of serving the client/ customer's interests?

Business Ethics:
What is business ethics and why should I reflect on it as part of CPD?
Business Ethics reflection would typically focus on what constitutes ethical conduct in business transactions and business structuring/ model decisions.

Considerations:
- In terms of the ethical culture of your organisation:
  - What is the ethical culture in your organisation?
  - Have you read about ethical culture?
  - Have you considered ethical culture training/ considerations for your organisation/division?
  - Do you perhaps need to study this topic in order to assess the relevancy thereof for your organisation/ division?
- Do you look after your employees' wellness and how do you respond to risks to employees' wellness?
- Does your organisation have a Code of Conduct?
- Are your disciplinary processes fair?
- What do you consider your responsibilities to be as an ethical and effective leader in your organisation?
- What do you consider your responsibilities to be regarding the ethical behaviour of others within your organisation?
- What is your advocacy role in terms of ethical behaviour of your followers?
- What more can be done to empower staff to act ethically?
- Should you perhaps create more opportunities for ethical experience sharing?
- How does your company obtain their tenders[5]?
- Are the service providers that the organisation is contracting with conducive to sustainable business?
- Is the organisation using raw material sourced from responsible green sources?
- Reflect on your business policies around environment, external stakeholders indirectly impacted by your business expansions etc.
- What considerations do you give to the sustainable business when making strategic business decisions?

Professional Ethics:
What is Professional Ethics and why should I reflect on it as part of CPD?
Professional Ethics reflection focus on your role as a professional, your responsibilities and requirements under the Code specifically.

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[5] Tenderpreneurship is a typical business ethics topic.

Considerations:

- Are you aware that the Code states that a "distinguishing mark of the accountancy profession is its acceptance of the responsibility to act in the public interest"?
    - How does this impact the role you play in the profession?
    - What does this mean in the context of your current role?
    - What is your responsibility to act in the public interest?
- If you are a member in business – what does "serving the public interest" mean to you?
- How do you define public interest?
- How would you explain the advantages and disadvantages of rules-based and principles-based approaches to ethics?
- Have you read through the entire Code within the last 12 months?
- Are you aware of the most recent changes to the Code and how it impacts you and your organisation?
- Are you aware that there is a specific section in the Code that apply to:
    - Professional Accountants in Business
    - Professional Accountants in Practice
- Do you regularly apply the Code when making business decisions?
- Do you assess threats and apply safeguards and is this documented?
- What does it mean to be a professional?
- What is the difference between a professionalism vs commercialism mindset?
    - How does commercialism impact my responsibility to act in the public interest?
- Do you apply a questioning mindset critically to assess all relevant data?
- What is the role of ethics within the profession and in relation to the concept of social responsibility?
- What is the role of ethics in relation to business and good governance?
- Consider the interrelationship of ethics and law, including the relationship between laws, regulations and the public interest.

What should I document around my reflection as evidence of my compliance?

Planning phase documentation
Evidence of considerations similar to the above listed questions are recommended.

Action phase documentation
Evidence of all training and developmental activities you undertook during the year. This can be through various methods e.g. reading articles and books, attending training events (including online training webinars), watching YouTube resources on a topic, informal discussions amongst peers, staff meeting ethics discussions etc. Similar to an athlete who continuously exercise his muscles, **Ethics should be developed continuously**. This is not an annual or once-off event but rather a continuous series of developmental events to increase your awareness.

Reflecting phase documentation
After completing developmental activities during the action phase, consider and reflect on the actions taken. Reflect on your ethics competence based on guidelines provided for the planning phase. Evaluate and determine if further actions are required.