

## Member questions before the ASPAC CEO Roadshow – 30 March 2022

The questions below were raised by members in the ASPAC region before the CEO roadshow, scheduled for 30 March 2022. The answers were given by the relevant executives.

### RELEVANCE AND REPUTATION

#### Brand reputation management

- **I'm interested in the current perception of the SAICA qualification globally. The email updates I periodically get from SAICA seem to increasingly be reflective of a deterioration in the quality of the brand - whether pertaining to integrity issues of members and/or disciplinary proceedings and most recently, the significant administrative blunder in the APC examination. Not to mention the negative press about ongoing accounting scandals and fraud. If its global ranking has dropped, how did it get there, and what is being done to get it back?**

SAICA implements on an annual basis an ongoing integrated relevance and reputation communications strategy. Since 2018, SAICA's marketing and communications priority has focused on protecting the reputation of the profession by rebuilding trust in the profession (#trustleadership) considering the ongoing revelations of alleged CA(SA) malfeasance in several widely published cases and several members implicated in the findings of the Zondo Commission. The strategy also aims to build the relevance of the profession by promoting it as a profession of national value (#aprofessionofnationalvalue).

The trust reconstruction strategy positions the profession's leaders as brand ambassadors using the Difference Makers Campaign that was launched in 2021 through thought leadership and member profile articles. Regular updates on the outcome of SAICA's disciplinary processes are also critical in rebuilding trust in the reputation of the profession.

SAICA builds and maintains relationships with media, including regular meetings between prominent media editors and the SAICA CEO, to ensure balanced exposure in top-tier media such as print, broadcast (radio and television) and digital media. Further engagements include civil society organisations and communications include those with broader public interest, while retaining a member focus.

Social media remains a strong platform and SAICA is currently active on around 15 social media channels with engagement levels well above published industry averages.

SAICA monitors the market status of its designations through an annual independent brand survey conducted by Ask Afrika among business decision-makers across all sectors of the business market in South Africa. This provides insight into the impact of external market factors

on the profession as well as the effectiveness of SAICA's reputation management as well as the reputation of the CA(SA) designation.

	Stakeholder	2021	2020	2019	2018
<b>Attractiveness</b>					
- PHI <sup>1</sup> CA(SA) attractiveness Index	Learners, students and trainees	90%	87%	87%	84%
<b>Relevance and reputation</b>					
- PHI Brand Admiration Index	All stakeholders	79%	77%	95%	83%
<b>Brand strength of the CA(SA) designation</b>					
- Spontaneous Awareness Index	Business decision makers	94%	90%	87%	85%
- Preference in Employees Index		78%	74%	67%	68%
- Net Promotor Score <sup>2</sup>		29%	37%	36%	28%
- Trust Index		83%	84%	80%	75%
- Admiration Index		73%	68%	68%	66%

<sup>1</sup> Professional Health Index

<sup>2</sup> The rating of respondents who encourage their children to become CAs(SA)

The negative publicity around mainly the auditing profession that started in 2018 led to a decline in that year in all indicators, except spontaneous awareness. Since 2019 the lead indicators have recovered because of SAICA's Trust Restoration Strategy which is delivered through our reputation management activities despite ongoing and new negative revelations.

The important lead indicators of CA(SA) brand health have risen since 2019, despite ongoing historical and new negative publicity around the profession. The Brand Admiration Index, arguably the most important measure of the standing of the CA(SA) brand among business decision-makers, continues to be impacted by the ongoing negative publicity despite the positive trend in the other lead indicators and increased by 5% to 73% at the end of 2021. The only lead indicator that has declined in 2021 is the net promoter score which is the result of the unattractiveness of the audit profession given the ongoing negative publicity that the audit profession is subject to. The challenge SAICA had with the APC examination will also have contributed significantly to this.

Chartered Accountants Worldwide commissions surveys of global business leaders and key decision-makers to assess trust in Chartered Accountants. The 2021 Edelman Trust survey showed that trust in Chartered Accountants was more resilient than the profession more broadly and strengthened across most markets. Trust in CAs(SA) improved from 81% in 2019 to 85% and trust in SAICA improved strongly, remaining well above the global average for CA bodies.

Edelman Survey	2021		2019*	
	South Africa	Global	South Africa	Global
Trust in Chartered Accountants	85%	78%	81%	75%
Trust in Chartered Accountancy bodies	86%	77%	78%	76%

\* The survey was not conducted in 2020

While we believe our trust reconstruction promotion activities are effective in improving brand admiration over time, recovery is likely to continue to be affected by ongoing negative publicity implicating a minority of CA(SA) designation holders as and when this arises.

Given the results from the surveys mentioned above, the perception that the CA Profession in South Africa is slowly but surely losing its prestige as one of the best professions in the world, is not accurate. Yes, the profession has attracted negative exposure over the last few years, but our efforts to manage the brand's reputation are proving to be successful despite the ongoing negative publicity.

- **When you think about our profession, what's keeping you up at night?**

The risk to SAICA of not implementing a clear reputation management and communications plan (as mentioned above) will allow ongoing negative publicity to significantly damage SAICA's reputation. Given that the media coverage of errant CAs(SA) will continue, as well as media scrutiny of how SAICA has dealt with their cases, we need to continue proactively informing staff, members, the media and the public of SAICA's stance, and the rest of the regulatory ecosystem's role and actions. SAICA's thought leadership, advocacy and member profiling efforts are vital and ongoing tasks to counter the negative publicity.

Implementing the clear, consistent communications plan to reach all stakeholders, will create an opportunity to increase SAICA's credibility as a proponent of good governance and mitigate the risk of continuous negative publicity in this regard. The ultimate benefit of this comprehensive plan is to restore public trust in the auditing and chartered accountancy professions and ensure the relevance thereof – which in turn drive investors' trust in the capital markets of South Africa.

Our focus on reputation management as well as our commitment to the SAICA strategy cannot falter. In addition, SAICA members are the prime brand ambassadors for the CA(SA) designation and we have much to be proud of despite the negative publicity, as indicated above. Therefore, the work to ensure our members remain relevant and reputable will continue for the foreseeable future.