

CEO ROADSHOW

The questions below were raised by members before the CEO roadshow in South Africa, scheduled to take place on 19 August 2022. The relevant SAICA executives provided the answers.

MEMBER VALUE

- 1. What is SAICA doing as an organisation to encourage CAs(SA) into professions beyond audit, tax and accounting? Fields like digital transformation, product management, data science and analytics are incredible and well-suited careers for CAs(SA) to move into. I would like to see SAICA offering training and opportunities to encourage young CAs(SA) in this direction to enhance these industries.**

The comments are well noted as there are several new skills CAs(SA) should be developing to ensure they remain relevant. SAICA has already done work in this regard with the [CA2025](#) initiative for pre-qualification candidates as well as the [Pathways to Relevance](#) initiative for post-qualification candidates.

Digital acumen has been identified as an area where SAICA needs to be more proactive in offering development opportunities to our members. This work is in progress and is currently being implemented in the undergraduate course of SAICA accredited programmes.

SAICA also showcases young members who are successful in these fields, for example through the Top 35 under 35 competition. 2021's winner, Nic Riemer, developed an app for students who are writing their exams online.

SAICA further encourages its members to think about the future of the profession, by running an annual CA of the Future series which is focused on new technologies and innovative ways of thinking. In this regard, SAICA has also recently signed a knowledge partnership agreement with the Centre for the 4th Industrial Revolution (C4IR). The Centre is the custodian of the 4IR agenda within South Africa and the agreement will enable the profession to play an important role in 4IR developments in the country.

Through this agreement, SAICA, its members and associates, as well as trainees, will be able to contribute to the C4IR as follows:

- Providing professional services support on projects;
- Sharing information and insights;
- Advocating in relation to 4IR;
- Providing thought leadership on the 4IR agenda.

The agreement will further provide the profession access to:

- Some of the 4IR-related projects of the Centre;
- Project activities;
- World Economic Forum (WEF) Strategic Insights Platform and a WEF panel of global experts;

- Participation in the local technology governance summit; and
- Participation in at least one restricted workshop and event by WEF per annum.

The signing of the agreement is an important step in ensuring that the profession remains relevant into the future, while supporting the country in its 4IR endeavors.

In addition, SAICA and Wits have partnered to create the Chief Value Officer (CVO) programme. As businesses begin to recover from the pandemic, it is increasingly apparent that the world in which the CFO focuses on the financials is undergoing a transformation. In the future, the CFO's responsibilities will need to extend beyond financial information to multi-capital, value-creation accounting. With today's organisations having to measure, among other things, people (human capital), key relationships (social capital) and innovation (intellectual capital), the CFO is becoming the CVO.

The CVO's role is to ensure that all relevant aspects of value creation and destruction are accounted for and communicated to boards, management and external stakeholders. To do this, CFOs will need to change their mindset to one of comprehensive value creation and protection. Boards will need to look at performance through those multi-capital lenses – including, for example, natural, human, social and intellectual capitals. This multi-capital approach requires deep knowledge of one's own organisation and the expectations of internal and external stakeholders. The CVO's insights will inform analysis of business models, dependencies and impacts, risks and opportunities.

The CVO programme consists of three short courses, and is part of a continuing research-driven enquiry into integrated reporting, integrated thinking and sustainable development being undertaken by the Wits School of Accountancy.

RELEVANCE AND REPUTATION

2. The CEO needs to address the disasters that have occurred in the past 18 months with the APC exam and the reputational issues with CAs(SA) and what SAICA is doing in this regard?

The CEO has addressed the APC matter with all stakeholder groups on several occasions since it occurred in December 2021. This includes the CEO Roadshows in March 2022, the AGM in May 2022 as well as in several CA World newsletters following the December 1st exam.

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

¹ Professional Health Index

² The rating of respondents who encourage their children to become CAs(SA)

The negative publicity around mainly the auditing profession that started in 2017 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 significantly declined in 2021 is the Net Promoter Score (NPS) which has declined from 37% to 29% and this 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 also contributed significantly to this score. SAICA is currently preparing an NPS campaign, based on the value proposition of becoming a CA(SA), aimed at business decision-makers, parents and teachers, to promote chartered accountancy as a career, which will address the negative impact of the decline in the NPS index. This campaign should improve the NPS rating going forward.

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 holders of the CA(SA) designation as and when this arises.

Given the results from the survey 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.

The next Ask Afrika survey will be conducted in October 2022.

3. How will we restore trust in the profession, in the midst of ethical scandals, and technological disruption?

As indicated in the answer to question 2 above, trust in the profession has improved from 75% at the end of 2018 to 83% at the end of 2021.

It would appear from the independent market research that technological disruption is not negatively affecting the perception of trust as well as brand admiration among business decision-makers and other stakeholder audiences as these indices are currently improving and not declining.

As indicated in the answer to question 1 above, SAICA furthermore has an extensive CPD offering for members to adequately prepare them for technological disruption in the workplace going forward.

4. How can we bring about a collaboration between the Public and Private sectors?

This point is well appreciated and SAICA has embarked on various initiatives to foster collaboration between the public and private sectors to help support the improvement of the public sector and facilitate economic growth.

Some of these initiatives include:

- (1) Participation by the private sector in SAICA's advocacy submissions to government and international public sector standard setters.

The private sector forms part of the consultation process for public sector exposure drafts and draft regulations. This assists with

- a. ensuring that the private sector has knowledge of key legislations and standards in the public sector, and
- b. obtaining expertise from the private sector that may assist the public sector, for example, SAICA's task group on the International Public Sector Accounting Standards Board's (IPSASB) consultation paper on public sector sustainability guidance

(2) Participation in key stakeholder engagements affecting both the public and private sector.

SAICA hosts the PFMA and MFMA audit outcomes sessions on an annual basis. The AGSA, along with other key stakeholders including civil society, engages on the audit outcomes. The purpose of these sessions is to allow both the private and public sectors to engage with the stakeholders, understand the current challenges, and enable knowledge sharing and potential opportunities to improve the public sector.

(3) The Career Mobility Project

This project seeks to encourage members to consider applying their skills in the public sector from a private sector perspective and vice versa. This will assist with expertise across both sectors.

5. It appears that new CAs(SA) are not technically equipped to deal with IFRS and auditing matters in business. Is there similar feedback from other members?

SAICA has not received feedback on this matter from other members.

CAs(SA), especially newly qualified CAs(SA), are sought after for their in-depth knowledge of both IFRS and IAS standards – this is evident by the international demand for young CAs(SA) who often get approached to apply their skills overseas.

While this is a general question and statement, the reality is that the technical competencies are gained both at a pre-qualification and post-qualification level, but ongoing learning through further training or on-the-job learning is also important. Members need to ensure that their competencies match their job roles, regardless of the industry they are in. A part of the responsibility of being a CA(SA) is to ensure ongoing learning and reflection on whether your learning is relevant or not for the role you are currently engaged in, as well as the role you aspire to.

TRANSFORMATION AND GROWTH

6. What has been the success of Thuthuka in transformation of the profession in South Africa?

Through SAICA's Thuthuka Education Upliftment Fund (TEUF), a pioneering initiative spearheading transformation in the profession, SAICA is actively working to change the demographics of its membership base to be more reflective of the demographics of the country's economically active population (EAP) – particularly as it pertains to the African and Coloured populations.

Annually, the Thuthuka Bursary supports approximately 1 000 students studying towards their CA-stream in under- and post-graduate degrees (across various years of study) with between 200 and 300 students being made up of first years. Approximately 200 Thuthuka beneficiaries enter their three-year training contract on an annual basis. This is a great contribution to the profession.

When looking at the two accompanying graphs, it is evident that significant advances have been made regarding this mandate. When TEUF began in 2002, SAICA's CAs(SA) membership base was skewed at 92% white, 5% Indian, 2% African and 1% coloured, this despite white people making up only 10% of the EAP. Today, African members make up 16% of SAICA's CA(SA) member base, while Coloured members make up 4%.

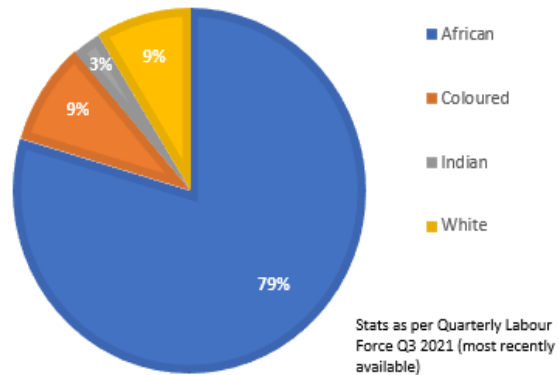
The true impact of the combined efforts of Thuthuka's transformation initiatives is best represented by looking at how the membership base of CAs(SA) under 35 years old has changed since SAICA's transformation projects began.

According to SAICA's latest statistics, of the 16 521 CAs(SA) under the age of 35, 4 393 are African and 1 013 are Coloured. This represents 27% and 6% respectively, a total of 33%, of the membership population under 35.

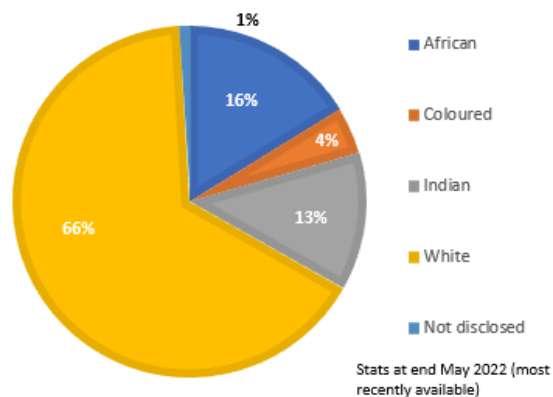
While these gains have, indeed, been significant, it is evident that much more needs to be done in this space if SAICA is to reach its goals of demographic representation across all racial groups.

7. Is the Regent Business School bringing courses to make the Diploma in Accounting a SAICA accredited degree? If not, what could be done in case a trainee is registered for the bridging course that is not SAICA accredited?

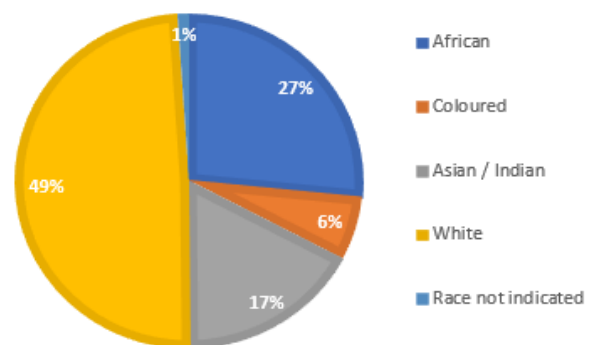
SA'S ECONOMICALLY ACTIVE POPULATION (BY RACE)*



CA(SA) MEMBERSHIP BREAKDOWN (BY RACE)*



CA(SA) MEMBERSHIP UNDER 35



Please refer to the SAICA [website](#) where a full list of programmes accredited by SAICA is listed and updated on a regular basis. The Regent Business School Post-Graduate Diploma in Accounting (PGDA) has been accredited by SAICA since 2020.